



alberta rural connectivity coalition

Canadian Radio-television and Telecommunications Commission Telecom
Notice of Consultation CRTC 2023-89:
Call for comments – Broadband Fund policy review

Submission by the Alberta Rural Connectivity Coalition
July 21, 2023

Introduction

The Alberta Rural Connectivity Coalition (ARCC) is a member-based organization formed with the goal of promoting access to high-speed internet at affordable rates for rural, remote, First Nations, and Metis communities in Alberta.

Launched in 2020 by a group of Albertans with an interest in rural broadband advocacy, the ARCC now has a membership of 47 organizations made up of leading municipal, educational, and economic development institutions representing all populated areas of Alberta. Coalition organizers meet with members regularly to discuss policy, regulatory, and technical solutions to digital inequity in Alberta.

All ARCC members consent to the following mission statement:

“Access to a high-speed internet connection at affordable rates is a basic right for all Albertans. All levels of government must take immediate steps to ensure that those Albertans without access to a high-speed internet connection, including those in rural, remote, First Nations communities and Metis Settlements, are connected to a modern internet connection at an affordable rate.”

The Alberta Rural Connectivity Coalition commends the Canadian Radio-television and Telecommunications Commission for initiating this proceeding on *the Broadband Fund policy review*. Attached at the conclusion of this submission is a list of individuals and organizations who have reviewed and seconded ARCC’s response.

Advancing reconciliation with Indigenous Peoples

Q1. Beyond the benefit of better telecommunications services, what types of economic and social benefits could projects provide within Indigenous communities?

Better telecommunication services offer Indigenous communities numerous potential benefits. Health care benefits include improved reduction in emergency response time by enabling responders to have two-way communications with communities, access to resources that may not be physically accessible / available nearby, access to personal health records, and options for virtual care / appointment booking.

Employment benefits include the ability to post and find local jobs through the telecommunication services, the ability to work remotely, and the increased ability to apply for jobs that have moved to online application. Education opportunities encompass remote learning

(both formal education through institutions offering online options, and informal education through other online resources). This is particularly relevant for remote Indigenous communities where the location of formal education systems (such as high school) often require the learner to live in another community. Finally, better connectivity can increase the sense of belonging that comes with the ability to connect with people and communities outside of your geographic radius.

(i). How could those benefits be assessed when evaluating projects?

Applicants should be encouraged to provide not just financial and quantitative estimates of the benefits of their proposed project, but also qualitative ones. For example, an applicant could include the results of a community survey where participants answer quality of life questions such as: “If you only had 10 minutes a day on a computer what would you do?”, “What would access to online services and technology allow you to do?”, “What is something internet access has made possible for you?”, etc. More simply, applicants could be asked to survey community members to find out what benefits improved broadband would bring, and what barriers they currently face.

The Commission could also ask applicants to provide evidence of longer term outcomes of improved connectivity, such as demonstrating that a project would result in a community-owned and directed database for local training opportunities. This evidence should also be made public record so results can be followed up on and used for future analysis.

Q2. How should the Commission identify the Indigenous communities eligible for this stream?

(i). In particular, how could Indigenous communities that are not located on Indigenous reserves or settlement lands be identified?

There are numerous actions the Commission could undertake to help identify eligible communities.* These steps could include:

- Engage existing departments that directly work with or collect information on the location of First Nations, Métis and Inuit (FNMI) communities and individuals.
- Create a model for more intensive consultation which includes resources for education of proposed funding streams, information, and opportunities.
- Consult with post-secondary Indigenous studies programs on the historical research available that could inform meaningful consultation and help identify communities not located on reserve.

- Work with the Canada Revenue Agency, which has information on every tax paying individual in Canada. This information can be used to further identify eligible communities.
- Once the work has been done to identify each outlier community, create a plan with intention and context and canvas the geographic location.

*To support the steps outlined above, the Commission must hire someone with research qualifications who is First Nations, Métis or Inuit.

Q3. Are the criteria used to evaluate other Broadband Fund applications appropriate for this funding stream?

(i). Should some criteria be removed, added, or changed to better reflect what is needed to serve Indigenous communities?

The Commission should recognize that the existing criteria do not fully account for the history of racism, exclusion, control and extraction that many non-Indigenous telecom service providers (TSPs), especially large TSPs, have practiced in regard to Indigenous communities. Universal Broadband Fund (UBF) support for Indigenous projects should specifically account for these historical and current realities.

(ii). If some criteria should be removed, added, or changed, identify which ones and the reasons for the change.

Eligible applicants for projects serving Indigenous communities should be prioritized for Indigenous-owned and operated telecom service providers. Application criteria should clearly indicate reasons why applications pertaining to Indigenous communities would not be selected (i.e. clearly articulated exclusion criteria).

This requires a step-by-step methodology to break down the reasons why a First Nations community may not be chosen for UBF funds.

Q4. How can the Commission reach out to Indigenous communities to ensure they are aware that this funding is available?

The Commission should look at the existing list of successful communities and assess the reasons why communities have not been successful in accessing funding. To assist Indigenous communities, the CRTC should work with Indigenous Services Canada to educate them on the funding streams available, and get their support in sharing information about this resource across the country. Further to the response in Q2, it is recommended the Commission hire more Indigenous staff to assist with research and outreach.

Expanding the scope of funding

Q5. Should the Commission provide operational funding support to TSPs serving rural and remote areas?

Yes, the Commission should provide some degree of operational funding for TSPs serving rural and remote communities. Operational funding support should be available for small TSPs (i.e. not ILECs and large cable carriers). Providing operational funding for legacy technologies is a poor approach. Operational funding should only be available for projects using fibre technology. However, ARCC recommends that the CRTC is more flexible in applying this standard to Indigenous communities where needs may dictate other approaches. Operational funding for large TSPs should be based on eligibility criteria outlined below in response to Q6.

Q6. What mechanism(s) would be appropriate for funding operational costs, either within the Broadband Fund framework or as part of a broader operational funding program?

Funding of operational costs should be contingent on the following conditions:

- Funding is used for the training and employment of local staff within any rural community, not just communities without year-round road access. This supports the local economy and helps to ensure the resiliency of operations.
- Cost savings to the ISP are reflected in service package pricing:
 - Service packages should be set at a rate that is within range of the annual national average (\$58.14 in 2022)
 - Setting pricing limits for telecommunication companies will allow the CRTC to mitigate scarcity and the demand that drives up internet costs in underserved areas.

However, with respect to the average service package rate cited above, it should be noted that transport costs are very high in some rural/remote/Northern regions. This makes it challenging for small providers to offer retail services at a price that meets this proposed rate as well as the Basic Service Objective. For that reason, there should be recognition of those circumstances for small / non-profit / Indigenous providers.

Where appropriate, operational funding can be used to offset transportation costs for small and/or non-profit and/or Indigenous owned TSPs in rural, remote and Northern regions where transport fees are such that they limit the ability to provide services packages within the set rate range.

Q7. If funding for operational costs is provided, the Commission expects that there would be improvements to TSPs' available service packages and pricing offered to subscribers

in rural and remote areas. How can the Commission ensure that any reductions in prices or improvements in service packages are offered and maintained?

The Commission should correlate the operational funding to expected reductions in price or demonstrable improvements in service packages. In this regard, the Commission may be able to develop a formula such that funding $x\%$ of operational costs leads to at least $y\%$ in price reductions (or material improvements in service package). At this point, we are unable to specify the exact ratio between x and y , but suggest the Commission could use such an approach.

Alternatively, the Commission could require that service packages be within a specific range of the current national cost average.

Price disclosures must be transparent and include all administrative and transport fees that are not considered part of the subscription and/or service package cost. In terms of improvements, TSP's should be required to provide service packages that meet the federal universal service objective.

Q8. How should the Commission determine applicant and geographic eligibility for operational funding if it is not tied to an eligible capital project?

(ii). Should TSPs be able to apply for operational funding alone, or should operational funding be tied to an eligible capital project?

TSPs should be able to apply for operation funding alone, but this funding should not be technologically neutral, except in Indigenous communities.

Q10. Assuming an application-based process, what criteria should be used to assess an application for operational funding?

Factors to consider when assessing operational cost applications include: cost reduction/service improvement; number of customers serviced/to be serviced; technology used (ie. fibre); and TSP size.

Q11. If the Commission funds operational costs, how long should operational funding be provided?

Operational funding should be provided for the duration and/or remainder of the applicant's budget cycle (up to four years) to allow applicants the opportunity to train and employ local staff, assess operational costs once staff are in place, and adjust spending in other areas to absorb future operational costs.

(i). Should a new application be required to extend funding?

There should be a simplified/expedited process for extending funding, unless that applicant has reached the end of their funding cycle, at which time a new application will be required.

Improving network resiliency by funding projects to increase geographic redundancy in rural and remote areas

Q12. Is the proposed definition appropriate for resiliency projects under the Broadband Fund?

The proposed definition for resiliency projects under the Broadband Fund is not appropriate as it lacks future-forward concepts to support underserved communities, such as:

- Redundancy provisions for communities with limited infrastructure, such as those that are dependent on low-orbit satellites.
- Language that supports new and emerging technology that could be used to backhaul or augment transportation infrastructure.

(i). Should additional types of projects be considered for resiliency funding?

There should be consideration for resiliency funding of projects that will help increase the resiliency of rural and urban networks in tandem through projects that:

- Extend the infrastructure in urban or larger rural areas in order to support nearby under-connected communities achieve universal service objective speeds
- Leverage new/emerging technology that will allow for long-haul data transport across areas of limited infrastructure

Identifying and addressing any additional funding gaps in the current broadband funding environment

Q18. Are there remaining gaps in connectivity funding in Canada that are regional or based on specific types of projects that are not currently the focus of significant funding?

The Commission could consider several new types of funding to address gaps in the current Broadband Fund. Specifically, funding streams should be available for:

- Business Model Transition Funding — funding to support small TSPs or community owned TSPs that need to change their financial/business model. The Broadband Fund

could provide some bridge funding that would allow a small/community ISP to transition from an unviable financial/business model to a new one. Business models requiring transition could include but are not limited to models that:

- Rely on grant and/or philanthropic funding that is no longer available
- Include partnership agreements that are coming to an end
- Are looking to transition to and/or from local support offices vs virtual support
- Community Capacity Development Funding — funding to develop resources for local officials that would enable them to advance conversations about broadband in their community. This could involve workshops or other educational resources, and could be produced in partnership with relevant organizations (e.g. Federation of Canadian Municipalities).
- Experimental Projects Funding — funding for experimental projects to test new and emerging technologies as solutions for remote communities.

Q19. Are there constraints or unfunded costs in the current Broadband Fund or the funding landscape that prevent projects in certain areas or certain types of projects from being sustainable, even where some funding may be available?

As per the answer to Q18 above, the Commission should consider Business Model Transition Funding, Community Capacity Development Funding and Experimental Projects Funding.

Review of the Commission’s Broadband Fund framework for capital projects

Q20. What form of engagement with an affected Indigenous community should applicants be required to demonstrate?

Applicants should be required to demonstrate they have consulted with at least 100 people, unless the total population is less than 100 people.

Q21. How should applicants demonstrate support from an affected Indigenous community?

The applicants should provide proof of consultation with the associated project sign-off from all directors, educators and administration in the Indigenous community, including Chief and Council. They should also include any money spent on honorariums for elders or community members during the process.

Q22. How should the Commission assess engagement with Indigenous communities when evaluating applications?

In ARCC's view, the Commission is not appropriately resourced to assess engagement due to a current lack of internal controls and policies, and therefore should create an external and internal review panel to close any gaps in this review process. The Commission's close ties to industry and reliance on industry to self-govern also creates a conflict in how projects are developed and rated as successful, which should be mitigated through the use of an external review panel.

Increasing the focus of the funding program on mobile wireless service and satellite-dependent communities

Q23. Should the Commission increase emphasis on mobile wireless funding in the Broadband Fund, including incorporating mobile wireless into the name of the Fund?

Mobile wireless is a crucial component of connectivity. It can provide material benefits for safety and wellbeing, and is an area where incentives are needed to enhance coverage. However, the Commission must also recognize that the fundamental input for mobile wireless — spectrum licenses — are governed by Innovation, Science and Economic Development Canada (ISED), and without a process to make spectrum available, including through measures such as spectrum sovereignty and Indigenous set-aside policies, a focus on mobile wireless within the Broadband Fund can only be limited at best.

The limitations of the Broadband Fund to deal with all aspects related to spectrum management highlights the challenges stemming from the ongoing bifurcation of telecom policy and regulation in Canada. Furthermore, in its current form, the *Spectrum Policy Framework for Canada* (3rd Ed. (2007)) significantly deviates from the current CRTC Policy Direction in terms of enabling guidelines.

In terms of changing the name of the Fund, given that the Fund cannot address spectrum allocation issues, there is no need to elevate "Mobile Wireless" into the name.

Q24. Should the Commission provide funding for operational costs related to mobile wireless projects, particularly those serving eligible major transportation roads?

Operational funds should be provided to major transportation roads as long as doing so results in an increase in service availability and/or a reduction of connectivity costs for neighboring communities. In awarding operational funds for mobile wireless projects, the Commission should be particularly cognizant of the fact that the necessary spectrum licences to provide such services are often held by large TSPs. As such, the Commission should consider the role of conditions for such funding to ensure public benefit.

Q25. Should the Commission change any of the eligibility or assessment criteria related to mobile wireless projects?

Yes, if the Commission is going to fund more mobile wireless deployments, and potentially cover operational costs (as per Q24), the assessment criteria for mobile wireless should be unique. Specifically, the Commission should consider how Broadband Fund money will incent deployment beyond the deployment conditions prescribed in spectrum licenses. Or in other words, the Broadband Fund should not simply be used as a means for spectrum license holders to satisfy ISED deployment requirements, but should extend deployment beyond those deployment requirements.

Q27. Should additional operational funding be provided to TSPs for projects in satellite-dependent communities to alleviate the cost of providing broadband Internet access service and to improve pricing for their subscribers?

Yes, additional operational funding should be provided to satellite-dependent communities to allow for the creation of more permanent infrastructure. However, similar to the argument laid out in Q6, operational funding should be contingent on pricing limits for service packages and, whenever possible, the training and employment of local staff.

Addressing affordability and pricing constraints

Q28. What criteria should the Commission use to determine if service plans are reasonably priced and if the rates are comparable to the same services offered in specified urban areas?

(i). In particular, if a TSP plans to offer services for which no comparable service is offered by a facilities-based provider in a designated urban area, how could the reasonableness of the rural service's costs be assessed?

The Commission should use the average cost of plans in the nearest urban area that meet the universal service objective as the starting point to determine if the service plans in rural communities are reasonably priced. If the Commission were to introduce price rate caps for plans meeting universal service objectives, the Commission could resolve the issue of there being no comparable urban areas. Any pricing rate cap should include parameters around low-income packages, along with any additional administration and transport fees that may not be considered part of a subscription/service package for low-income service packages.

Q29. Should applicants that operate facilities in the specified urban areas be able to commit to matching their own urban pricing for rural subscribers—particularly for mobile subscribers—rather than committing to specific rates?

Applicants should be required to price-match rural service packages to urban service packages based on the packages' relation to the federal universal service objective. This would allow for this policy to remain current as the universal service objective shifts.

Q30. Should the lack of available service plans offering unlimited data capacity for fixed Broadband Internet access services be a criterion, in addition to the lack of plans offering universal service objective-level speeds, in determining eligible geographic areas for access projects?

Yes. The Commission should consider both speed targets and unlimited data capacity in determining eligible projects. Affordability of available packages should also be considered. This could be assessed by looking at the percentage of households within access that are subscribed to the service. The Commission could also consider examining the cost of broadband services relative to median household incomes, particularly in Indigenous, rural and remote communities.

Adjusting the geographic eligibility models and corresponding criteria

Q36. Does the availability of service that meets the universal service objective (based on the universal service objective at the time of the call and including an unlimited monthly data allowance) within a community indicate that it has sufficient transport capacity and therefore should not be eligible for funding for transport projects?

No, the availability of services that meet the universal service objective within a community does not indicate there is sufficient transport capacity to service all households at the universal service objective level. Eligibility most consider current subscription rate, growth potential, and capacity of existing infrastructure.

Q37. Should saturation of existing transport capacity into a community be considered when determining eligibility?

Yes, saturation of existing transport capacity into a community should be considered when determining eligibility. If the PoP infrastructure in place cannot service all households within a two-kilometre radius with the universal service objectives, that community should be considered eligible.

Funding replacement equipment

Q40. Should costs for some replacement equipment be explicitly included as eligible costs for capital projects?

(i). What conditions, if any, should determine whether replacement equipment is eligible for funding?

In considering conditions for eligible replacement equipment, the Commission should be guided by the following questions:

- Has the equipment been operated and maintained within the parameters of its service standard?
- Is the equipment capable of meeting capacity needs of the community for the next x years?
- Is replacing the equipment more cost effective than adding additional equipment/infrastructure
- Have repair options been considered?

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