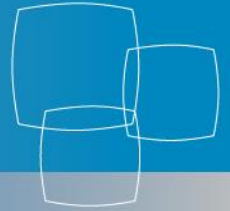




Industry
Canada

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BROADBAND CANADA: CONNECTING RURAL CANADIANS

BCBA conference



May 9, 2011

EDRMS 229249

Canada 



Purpose of Presentation

- Background
 - **Past Broadband Federal Investments**
- Context
- Program overview
- Program updates
 - **In Canada**
 - **In British Columbia**
- Next steps
- Questions





Background

- In 2009, 4.2% of Canadian Households (HHs) did not have access to high speed Internet service of a minimum of 1.5 Mbps.
- 92 % of these unserved/underserved HHs were in rural and remote areas where private sector investment has been limited (in comparison with urban areas).
- The Government has been active in encouraging increased broadband connectivity to:
 - Enhance the economic and social well-being of individuals, HHs and businesses; and
 - Ensure that Canada compares well internationally in all measures related to broadband connectivity (i.e. access, speed, pricing).





Past Broadband Federal Investments

Broadband for Rural and Northern Development Pilot Program (2002-07):

- \$105M connected approximately 900 communities;

National Satellite Initiative:

- \$155 million to provide broadband Internet access via satellite;

Infrastructure Canada investments:

- Approximately \$130 million invested in joint federal/provincial initiatives.

Indian and Northern Affairs Canada programs:

- First Nations Infrastructure Fund (FNIF) funds community infrastructure needs. Total funding is \$131 million over five years starting in 2007/08.





Context

- In spite of several investments in Broadband (from private sectors and all levels of Government), service gaps between urban and rural areas are still considerable due to limited availability of broadband connectivity in these regions.
- Announced as part of Budget 2009, Industry Canada was provided with \$225 million under Canada's Economic Action Plan to extend broadband coverage (minimum 1.5 Mbps) to as many unserved and underserved HHs as possible over three years beginning in 2009-10. The largest component of this strategy is the Broadband Canada Program (BCP).





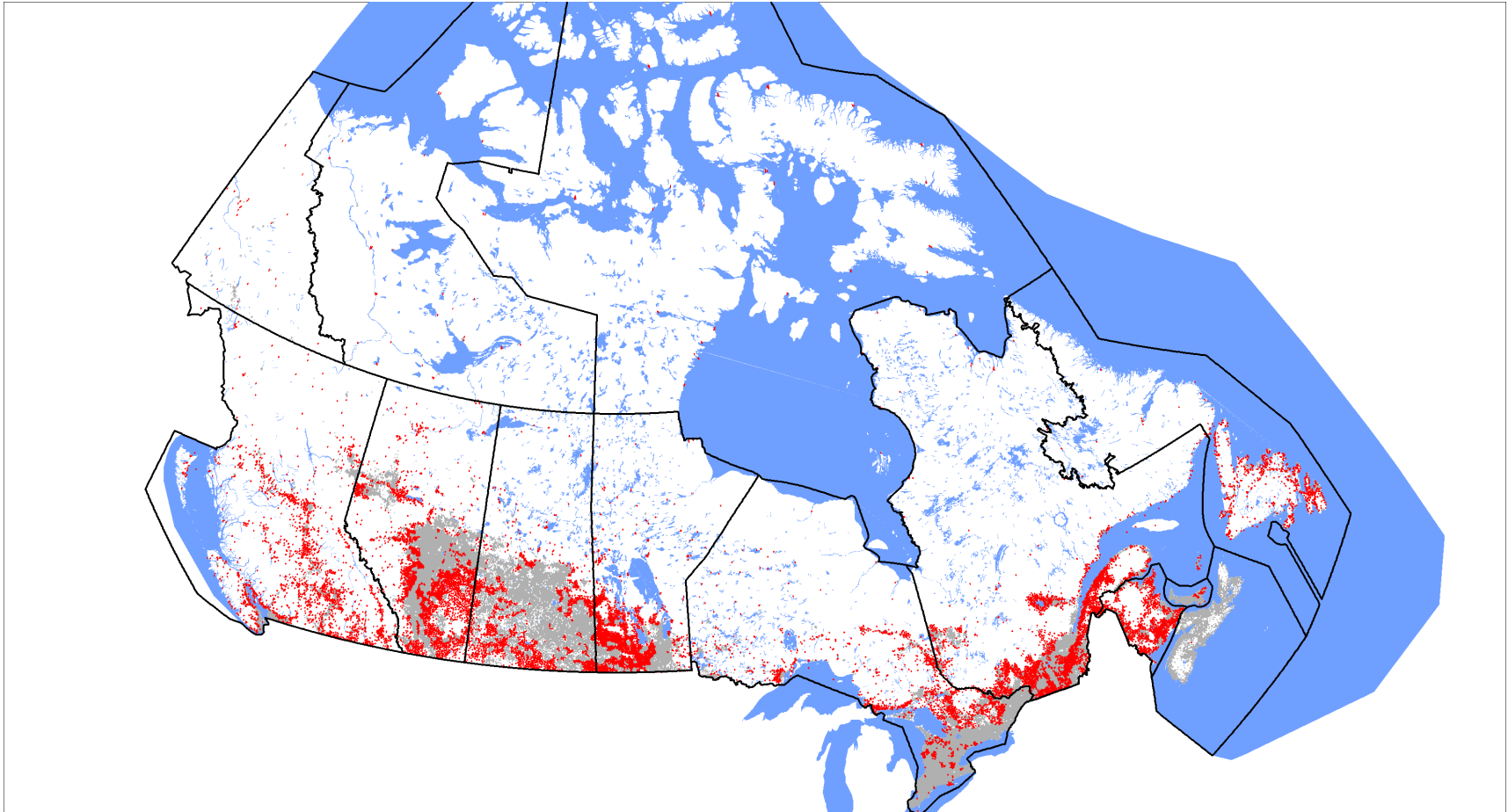
Estimated Number of Unserved/Underserved HHs in Eligible Provinces & Territories in 2009

AB	51,114
BC	71,100
MB	45,367
NL	31,388
NT	1,768
NU	11,779
ON	68,549
QC	187,207





Snapshot of the National Broadband Map (2009 data)



- Served HHs
- Unserved / Underserved HHs



What is the Broadband Canada Program?

- A Federal program providing contribution funding to eligible proponents to extend broadband coverage to unserved or underserved HHs (rural/remote areas).
- The objectives of the program are to:
 - Increase the number of Canadian HHs with access to broadband services of a minimum download speed of 1.5Mbps at a reasonable cost to the subscriber; and
 - Provide essential infrastructure to Canadians in remote and rural areas, allowing them to participate fully in the digital economy.





What is the Broadband Canada Program? (cont'd)

- The program provided federal funding (up to 50% of eligible costs) to eligible recipients through a competitive application process. First Nations projects were eligible for 100% federal funding.
- The application process was designed to:
 - Encourage competition among applicants;
 - Be technology neutral (i.e. accept a variety of technological solutions); and
 - Ensure the completion of projects by December 31, 2011.





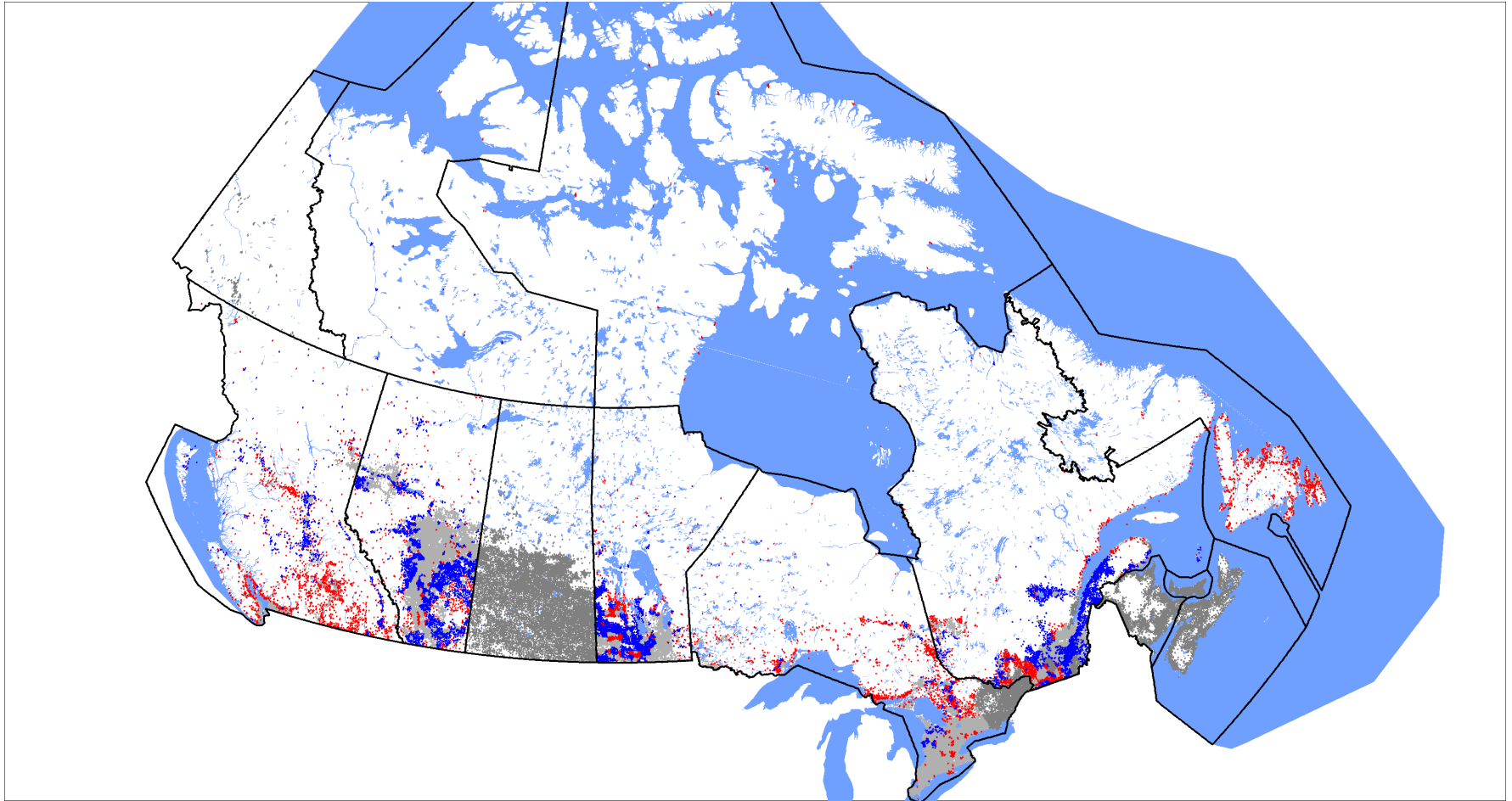
Estimated Number of Remaining Unserved/Underserved HHs in Eligible Provinces & Territories after roll-out of FPT and Municipal initiatives

AB	10,196
BC	57,352
MB	17,910
NL	31,388
NT	447
NU	11,779
ON	45,133
QC	61,413





Impact of F/P/T and Municipal initiatives



- Served HHs
- Municipal, Provincial and Private Initiatives
- Broadband Canada program
- Remaining Unserved / Underserved HHs



Program updates in Canada

- 86 projects in total were approved and are now being implemented. All projects are expected to be completed by December 31, 2011.
- \$111.6M allocated to projects (with \$25M of that awarded to First Nations projects) to connect 210,000 unserved/underserved HHs, including over 13,000 First Nations HHs (BC, MB, ON and QC).
- Five projects are now finished (connecting \approx 4285 HHs) and 21 are 50% complete.
- After BCP and other provincial and municipal initiatives are completed, less than 2% will remain unserved/underserved, nearly all of them located in rural or remote areas.





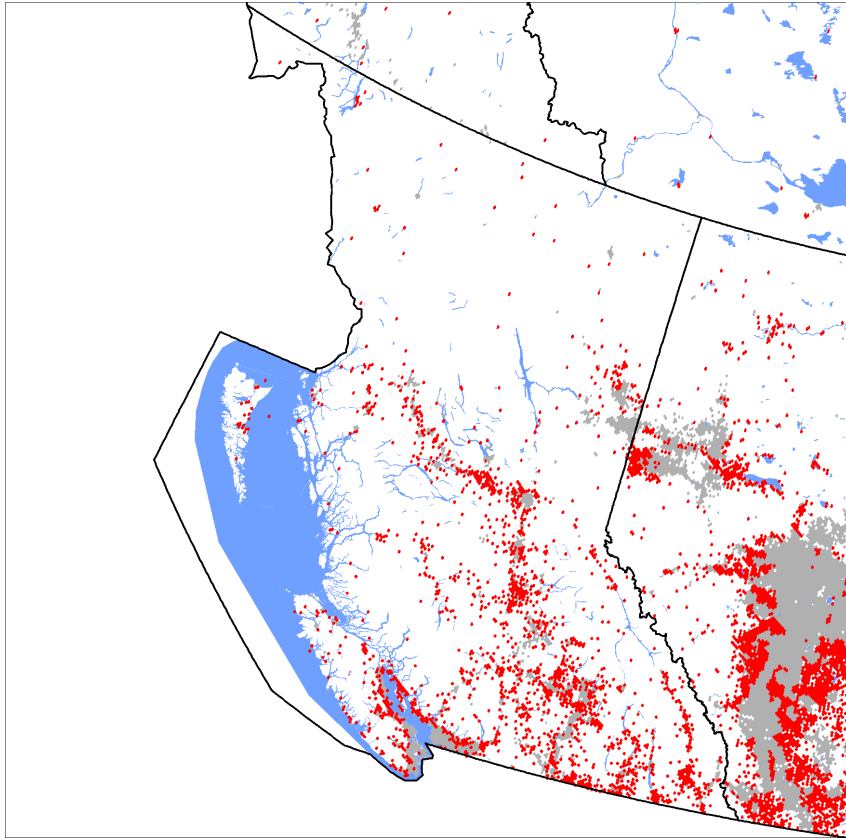
Program updates in British Columbia

- BCP is providing close to \$11M to fund 26 projects in BC to connect 13,800 HHs. A high proportion of these projects are First Nations projects.
- Two projects are now complete and 16 are 50% complete.
- Key Challenges
 - Data sharing with ISPs for mapping purposes was limited in spite of BCP efforts to collect all available data.
 - A number of applicants had unviable business cases given the complexity and high costs associated with their proposed solutions.

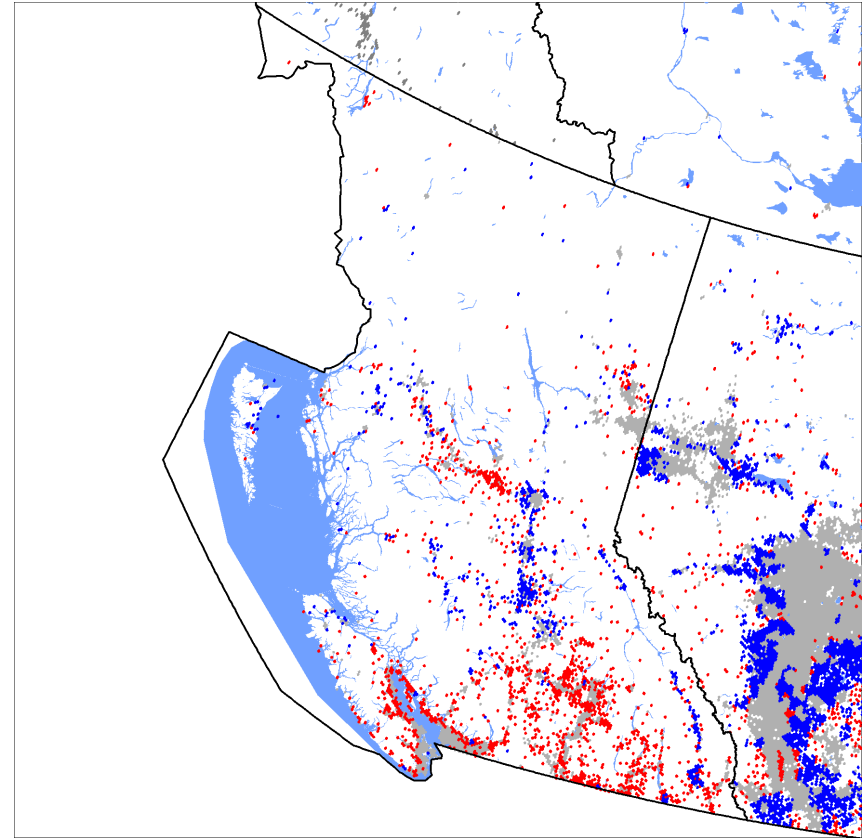




Before and After in British Columbia



- Served HHs
- Unserved / Underserved HHs



- Served HHs
- Municipal, Provincial and Private Initiatives
- Broadband Canada program
- Remaining Unserved / Underserved HHs





Next steps

- Monitoring BCP projects
- Continuing to gather information (i.e. Broadband coverage footprints and program impact data)
- Maintaining collaboration with Provincial and Territorial jurisdictions





Questions?

