

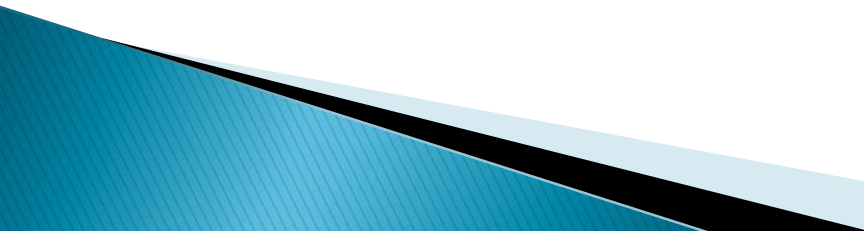
A Brief History of Rural Broadband Funding in Canada

BC Broadband Conference May 9, 2011

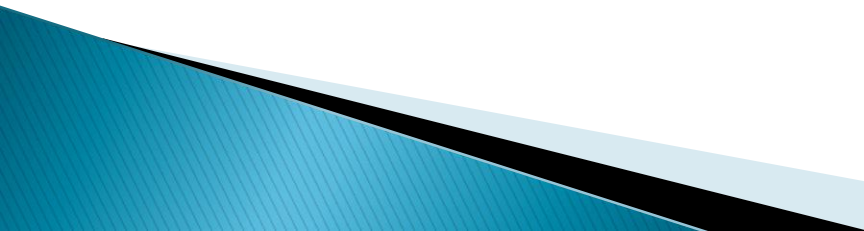
Internet History in BC

- ▶ ISPs began sprouting up in 1994 all over BC
- ▶ Dial up was the main offering. ISDN and T1 services were very expensive.
- ▶ Broadband introduced largely in 1999.
- ▶ TELUS and Rogers enter the landscape. Offer ADSL and Cable Broadband.
- ▶ TELUS Offers wholesale ADSL
- ▶ Many Dial Up ISPs transition to wireless to serve their communities that are too small for ADSL or Cable

Major Funding Initiatives

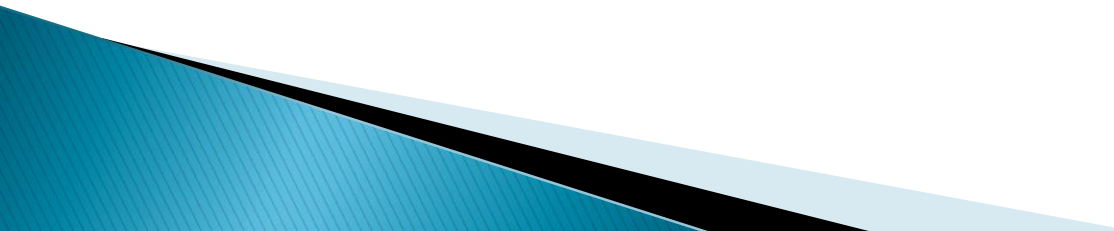
- ▶ BRAND – Broadband for Rural and Northern Development
 - ▶ Connecting Communities Agreement
 - ▶ Connecting Citizen Grant Program
 - ▶ Broadband Canada: Connecting Rural Canadians
 - ▶ Deferral Account
 - ▶ ANTCO: Pathways to Technology
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Telecommunications Act

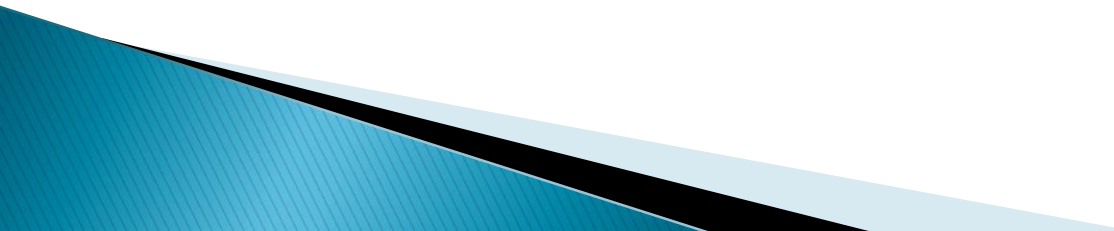
- ▶ The federal government is mandated (under paragraphs 7(a) and (b) of the *Telecommunications Act*) to:
 - ▶ "facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions" and,
 - ▶ "render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada".
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BRAND

Broadband for Rural And Northern Development

- ▶ MISSION STATEMENT
 - ▶ Support the deployment of broadband to unserved communities in order to demonstrate the economic, social and cultural benefits of broadband, and
 - ▶ Improve the participation of these communities in the national and global economy.
 - ▶ Priority is given to First Nations, Inuit and Métis, northern, rural and remote communities.
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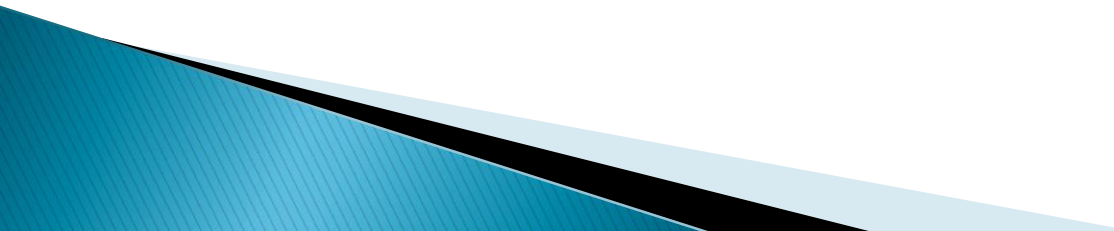
BRAND Selection Process

- ▶ Program Ran from 2002–2007
 - ▶ 105 Million Dollar Budget
 - ▶ 2 Rounds of Funding – Development and Implementation
 - ▶ Up to 50% of costs to a max of \$30,000 for the development of broadband business plans
 - ▶ Up to was 50% of costs to assist in the implementation of those business plans
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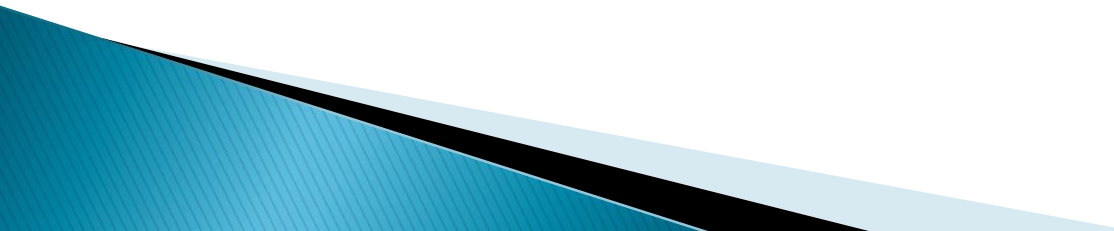
BRAND Awards

- ▶ **Business Development Plans**
 - 154 Projects
 - 2,285 Communities
 - 4.2 Million in Funding
- **Business Capital Costs**
 - 63 Projects
 - 900 Communities
 - 80.3 Million in Funding
 - BC Received 9.6 Million for 101 Communities

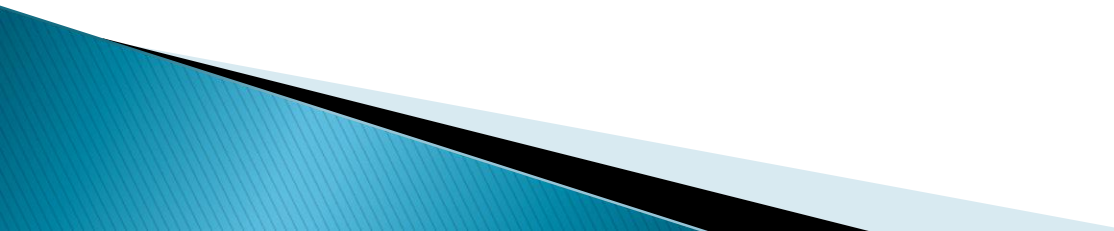
Connecting Communities Agreement

- ▶ Joint TELUS and BC Government Initiative
 - ▶ Provide low cost fibre circuits into communities
 - ▶ ISPs and Community Champions to provide last mile
 - ▶ Non- compete agreement with TELUS given for 3 years
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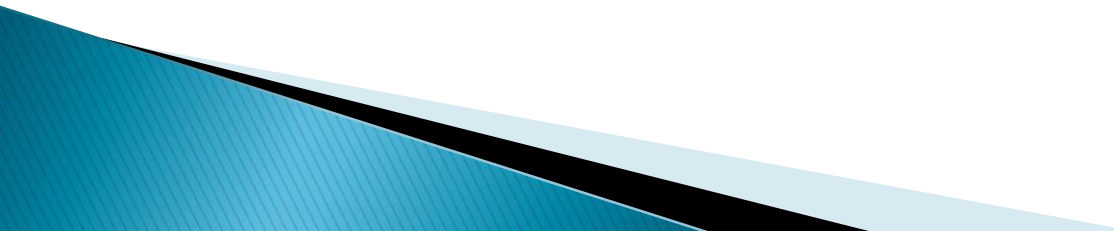
CCA Details

- ▶ 77 Communities Awarded to 51 Organizations
 - ▶ Pricing Based on Speed and Population
 - ▶ Price Examples
 - ▶ 10 Mbps HDX Population Below 200 = \$150
 - ▶ 10 Mbps FDX Population Above 500 = \$600
 - ▶ 2Mbps Traffic. Additional @ \$150 per 1Mbps
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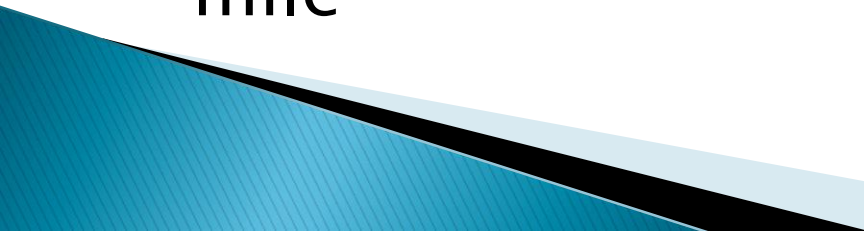
Connecting Citizens Grants

- ▶ BC Provincial Grant Program
 - ▶ Began in 2008
 - ▶ Offering up to \$50,000 per Community
 - ▶ 3 Year, \$ 5.2 Million Program
 - ▶ No Matching Funds Needed
 - ▶ Solid Business Plan needed along with community support
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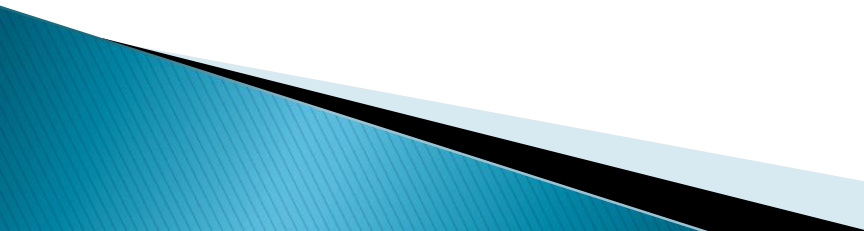
Broadband Canada: Connecting Rural Canadians

- ▶ Current Federal Program announced as part of the 2009 Federal Budget
 - ▶ 225 Million Committed over 3 Years
 - ▶ Matching Funding on Capital Costs
 - ▶ Hexagon System to determine unserved regions
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Deferral Account Program

- ▶ Funding for low cost fibre into communities
 - ▶ Funding for program came from consumers via levy's on bills with ILECs
 - ▶ No last mile funding
 - ▶ High cost per subscriber
 - ▶ Several Communities Earmarked for 2011 and 2012
 - ▶ Many First Nation Communities
 - ▶ TELUS partnering with ISPs to provide last mile
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ANTCO – Pathways to Technology

- ▶ Program Launched in 2009 to provide broadband to 203 First Nations Communities
 - ▶ ANTCO has provided financial assistance to First Nations Communities for over 25 Years
 - ▶ 40.8 Million in Provincial Funding for the Program. Much of this was from Health Canada
 - ▶ 35.8 Million Dedicated for Connectivity
 - ▶ 5 Million Dedicated for Training and Support Services
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The Future

- ▶ Most of the economically viable locations in the Province have been served.
- ▶ New models will need to take into account ongoing subsidies in order to survive.
- ▶ High Risk for Investors in small rural wireless areas
- ▶ Funding to upgrade networks
- ▶ CRTC Decision 2011-291
 - Market Forces rather than subsidy for rural Internet
 - Broadband not an essential service
 - New Speed Targets of 5Mbps/1Mbps by 2015

BCBA Discussion Groups

- ▶ What are the burning issues that federal/provincial policy-makers need to consider related to sustainable connectivity in rural and remote BC?
- ▶ Categories
 - Program Characteristics
 - Fund Models
 - Regulatory Consideration
 - i.e. Access to spectrum, support structures, etc.
 - Partnership opportunities/arrangements
 - i.e. between governments, industry, etc.
 - Information Sharing
 - Others?

Questions to Answer

Four Groups each doing a topic

- ▶ What barriers and opportunities need to be addressed to resolve this issue?
 - ▶ Who needs to act and what do they need to do?
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