



May 19, 2020

VIA EMAIL: indu@parl.gc.ca

Standing Committee on Industry, Science and Technology  
Sixth Floor, 131 Queen Street  
House of Commons  
Ottawa ON K1A 0A6  
Canada

Attention: Michael MacPherson, Clerk of the Committee

Dear Mr. McPherson,

**Subject: CCSA submission for consideration in the Committee’s study on the Canadian Response to the Covid-19 Pandemic**

1. Please find attached a brief from the Canadian Communication Systems Alliance, Inc. in relation to the Committee’s study on the Canadian Response to the Covid-19 Pandemic.
2. This brief concerns the obstacles smaller, independent telecommunications providers face in extending their broadband networks so as to provide affordable, competitive telecommunications services to customers. Those obstacles frustrate the delivery of affordable telecommunications services to all Canadians, regardless of where they choose to live and work.
3. The bulk of this submission was prepared in response to a CRTC proceeding, Telecommunications Notice of Consultation CRTC 2019-406, “Call for Comments Regarding Potential Barriers to the Deployment of Broadband-Capable Networks in Underserved Areas in Canada”. We believe it contains information that will be useful to the Committee in its deliberations.
4. CCSA offers its comments in a spirit of constructive assistance and will be pleased to assist, in any way it can, as the Committee considers this matter.

5. CCSA's comments are based on a survey of its members conducted in March and April, 2020. Because CCSA members' sizes, operations and concerns vary widely among individual companies, it has not been possible to prepare any meaningful statistical analysis of the survey responses.
6. Rather, CCSA's evidence in this matter is drawn from statements of individual members made in response to the survey and CCSA quotes extensively from those responses in the comments that follow.
7. While CCSA is normally careful to cite its sources, we are concerned that attribution of comments to named members may expose those members to retribution from parties about whom they have expressed complaints. For that reason, we have kept members' comments anonymous.

#### *Executive Summary*

8. The most important barrier, by far, cited by members, is unnecessary costs and delays associated with access to support structures owned by the major, incumbent telecommunications providers and provincially regulated hydro utilities.
9. Members also cited barriers in the following areas:
  - Widely varying and uncontrolled costs for broadband transport/backhaul facilities;
  - Time, cost and risk of engaging in funding application processes;
  - Provincial and municipal access requirements and processes;
  - Competition for construction resources in an environment of multiple new funded building projects; and
  - Access to licensed spectrum to support extension of broadband networks using fixed wireless facilities.

10. Based on its members' comments, CCSA see opportunities for the Commission and Government to reduce or eliminate such barriers in a number of areas including:
- reduction of costs and delays imposed upon smaller Telecommunications Service Providers (“TSPs”) through inefficiencies in and gaming of the mechanisms and processes for support structure attachment;
  - simplification of support structure attachment rules where safety considerations do not apply (e.g. attachment of telecommunications fibre to existing strand);
  - subsidization of broadband network operating costs in “High Cost Serving Areas”;
  - re-regulation, at least in markets outside the major urban centres, of rates and terms for wholesale provision of access to broadband transport facilities;
  - replacement of the funding eligibility standard – that any 25km<sup>2</sup> hexagon with at least one premise served at the Universal Service Obligation (50 MB down / 10 MB up) level is considered ineligible for funding – with a more granular and accurate criterion for funding eligibility;
  - implementation of an extremely simplified application and monitoring process for grants for small network building projects;
  - review of provincial and municipal access requirements to enhance uniformity of requirements and elimination of unnecessary barriers and delays;
  - review of human resource requirements related to a multiplicity of new network construction projects throughout Canada and implementation of a training and resource development plan geared to meeting those requirements; and
  - development and implementation of a spectrum plan to support quick and affordable access to spectrum needed, on a localized basis, to support extension of existing rural



networks with fixed wireless facilities.

11. CCSA thanks the Committee for the opportunity to provide these comments.

Sincerely,

A handwritten signature in black ink, appearing to read "C. J. Edwards", written in a cursive style.

Christopher J. Edwards  
Vice-President, Regulatory Affairs

CANADIAN COMMUNICATION SYSTEMS ALLIANCE INC.

**Before the Standing Committee on Industry, Science and  
Technology**

**Canadian Response to the Covid-19 Pandemic**

**Comments Regarding Potential Barriers to the Deployment of  
Broadband-Capable Networks in Underserved Areas in  
Canada**

May \_\_, 2020

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## Introduction

1. The Canadian Communication Systems Alliance (“CCSA”) speaks for independent communications distributors – smaller broadcasting distribution companies, Telecommunications Service Providers (“TSPs”) and Internet Service Providers (“ISPs”) – across Canada. CCSA represents more than 110 companies operating from sea to sea to sea, including across the North.
2. In this brief, CCSA describes some of the most important barriers its members face to extension of their broadband networks to serve Canadians in unserved or underserved areas of the country and to economic operation of such networks for the benefit of Canadians in those areas.
3. CCSA’s comments are based on a survey of its members conducted in March and April, 2020. Because CCSA members’ sizes, operations and concerns vary widely among individual companies, it has not been possible to prepare any meaningful statistical analysis of the survey responses.
4. Rather, CCSA’s evidence in this matter is drawn from statements of individual members made in response to the survey and CCSA quotes extensively from those responses in the comments that follow.

## Support Structure Attachment Issues

5. CCSA member responses overwhelmingly identified a lack of timely and affordable access to support structures as the greatest barrier they encounter to effective execution of rural broadband building projects.
6. Those issues arise in connection with support structures owned both by federally-regulated carriers and provincially-regulated hydro utilities.

7. Briefly, the issues encountered include:
- opaque and inconsistent permitting processes;
  - transfer of support structure maintenance costs to prospective attachers or tenants;
  - extremely long permitting times; and
  - anti-competitive practices.

### *Opaque and Inconsistent Permitting Processes*

8. Generally, these issues seem most prevalent in Quebec and British Columbia. CCSA members in Southern Ontario, for example, do not appear to experience the same degree of costs and delays as members in those provinces.

9. With respect to the permitting process for pole attachments, one B.C. member said the following:

Telus has contracted their permitting process to a third party. This leaves us with no visibility into what stage our application may be in, given that we have no direct contact with either TELUS or in joint-ownership situations, or with BC Hydro. This creates for a very frustrating, unmanageable and dysfunctional process.

10. A Quebec member had this to say about the process for pole attachment permitting:

D'abord, lors de traitement des demandes, le processus de communication est désuet et inadéquat. Les locataires sont obligés de faire les demandes dans un système où il n'est pas possible de communiquer verbalement avec les personnes traitant les dossiers. Il n'est plus possible de leur parler, nous devons uniquement passer par le "Journal". Les échanges se font par le billet de note au journal et la demande est retournée vers le locataire lors des demandes de



correctifs. Lors de chaque échange, les demandes recommencent le processus du début, cela augmente le délai de traitement de chaque demande. Ensuite, advenant la situation où il y a présence de travaux préparatoires, les retards s'accroissent de façon exponentielle.

*[First, when processing requests, the communication process is outdated and inadequate. Tenants are obliged to make requests in a system where it is not possible to communicate verbally with the people handling the files. It is no longer possible to speak to them, we only have to go through the "Journal". Exchanges are made by the note in the newspaper and the request is returned to the tenant when corrective requests are made. During each exchange, requests restart the process from the beginning, this increases the processing time for each request. Then, in the situation where there is preparatory work, the delays accumulate exponentially.]*

### *Transfer of Support Structure Maintenance Costs to Prospective Tenants*

11. A consistent concern expressed in member responses is that support structure owners have abandoned their responsibility for maintaining those structures and have transferred the costs of such maintenance to prospective tenants.

12. A British Columbia member says:

Infrastructure is not maintained or up-to-date and proponents like us are charged to upgrade facilities to bring it up to current standards. For example, In-field pole transfers have not been completed in many rural and remote areas. When our request goes in, we are on the hook for all charges related to the infrastructure upgrade, including existing pole transfers. Make-ready costs have gone up 5x when compared to

2015 costs for other similar projects in our area (\$200-300/pole to \$1,400/pole).

13. A Quebec member offered a similar comment as follows:

Bell n'applique pas de programme d'entretien sur ses structures de soutènement, faisant en sorte que l'entretien se réalise lors du déploiement de réseau des locataires. Donc, les frais d'entretien sont défrayés par les locataires lors de leur demande. De plus, Bell impose aux locataires des coûts de remplacement de poteaux endommagés ou d'ancres brisées, situation existante avant même l'arrivée du nouveau déploiement des locataires. Le fait d'être facturé pour tous les travaux préparatoire explique en grande partie pourquoi les régions rurales sont mal desservies.

*[Bell does not maintain a maintenance program on its support structures, ensuring that maintenance is carried out during the deployment of the tenant network. Therefore, the maintenance costs are paid by the tenants when they request them. In addition, Bell charges tenants the cost of replacing damaged poles or broken anchors, a situation that existed before the arrival of the new tenant deployment. Being billed for all preparatory work largely explains why rural areas are underserved.]*

14. Another Quebec member noted:

La grande majorité des travaux préparatoires qui nous sont chargés et que nous sommes obligés d'attendre avant de s'installer auraient dû déjà avoir été faits dans les années antérieures et devraient être mis en maintenance à venir et non en travaux obligatoires, ne devraient pas être à nos frais et on ne devrait pas avoir à attendre avant de s'installer

si la structure est statique et ne comportent aucun risque. Le problème est que l'évaluation du risque n'est pas le même pour Bell et Hydro.

*[The vast majority of the preparatory work which we are responsible for and which we are obliged to wait before settling down should have already been done in previous years and should be put into future maintenance and not into compulsory work, should not be at our expense and one should not have to wait before settling down if the structure is static and poses no risk. The problem is that the risk assessment is not the same for Bell and Hydro.]*

15. A third Quebec member said:

Bell has decided unilaterally to impose the full make ready costs to the company requesting a permit regardless if there are other providers already on the same structure (for example if a pole needs to be changed, 100% of the cost is imposed on the last one making the request).

16. Pole rates should be divided among the tenants who use the pole and rates paid should reflect pole maintenance costs. Often, such costs diverge greatly from rates actually charged to pole tenants.

### *Extremely Long Permitting Times*

17. The issues described above result in extremely long timeframes for securing the attachment permits required before a project can be implemented. That is, circuitous and inefficient permitting processes, combined with extensive work required to identify and correct support structure “anomalies” can drag projects out by years.
18. CCSA’s survey asked members “What is the average time (in weeks) required to secure

pole attachment permits?”

19. Member responses to that question included the following. Each of these responses is from a different CCSA member:

- **Cela ne se décrit pas en semaines, mais plutôt en nombre de mois.** Le fait que les propriétaires de poteaux ne font pas de travaux d’entretien du réseau existant, ces conséquences allongent le délai pour l’obtention des permis. Les demandeurs relèvent des anomalies et des mises à niveau sont nécessaires lors des études préparatoires et d’ingénierie des projets. . . . En plus d’avoir des frais pour les correctifs nécessaires, cela à un grand impact sur les délais. Donc nous parlons de délais allant jusqu’à 24 mois pour l’obtention d’un simple permis et parfois même pour uniquement quelques poteaux.. Bell exige des travaux préparatoires mais s’installe entre-temps sur ces installations où des travaux devraient être faits au préalable. L’accès aux structures devrait être géré par une entreprise indépendante et autonome pour éviter la concurrence déloyale.

*[It is not described in weeks, but rather in number of months. The fact that the pole owners do not do maintenance work on the existing network, these consequences lengthen the time for obtaining permits. Applicants identify anomalies and upgrades are required during preparatory and engineering studies. . . . In addition to having fees for the necessary corrections, this has a big impact on the deadlines. So we are talking about delays of up to 24 months for obtaining a simple permit and sometimes even for only a few poles. Bell requires preparatory work but meanwhile settles on those installations where work should be done beforehand. Access to structures should be managed by an independent and autonomous company to avoid unfair competition.]*

- 104+ weeks. . . . No timelines given for projects over 50 poles – we have seen these take well over 2yrs. . . . 2 applications were put in back in September 2017 and we

still haven't received drawings or completion of the "make-ready" (April 2020).

- Our biggest issue is the permit process particularly with Bell (to a lesser extent with Hydro Quebec). Make ready costs are sky rocketing and delays are now much too long (over 18 months in some cases). . . . Well over 1 year for major projects. In new subsidy project applications, I am now assuming at least 15 months delay in the GANTT chart I provide to the governments.
- Ça ne se calcul pas en semaines, mais en MOIS (9 à 24mois ) il y a toujours des travaux préparatoires à nos frais et vraiment trop long qu'on doit attendre avant d'obtenir les permis pour s'installer.

*[It is not calculated in weeks, but in MONTHS (9 to 24 months) there is always preparatory work at our expense and really too long that we must wait before obtaining permits to settle.]*

### *Anti-Competitive Practices*

20. The complex and varied nature of support structure attachment rules across numerous jurisdictions and an array of sole and joint-use ownership arrangements is a playground for anti-competitive gamesmanship. As the comments below, again each from different members, indicate, the games are, in fact, being played:

- Avantage concurrentiel ; Bell possède un avantage concurrentiel sur tous les locataires. HQ communique à Bell seulement les plans de toutes nouvelles extensions de projets domiciliaires. Les besoins de Bell sont pris en compte dans les calculs initiaux d'ingénierie. Les locataires n'en sont pas informés et en plus ils doivent refaire l'ingénierie. De plus, ce contrat empêche HQ de partager les plans des nouvelles prolongations de réseau. Le contrat d'usage en commun entre Bell et HQ est anti-concurrentiel et il a été officiellement dénoncé à HQ en juillet 2018 au CCA des locataires par les membres y siégeant.

*[Competitive advantage; Bell has a competitive advantage over all tenants. HQ only communicates to Bell the plans for all new extensions to housing projects. Bell's needs are taken into account in the initial engineering calculations. Tenants are not informed and in addition they must redo the engineering. In addition, this contract prevents HQ from sharing plans for new network extensions. The joint use contract between Bell and HQ is anti-competitive and it was officially terminated at HQ in July 2018 at the CCA of tenants by the members sitting there.]*

- Bell possède un avantage concurrentiel sur tous les locataires. L'entreprise a accès à des plans avant ses concurrents. De plus, le contrat d'usage en commun qu'il possède avec HQ [Hydro Québec] empêche HQ de partager ces informations. Les locataires demandent depuis longtemps des allègements à la norme commune afin de diminuer les délais des travaux et d'obtenir les permis plus rapidement. Cependant, Bell refuse puisqu'il applique excessivement la norme commune aux locataires afin de mettre le réseau à jour aux frais des locataires. Et en plus de tout ça Bell ne respecte pas la norme qu'il impose au locataire (plusieurs preuves ont été fournies à HQ).

*[Bell has a competitive advantage over all tenants. The company has access to plans before its competitors. In addition, the common use contract it has with HQ [Hydro Quebec] prevents HQ from sharing this information. Tenants have long been asking for reductions to the common standard in order to reduce construction times and obtain permits more quickly. However, Bell refuses to accept that it excessively applies the common standard to tenants in order to update the network at the expense of tenants. And on top of all that Bell does not meet the standard it imposes on the tenant (several proofs have been provided to HQ).]*

- . . . a separate issue is that our requests to Bell wholesale get known at their retail level and we have seen in instances where Bell hastens its own fiber deployment where we were planning to build.

- En présence de poteaux appartenant à TransÉnergie, Bell nous empêche de s'installer depuis 2015, mais s'installe pareil. Seule ligne de poteaux possible en rural car elle est partagée entre TransÉnergie, Hydro Distribution et télécommunicateur. Créé des permis fictif pour nous obligé de faire des corrections à nos frais sans qu'on est demandé quoi que ce soit.

*[In the presence of poles belonging to TransÉnergie, Bell has been preventing us from settling in since 2015, but settles the same. The only line of posts possible in rural areas because it is shared between TransÉnergie, Hydro Distribution and telecommunicator. Created fictitious permits forcing us to make corrections at our expense without being asked anything.]*

### Remedies

21. A common feature among these issues raised by the smaller, competitive telecommunications services providers represented by CCSA is that there are artificial time and cost barriers to broadband build-out by those competitors in the small-town and rural markets they serve. Those barriers appear to be driven largely by the incumbents' desire to suppress competition in those smaller markets.
22. CCSA suggests that uniform standards should be developed to govern, in all markets, the wholesale cost of support structure attachments, including engineering and other make-ready work, and permissible time periods for processing attachment requests.
23. Once developed, such standards should be vigorously enforced by the CRTC or other governmental authorities, as their relative jurisdictions permit.
24. With respect to the artificiality of some of the current barriers being erected for competitive support structure tenants, CCSA notes the following members' comments:
  - We need access to Hydro Poles in the Rural communities without the huge make-

ready costs for hanging Fibre, the weight of fibre is nowhere near what the weight of copper [or] cable. HydroOne needs to have a tiered system, if you are hanging Fibre under a certain weight then make ready would not be required.

- La norme commune doit être allégée lorsqu'on veut s'installer sur un toron existant. Des discussions en ce sens sont en cours mais Bell ne semble pas vouloir y donner raison. Il ne veulent plus utiliser les photos qu'on prend il envoi quelqu'un à nos frais. Bell n'a aucun intérêt commercial à accepter des solutions simples et efficace, l'objectif étant de nous retarder le plus possible dans notre déploiement.

*[The common standard must be lightened when you want to install on an existing strand. Discussions along these lines are in progress, but Bell does not seem to want to agree. They no longer want to use the photos we take and send someone at our expense. Bell has no commercial interest in accepting simple and effective solutions, the objective being to delay us as much as possible in our deployment.]*

25. That is, where the access needed is simply to attach fibre to existing strand, it should be possible to develop and apply standards which support far more timely and cost-effective support structure attachment than is currently the case and, thereby, to minimize barriers to fibre network construction.
26. Support structure attachment costs represent a very significant portion of the total ongoing operating costs of a network, especially in the many rural areas where it simply is uneconomical or impossible to bury plant. To the extent those costs represent a barrier to economically viable operation of a network, once built, broadband funding programs must account for that ongoing operational cost.
27. The reason that networks do not exist to serve many rural markets is that no viable business case exists for continued operation of broadband networks in those low-density areas.



28. CCSA has repeatedly pointed out the incompleteness of any funding solution that does not address the economic realities of such “High Cost Serving Areas”. That is especially true in light of the artificially high and rapidly increasing costs that are being imposed on smaller competitive TSPs, as discussed above.
29. To date, all broadband funding programs have been limited to capital funding subsidies. That is an approach which is doomed to fail. There simply is no point to building new networks the operation of which cannot be sustained economically.
30. CCSA therefore recommends that, in conjunction with enforcement of uniform standards for support structure costs and permitting processes, some form of operational subsidy of high-cost rural broadband networks be implemented.

### Broadband Transport/Backhaul Costs

31. CCSA members’ responses indicate that there is a wide variation in transport costs, depending largely – but not completely – on the location and remoteness of the market to be served.
32. CCSA members indicate that they pay anywhere from about \$300 per month for 1GB of transport capacity up to a high of \$23,000.
33. One Newfoundland member commented: “Pricing for bandwidth is all over the board, even with same carrier – ranging from \$14/Mbp - \$8 / Mbp”.
34. At the high end of that range, it is nearly impossible to operate a network, let alone make a business case for extension of network facilities to new service areas.
35. Other members noted issues with securing access to sufficient transport bandwidth to serve their customers:
  - The biggest barrier we are encountering is getting backhaul out to the smaller

communities [where] we have deployed some small point to point wireless bridges. But, they are only able to give you about 1GB of throughput and with current demand on the rise, it's no longer going to be a solution.

- Another challenge/obstacle that we are having is Bell's refusal to deliver a backbone connection to an industry standard, fully climate controlled cabinet within the municipal road allowance citing absolutely nonsensical policy reasons. Bell insists such a connection must be delivered to a business location with a physical address. Meanwhile, Rogers, EastLink etc. all will deliver a cct to such cabinets only Bell refuses and of course in locations where they are the only provider. This is purely and blatantly anti-competitive behavior.

36. So wholesale access to broadband transport facilities remains an important barrier to broadband build-out for smaller TSPs in terms of both access to capacity and wholesale pricing.

37. As the CRTC noted in TNC CRTC 2019-406, "Call for Comments Regarding Potential Barriers to the Deployment of Broadband-Capable Networks in Underserved Areas in Canada":

In Telecom Decision 2008-17, the Commission revised its definition of an essential service and forbore from regulating all high-speed fibre-based services on a national basis. Essentiality findings were made on a service-by-service basis and applied on a national basis across Canada. Accordingly, following a three-year phase-out period, the Commission stopped regulating rates for competitors' access to wholesale fibre-based digital transport services and to all wholesale Ethernet transport services, and the incumbents were not required to file tariffs with the Commission. Many of those services are still

forborne from rate regulation.<sup>1</sup>

38. CCSA considers that, especially in view of an urgent national agenda to promote rural broadband build-out, in combination with the barriers that now exist due to widely varied pricing of transport services, such services should, once again, be regulated as essential services, at least in markets outside the major urban centres.
39. CCSA considers, further, that, in the context just described, wholesale transport services meet the essentiality test set out in Telecommunications Decision CRTC 2008-17, the conditions of which are:
- i. The facility is required as an input by competitors to provide telecommunications services in a relevant downstream market;
  - ii. The facility is controlled by a firm that possesses upstream market power such that withdrawing mandated access to the facility would likely result in a substantial lessening or prevention of competition in the relevant downstream market; and
  - iii. It is not practical or feasible for competitors to duplicate the functionality of the facility.<sup>2</sup>
40. There is no question that CCSA members require wholesale transport facilities as an input needed to offer broadband service in their downstream markets, that the large incumbent telephone and cable carriers control that input and that it is not practical or feasible for many of the smaller rural operators that CCSA represents to duplicate those transport facilities.
41. CCSA has urged the Commission to re-consider whether wholesale fibre-based digital transport services provided to competitors by the major incumbent telecommunications carriers should remain forborne, especially in the context of a national commitment to extension of broadband service to all Canadians, regardless of where they live and work.

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<sup>1</sup> TNC CRTC 2109-406 at para. 6.

<sup>2</sup> TD CRTC 2008-17 at para. 36.

## Funding Application Barriers

### *Definition of Unserved/Underserved – Hexagon Approach*

42. Like many other parties who have commented on Federal Government and Commission-led funding initiatives, CCSA members continue to struggle with the definition of a “served” area as being a 25km<sup>2</sup> hexagon in which at least one premise has broadband service which meets the Universal Service Objective.
43. Where such service exists only in a very small portion of a given hexagon, that definition disqualifies many areas which, otherwise, could benefit greatly from subsidized broadband network builds.
44. Numerous parties have suggested more granular approaches to mapping of broadband service and resulting eligibility criteria. CCSA recommends that those approaches should be reviewed for possible implementation. A better approach is needed.
45. CCSA understands that ISED is, in fact, beginning to analyze broadband coverage throughout the nation using a more granular database and mapping approach.<sup>3</sup> CCSA strongly supports that approach.

### *Application Preparation Costs and Risk*

46. CCSA members also commented on the funding application process as being both onerous and risky. One rural Quebec member with about 250 customers made the following comments:

Les formulaires de demande pour subvention gouvernementale sont trop laborieux pour une petite administration comme la notre.

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<sup>3</sup> *The Wire Report*, “No hexagons for UBF, Monsef confirms”, 05/11/2020 9:28 PM EDT, accessed at <https://thewirereport.ca/2020/05/11/no-hexagons-for-ubf-monsef-confirms/> on May 19, 2020.

Les exigences, les études de marché, les demandes de soumissionnaire, sont des frais que nous devons assumer avant même de savoir si notre demande serait acceptée pour de l'aide financière.

Le délai de livraison des demandes des soumissions sont très court.

*[Government grant application forms are too laborious for a small administration like ours.]*

*Requirements, market research, bidder requests, are fees that we have to assume before we even know if our request would be accepted for financial assistance.*

*The delivery time for bid requests is very short.]*

47. A 100-customer system in British Columbia noted, “how complicated the grant process is and the amount of labour to get it completed est cost of our grant labour \$10,000”.
48. Under both CTI and the CRTC’s funding program, the labour, cost and risk both of preparing applications and following through with progress monitoring and certification processes effectively act as disqualification mechanisms for smaller TSPs. That is true regardless of whether those smaller players – many of whom operate in very remote areas – may have highly valuable if nonetheless small projects to propose.
49. Generally, CCSA members have not seen a lot of success with funding applications to date. Rather, they see larger players such as the major incumbents and Xplornet garnering most of the funding.
50. As one Ontario member noted, smaller operators, for the reasons described, face a:

Lack of funding awarded to small telcos to help with the costs of builds. Recent Northern Ontario Broadband Conference none of the

smaller operators throughout Northern Ontario had received any funding from NOHFC or Connect to Innovate.

51. In making funding applications, the smaller operators undertake significant financial risk in relation to their financial capacity with little prospect of success. As such, the existing programs discourage applications by smaller operators.
52. CCSA and the British Columbia Broadband Association have both proposed, in submissions on the CRTC's broadband fund consultation, that some form of highly simplified grant process be introduced for projects proposed below a certain dollar value.
53. We continue to believe that such an approach would be extremely helpful in funding smaller, highly localized network building projects in such areas. For such projects – in such areas – the TSP's and Government's resources would be far better directed to building networks than to complex administrative paperwork.
54. CCSA recommends that Government seriously consider extremely simplified grant application processes for small projects in rural and remote areas.

### Provincial and Municipal Access Requirements

55. A number of members commented, in response to CCSA's survey, on the time and cost involved in dealing with provincial and municipal access requirements. One member noted, as one of its top three barriers: "Having to cross provincial roads and/or major highways (Quebec ministry of transport requirements)".
56. Another Quebec member included among its "top three" barriers requirements to:

Obtenir les droits de passage requis pour la mise en place du reseau,  
l'accès aux poteaux, l'accès aux Routes Provincial, l'accès aux  
Routes municipale, obtenir les servitudes pour les ancrs ou poteaux

ou pose de cable souterrain. Obtenir le consentement social pour faire les travaux de mise en place du reseau.

*[Obtain the rights of way required for the installation of the network, access to poles, access to Provincial Roads, access to Municipal roads, obtain supplies for anchors or poles or laying of underground cables. Obtain social consent to do the work of setting up the network.]*

57. One small Ontario member noted, again as a “top three” barrier, “Municipal Access conditions IE access to ability to inset Plow along roads”. Another included among its “top three” barriers both “water and rail crossings” and “permitting and access to viable location on provincial road allowances”.
58. A small British Columbia member noted the difficulty of obtaining “land use permits in BC”.
59. CCSA has no specific recommendations in this regard other than to suggest that such mechanics are basic and critical components of any network-building project and can constitute significant barriers to rural broadband network construction. As such, they deserve the attention of the CRTC and the Federal Government.

## Competition for Construction Resources

60. One member response worth noting referred to the “increasing cost of construction due to lack of contractors with so many projects (5G, SWIFT, CTI, etc.)”.
61. While we had just one comment on this point, it is an important one to keep in mind. As the Federal Government, the CRTC, provinces and municipalities all dedicate funding to broadband network construction, competition for skilled resources escalates and the cost of such services increases.

62. To CCSA, that dynamic indicates a need for coordinated training and certification programs to ensure that sufficient human resources exist – in all regions of the country – to support the Government’s over-arching agenda of connecting all Canadians.

### Access to Spectrum

63. Some respondents to CCSA’s survey raised the matter of affordable access to spectrum as a key concern.
64. In that respect, one of the most cost-effective approaches to extending broadband service in low-population-density rural areas is the implementation of fixed wireless service.
65. To some extent, CCSA members rely on unlicensed spectrum but, in most areas, that simply is not good enough to support a dependable and commercially viable fixed wireless service.
66. One member listed as a key concern: “Quick and affordable access to Licensed spectrum 6/11/18 GHz”.
67. Another member stated its number one barrier to be: “Access to wireless licensed spectrum for our fixed wireless product (PTMP Environment)”.
68. As it has before, CCSA recommends that the CRTC and ISED explore models for making access to fixed wireless spectrum available to smaller TSPs on an affordable and localized basis. That could be in the form of “Spectrum as a Service” or some other form of “pay as you grow” rental model.

### Conclusion

69. As CCSA has emphasized in prior submissions to this committee and the CRTC on this subject, in building out rural broadband networks, every dollar must count and effective



coordination among funding authorities at various levels is critical.

70. We see opportunities for the Government to reduce or eliminate barriers in a number of areas including:

- reduction of costs and delays imposed upon smaller TSPs through inefficiencies in and gaming of the mechanisms and processes for support structure attachment;
- simplification of support structure attachment rules where safety considerations do not apply (e.g. attachment of fibre to existing strand);
- subsidization of broadband network operating costs in “High Cost Serving Areas”;
- re-regulation, at least in markets outside the major urban centres, of rates and terms for wholesale provision of access to broadband transport facilities;
- replacement of the funding eligibility standard – that any 25km<sup>2</sup> hexagon with at least one premise served at the Universal Service Obligation (50 MB down / 10 MB up) level is considered ineligible for funding – with a more granular and accurate criterion for funding eligibility;
- implementation of an extremely simplified application and monitoring process for grants for small network building projects;
- review of provincial and municipal access requirements to enhance uniformity of requirements and elimination of unnecessary barriers and delays;
- review of human resource requirements related to a multiplicity of new network construction projects throughout Canada and implementation of a training and resource development plan geared to meeting those requirements; and
- development and implementation of a spectrum plan to support quick and affordable

access to spectrum needed, on a localized basis, to support extension of existing rural networks with fixed wireless facilities.

71. CCSA thanks the Committee for the opportunity to provide these comments.

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