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Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Gatineau, QC
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July 20, 2023

Re: Telecom Notice of Consultation CRTC 2023-89
Broadband Fund policy review

Mr. Doucet,

Executive Summary

1. As part of its commitment to internet affordability and digital equity, National Capital FreeNet (NCF) is submitting this intervention in support of many of the Commission's preliminary views on changes that can be made to the Broadband Fund.

2. The changes to the Broadband Fund that NCF supports include:

- that the objectives of the Broadband Fund should be expanded to include ensuring that all Canadians have access to basic telecommunications services that are affordable and reliable;

- the creation of an Indigenous-specific application stream under the Broadband Fund for projects that provide telecommunications services as well as additional economic and/or social benefits to Indigenous communities;

- that the Broadband Fund policy be updated to include the 250-metre road segments model currently used by ISED. Future geographic models should be assessed against their specificity and inclusion of households that don't meet the universal service

objective where there is a demonstrated financial need for funding, regardless of proximity to well-served areas;

- funding operational costs to help rural and remote TSPs maintain financial sustainability, both alongside and separate from capital projects;

- the expansion of the Broadband Fund's work to funding improvements to network resilience and redundancy in rural and remote areas;

- the removal of the 50/10Mbps benchmark as the universal service objective, allowing the objective to increase over time; and

- that all future applications to the main component of the Broadband Fund should be for projects that meet or exceed the universal service objective and that fixed broadband services should include unlimited data usage.

About NCF

3. NCF is a not-for-profit Internet Service Provider (ISP), based in Ottawa. We have connected more than 100,000 members since 1992 and believe everyone has a right to affordable and high-quality internet services that they understand how to use, while feeling safe online. We currently serve more than 4800 members with our internet and community services.

4. NCF works to advance digital equity, which is defined as ensuring that everyone has the information technology capacity for full participation in society, democracy, and the economy, including employment, lifelong learning, and access to essential services. [1]

5. Digital equity also includes the recognition that the digital divide mirrors and exacerbates other social inequities, disproportionately affecting marginalized and under-represented groups including those living on low incomes, Indigenous peoples and people of colour, seniors, people with disabilities, and those living in rural and remote communities. Many of these social inequities can overlap, further magnifying their impact and increasing the need for digital equity at the same time that it can make it harder to achieve.

6. Currently NCF is a service-based competitor selling access to DSL and cable internet services through wholesale access to the Bell, Rogers and Cogeco networks. This means that despite having had many past requests for service to under-served rural areas in our region, NCF primarily serves urban areas that meet the universal service objective as we

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[1] National Digital Inclusion Alliance, Definitions: https://www.digitalinclusion.org/definitions/

are limited to offering Fibre-to-the-Node DSL and co-axial cable internet services within the network footprint of the facilities-based incumbents.

NCF's interest in connectivity in rural and remote areas

7. NCF has not previously applied to the Broadband Fund in part because the Fund's current 25km hexagon analysis has elided some of the under-served pockets in our region. We are hopeful that if the Broadband Fund adopts the ISED model of 250-metre segments of road where no household has 50/10Mbps, it will open up future possibilities to serve these communities.

8. We also suggest that regardless of the measure used to define geographic eligibility, if an area does not meet the universal service objective and can demonstrate a financial need for funding, the proximity to other well-served areas is irrelevant. This would seem to be more true the more time passes as, given the number of broadband funding programs and the maturity of incumbent networks, if an under-served area were easy to serve by virtue of being close to a well-served area, why is it still not meeting the universal service objective?

9. In 2021, NCF produced a series of reports on digital equity in our region in partnership with the Social Planning Council of Ottawa, funded by the United Way. One of these, "Boosting the Signal: Pathways to Improving Digital Equity in Eastern Ontario – Rural Connectivity Report" profiled 12 rural neighbourhoods based on the percentage of speed tests that met the current 50/10Mbps universal service objective, as measured by the Internet Performance Test developed by the Canadian Internet Registration Authority (CIRA).

10. The report combined this data with socio-economic factors that often affect digital equity, including household income, the number of low-income households, the unemployment rate, the number of seniors and people with disabilities, and other factors. The 12 rural neighbourhoods included the townships of Lanark Highlands, Mississippi Mills, Montague, Tay Valley, Alfred and Plantagenet, Champlain, Clarence-Rockland, East Hawkesbury, Bonnechere Valley, Killaloe, Hagarty and Richards, Madawaska Valley, and Brudenell, Lyndoch and Raglan.

11. The report's recommendations included that "municipalities consider seeking opportunities to build (or partner in building) community broadband networks, particularly in areas where market supply of high-speed internet is not viable,"[2] and that "broadband funding and loan programs be adjusted such that they are less prohibitive to

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[2] Boosting the Signal: Pathways to Improving Digital Equity in Eastern Ontario – Rural Connectivity Report
https://www.ncf.ca/en/documents/76/Digital_Equity_Part_2-Rural_Eastern_Ont_Report_Final_2021.pdf
p.38

smaller providers, including community groups and smaller ISPs, as such groups are often invested in the most underserved communities"[3]

12. We believe some of the proposed changes to the broadband fund can help support these goals, particularly if the Commission adds an assessment of community ownership to assessment criteria. This in line with the 2023 Policy Directive to "reduce barriers to entry into the market and to competition for telecommunications service providers that are new, regional or smaller than the incumbent national service providers".[4]

13. Similarly, we believe that the Broadband Fund should include operational costs, but focusing on smaller and community owned TSPs that are likely to face the greatest challenges to financial viability due to their size as well as the area being served.

Avoiding access without affordability

14. As the Commission itself notes, "funding capital infrastructure alone does not ensure that the resulting services are affordable."[5] This is certainly NCF's experience in our largely urban context, where there is a significant gap between service availability and uptake, particularly for those living on low incomes. A 2019 ACORN Canada study of 500 of their members with low- to moderate-incomes showed that 25 percent of survey respondents said they sacrificed their food and medicine budget to pay for connectivity.

15. Given that NCF and SPCO's 2021 report on rural connectivity highlighted a significant number of low-income residents in 12 rural neighbourhoods, we suggest that the same kinds of challenges could arise in communities that may be connected through Broadband Fund projects that offer access without also offering truly affordable prices.

16. As such, NCF supports the inclusion of affordability and reliability into the objectives of the Broadband Fund as these are cornerstones of ensuring universal adoption as well as universal access.

17. NCF also supports pricing parity between urban, rural and remote areas, but cautions the Commission in using parity with urban pricing as being synonymous with affordability. Instead, we suggest the Broadband Fund Policy include measures that both ensure parity between urban, rural and remote pricing and meaningfully lower-cost programs for those living on low incomes, at the same time that the Commission undertakes other measures to address affordability more widely.

18. We also suggest that the Commission request and share data related to the low-income offerings of past Broadband Fund recipients, including the speed, usage and cost of the

[3] Ibid. p.39
[4] Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy: SOR/2023-23
[5] Notice of Consultation

low-income programs they currently offer, as well as the number and percent of subscribers connected through the Broadband Fund who currently access these lower-cost offerings.

Other rationales for supporting changes to the Broadband Fund

19. NCF has been inspired by many Indigenous ISPs and community networks, including Broadband Communications North, a past Broadband Fund recipient serving Indigenous communities in Northern Manitoba, the former Mamawapowin Technology Society that established free community Wi-Fi serving the Samson Cree community in Southern Alberta, and many others. The Indigenous Connectivity Summit has been an amazing resource in this space.

20. To further this work, we support the Commission's intention to centre Indigenous perspectives as it makes changes to the Broadband Fund to better support Indigenous connectivity projects, including the recognition of social and economic benefits beyond improved connectivity. This may include the development of an Indigenous-specific application stream and ways to better engage Indigenous communities, and we also look forward to other suggestions that come up through this process and beyond.

21. NCF supports the expansion of the Broadband Fund to include improving network resilience and redundancy in rural and remote areas. As with other changes to the Broadband Fund, we believe this is particularly important for smaller, municipal or regional, Indigenous and other community-owned TSPs. We also wonder about the role Internet Exchange Points may be able to provide in improving this kind of network resilience.

22. Finally, NCF supports the removal of specific numeric targets for the universal service objective as a way to help ensure the Broadband Fund is responsive to improving service standards over time, helping futureproof it in that regard. NCF further supports the view that all future applications to the main component of the Broadband Fund should be for projects that meet or exceed the universal service objective and that offer unlimited data capacity for fixed Broadband internet access services.

Thank you,

Shelley Robinson,
Executive Director
National Capital FreeNet

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