



Telecom Order CRTC 2022-327

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Ottawa, 1 December 2022

Public record: 1011-NOC2019-0372

Broadband Fund – Acceptance of statement of work for South Kountry Cable (2022) Ltd.’s access project in British Columbia

Background

1. In Telecom Decision 2022-82, the Commission awarded up to \$763,734 to South Kountry Cable (2022) Ltd. (South Kountry) to build and/or upgrade local fixed access infrastructure for the project proposed in its application filed in response to the second call for applications for funding from the Broadband Fund. The Commission later received written acceptance of this funding award from South Kountry.
2. The Commission received South Kountry’s proposed statement of work, including the information package regarding its access project in British Columbia (the project).

Commission’s analysis

South Kountry’s request for an increase in funding

3. During the development of its statement of work, South Kountry submitted a request for a \$277,992 increase in funding for the project. South Kountry submitted that this request was a result of (i) changes in equipment that would improve the sustainability, resiliency, and cyber security of the project; and (ii) an increase in the costs of third-party labour that had not been anticipated when the company submitted its application.
4. The Commission is satisfied that this request is well supported in the particular circumstances of this project. Accordingly, the Commission **approves** funding for up to \$1,041,726 for the project.

Statement of work

5. Having reviewed the documents submitted, the Commission **approves** the finalized statement of work and will provide it separately and in confidence to South Kountry.
6. Provided that South Kountry complies with all conditions of funding set out in Telecom Decision 2022-81, constructs the project as described in Schedule A: Statement of Work, and complies with all procedural requirements to submit reports, invoices, and requests for funding, the Commission will direct the Central Fund Administrator to make payments to South Kountry in respect of the project. Failure to comply with these conditions and requirements could result in funding being delayed or not being disbursed.

7. The Commission reminds South Kountry of the condition of funding set out in subparagraph 35(f) of Telecom Decision 2022-81. This condition is that if South Kountry becomes aware of a risk of adverse impact on an Aboriginal or treaty right and a duty to consult exists, South Kountry must advise the Commission within **20 days** and submit a plan detailing the form and process for fulfilment of the duty. Should such circumstances arise, the release of any additional funding will be contingent on South Kountry demonstrating that any necessary consultations were held to the Crown's satisfaction.
8. South Kountry is required to submit, quarterly, a progress report and expense claim beginning no later than **20 March 2023**, or as otherwise agreed to with the Commission, and every **three months** thereafter until the project is completed.
9. Further, in accordance with the Commission's determinations in Telecom Decision 2022-81, South Kountry must offer and provide broadband services using facilities funded through the Broadband Fund once the infrastructure is built, as committed to in its application and approved in Schedule B: Project Services.

Policy Directions

10. The 2006 Policy Direction¹ and the 2019 Policy Direction² (collectively, the Policy Directions) state that the Commission, in exercising its powers and performing its duties under the *Telecommunications Act* (the Act), shall implement the telecommunications policy objectives set out in section 7 of the Act, in accordance with the considerations set out therein,³ and should specify how its decisions can, as applicable, promote competition, affordability, consumer interests, and innovation.
11. The Commission considers that its approval of funding from the Broadband Fund for the project described in this order is consistent with the Policy Directions. Specifically, the decision to allocate funding towards improving broadband services in British Columbia will help to close the gap in connectivity in underserved areas and will respond to the social and economic needs of consumers. In doing so, this order will implement the telecommunications policy objectives, including those set out in paragraphs 7(a), (b), and (h) of the Act.⁴

¹ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

² *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

³ The relevant considerations are subparagraph 1(a)(i) of the 2006 Policy Direction, which states that the Commission should rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives, and paragraph 1(a) of the 2019 Policy Direction, which states that the Commission should consider how its decisions can promote competition, affordability, consumer interests and innovation.

⁴ The cited policy objectives of the Act are 7(a) 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; 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; and 7(h) to respond to the economic and social requirements of users of telecommunications services.

Secretary General

Related documents

- *Broadband Fund – Project funding approval for South Kountry Cable Ltd.’s access project in British Columbia*, Telecom Decision CRTC 2022-82, 29 March 2022
- *Broadband Fund – Second call for applications – Introductory decision regarding the March 2022 round of project funding approvals*, Telecom Decision CRTC 2022-81, 29 March 2022