



APAS Submission on Telecom Notice of Consultation CRTC 2023-89

The Agricultural Producers Association of Saskatchewan (APAS) is the province's general farm organization and provides a unified policy voice on behalf of approximately 16,000 farm and ranch families in the province. Access to reliable and affordable telecommunications services is increasingly important for farm operations' management of business affairs, accessing and developing markets, as well as adopting new production technology. Rural connectivity is an important driver of agricultural growth in our province which makes up over half of Canada's total grain exports and provided \$18.2 billion in export value to Canada's trade balance last year.

The importance of connectivity to business growth in the agricultural sector has made APAS a leading advocate for improved access to telecommunications in rural areas. For the past three years, APAS has consulted extensively with producers and rural residents about the gaps in their local areas and how access to telecommunications has affected their business operations. This consultation led to a report that was published in 2021, containing 53 recommendations, including a request to "Re-establish a new High-Cost Service Area fund for high-speed internet, and ensure that the funding formula allows for the creation of a sustainable business environment in rural areas."

APAS welcomes the opportunity to participate in CRTC 2023-89 because our organization highly supports the refocused objectives of the CRTC Broadband Fund to include ongoing operational funding. We have also provided comments to help ensure the Broadband Fund is effective in encouraging investment and network development in rural Saskatchewan to support our agricultural sector's growing need for reliable and cost-effective connectivity. Specific comment focus on eligibility requirements to fit the differing regional needs and market dynamics that exist across Canada, while also ensuring the program supports investment and service delivery of non-incumbent service providers.

Operational Funding Consideration

5. Should the Commission provide operational funding support to TSPs serving rural and remote areas?

APAS supports the CRTC providing operational funding for service in rural and remote areas, and our organization strongly urges the CRTC to move forward with this proposal. We view ongoing and stable operational funding as a critical requirement for achieving the Universal Service Objective.

Ongoing and stable operational funding is essential in rural and remote areas to ensure there is a business case for private operators. Rural areas simply do not have the density of customers to create a market in which operators can see a return on their investments while still maintaining and operating networks. We have noted in our consultations with members and telecommunications companies that



ongoing operational support is, in many cases, an essential requirement for increased investment in network development and maintenance in rural and remote areas of our province.

The Universal Service Objective aims to have all Canadian access to a fixed internet connection, with minimum speeds of 50 Mbps download, and 10 Mbps upload. Achieving this goal will take sustained investment and require equipment renewal that can only occur if there is ongoing support for the operations in rural and remote areas.

It is important that Telecom Notice of Consultation CRTC 2023-89 recognize the strong rationale that exists for operational funding in support of the CRTC's Universal Objective, including the following considerations:

- Operational funding provides the stability to incent private investment in markets that would otherwise lack the business case for deployment.
- Increased access to funding lowers the barrier to entry for service providers to enter and remain in rural communications.
- The availability of ongoing and stable funding will help to maintain parity between rural and rural Canada by encouraging equipment renewal and retaining investment in rural areas.
- Provides benefits to service providers that have already invested in rural areas, instead of only rewarding deployment into new areas.

Eligibility Requirements

APAS supports a balanced approach to eligibility requirements that recognize and accommodate the needs of the regional telecommunication markets of Canada.

In the consultation document, the CRTC has asked for clarification on eligibility for this fund. APAS strongly encourages the CRTC to avoid a one-size fits all approach to eligibility, and instead, allow for regional variation to fit the diverse market and geographic needs that exist across rural Canada. It is also important that operational funding is available for existing connectivity and not limited to future deployment only.

Expenses

Q9. If the Commission funds TSPs' operational costs, what operational costs should be eligible for funding?

APAS is supportive of a broad definition of eligible expenses, including wages/salaries and equipment renewal.

We believe that wages and salaries should be included as eligible expenses. Ensuring that professionals stay in rural areas and can transfer their skills and knowledge is important to both maintaining parity between rural and urban areas while also ensuring there is the capacity to rapidly deploy repair and maintenance services when networks go down. This is an important part of having a resilient telecommunications network in the face of service disruption and unexpected events.



Expenses should also be allocated for equipment. As equipment ages and becomes obsolete, service providers need access to capital to replace and renew it. that providers can replace and renew it. Without support for equipment renewal, APAS is concerned that service in rural areas will deteriorate relative to those in urban areas. There is also the risk of service providers withdrawing from rural areas altogether if the business case for replacing equipment does not exist. Operational funding for equipment renewal is essential for keeping the business case in rural areas viable.

The long-term importance of operational funding should also be considered in designing this program. We would like to see a commitment towards long-term and stable funding provided in perpetuity, and that any withdrawal or program changes should only be considered in consultation with affected communities and service providers.

Geographic Requirements

In determining communities eligible for operational funds, we strongly urge the CRTC to avoid limiting these funding options only to those communities that are satellite dependent, nor should it limit funding for operational costs to those applications that also require capital funding and deployment. The CRTC should determine costs per household served or a similar mechanism in its allocation and eligibility requirement. APAS also strongly urges a broader definition that reflects the need for connectivity beyond the household. APAS members require network and internet connectivity in agricultural lands including rangelands and croplands. The CRTC should find ways to acknowledge these connectivity needs in future programming to ensure that agricultural producers' communication needs are being met across their farming operations to ensure emergency services and help enable the use of technological innovations.

Funding Gaps

Q18. Are there remaining gaps in connectivity funding in Canada that are regional or based on specific types of projects that are not currently the focus of significant funding?

APAS recommends additional consideration to address the lack of projects in Saskatchewan from both the Broadband Fund and the Universal Broadband Fund, including:

- **That the CRTC and ISED take into consideration regional market dynamics when developing funding requirements.**
- **Address the overreliance on private network data.**
- **Prioritize operational funding over new streams for deployment funding, leaving those streams to ISED.**

APAS also wishes to highlight additional funding gaps and longer-term challenges that the CRTC and ISED need to address as they continue to fund the build-out of telecommunication infrastructure.

Saskatchewan requires additional flexibility to recognize the unique market condition that exists in this province. Saskatchewan is the only province that maintains public ownership of our telecommunications



company. Our crown corporation, SaskTel, has a mandate to provide basic service to Saskatchewan residents. Therefore, SaskTel has already invested and developed additional networks without a market incentive. This investment and development were made possible by offsetting the additional costs with profits generated elsewhere in the network to support rural and remote areas in the public interest.

The current consultation is also an opportunity to address concerns about the overreliance on service-provided maps for determining eligibility and funding allocation in rural areas. For the past three years, APAS has offered a speed test for our members in partnership with the Canadian Internet Registration Authority. This test provides a real-time snapshot of internet speeds in rural Saskatchewan that shows internet speeds consistently below the Universal Service Objective in communities that are not included in the eligible communities. APAS has also heard from service providers that the maps and eligible community list are often out of date, and the time between submitting data from providers to the information being updated can be substantial, this is creating additional barriers for applicants.

The consultation document also has numerous additional funding and project ideas where the CRTC can direct the *Broadband Fund*. APAS has considered these proposals and recommends the CRTC focus its efforts on providing operational support to networks in rural and remote areas given the size and scope of the Universal Broadband Fund.

Although outside the scope of this consultation, APAS also wishes to highlight our general concerns over the lack of progress in Saskatchewan to enter partnerships through the Universal Broadband Fund. The first projects were announced only this calendar year, while other provinces have reached extensive cost-sharing agreements that have already put millions of dollars into deployment. Addressing Saskatchewan's extensive telecommunications and connectivity needs requires accelerated investment in network development. It is important the Broadband fund address these specific needs through a program design that allows for regional flexibility.

Conclusion

APAS strongly urges the CRTC to develop and implement appropriate mechanisms to reinstate a modernized operational funding model that ensures parity between rural and urban services. The CRTC also needs to recognize the unique needs of Canada's regions and ensure that eligibility and expenses are broad and flexible enough to incent investment and support continuous renewal in high-cost areas.