Connecting British Columbia Program
Phase Two – Intake 3 – Transport Infrastructure
Application Guide

Introduction

The Connecting British Columbia program is a province-wide program administered by Northern Development Initiative Trust (Northern Development) and is available to all eligible applicants. The program is funded by the Province of British Columbia.

Program Purpose

The current objective of the multi-year Connecting British Columbia program is to accelerate the delivery of high-speed internet connectivity at minimum speeds of 50 megabits per second (Mbps) download and 10 Mbps upload to homes and businesses in rural communities in BC. Applications that can demonstrate the ability to support the target of 50/10 Mbps are highly preferred.

The high cost of infrastructure has been identified by local governments, regional districts, First Nations, and internet service providers as one of the key barriers to expanding internet services. The Connecting British Columbia program helps pay for infrastructure required to deliver high-speed internet connectivity to rural areas of the province.

For the Connecting British Columbia program, transport projects enable improved connectivity to rural and underserved areas, provide network diversity to key transport segments, support expansion of services to reach the 50/10 Mbps service objective and support future services.

Approved projects must be completed by March 31, 2020.

Transport Project Objectives

Transport projects funded under the program must achieve one or several of the following objectives:

- Provide new infrastructure or upgrades to existing infrastructure to allow improved availability of high-speed internet in areas with limited coverage. Examples of upgrades are replacing of old copper cables and replacing aging or saturated radio links.
- Improve network diversity by providing alternate paths into regions with single points of failure or circuits exposed to natural or human risk factors like landslides, flooding, or fire.
- Support expansion of the 50/10 Mbps CRTC service objective at affordable rates by providing market options or competitive wholesale pricing to rural and underserved areas, or areas historically dependent on only one provider.
- Provide transport infrastructure capable of supporting future services in areas underserved by other telecommunication services like cellular or public Wi-Fi, by offering breakouts in specific geographical areas where improved coverage can be achieved.

Funding Contribution

Applications will be eligible for up to 50% contribution of eligible costs.

Applicants may submit more than one application for transport projects.

Applicants who received funding during previous intakes are not restricted from applying.

Funding decisions are final.

Third Party Contributions

Applications to the Connecting British Columbia program must also demonstrate leveraged funds from other sources that may include: funds from the applicant, funds from other funding agencies or funds from federal and/or other levels of government. However, any funds that were previously granted by the Province for other connectivity programs may not be used to leverage Connecting British Columbia funds.

Project Timelines

Applications must demonstrate that the project will be completed by March 31, 2020. A high-level project plan, including major milestones is required (Template 1 – Project Plan).

Applications for projects with an immediate start date will be more favorably ranked in the assessment and review process. The need for additional steps before a project can start (e.g., securing other funding, completion of other projects, complex permits process or negotiation of rights-of-way) will be taken into consideration in the review and assessment of applications. Such applications may also be deferred for consideration to a future intake round pending availability of funds.

Eligible Applicants

Applicants must agree to own, operate, and maintain the transport infrastructure as a condition to obtain the funds.

Examples of eligible applicants include:

- Local, regional or national internet service provider.
- Local government or regional district established by BC legislation.
- First Nation or First Nation organizations – i.e., band or tribal council or a corporation controlled by a First Nation.
- Unincorporated area whose application is submitted through a regional district or a not-for-profit organization.
- Not-for-profit corporations, not-for-profit co-operatives or societies, registered and active in BC.

Individuals cannot apply to the program.

Eligible Communities

The goal of this intake is to build high-speed transport (backhaul) infrastructure to underserved communities across BC. Communities eligible for funding are identified in Template 5 – Transport Communities.

If a transport application contains last-mile components, please include additional attachment Template 4 – Communities and Network Capacity.

Eligible Project

The program intake, effective September 1, 2018, is to provide funding for transport projects to ensure that infrastructure investments are, to the extent possible, coordinated, scalable, provide value for money and achieve priority objectives for the region.

It is highly recommended that applications are in support of regional connectivity strategies that enable outcomes that are a priority for the local government, regional district or First Nation benefiting from the investment. Written support from the local government body is required before an application will be considered for funding.

Transport projects are defined as high-speed fibre or radio links building a point-to-point segment between two communities, or extension or breakout segments splitting from existing transport lines. High-speed means at least 1 Gbps.

Also, eligible projects must clearly provide social benefits to the serviced areas. Some examples of social benefits considered are:

- Multiple points-of-presence along the route where there is no business case for last-mile and potential to enable cellular services or 5G at later date.
- Offers value-added services like free Wi-Fi to community locations and rest areas.
- Offers internet gateway services to last-mile providers under better-than-market conditions.
- Offers pricing models reducing costs over time and improves the affordability of last-mile services.
- Enabling government services in rural and underserved communities.

Applications will be reviewed and assessed on a first come, first serve basis until available funds are committed.

Transport Infrastructure Build

- Transport infrastructure includes all equipment and materials required to build and connect at least two points in a high-speed segment.
- Applications will be required to demonstrate that capacity built over the transport segment will allow for wholesale rates to provide for last-mile services at prices comparable to large urban areas in BC.

Eligible Builds

- Applications that deliver at least 1 Gbps using high-speed fibre or radio links are strongly preferred.
- Applications providing breakout points or other technical solutions to allow future builds in rural and underserved communities are strongly preferred.
- Applications supporting last-mile projects either in development or in planning phases are strongly preferred.
- Applications that provide new or improved transport where an existing internet service provider does not already provide 50/10 Mbps service will be preferred.

Ineligible Builds

- Applications that share spectrum, infrastructure or are used for cellular services.
- Applications making use of existing dark fibre.

Eligible and Ineligible Costs

Eligible costs under the program are the reasonable and essential expenses required to complete the project. The program will fund one-time costs associated with deploying expanded or enhanced networks. The determination of eligible expenses rests with the program.

Eligible Costs

- Equipment hardware and software costs: Servers, switches, fibre-optic cable, repeaters, radio equipment, towers, poles, back-up power supplies, shelters and network broadband connectivity devices including upgrades and adaptations.
- Labour costs: Gross wages or salaries incurred for work which can be specifically identified and measured as having been performed on the project. Associated CPP, EI, WCB are eligible.
- Contracted services related to the build of the network.
- Project management.
- Material costs which can be specifically identified and measured as having been used or to be used in the performance of the project.
- Engineering and design of network architecture and systems design and integration.
- Other direct costs related to development and implementation of the project such as material.
- Travel costs: Cost of travel which is deemed necessary to the performance of the project. Travel expenses, at economy rates, shall be charged at actual costs. To be eligible, travel costs must clearly document the purpose of each trip and be considered reasonable by the program.
- Site survey engineering and design.
- Environmental assessments.
- PST.

Ineligible Costs

- Indirect labour and ongoing recurring operational costs: Leases, survey fees, right-of way/access fees, radio and spectrum licensing fees, audit fees, rent, land applications, co-location, financing and carrying costs.
- Project related labour cost reimbursement for any premiums above actual gross pay: Overtime, shift differentials, and any reimbursement or benefit conferred in lieu of salaries or wage.
- Land acquisition.
- Project contingency costs.
- Insurance and legal fees (e.g., construction, general liability, commercial, etc.).
- Fees paid to members of a board of directors for their time.
- Purchase of large operational equipment that will be retained by the organization.
- Advertising or promotional activities.
- In-kind contributions.
- Costs incurred prior to the date of application approval.
- GST.

Applying to the Program

The program will begin to accept applications on September 1, 2018, until funding is fully committed. All applications received by the program will be treated as confidential.

The application form is available for download at www.northerndevelopment.bc.ca/funding-programs/partner-programs/connecting-british-columbia/. Please note that some components of the application (i.e., council/band or tribal resolutions) may require additional time and planning to complete.

Applications must contain all completed Required Attachments for the application to be considered. Incomplete applications will not be reviewed.

All program communication will take place with the primary contact using the contact information provided in the application. It is the responsibility of the applicant to notify Northern Development regarding any changes to the contact information provided.

If you need help in completing your application, please refer to section titled 'Application Support'.

Required Attachments

Note that the following attachments to the application are labelled mandatory, "if applicable" or "if available" and must be submitted at the same time as the application. If mandatory attachments are not included with the application, the application will not be considered for funding.

- Template 1 – Project Plan (mandatory).
- Template 2 – Project Budget (mandatory).
- Template 3 – Financial Operational Plan (mandatory).
- **Template 4 – Communities and Network Capacity (mandatory if application includes last-mile component).**
- Template 5 – Transport Communities (mandatory).
- Corporate Profile (mandatory), which must include the following items:
    - Name of the ISP.
    - Number of years in business.
    - Organizational diagram that details the structure of your organization, including any parent, subsidiary, affiliates, and related companies.
    - Contact information: ISP location and contact information.
    - Number of customers.
    - Technical and project management experience of the ISP.
    - Detailed description of all current network infrastructure in the Regional District(s) covered by the application, including all existing fibre, PoPs and COs.
    - Past projects.
    - Additional information illustrating the ISP's experience and suitability for this project (i.e., interests, background, volunteer experience).
    - ISP references: Attach current references and customer testimonials from people or businesses familiar with the ISP's past projects and work experience.
- Incorporation Documents: Certificate of Incorporation and most recently filed Annual Report.

- Financial statements.
    - Financial statements must be specific to the legal entity applying for funding and may not be from a related organization.
    - The financial statements submitted must be in the final approved form, including signatures from the organization's representatives.
    - Applicants must submit financial statements for the 2016 fiscal year or newer.
    - Financial statements must be submitted in their entirety; partial documents will not be accepted.
    - There are three types of financial statements that may be submitted:
        - Notice to reader financial statements.
        - Review engagement financial statements.
        - Audited financial statements.
- Coverage Maps (mandatory):
    - Coverage map(s) in a geo-coded format *(i.e., Google Earth KMZ, ESRI shp file, or similar).* PDF maps will not be accepted.
    - The map(s) must show the current and the proposed service area.
    - The current service area must include existing speeds provided by the applicant, if applicable.
- Maps of fibre lines and microwave links (mandatory, if applicable) in a geo-coded format *(i.e., Google Earth KMZ, ESRI shp file, or similar).*
    - If the applicant is an internet service provider, the map must show all applicant-owned or operated fibre lines, PoPs, COs, and towers showing the microwave links for the geographic area.
- Logical network diagram of the project (mandatory).
- Market analysis: Internet services being provided and potential customers. (mandatory).
- Proposed equipment details (mandatory).
- Resolution (mandatory) must be signed, recently dated and reference the project.
    - Band or Tribal Council resolution, if applicable.
    - Local government/regional district resolution of support, if applicable.
- Funding approval letters from other sources (mandatory, if applicable).
- Regional District or First Nation connectivity infrastructure strategy (if available).

NOTE: Applications submitted without all required attachments will not be reviewed.

Project Review and Assessment

Applications will be subject to a competitive review, assessment process and ranked against selection criteria.

If additional clarifying information is needed to support the review and assessment, applicants will be contacted.

Selection Criteria

Applications will be adjudicated and assessed against the criteria below.

Community Benefits (% of overall score = 25%)

- The application must demonstrate that communities along the route, end-points and general area will benefit from lower cost retail services, greater reliability, and potential for future services not currently available through existing infrastructure.
- The application identifies multiple underserved communities to be served.
- The application provides evidence that the proposed deployment of transport services is a realistic assessment of community needs and anticipated social benefits.
- The application provides evidence of wholesale rates to provide for last-mile services at prices comparable to large urban areas in BC.

Corporate Capability (% of overall score = 10%)*

- The applicant has demonstrated they have selected or are an experienced internet service provider with the expertise and qualifications to implement the project.
- The applicant has demonstrated project management expertise and experience with overseeing high-speed internet connectivity projects.
- The project can start quickly.
- The applicant has addressed rights-of-ways and permits in the timelines of the project.
- The project milestones are reasonable.

Technology Used (% of overall score = 30%)*

- Fibre is preferred.
- The technical solution describes the type of network being installed, the type of technology to be deployed, where it will be used, and how it will be installed.
- The technical solution adequately serves the area for which it is designed (i.e., makes use of the right technology for the geographical and environmental conditions).
- The solution can be scaled and supported to address future needs, including breakout points and end-equipment to allow expansion to other areas.
- The solution does not require the use of satellites.

Financial Leverage Program Funding (% of overall score =30%)*

- Applications with a higher leveraging ratio of provincial funds toward total eligible costs.
- A higher leverage ratio per Gbps installed.

Quality of Application (% of overall score =5%)*

- Is the contribution necessary to fill the funding gap and complete any portion of the project or not?
- If the funding will meet a minimum requirement and allow a project to proceed (as opposed to simply improving on a project that is already feasible) this is preferable as it will lead to more capacity being built.
- Applicant has provided a quality application.
- The application gives confidence that the project can and will succeed.

* Note: Application must meet a minimum of 50% threshold in each of the categories marked with an asterisk (*) to qualify for funding.

Project Approval, Grant Agreement and Reporting

Awarding of funding will be conditional upon finalization of an agreement that sets out the terms and conditions of funding. The program reserves the right to award partial contributions of the total funding requested.

The agreement will require the applicant to follow the program guidelines and requirements, including submitting progress and final reports and financial reporting documents. Further details on reporting requirements will be provided to successful applicants.

Applicants not meeting the agreement requirements could result in the repayment of funding and disqualify the applicant from further applications.

Audits and Site Visits

Recipients may be subject to project, financial and performance audits or site inspections at any time during the term of the grant agreement and for up to three years following project completion.

Events and Communications

The grant agreement may require the following:

- Advance notice to Northern Development and the Province of British Columbia of any promotional activities or events related to the project.
- Acknowledgement of the Province of British Columbia in project communications, events and signage.
- Consent for the Province of British Columbia to publish project details in reports and in promotion of the program (i.e., on websites and in other public material).

Freedom of Information

Applications submitted under the program are subject to the Freedom of Information and Protection of Privacy Act. The information being collected is for the purpose of administering the program and evaluating eligibility of the application.

Reference Material

A Connectivity Handbook has been developed to promote the importance of access to affordable, reliable and adequate broadband infrastructure to meet the needs of British Columbians. The Handbook is intended to help local government bodies and community organizations become more engaged, taking on leadership roles in defining key service opportunities and in developing practical plans that can lead to realistic and affordable broadband solutions.

The Connectivity Handbook is available online at www.northerndevelopment.bc.ca/funding-programs/partner-programs/connecting-british-columbia/.

Definitions

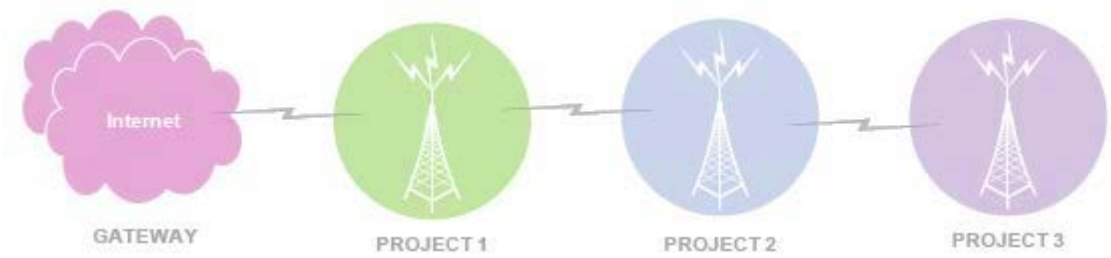
Backhaul: A network connection that transports data traffic from one Point-of-Presence (PoP) to another or from a PoP to a location that contains the internet gateway.

Bandwidth: The capacity for transferring data over a network as measured in bits per second (bps), kilobits per second (Kbps), megabits per second (Mbps), or gigabits per second (Gbps).

Breakout: A location in a transport line where additional transport line(s) can be connected or branched out without compromising the integrity of the main or existing line.

Central Office: A building structure in a locality to which subscriber home and business lines are connected on what is called a local loop. The term is also known as an end office or exchange.

Dependencies: Also known as order of build, this is where separate projects depend on the completion of other projects to proceed.



The diagram above indicates a series of projects exhibiting dependency. Project 3 requires the completion of Project 1 and Project 2, Project 2 depends on the completion of Project 1 and so on.

The dependencies can also be described this way:

Project >>	Project 1	Project 2	Project 3
depends on	None	Project 1	Project 1
			Project 2

Gigabit or Gbps: In data communications, a gigabit is one billion bits. It is commonly used for measuring the amount of data that is transferred in a second between two telecommunications points.

High-speed internet: Also referred to as broadband, high-speed internet is an 'always on' fast connection to the internet. The CRTC's new target for internet speed to the home or business is a minimum speed of 50 Mbps download and 10 Mbps upload.

Monetized donations: Means contributions of goods or services, other than cash from third-parties.

Internet Gateway: A network connection that provides access to the internet for the service provider's last-mile distribution system.

Internet Service Provider: An organization that offers its customers access to the internet.

Last-Mile Infrastructure: The components used to connect homes and businesses to the internet service provider's Point-of-Presence. This may include routers, towers, antennae, fibre, cable, Digital Subscriber Line (DSL) equipment, cable modems, wireless radios and so on.

Long-Term Evolution or LTE: A standard for high-speed communication for mobile devices and data terminals. It increases the capacity and speed using a different radio interface together with core network improvements.

Milestones: Significant stages of completion for your project(s).

National Service Providers: Internet service providers who also provide service outside British Columbia.

Point-of-Presence (PoP): A facility where internet service providers house servers, routers, switches and other communications equipment. A PoP is where an internet service provider's last-mile infrastructure connects to an internet gateway.

Risks: When projects depend on outside factors to proceed. This can include order of build, grants from other sources, matching funding, Crown land applications and so on. For the purposes of the Connecting British Columbia program, any risks must be clearly stated in your application.

Scalability: The ability of a network to expand service to a larger area around the vicinity of the existing connected locale.

Spectrum Licensing: A federal government process granting the licensee permission to use a portion of the radio frequency spectrum in a given geographical area for telecommunications purposes.

Transport: High-speed fibre or radio links building a point-to-point segment between two communities, or extension or breakout segments splitting from existing transport lines.

Unincorporated Area: Is a settlement area within a regional district electoral area.

Application Support / Contact

Any additional questions should be referred to:

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