



**OFFICE OF THE  
CHIEF ADMINISTRATIVE OFFICER**

January 4, 2021

Capital Regional District  
625 Fisgard Street  
Victoria, BC V8W 1R7

Attention: Kristen Morley, General Manager, Corporate Services

Dear Ms. Morley:

**RE: Request for additional fibre landings and last mile applications within the CRD**

The Strathcona Regional District (SRD) has been in discussion with CRD staff to provide information regarding the addition of two fibre landing sites to the Connected Coast project on Mayne and Galiano Islands as well as last mile fibre to the home applications for Port Renfrew, Jordan River, Saturna, North Pender, Mayne, and Galiano Islands.

**Background Information**

The Connected Coast project will bring new and improved high speed internet accessibility to 154 rural and remote coastal communities, including 51 Indigenous communities representing 44 First Nations along the BC coast from north of Prince Rupert to Haida Gwaii, south to Victoria and around Vancouver Island, with approximately 3,400 km of subsea fibre optic cable. In total, it is estimated that the project has the potential to benefit 175,000 British Columbians, living in 90,000 households.

The impact of the project and the opportunities it will provide to these communities will be enormous. Access to reliable high-speed internet and cell phone service means that residents in rural areas and coastal islands will be able to access online education, health services, emergency notifications and participate in online information sharing. It will also open new economic development opportunities for residents who will be able to work remotely and participate in e-commerce and online business development regardless of their geographic location.

**The Project Partners**

The project ownership, operation and management of the Connected Coast project is a joint venture partnership between CityWest Management Corporation (CWMC) a wholly owned subsidiary of the City of Prince Rupert, and the Strathcona Connected Coast Network Corporation (SCCNC), a wholly owned subsidiary of the Strathcona Regional District. The two organizations have combined their funding resources from the Connect to Innovate program realizing that increased benefits for both project areas could be obtained by connecting the two networks. By providing links from Northern BC, and around Vancouver Island to the Vancouver Internet Exchange VIE, the infrastructure will provide internet connectivity to dozens of British Columbian

communities and increase system stability, reliability, and resilience by providing an alternate (redundant) route for service as well as achieve economies of scale not otherwise possible.

The SCCNC and CWMC will work together to engage and consult with local communities, regional districts and first nations to ensure that the project meet the needs of communities now and into the future. The SCCNC and CWMC will also work with local communities and anchor institutions such as BC Ferries, Canadian Coast Guard and the Department of National Defense that are interested in connecting to the network and provide opportunities for financial partnerships with infrastructure and last mile projects.

### **Project Funding**

The Connected Coast backbone fibre project is fully funded with an estimated cost of \$47 million that will place sub-sea fibre infrastructure in and around Vancouver Island, the southern and north coast up to Prince Rupert and Haida Gwaii. Funding for the project is being provided by the Government of Canada's Connect to Innovate (CTI) program, Indigenous Services Canada, and the Province of BC through the Connecting British Columbia program administered by Northern Development Initiative Trust. The funds do not include any local community last mile projects to connect individual households and businesses to the backbone infrastructure other than for the landing sites approved by the funding partners in the CTI program. There are a number of Federal and Provincial programs currently in place such as the Economic Recovery Program and the Universal Broadband Fund to address community last-mile infrastructure projects.

### **Sites Within the CRD & Proposed New Sites**

The Connected Coast project currently includes 15 landing sites within the Capital Regional District (Fernwood, Ganges, Port Washington, Musgrave Landing, Deep Cove, Fulford Harbour, Saturna, Sidney, Beecher Bay, Victoria, T'Sou-ke, Shirley, Port Renfrew, Jordan River and Pacheedaht First Nation). At the time of application to the CTI program, the Connected Coast partners made a number of requests for additional landing sites across Vancouver Island including Mayne and Galiano Islands. Landings were planned initially to serve Galiano and Mayne Islands, but subsequently removed from the project scope at the request of the Province and ISED based on reports filed by Telus explaining that they already had fibre connections in place with last mile services that met the minimum 5 Mbps down/1 Mbps upload speeds. In addition, several landing locations on the Connected Coast network were planned solely for interconnecting with existing networks of other carriers for the purpose of improving resiliency. Accordingly, there are no plans for last mile development on sites within the CRD such as Victoria, Shirley, and Sidney.

In 2018 the Canadian Radio and Telecommunications Commission (CRTC) determined that broadband infrastructure is essential for Canadians to participate in the digital economy and set new targets for internet speeds. The CRTC's new benchmark for broadband speeds for all Canadian homes and businesses is to be at least 50 Mbps for download and 10 Mbps for upload speeds. This change in policy and funding availability has made a number of communities that were not eligible for fibre landings on the Connected Coast network now eligible. Specifically, within the Capital Regional District and the Southern Gulf Islands, both Galiano and Mayne Islands are now eligible for funding for landing sites and last mile infrastructure. In anticipation of this change in funding eligibility, the Connect Coast partners developed a design that will see the Connected Coast backbone fibre route run directly adjacent to Galiano and Mayne Islands, making landing(s) to these islands simple and affordable.

## **Costs**

There are two funding programs currently available for last mile works that the partnership is focusing on for communities aligned with the Connected Coast project.

The first is the Federal Universal Broadband Fund, (UBF) and the second is the Provincial Economic Recovery Intake, (ERI). The ERI stream has 90M in allocated funding for projects up to 10M in costs. The program has a 90/10 community funding split (90% Provincial funding) that allows for stacking of other resources such as community works funds, reserves, borrowing and other grants. The ERI fund has a monthly intake with the condition that all infrastructure be constructed by October 31, 2021.

The UBF stream includes 1.8B in allocated funding for projects with a funding split of 75/25 (75% Federal funding), and 90/10 for First Nations applications. There are ongoing discussions with the Province and Federal funding partners that these programs may be combined and/or mutually funded that would allow a more advantageous community funding split similar to the 90/10 Provincial program. The UBF program has a submission deadline date of February 15<sup>th</sup>, 2021 with a construction completion date of December 31, 2026.

In order access funds and make last mile applications to these programs, the applicants must be a local government and/or Internet Service Provider (ISP) with a minimum of 3 years experience deploying and operating fibre technology in Canada. If applicants are working in a partnership arrangement with a local ISP, an agreement outlining how the two parties will work together is necessary.

The Connected Coast joint venture partnership is both a local government and an ISP with the required experience to make these applications. The Connected Coast partners have engaged the support of dozens of communities, First Nations and local ISP's on Vancouver Island and the West Coast of BC to make over 60 applications to the funding programs for communities aligned with the Connected Coast project.

With the encouragement of CRD staff, the Connected Coast partners have engaged the local ISP's, Galiano Association for Internet Access (GAIA) and South Island Internet (SINet) and are pleased to report on the success of the principles of a partnership agreement with both organizations to operate and provide last mile services to the Southern Gulf Islands.

As the Connected Coast project is bringing fibre connected landings to all communities on the network, it is the intention to make all last mile applications, fibre to the home solutions giving residents and businesses access to 1Gbps down/upload speeds that will put these communities on a level playing field with homes and businesses in urban areas such as Victoria and Vancouver.

As part of the Federal and Provincial Connected Coast contribution agreements, the supply and installation of the Connected Coast infrastructure was publicly and competitively procured with the contracts for construction finalized in the fall of 2020. The Connected Coast partners have been working with our contractor over the last several months preparing detailed cost estimates for additional landing sites across the network and last mile fibre solutions to over 60 communities and First Nations including those communities within the CRD. The table below includes the capital infrastructure cost to provide fibre to the home solutions for eligible communities within the CRD. These costs are desktop estimates, and our project management team will be working with the local ISP's to identify ways to bring the costing down to ensure we are providing the fastest, most desired services at the lowest possible cost.

<b>Island/Area</b>	<b>Homes</b>	<b>Total</b>	<b>Cost/Home</b>	<b>Est. Community contribution</b>
Galiano	1,265	\$7,317,103	\$5,784	\$731,170
Mayne	1,211	\$5,486,686	\$4,531	\$548,669
North Pender	1,711	\$6,695,165	\$3,913	\$669,517
Saturna	558	\$3,193,197	\$5,723	\$319,319
Port Renfrew	107	N/A	\$4,000 - \$5,500	TBD
Jordan River	54	N/A	\$4,000 - \$5,500	TBD

The breakdown of costs for each site includes the supply of materials and labour for a fibre to the home installation as well as landing sites on Mayne and Galiano Island, (\$100,000/landing). If the landings are not built in parallel with the Connected Coast project and are requested after the project completion, the contractors estimate for this work is between \$500,000 and \$750,000 per landing as there would be a significant amount of additional labour, mobilization and fibre required.

### **Ownership**

The Federal and Provincial contribution agreements require that the joint venture partnership maintain operations and ownership of the network infrastructure including maintenance, repairs, and liability of the network for a total of 8 years from the start of construction and therefore ownership of the network and its infrastructure must remain with the CWMC and SCCNC partners.

### **Schedule**

The Connected Coast project will be built in phases with deployment of fibre and landing site construction for Phase One anticipated to start in spring/summer 2021. The Federal UBF program has a submission closing date of February 15, 2021 and in order to include the additional landing sites for Mayne and Galiano Island as well as last mile infrastructure applications for the communities identified in this report, community support by way of resolution is required as part of the application submissions.

### **Resolutions**

**THAT** the Capital Regional District approve a letter of support for the Strathcona Regional District and the Connected Coast project for their efforts to secure all necessary permits within the CRD including identification of best sites, design and tenure agreements for landings, Points of Presence and ROWs as well as permissive tax exemptions

**THAT** the Chair write a letter in support of the CityWest applications to the UBF and ERI programs for construction of last mile fibre to the home projects in the communities of Mayne Island, Galiano Island, Saturna Island, North Pender Island, Jordan River, Port Renfrew with the understanding that funding beyond the 90% threshold will be provided by the communities to be served by last mile projects.

Sincerely,

Dave Leitch,  
Chief Administrative Officer

*Strathcona Regional District*