

July 21, 2023

Canadian Radio-television and Telecommunications Commission (CRTC)  
Ottawa, Ontario  
Canada, K1A 0N2

**RE: Telecom Notice of Consultation CRTC 2023-89: Call for comments – Broadband Fund Policy Review**

The Ontario Federation of Agriculture (OFA) is pleased to provide comments to the Canadian Radio-television and Telecommunications Commission (CRTC) regarding the Broadband Fund Policy Review. OFA is the largest general farm organization in Ontario, proudly representing more than 38,000 farm family members. OFA has a strong voice for our members and the agri-food industry on issues, legislation and regulations administered by all levels of government. We are passionate and dedicated to ensuring that the agri-food sector and rural communities are considered and consulted with for any new or changing legislation that would impact the sustainability and growth of our farm businesses.

We are pleased to see this review moving forward. Given the recent developments to the funding landscape, with significantly increased contributions from federal and provincial governments, a review of the approach for funding of broadband connectivity in Canada is welcomed. OFA appreciates the opportunity to provide input regarding how the Broadband Fund is administered moving forward.

Overall, OFA is supportive of refocussing the objectives of the CRTC Broadband Fund. Many of the proposed amendments align with the OFAs interest to see improved access to internet and mobile telecommunications in rural areas. We agree with the Commission that reliable connectivity has grown even more important since the Covid-19 pandemic and that access to broadband Internet and mobile wireless services has become more vital to Canada's economic, social, democratic, and cultural fabric. This makes it all the more crucial to ensure all Canadians have access to basic telecommunications services that are affordable and reliable.

The importance of connectivity to the growth and continual improvement of Ontario's agricultural sector has made OFA a strong advocate for improved access to telecommunications in rural areas. OFA regularly consults with Ontario farmers and rural residents about connectivity in their local areas and how limited access to telecommunications has affected their business operations. We have issued two comprehensive internet communications surveys with our members, and we are in the process of distributing an updated survey investigating the role of mobile connectivity to farm business operations. From these surveys we know that a connection is simply not enough; it needs to be fast and reliable. Internet outages are not just frustrating, but lead to an inability for our farmers to conduct regular business activities, and can contribute to potential and real revenue, data and productivity loss. Ultimately, this contributes to farmers reporting they feel less able to meaningfully participate in the global digital economy.

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Farmers increasingly recognize of the importance of connectivity and consider it essential to farm business. Demand for internet bandwidth and speed is out pacing supply and farmers are increasing digital technologies at a rate faster than internet upgrades are occurring. This is resulting in farmers being forced to delay investing in digital farm technologies that can have real consequences to Canada's global competitiveness and ability to meet our commitments to global greenhouse gas reduction agreements.

We appreciate the opportunity to address a selected number of discussion questions below:

### **Expanding the scope of funding: Funding Operational Costs**

#### ***Q5. Should the Commission provide operational funding support to TSPs serving rural and remote areas?***

**OFA supports the CRTC providing operational funding for service in rural and remote areas. Without this funding achieving the universal service objective is unlikely, and it is therefore essential the CRTC moves forward with this proposal.**

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.

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.

Through this consultation, it is important to recognize the strong rationale that exists for operational funding in support of the CRTC's Universal Objective, including:

- 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 urban 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.

#### ***Q8. How should the Commission determine applicant and geographic eligibility for operational funding if it is not tied to an eligible capital project?***

**OFA supports a balanced approach to eligibility requirements that recognizes and accommodates the unique needs of regional telecommunication markets of Canada.**

It is essential that CRTC does not dictate a one-size fits all approach to these questions and instead allows for regional variation. It is also important that operational funding is available for existing connectivity and not limited to future deployment.

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

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

Wages and salaries should be included as eligible expenses. Ensuring that professionals stay in rural areas is important to closing the digital divide. This is also an important part of building a resilient telecommunications network where personnel can be rapidly deployed to fix and maintain connections when there is a system interruption.

Expenses should be allocated for equipment. As equipment ages and becomes obsolete, providers must be able to replace and renew it. Without this, we are concerned that customers in rural areas will be given inferior service to those in urban areas. There is also the risk of withdrawing from rural areas altogether if the business case for replacing that equipment does not exist. Therefore, it is essential that operational funding includes equipment, without this the business case would be severely reduced.

**Improving network resiliency by funding projects to increase geographic redundancy in rural and remote areas**

***Q12. Is the proposed definition appropriate for resiliency projects under the Broadband Fund?***

**OFA supports the notion of including resiliency projects under the Broadband Fund.**

We agree with the CRTC that there is need for greater network resiliency and that rural and remote communities are particularly vulnerable to network resiliency issues. Resiliency of the network is a growing concern as farmers rely more and more on internet-based services for their operations. Service outages can disrupt normal business functions, cause an inability to participate in the global digital economy, and result in documented productivity and revenue loss.

We support the proposed definition of resiliency projects that would bring needed redundant data paths to communities with existing networks; however, we feel the priority of the Broadband Fund should be to increase connectivity in underserved areas. Rural and remote residents deserve a reliable and robust internet service but not at the expense of those who have no service at all.

**Identifying and addressing any additional funding gaps in the current broadband funding environment**

***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?***

**OFA supports diversity in funding of broadband infrastructure that provides opportunities for smaller stakeholders in the telecommunications industry, such as non-profits, cooperatives, and rural municipalities.**

Competing against the large, national telecommunication companies for funding can be difficult for locally-owned cooperatives, non-profits, and rural municipalities. Smaller telecommunications providers are often operating in areas that have been by-passed by larger firms that do not see a market in smaller, more dispersed communities.

OFA has heard from our members that there is considerable dissatisfaction with the number of internet service providers (ISPs) available to choose from. Providing a dedicated stream of funding to smaller non-profit and cooperative telecommunications companies presents an opportunity to create more competition in the industry, build network resilience, and allow communities to be in control of building and governing their own broadband infrastructure.

### **Increasing the focus of the funding program on mobile wireless service and satellite-dependent communities**

***Q23. Should the Commission increase emphasis on mobile wireless funding in the Broadband Fund, including incorporating mobile wireless into the name of the Fund?***

**OFA supports increased emphasis on mobile wireless funding in the Broadband Fund and incorporating mobile wireless into the name of the Fund.**

Mobile connectivity has become nearly as vital to the success of modern farm operation as broadband internet connectivity. We have increasingly heard from our members the need for better, more reliable mobile connectivity in rural and remote areas. We have also heard the negative impacts to their businesses and quality of life when connectivity is poor. Given few funding programs currently provide funding for mobile wireless infrastructure, OFA is in favour of increasing this focus of the Broadband Fund moving forward.

### **Future-proofing the Broadband Fund policy by removing references to specific numeric targets**

***Q30. Should the lack of available service plans offering unlimited data capacity for fixed Broadband Internet access services be a criterion, in addition to the lack of plans offering universal service objective-level speeds, in determining eligible geographic areas for access projects?***

**OFA supports the notion of removing reference to specific numeric targets in the universal service objective (currently 50/10Mbps) and updating eligibility criteria in the policy to refer to the objectives and targets most recently defined by the Commission at the time a funding call is issued.**

As a result of the previous lack of attention towards rural connectivity, and the time required to roll out programming and build infrastructure, we have found that by the time programming targets have been met, those targets have become outdated. OFA has advocated in the past for the removal of speed targets, preferring a universal customer service standard that assures rural residents they are able to receive the speed and bandwidth required for their businesses to compete. A universal service objective as proposed by the CRTC that is updated regularly and reflects the needs of internet users in Canada is an acceptable alternative.

### **Adjusting the geographic eligibility models and corresponding criteria**

***Q31. Should the definition of eligible transportation roads be expanded?***

**OFA supports shifting the Broadband Fund's geographic eligibility away from the hexagonal model of funding allocation towards the road segment model used by ISED to reach underserved households.**

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We have heard the frustration from our members that have poor internet connections who live not far from those that do, and the disappointment that they are ineligible for funding to extend connectivity as a result of the hexagonal model. The current eligibility criteria that states that an area “must fall within a hexagon of 25 square kilometres in which Statistics Canada’s latest census data show that there is at least one household but in which no household has access to broadband Internet access service at universal service objective-level download and upload speeds (i.e., 50/10 Mbps).” This means that if one household does have access to the universal service objective, that hexagon would be considered ineligible. We do not believe that the hexagonal model provides an accurate representation for Ontario where the rural population is distributed between the towns, villages, and hamlets. Furthermore, while we recognize that this model may have worked in the past to allocate funds where they are most needed, within the current landscape of funding from federal and provincial sources, this model may no longer be appropriate.

OFA agrees that the eligibility criteria in the Broadband Fund policy should be updated to indicate that in any future calls, the Commission will employ the latest geographic model based on 250-metre road segments for both access and mobile wireless projects proposing to serve eligible households.

Once again, OFA appreciates this opportunity to provide comments to the CRTC regarding the Broadband Fund. In the interests of ensuring fair and equitable distribution of financial support from the Broadband Fund, OFA requests that the CRTC seek out opportunities to increase the transparency of decision-making around allocation of funds, increase timely communication with applicants regarding the status of their applications, and provide greater support to smaller, locally owned cooperatives and non-profit applicants.

Sincerely,



Peggy Brekveld  
President