

BRIEFING NOTE

Briefing Note for Premier Horgan

What:

Current Telecom Deal with TELUS and Future Telecom Procurement

Background:

In July 2011, a 10-year strategic telecommunications deal (“the Deal”) was signed between TELUS and a sub-set of Broader Public Sector (BPS) organizations, known as “The Buyers Group”. The Buyers Group consists of 12 Broader Public Service entities including four major crowns, all health authorities, and the Province (including all ministries and k-12 school districts) and was created to leverage their combined purchasing power to obtain competitive telecom services. The \$1.6B Telecom deal included a 2-year renewal option which was exercised in July 2020. The Deal is coming to an end in July 2023.

Some highlights from the current deal include:

- *Consolidation of over 230 individual contracts*
- *98 communities received high-speed connectivity*
- *1,721 kilometers of expanded highway cellular service*
- *\$119M Strategic Investment Fund – which allows the Province to implement initiatives like “Home Healthcare Monitoring”*

The Ministry of Citizens’ Services has developed the NextGen Procurement Business Case. Inputs into the business case included lessons learned from the current Deal, evolving technology assessments, industry research, market engagement and the Buyers Group business objectives and guidance. In May 2021, the business case and procurement strategy were reviewed and approved by the Deputy Minister’s Council for Procurement of Strategic Contracts.^{s.12; s.17}

s.12; s.17

Discussion:

The number of Telecom providers with Provincial coverage is limited due to the multi-hundred-million-dollar investment required to deliver these services.^{s.13; s.17}

s.13; s.17

s.13; s.17

TELUS has a significant “network

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coverage” advantage in all data, voice, and cellular service categories. s.13; s.17
s.13; s.17

Through consultation with the Broader Public Sector, industry analysis, and market engagement, the scope of the NextGen procurement was determined to be focused on cellular, data, and voice, professional services and hardware and software. The intent of the NextGen deal is to focus on these essential core telecom services. This focus will achieve the collective vision of the Broader Public Sector and provide it the highest possible value.

Key Messages:

- *Telecommunications plays a significant role in the social and economic lives of British Columbians.*
- *Telecommunications is also important in the day-to-day operations of government and the services we provide.*
- *Ministry staff work across government, as well as with the health authorities, school districts and major Crowns, to ensure the best value is obtained from telecommunication services.*
- *Procurement is completed at the staff level, not Minister level. Alignment to the Province’s Strategic Sourcing Framework and Procurement continues to be a focus of any procurement as we seek the best long-term value for British Columbia.*

Attachment(s): BC Telecome Providers Estimated Revenue.

Contacts: *CJ Ritchie, Associate Deputy Minister and GCIO, Ministry of Citizens’ Services, 250-217-1683*
James Shypitka, Senior Executive Director, Information Communication Technologies, Ministry of Citizens’ Services, 250-415-0738

Attachment 1 – BC Telecom Providers Estimated Revenue

Revenue in Billion \$ CDN	TELUS	Shaw	Rogers	Bell Canada
Head Office	Vancouver	Calgary	Toronto	Montreal
B.C. Total Revenue — Estimated	s.21			
Total Corporate Revenue				
% Revenue in BC versus Total				

MEETING NOTE

Advice to Minister Beare

MEETING DATE: June 15, 2021

REF: 115062

ATTENDEES: PS Roly Russell
CJ Ritchie, Associate DM
Susan Stanford, ADM
Howard Randell, ED
Jeanne Holliss, A/ED

ISSUE: Mayor Gary Foster has requested a meeting with Minister Beare to discuss northern connectivity issues pertaining to the Northern Rockies Municipality

BACKGROUND:

- Mayor Foster has provided recent feedback on the challenges of connectivity in the Northern Rockies Regional Municipality in his April 28, 2021 letter (Attachment: Letter from Mayor Foster).
- Mayor Foster participated in the May 6 Northern Local Government calls with Minister Osbourne and Minister Beare where concerns were raised regarding the unique barriers and challenges northern communities face including a lack of competition, network redundancy, access to passive infrastructure, funding opportunities and the ability to satisfy a business case to bring affordable services to more remote and lower populated areas.
- Mayor Foster requested that a table be convened with Minister Beare to have a more in-depth discussion regarding the barriers to connectivity expansion in Northern B.C.
- A northern table has been set up with PS Russell and elected officials on June 23, 2021.
- The meeting with Mayor Foster in advance of this meeting will provide an opportunity to gain more background and insights of the northern connectivity issues.

DISCUSSION:

On the May 6 calls, Mayor Foster raised the following concerns:

- The Northern Rockies Regional Municipality (NRRM) represents approximately 9 percent of the land area in British Columbia and NorthWestel is the primary service provider.
- Public safety of residents and travellers in the region, and economic development, are priorities for the Regional Municipality. Lack of connectivity is identified as a barrier to both.
- NRRM cannot implement Next Generation (NG) 911 services along the Alaska Highway corridor between Fort Nelson and Watson Lake (as planned with the Ministry of Public Safety and Solicitor General), due to lack of connectivity.
 - *Program note: NWT reports that basic 911 is available in the NRRM, NG911 as planned by PSSG is not operational / feasible without connectivity.*

- Northwestel has not applied for funding to the Connecting British Columbia program, UBF or other funding programs to improve connectivity in B.C., citing no business case, while accessing nearly \$40M from the Universal Broadband Funds for upgrades in the Yukon.
- High wholesale costs (directly regulated by the CRTC in this case) are a deterrent to other providers improving cell and internet services along the well-travelled Alaska highway corridor.
- NRRM's regulatory intervention through formal CRTC processes is not an effecting change.
 - *Program note: The regulatory proceeding that is currently underway through the CRTC process may affect change but at this time the consultation is not complete yet so there is not a report out and recommendations for the modernization plan.*
- Average internet speeds (in the few communities along the Alaska Highway corridor, are much lower than what is published on the federal map).
 - *Program note: The broadband Internet speed study is currently underway to better understand what is contributing to the differences between Internet speed data published by the federal government, and people's actual experience of Internet speed in their communities. Findings from the study will be released this fall.*
- Provincial connectivity investments are not aligned with major priority needs, such as 911 and other public safety needs.
 - *Program note: The Province recognizes the importance of cellular connectivity along B.C. highways and in rural and remote communities, especially for public safety. Cell service is essential for immediate access to emergency services when they are needed most. For the first time ever, we have introduced funding for cellular highway expansion and connectivity at rest areas.*
- NRRM staff works with CITZ Connectivity team to understand the file.

NEXT STEPS:

Mayor Gary Foster is invited to participate on the northern B.C table with PS Russell and elected officials on June 23, 2021.

Attachment: 115062 - Letter from Mayor Foster

Contact: Jeanne Hollis, A/Executive Director (250) 516-3848

Hubley, Holly CITZ:EX

From: Jaylene MacIver <jarnold@northernrockies.ca>
Sent: April 27, 2021 5:21 PM
To: Minister, CITZ CITZ:EX
Cc: Minister, MUNI MUNI:EX; chris.seidl@crtc.gc.ca; Davies.MLA, Dan LASS:EX; Bob.Zimmer@parl.gc.ca; NCLGA Admin; knewkirk@nwtel.ca; NRRM-Admin
Subject: 115062 - Correspondence; Broadband Connectivity in the Northern Rockies Regional Municipality
Attachments: 21-04-27 CITZ Northwestel Not to Pursue Funding .pdf
Categories: Invitations-Mtg Requests

[EXTERNAL] This email came from an external source. Only open attachments or links that you are expecting from a known sender.

Good Afternoon Minister Beare,

Please find attached correspondence regarding Broadband Connectivity in the Northern Rockies Regional Municipality, on behalf of Mayor Gary Foster.

Kind regards,
Jaylene

Jaylene MacIver
Corporate Manager

NORTHERN ROCKIES REGIONAL MUNICIPALITY
T 250-774-2541 EXT. 2031 | C 250-321-4738 | F 250-774-6794
jmaciver@northernrockies.ca | NorthernRockies.ca
Bag Service 399, 5319 50th Avenue S, Fort Nelson, BC, V0C 1R0

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Northern Rockies Regional Municipality

Municipal Office 5319 - 50th Avenue South

Bag Service 399, Fort Nelson, BC V0C 1R0

Tel: 250-774-2541 Fax: 250-774-6794

www.northernrockies.ca

April 28, 2021

Honourable Lisa Beare, Minister of Citizens' Services
Ministry of Citizens' Services
4000 Seymour Place
Victoria, B.C. V8X 4S8

via email (no hard copy to follow):
CITZ.Minister@gov.bc.ca

Dear Minister Beare,

Re: Broadband Connectivity in the Northern Rockies Regional Municipality (NRRM, Municipality)

As you are well aware, the high cost, quality and availability of broadband service in rural and remote regions have been identified by First Nations governments, municipalities and regional Internet Service Providers (ISP) as barriers to economic development and improved quality of life in communities such as ours. To address this challenge, the Provincial and Federal Governments have established funding programs to offset the capital costs and encourage service providers to upgrade and expand broadband infrastructure. The Connecting British Columbia program and the Canadian Radio-television and Telecommunications Commission's (CRTC) Broadband Fund offset the cost of such infrastructure improvements in rural and remote areas.

Despite being eligible, Northwestel Inc. (Northwestel), the incumbent and sole service provider for our region, informed us that the company has not and does not plan to apply for provincial or federal funding available to upgrade broadband infrastructure in the Northern Rockies. Northwestel's decision to not apply for funding leaves the NRRM without the necessary partner and without any immediate prospect for improved broadband service.

The NRRM is especially disappointed in Northwestel's decision, given that Internet service remains unreliable and cost prohibitive in the Regional Municipality. Residents and businesses experience limited connectivity at costs that far exceed the average of comparative areas in BC and Canada. Moreover, end of life infrastructure and outdated technology create inconsistencies in service and limit availability. Caps on data usage and high costs associated with overage charges further impede the accessibility of connectivity. The pandemic has highlighted the practical necessity of broadband connectivity to support remote work and to provide essential services in communities such as ours, and has exacerbated an already unsatisfactory situation.

Securing affordable and high-quality Internet service remains a high priority for the NRRM. In 2019, the NRRM contracted TANEx Engineering Corporation to develop the [Regional Connectivity Strategy](#). The

resulting report provides specific guidance for region-wide planning for telecommunications infrastructure development that is cost-effective, leverages existing infrastructure and supports identified regional economic and social priorities. In 2020, the NRRM drew on the Strategy in submitting a comprehensive intervention to Telecom Notice of Consultation CRTC 2020-367 in response to the CRTC's proceeding to assess the state of broadband services in Northwestel's operating territory. The NRRM's submission and those by individuals and representative organizations located elsewhere highlight inadequacies in service levels, affordability and Northwestel's response to consumer needs.

While the NRRM acknowledges some of the challenges faced by Northwestel in building a sustainable business case for improved and expanded connectivity across the Municipality, it remains the case that without the company's willingness to move forward, our residents and businesses will continue to experience significant disadvantages vis-à-vis other communities in BC and Canada, and even in other areas served by the company. Despite assistance from your staff in the Ministry of Citizens' Services and others, Minister Beare, we have not succeeded in forging a path forward to date.

It is not the NRRM's practice to approach government for assistance with issues we can deal with ourselves, or without solutions to propose. We would welcome the opportunity to share our thoughts with you in detail and respectfully request the opportunity to do so.

Sincerely,

Northern Rockies Regional Municipality

A handwritten signature in cursive script, reading "Gary Foster".

Gary Foster, Mayor

cc: Hon. Josie Osborne, Minister of Municipal Affairs, B.C.
Chris Seidl, Telecommunications, CRTC
Dan Davies, Member of Legislative Assembly, Peace River North, B.C.
Bob Zimmer, Member of Parliament, Prince George – Peace River – Northern Rockies
Sarrah Storey, President of NCLGA Board of Directors
Kerry Newkirk, Director of Government Relations, Northwestel Inc.