

**ADDITIONAL INFORMATION REGARDING THE
ALTERNATE APPROVAL PROCESS (AAP)
FOR
BYLAWS 321 AND 322**

Background on the Connected Coast project and Bylaws 321 and 322:

1. Broadband internet with download speeds of at least 50 megabits per second and upload speeds of at least 10 Mbps is now considered to be a basic telecom service however a study of the SRD's existing connectivity landscape found many residents and businesses do not have access to reliable, affordable broadband internet.
2. Improved broadband connectivity is a strategic priority of the Board and the SRD has been proactive in seeking opportunities to improve broadband infrastructure across the Region.
3. In January 2018, the SRD was awarded \$33 million towards the Connected Coast project. This project will deliver a new subsea fibre-optic cable enabling high-speed broadband internet connection to as many as 154 rural and remote BC coastal communities.
4. Improved connectivity provides the potential for communities to access important services such as telehealth, online education, e-commerce, electronic communication tools and possible new or improved cellular coverage.
5. At the June 6 regular Strathcona Regional District (SRD) Board meeting, the Board approved the motion that approval for Bylaws 321 and 322 be authorized to be obtained through an Alternative Approval Process (AAP).
6. Under Bylaws 321 and 322, the SRD is proposing to establish a service to provide broadband infrastructure through the Connected Coast project as well a loan authorization bylaw to provide financing for the project if required, although the project is anticipated to be fully funded through federal and provincial government grants.
7. The question before the electors is whether they are opposed to the SRD adopting Bylaws 321 and 322 which would authorize the SRD to establish a service for providing broadband infrastructure and authorize the SRD to borrow an amount not to exceed \$6 million to finance the project if required.

8. The work is proposed to be done through a wholly-owned subsidiary – the Strathcona Connected Coast Network Corporation (SCCNC) - however; the SRD will be required to guarantee completion of the project and operation of the new network for five years. After five years, the SRD may continue operating the asset through its wholly-owned subsidiary, or it may look at other potential business models and options.
9. The SRD has developed a business case, working with telecom industry experts, which demonstrates that the regional broadband service will eventually become a self-sustaining service.
10. To undertake project work and make the required guarantees, the Board must adopt a service establishment bylaw and a bylaw to authorize the borrowing of \$6M, in the unlikely event that the funds provided by the federal and provincial government were insufficient to complete the project.
11. Controlling costs will be of absolute importance. The SRD will continue to work with their project partner, CityWest Cable and Telephone Corporation, and have created a strong oversight team that will closely manage the project to completion within the approved grant funding.
12. Under Bylaw 321, the Regional Broadband Infrastructure Service Establishing Bylaw 2018, the SRD will be able to collect – up to a maximum of \$0.25/\$1,000 assessed value– to be used to fund operation costs of the SCCNC over the next three years and service any debt incurred by drawing down on the capital loan authorization. Any funds provided would be in the form of a repayable loan.
13. The number of eligible electors within the boundaries of the Strathcona Regional District has been fairly determined to be 33,112 and the number of valid elector response forms required to prevent the adoption of Bylaws No. 321 and 322 without first obtaining the assent of the electors by voting is 3,312.
14. Under the project funding agreements, the SRD and its project partner, CityWest, are required to operate the system for the first five years of operation. The project has the potential to present the SRD with possible business opportunities and future revenue streams.
15. The Connected Coast project is a unique opportunity to bring fully-funded backbone infrastructure to the SRD, paving the way for ISP's (Internet Service Providers) to connect into more efficient, reliable and affordable bandwidth. This, in turn, will provide significant social and economic benefits for the SRD's diverse communities. It is a significant undertaking with opportunities that will continue to be identified throughout the course of the network build and operations.
16. Through the AAP process, the public will be given the opportunity to object to the establishment of a service as well as the loan authorization. For those who support the establishment of a service and the loan authorization, no action is required.

Connected Coast AAP Frequently Asked Questions (FAQs)

1. Will this be an opportunity to ask more questions or provide more detailed feedback?

- A. For those in favour of Bylaws 321 and 322, no response or action is required. For those not in favour, the AAP provides the opportunity to submit their objection. If people have additional questions, want more information or have items for discussion or feedback, we ask that they call the SRD office at 250 830 6700 or email connectedcoast@srd.ca.

2. What happens after the AAP closes?

- A. As the completed response forms are received by the SRD, they will be date stamped, validated for eligibility, and held in safekeeping while the process is on-going. The number of responses received during the process is not made public until after the response period closes. Once the deadline has passed, staff will prepare a report to the Board in which the total number of valid responses received is given.

It is important to note that if the total number of valid responses received is at least 10 per cent (%) of the estimated number of electors*, the Board is not permitted to proceed with the matter unless it is approved by a vote of the electorate. If the total number of responses received is less than 10 per cent (%) of the estimated number of electors, the Board is permitted to proceed with the matter in question.

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Alternative Approval Process (AAP) FAQs

1. What is an Alternative Approval Process?

- A. The *Local Government Act* and *Community Charter* provides local government options to seek approval of the electors by referendum or through the Alternative Approval Process (AAP). The AAP process is a much less costly and less time-consuming way of asking the electorate's permission to proceed with the adoption of, for example, a borrowing bylaw. If at least 10 per cent (%) of the estimated number of electors oppose the bylaw, agreement or

other matter in question, it must be taken to a formal vote of the electors before it can be adopted.

2. *What would be the cost of holding a vote of the electors through referendum rather than using the AAP?*

- A. While it is anticipated that an AAP could be done for less than \$1,000, the cost of a region-wide vote can exceed \$50,000 as there would be a requirement to rent numerous polling locations, hire election staff, print ballots, etc.

3. *Who is eligible to participate in an AAP?*

- A. Any individual who qualifies as a resident elector or non-resident property elector within the geographic area affected by the subject matter of the AAP can participate.

4. *What happens during an AAP?*

- A. The Board of Directors will direct staff to proceed with obtaining the approval of the electors on a matter via an AAP. Staff will then bring a report forward to the Board at an open meeting which will outline the proposed advertising dates for the AAP, the proposed deadline for receipt of responses, the estimated number of electors, and the proposed "elector response form". The Board must approve these by resolution, and following that, the response forms are made available to the electors.

5. *How will residents be aware that an AAP is happening?*

- A. The AAP must then be advertised in the newspaper at least twice, and the deadline for receipt of the response forms must be at least 30 days after the second advertisement. Depending on the subject matter of the AAP, there may be additional newspaper ads, public open houses, press releases, and other public communications.

6. *Where do I get response forms and how do I turn them in?*

- A. Once the AAP starts on July 23, the forms are available from the SRD office for pick up, or they can be emailed, faxed or downloaded from the link below. The completed response forms must be delivered to the SRD Corporate Officer by the deadline of September 4 to be counted. Accurate copies of the Board approved forms are acceptable, provided they are not altered from their original form – i.e. a photocopy can be made of a printed form if needed.

- [**Elector Response Form**](#)

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- [Staff Report - Eligible Electors](#)

7. Who do I contact if I have questions regarding the alternative approval process (AAP)?

- A. Please contact the SRD office at 250-830-6700 and ask to speak with Tom Yates, Corporate Officer or Edith Watson, Deputy Corporate Officer.

8. Who do I contact if I have questions about the project structure and financial modeling?

- A. Please contact the SRD office at 250-830-6700 and ask to speak with Victoria Smith, Strategic Initiatives Manager.

Connected Coast FAQs – please visit www.connectedcoast.ca

1. What is the Connected Coast project?

The \$45.4 million project will see the placement of sub-sea fibre-optic cable from north of Prince Rupert, to Haida Gwaii and south along the BC coast to Vancouver and around Vancouver Island.

Currently, many residents living along the West Coast of BC and around Vancouver Island, do not have access to reliable and affordable internet. The Connected Coast project will bring new or improved high-speed internet accessibility to 154 rural and remote coastal communities, including 56 Indigenous communities – representing 44 First Nations – along the BC coast from north of Prince Rupert and Haida Gwaii, south to Vancouver, and around Vancouver Island.

2. Who is paying for the project?

The total cost of the project is \$45.4 million, and costs will be shared by the Government of Canada's Connect to Innovate program (50 %), Indigenous Services Canada (25%) and the Connecting British Columbia program (25%). BC's Connecting British Columbia program is administered by Northern Development Initiative Trust.

3. Why are both CityWest and the Strathcona Regional District (SRD) being funded for the project? What is the relationship between the two organizations?

The joint \$45.4 million investment provides funding to two recipients – CityWest and the SRD to install a new sub-sea fibre-optic cable from north of Prince Rupert, to Haida Gwaii, south along the BC coast to Vancouver, and around Vancouver Island with landings at multiple coastal communities along its route.

The two organizations initially submitted individual projects however the grant funders realized improved services for both areas could be attained by connecting the two networks. The two submissions were amalgamated into one – the Connected Coast project.

The SRD will receive \$33 million to place the required high-speed infrastructure around Vancouver Island and southern coastal – providing the required infrastructure for 131 communities to be able to connect to the internet. CityWest will receive \$12.4 million to provide the necessary infrastructure to enable 23 communities to connect to the internet.

4. When is the project going to begin?

The funding was announced in late January 2018, and the partners are currently in the planning stages. We anticipate that the coming months will be spent carrying out project consultation and more detailed planning while also moving forward with supporting studies and reports such as environmental impact and traditional use studies. As we collect more information and better define the project scope and timelines, we will begin sharing that information.

5. I live along the BC coast. Will I benefit from this project?

A complete list of communities expected to benefit from the project can be found on the Connected Coast website at www.connectedcoast.ca

6. What is last-mile connectivity? Why isn't it being completed as part of this project?

The Connected Coast project provides 'backbone' infrastructure only. It does not include last-mile connectivity for communities to connect to the high-speed infrastructure. Last-mile generally refers to the final leg of telecommunications networks that brings the service to homes and end retail customers. The last-mile solution will be unique to each community depending on their aspirations, resources and existing connectivity landscape. Community-based institutions and ISPs (Internet Service Providers) that offer last-mile services will be able to connect directly to that backbone infrastructure.

Network BC is the provincial agency tasked with improving connectivity across the province and is a helpful resource for communities and ISP's seeking to connect to the backbone infrastructure. The Connected Coast project team will keep ISP's, regional districts and communities informed of important developments and initiatives that may assist them to develop last-mile solutions.

7. I am a supplier/vendor or an Internet Services Provider (ISP), and I would like to be involved in this project. Who do I contact?

The Connected Coast team is collecting the names of local suppliers, vendors and ISPs. Currently, the project is in its initial planning stages and we are still determining the project scope and requirements. Please send the name of your organization, services provided and contact information to connectedcoast@srd.ca or connectedcoast@cwct.ca as all information will be collected and kept for use as the project moves closer to construction.

8. Why are you using a sub-sea cable?

For the Connected Coast project, we have chosen subsea high-speed fibre-optic cable as the preferred technology for several reasons. Fibre-optic technology is currently the favoured method for delivering data as it provides the greatest capacity for transferring data and is becoming increasingly economic. It can carry high bandwidth for greater distances and is much less susceptible to interference.

Wireless broadband relies on satellites or radio signals from fixed towers. Satellites are costly and rely on a clear line to be able to reliably deliver service. Weather and movement of the safelight can delay or interrupt service. Fixed towers are also costly and require construction in areas that provide a clear distribution such as open spaces. Our coastal terrain makes the construction of these towers cost prohibitive and, in many cases, unfeasible.

9. Will the network be open?

The Connected Coast network will be open to third parties for dedicated capacity purchases on a wholesale or retail basis.

10. How many people will benefit from the project?

The proposed sub-sea fibre optic transport line will benefit approximately 175,000 people and 90,000 households in 154 coastal communities – which includes members of 44 First Nations living in 56 Indigenous communities.

11. Internet access is important but so is cellular coverage. Why are we prioritizing getting these communities internet access before they can use a cellphone?

Cellular service is one way to connect communities and we will continue to find ways to improve cell service in the region. By investing in a fibre-optic line we are creating the opportunity for service providers to connect BC's coastal regions with modern internet access and cellular coverage. The network's existence is also expected to make it easier for local internet service providers to obtain grant funding to connect homes and achieve internet speeds available today in large cities.

12. Are there any other secondary benefits from this project?

Yes. This investment is expected to give northern communities west of Prince George increased reliability. Communities like Terrace and Smithers are currently serviced by a single land-based transport line that is not supported by an alternate fibre transport line in case of damage. A coastal connection will provide redundancy that could maintain service if outages affect the current network connection.

13. My community is not included on the map. Why Not?

Most of the communities proposed to be included as landing points for this Connected Coast project were identified as eligible communities under the Connect to Innovate program. For the purposes of the program, eligible communities are eligible rural communities and eligible remote communities.

An eligible rural community is defined as a named place with a population of less than 30,000 residents and that is 2 km or more from the nearest 1 Gbps PoP.

An eligible remote community is a community that meets the definition of a rural community and does not have year-round road access and/or is included on the Canadian Radio-television and Telecommunications Commission's (CRTC) list of communities dependent on satellite for telecommunications services.

Refer to the CRTC website for the most recent annual Communications Monitoring Report which identifies these communities. Eligibility was assessed by the federal government based on data from a number of sources, including Internet Service Providers (ISPs), provinces, territories and others to identify where PoPs delivering service of at least 1 Gbps are located. This data was then used to build a comprehensive map identifying underserved

communities. For more information, please see the eligibility map here: <http://www.ic.gc.ca/app/sitt/ibw/hm.html?lang=eng>

14. My community is not listed as an eligible community or landing site. Is it still possible to get a cable landing site located here?

Proposals (or requests) for additional community landing sites will be considered on a case-by-case basis, subject to technical suitability, required approvals, project timelines, and funding availability.

15. Will there be any environmental implications from the project?

An environmental management plan will be required and developed as part of the project. The project will also have to undergo environmental reviews and approval before construction can commence.