



Algoma District Community Network

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To: East Algoma Region Stakeholders

Broadband and Cellular for East Algoma Update - February 2009

Purpose

The purpose of this communication is to update the status of the NetCentral/East Algoma Broadband and Cellular project.

Overview

In a previous update on September 03, 2008 I outlined the various steps that are necessary to put a funded project in place and indicated the project team was working with the preferred vendor to finalize the detailed business plans with the intent of going to the preliminary vetting stage by the end of September.

We were unable to meet the target dates. Internal restructuring by the preferred vendor combined with the economic downturn delayed the vendor's submission of the final detailed business plan. On the positive side, after the internal review, the preferred vendor confirmed their commitment to the project scope and implementation in accordance with their initial response as accepted by the project team. This means the original planned coverage in the East Algoma Hwy 17/Hwy 638/ St. Joseph Island/Basswood Lake is still valid.

The project moved to *Step 4 - Submissions to provincial and federal ministerial staffs for vetting and review* – in late October.

Since then there has been a constant dialogue amongst the team and provincial and federal funders on details of the project as well as the funders themselves on certain project aspects. Generally speaking the province supports both broadband and cellular while the federal agency limits their support to broadband which may or may not include a common backbone used by both types of service. This difference led to a need to reconcile some of the project specifics.

All parties are exercising extreme due diligence to optimize the chance of quick approval when the project moves to *Step 5 - Submission to funding agency approval authority for a decision*. Our best forecast is that we will have the final applications in the hands of the provincial approval authority before their scheduled next meeting in April. The federal system is less structured and follows an internal staffing process for approval but they will have the necessary applications in the same timeframe.

Although the project team has worked closely with the staff officials at both the provincial and federal level to cross the t's and dot the i's, there is always the chance that the approval authorities could request additional details or clarifications before giving their approvals.

The post-approval timelines as outline in the September 2008 update are still valid. I have attached the appropriate paragraphs for your convenience.

Since the last report and in anticipation of project funding approval, the preferred vendor has moved ahead with some infrastructure upgrades, especially on the cellular side in the Desbarats area as well as network upgrades to G3 (smart phone) standards. They have also completed a great amount of pre-planning for the broadband update.

In early February, I participated in a free wheeling teleconference with representatives from MNDM/NOHFC, FedNor and Bell Canada. One of the areas of consensus was the need to continue implementation of projects to close holes in current coverage. A hole is the term used to describe an unserved area that is surrounded by broadband service as opposed to a gap which describes an area without any service. Examples of holes are Algoma Mills, Laird Hill area and parts of Sault Ste. Marie. Examples of gap area are those being addressed by the East Algoma project.

Conclusion

In summary:

- a. There was a small slippage in the East Algoma project timeline but it is now back on track;
- b. The preferred vendor has confirmed their continued participation at the small scope level indicated in their formal response to the RFP;
- c. The project team is in due diligence dialogue with provincial and federal funding agencies to prepare the best possible submission to the approving authorities;
- d. There have been no changes announced to date in existing funding policy.

As always, I am available to come to your organization to present a tailored briefing and have a general discussion about the projects in East Algoma.

If you have any questions concerning this matter, do not hesitate to contact me at 705-649-1252 or e-mail at wlefresne@adnetalgoma.ca

Yours sincerely,



W.J.J. (Wilf) Lefresne
Executive Director
Algoma District Community Network (ADnet)

Project Steps

Extract from the document: *Broadband and Cellular Update for East Algoma* dated September 30, 2008.

"I am often asked about the funding process and the protracted timeline. As you can appreciate, as public funds are involved, detailed review and due diligence is exercised at each of the following steps:

- A. RFP and preferred vendor selection
- B. Discussions with funding agency staff
- C. Development of detailed business plans and funding applications
- D. Submissions to provincial and federal ministerial staffs for vetting and review
- E. Submission to funding agency approval authority for a decision
- F. Public announcement of approval
- G. Finalize contracts amongst the funding agencies, the project sponsors and the vendors
- H. Start project implementation

The vendors are currently preparing their detailed business plans (Step C) required as an integral part of the funding application submissions. As of this writing the intent is to have the applications (Step D) ready before the end of September, 2008. The draft vendor agreements state the project must be completed within 24 months of Step F. Based on experience, the time lag between application submission and the start of project implementation may be anywhere from 3 to 18 months. Step G is usually the most complex as all the parties involved, - sponsor, provincial, federal and vendor – have to agree and sign-off on the appropriate square in the matrix before the project can proceed."