



**Prince Edward Island Broadband Fund
Program and Application Guide for
Internet Service Providers**

innovationpei

SECTION I: PROGRAM GUIDELINES

Overview

The availability of stable, high-speed Internet infrastructure is critical for access to essential resources and public services, and to enable economic growth and diversification. The Prince Edward Island Broadband Fund provides financial assistance to local Prince Edward Island internet service providers (ISPs), communities and businesses for the installation of infrastructure for enhanced broadband services. Through this program, partnerships and collaborations are encouraged and support is provided for increased service levels, improved access and consumer choice for connectivity.

The Prince Edward Island Broadband Fund (PEIBF) provides a contribution of up to 50% of the eligible costs for a project approved for funding. Applications must be submitted prior to the start of a project; any expenses incurred before the submission of an application are ineligible.

Applicant Eligibility

You may be eligible to access the Prince Edward Island Broadband Fund (PEIBF) if you are:

- A local ISP that is installing broadband infrastructure that will improve internet access to a community, increase service levels and/or improve consumer choice; or
- A Prince Edward Island community that requires increased internet service levels and/or has un-served / underserved areas; or
- A Prince Edward Island for-profit business that is a sole proprietorship, partnership, cooperative or limited liability company that requires access to new or upgraded services to their business premises.

Project Eligibility

A project may be eligible for PEIBF support where costs will be incurred for broadband network construction and deployment, including “last mile” and/or backbone infrastructure.

Projects related to operational costs, repairs or maintenance for existing infrastructure or for New Customer-Premises connection are not eligible for PEIBF support. More details are provided in the Eligible and Ineligible Costs section of this guide.

Contribution Limitations

The contribution from PEIBF is to a maximum of 50% of the eligible costs of the approved project. The maximum, total grant contribution from all Government of Prince Edward Island sources cannot exceed 50%. Loans or other repayable contributions are not included within this calculation. Where a project receives any other grant funding from the Government of Prince Edward Island, the contribution from PEIBF may be reduced.

All proponents will be required to inform PEIBF of financial assistance received or requested for the project prior to the approval of a contribution. Furthermore, the contribution agreements will contain a continuing disclosure obligation, for the duration of the agreement, concerning other government assistance.

Proposal Evaluation

PEIBF encourages partnerships and collaboration for the most effective and innovative solutions. All applications will be evaluated on provision of the information requested, including completeness and suitability of the information, and will be assessed on factors including:

- Capacity and coverage of civic addresses;
- The economic impact in a region or community;
- Provision of consumer choice for connectivity and pricing;
- Deployment of innovative solutions for long-term sustainability;
- Incremental broadband improvement and quality of the proposed service;
- Applicant's ability to complete the project, including capacity to manage the project, prior experience and qualifications of the management team, feasibility, and evidence of funds for the balance of project costs; and
- Availability of PEIBF budget.

Innovation PEI reserves the right to offer partial awards and/or to negotiate project scope changes with applicants. Proposals will be evaluated based on compliancy with the information requested, suitability of the information, and quality of the proposed service

Financing and Related Requirements

The applicant must **demonstrate that all remaining financing is in place**, contracted, and sufficient to see the project through to its completion.

Finance PEI provides loans to local businesses that meet financing requirements and are feasible based on their own merits. Detailed business plans, financial projections and the ability of the client to provide equity are some of the requirements deemed necessary during the due diligence stage and before final approval.

Administration and Process

The PEIBF is administered by Innovation PEI on behalf of the Province of Prince Edward Island. There is no administration or application fee charged to applicants prior to any funding being approved through the PEI Broadband Fund.

Financial and status reporting will be required at various milestones, specifically the Planning, Construction and Completion stages. If your project is approved, a letter of offer will be sent to you. This will create a contract between yourself and Innovation PEI, and will clearly stipulate the obligations of both parties. More detail regarding monitoring of your project and required reporting is included within the Claiming Payment section of this guide.

Claiming Payment from PEIBF

The applicant will submit the required financial and status reporting, including supporting documentation, to Innovation PEI at specified dates and/or milestones, as detailed within the contract between the parties. Innovation PEI may also request and conduct periodic onsite inspections and/or functionality demonstrations to further evidence the status of the project.

Once Innovation PEI has determined that all required documentation has been received, and validated the value of the payment available from the PEIBF, it will issue payment to the applicant via cheque or electronic funds transfer.

For the PEIBF, payments will be claimed at three key milestones: (1) Planning, (2) Construction, and (3) Completion. At each milestone, a financial and status report will be required. The financial reporting will include costs incurred and paid to date, and evidence of same, as more particularly detailed in the letter of offer.

The specific progress elements to be addressed within the status report at each milestone are detailed below. Innovation PEI reserves the right to adjust/amend these reporting requirements within the letter of offer to each successful applicant.

Milestone #1 Deliverable “Planning”

1. A status report confirming that the project is accurate and up to date, including:
 - a. Key Project Dates
 - b. Logical Network Diagram
 - c. Geographical Backbone Transport Routes (for projects with a backbone component)
 - d. Project Site Table
 - e. Fibre Route Segment Table
 - f. Point of Presence Site Table
 - g. Network Infrastructure Equipment List
 - h. Project Dependencies on Wholesale Internet Capacity Suppliers
 - i. Project Dependencies on Third-Party Networks
2. For projects with a last-mile component and unless expressly amended, a statement confirming that the Coverage Map(s) are accurate and up to date.
3. An update on progress in obtaining land or ROW access for each Project Site and Fibre Route Segments.
4. An update on progress in obtaining sufficient Internet gateway capacity (bandwidth).
5. Proof of spectrum licensed from the Government of Canada, for projects with a wireless component in a licensed band, or proof of registration with the Government of Canada for projects with a wireless component in a lightly licensed band (e.g., 3.65 GHz).
6. Non-licensed frequencies used for projects that will be used for last mile, or backhaul proposes.

Milestone #2 Deliverable “Construction”

1. Unless expressly amended, a statement confirming that the Project as set out in Schedule A is accurate and up to date, and represents the as-built network, including:
 - a. Key Project Dates
 - b. Logical Network Diagram
 - c. Geographical Backbone Transport Routes (for projects with a backbone component)
 - d. Project Site Table
 - e. Fibre Route Segment Table
 - f. Point of Presence Site Table
 - g. Network Infrastructure Equipment List
 - h. Project Dependencies on Wholesale Internet Capacity Suppliers
 - i. Project Dependencies on Third-Party Networks.
2. For projects with a last mile component and unless expressly amended, a statement confirming that the Coverage Map(s) are up to date and represents the coverage area in which Residential Broadband Service is offered.
3. Evidence of land access or ROW alignments for each Fibre Route Segment (or a subset, at the discretion of the Province).
4. Photographs of each Project Site(s) (indoor and outdoor).
5. For projects with a last-mile component only, test results for each last-mile Project Site. The test results must indicate the download and upload speed at a residential customer premise (or equivalent) demonstrating that the Project’s capacity to deliver the Broadband Service
6. For projects with a backbone component only, test results, the Recipient demonstrating that each new or upgraded Fibre Route Segment identified in the logical network diagram. Test results of the download and upload speed at each Point of Presence demonstrating the Points of Presence’s capacity to deliver the Dedicated Broadband Service Offerings.
7. For resiliency projects only, test results, signed off by the Recipient demonstrating the functionality of the newly added resiliency. One such test result must be presented for each new redundant network path.

Milestone #3 Deliverable “Completion”

1. For projects with a last-mile component only:
 - a. Proof of Residential Broadband Service availability (Internet link or other).
2. For projects with a backbone component only:
 - a. A declaration from an executive officer of the recipient stating that Dedicated Broadband Service is available.
3. For projects with a new backbone component:
 - a. For 1 Connected or Subscribed Anchor Institution, proof of provisioning or proof that the Anchor Institution has been made aware of the availability of Dedicated Broadband Service.
4. For projects with an upgrade backbone component:

- a. For 1 Connected or Subscribed Anchor Institution:
 - i. Proof of provisioning Dedicated Broadband Service to the Subscribed Anchor Institution and, when the Subscribed Anchor Institution is an existing client of the Recipient, evidence that the capacity available has improved as a result of the Project,
or
 - ii. Proof that the Connected Anchor Institution has been made aware of the availability of Dedicated Broadband Service.

Eligible Project Costs

Eligible costs are those direct costs that can be specifically identified and measured as having been required and incurred to implement and complete the project including, but not limited to:

- Direct Labour Costs, meaning the portion of gross wages or salaries incurred for work;
- Direct Material Costs, including passive supplies such as fibre optic cable, coaxial cable, copper wire, patch cords, last mile network towers/poles, fibre termination equipment, outdoor cabinets, and conduits;
- Direct Equipment Costs, including servers, switches, repeaters, radio equipment, backbone, back-up power supplies, shelters, and network broadband connectivity equipment including upgrades; and
- Other Direct Costs, meaning those applicable direct costs not falling within the prior categories, but that are necessary for the physical infrastructure.

Ineligible Project Costs

Ineligible Costs include, but are not limited to, the following:

- Costs incurred before the project application date, or after the project completion date;
- Costs related to developing the application for funding;
- Purchase, lease and other costs related to land acquisition/lease, buildings (except for equipment shelters not meant for human occupation) and other facilities, including permanent shelters for housing network-related equipment;
- Existing capital assets including land, buildings, vehicles and other indirect, fixed, and/or capital costs;
- Operational costs for infrastructure built as a result of the project, including repairs and ongoing maintenance;
- New Customer-Premises connection (CPE) costs including, but not limited to, drop, antenna/poles/towers, modem/router;
- Indirect and fixed costs, including general office space and office equipment;
- Insurance costs and legal fees;
- Financing or carrying costs, loan and interest payments;
- Contingency provisions;
- Taxes for which the applicant is eligible for a tax rebate and all other costs eligible for rebates;
- Cost of any goods or services that are received through donations or in-kind;
- Training to set up an Internet service provider or on-going training to implement the project;
- Advertising/promotion activities; and

- Radio and Spectrum licensing fees.

Innovation PEI reserves the right to adjust eligible and/ or ineligible costs within the PEIBF. All eligible and ineligible costs specific to an approved application will be detailed within the letter or offer.

Proposal Inquiries and Questions

Proponents are encouraged to work with Innovation PEI staff in the preparation of their application and proposal. Inquiries regarding PEIBF can be addressed by contacting:

Maigan Newson, Project Manager- Economic Growth, Tourism and Culture
Tel: 902-368-4669 Emailed: mphnewson@gov.pe.ca Fax: 902-368-4242

Application Submissions

Each application to the PEIBF must include (1) a completed and signed Prince Edward Island Broadband Fund application form (section III of this document), and (2) a project proposal prepared in accordance with the “Application Guide” as detailed in section II of this document. Applications may be submitted to:

Innovation PEI
Attention: PEIBF
Email: business@gov.pe.ca
94 Euston Street
PO Box 910, Charlottetown, PE C1A 7L9

SECTION II: APPLICATION GUIDE

Proposal Requirements

Each application to the PEIBF **must** include both (1) a completed and signed PEIBF application and (2) a project proposal. These documents may be submitted in hard copy or electronically, via email to the address in the above “Application Submissions” section. If submitted electronically, the project proposal file **must** be provided in either a Microsoft Word (.doc, .docx) or an Adobe Acrobat (.pdf) format and must be print ready.

The project proposal **must** contain the following information, categorized as presented below and including all noted details.

1. Project Description

- a. Activities of the project
- b. Project goal(s)
- c. Project location
- d. Current broadband service status of project location
- e. Project Benefits - long term potential impact on the community, businesses and economic development

2. Coverage and Technical Deployment Details

- a. Type of technology to be deployed
 - i. Demonstrate that this technology is the most effective solution for the community/region
 - ii. Expected resulting coverage
 1. Details surrounding the placement of infrastructure: depth of cables; crossing of roadways, driveways, bridges; cabinet locations
 2. Wireless – Details surrounding the placement of antennas, cabinets, and other structures to support the network and last mile delivery
 3. Break down of routes and number of subscribers on each section
- b. An overview of the **existing and future** subscription base, and types of clients
 - i. Types of services offered: Internet/Phone/Television
 - ii. Rates card including truck rolls and installation fees
 - iii. Estimated customer penetration
- c. Demonstrate that long-term maintenance and operations related to the infrastructure is the responsibility of the service provider

3. Project Implementation

- a. Brief description of any partner organizations, including their role in the project
- b. Project start and completion dates
- c. Detailed project timeline and schedule, including a critical path with key milestones

4. Project Management

- a. Demonstrate capacity to manage and execute the project, including both administrative and technical capabilities. Information to demonstrate this capacity could include:
 - i. A business profile of the service provider
 1. Background of business
 2. Employee levels
 3. Total annual sales from broadband services
 - ii. Changes to the business model as a result of the proposed project
 - iii. Qualifications of the service provider management team
 - iv. A brief description of any deployment of infrastructure projects of similar size and implementation pattern
- b. A list of all project-related contractors and consultants, and their roles in the proposed project.
- c. A description of all risks currently identified, including the level of risk and strategies to mitigate or manage these risks

5. Regulatory Requirements

- a. Identify any permits, licenses or environmental approvals that are required.

6. Financial Requirements

- a. Broadband Internet Network Build, Capital Budget Estimate Worksheet (provided)
- b. Itemized project costs, including costing detail:
 - i. Total cost of project, including ineligible expenses
 - ii. Total cost of program funding requested (eligible expenses)
 - iii. Detailed breakdown of eligible expenses – broken down by site
 - iv. Construction per site
 - v. Power per site
- c. Sources of project funds (total sources of funds must equal total project cost):
 - i. Amount requested through PEIBF
 - ii. Other sources of funds
 - iii. Confirmation of financing
- d. Explanatory notes to accompany the budget
- e. Existing businesses are required to provide detailed Financial Statements for the previous two years. New businesses and businesses planning expansion are required to submit a business plan.
- f. Description of current business model

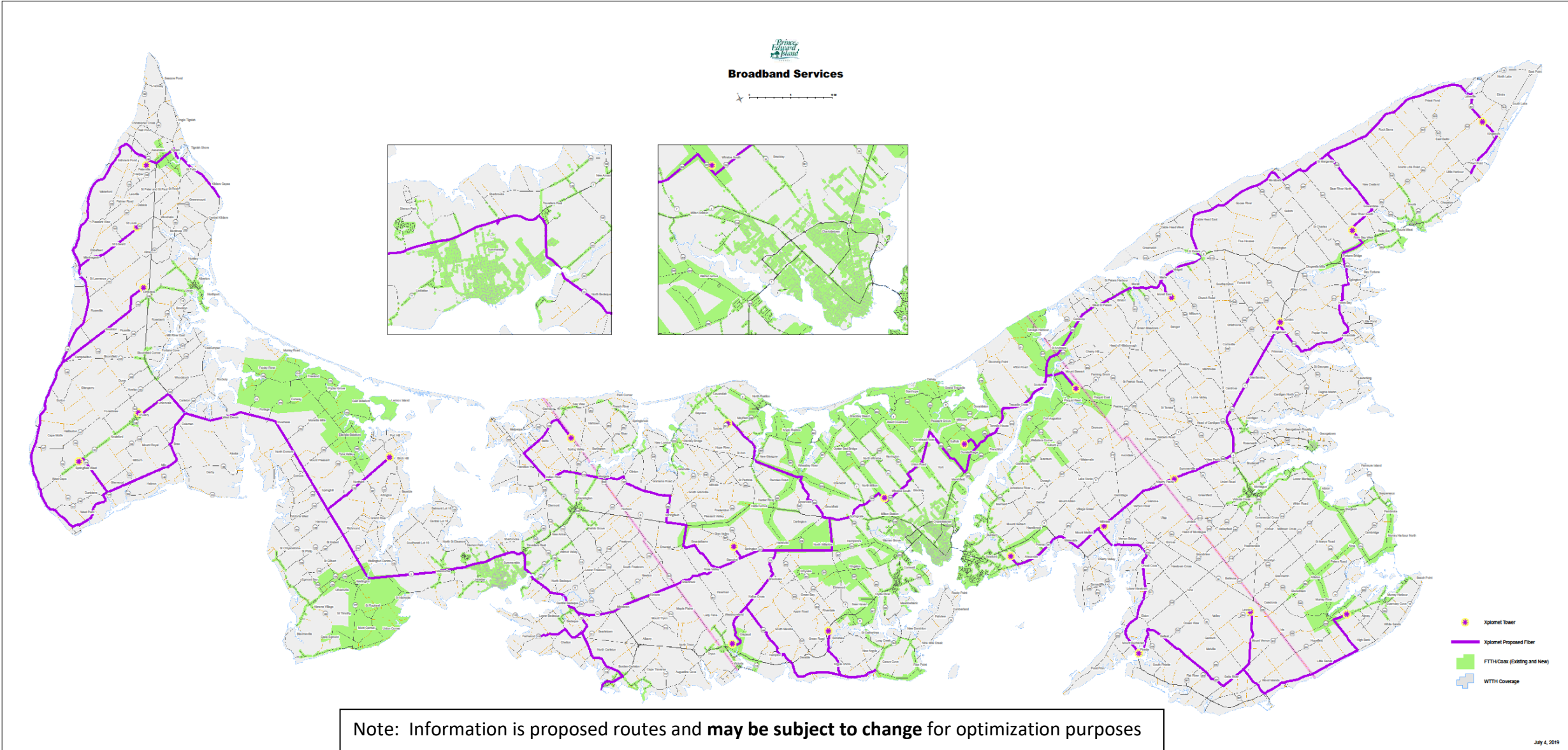
Freedom of Information and Protection of Privacy

Personal information collected on the PEIBF application form is collected under Section 31(c) of the Freedom of Information and Protection of Privacy Act and is necessary to determine your suitability and/or eligibility for the program delivered by Innovation PEI. If you have any questions about this collection of personal information, you may contact Innovation PEI.

Additional information contained in and collected in relation to a successful application to the PEIBF is subject to, and will be treated in accordance with, the Prince Edward Island Freedom of Information and Protection of Privacy Act R.S.P.E.I. 1988, Cap. F-15.01. The amount of funding provided through the PEIBF, a description of the project and the name of the applicant may be disclosed at the discretion of Innovation PEI and in accordance with the Act.

Broadband Coverage Map

The following page includes a map of the proposed broadband coverage, to assist with identification of those regions/communities that could benefit from improved access and/or an increased service level. This map is provided strictly for the purpose of assisting with the preparation of proposals for the PEIBF and is subject to change.



PEI Broadband Fund (PEIBF) Application Form for ISP's

Instructions:

- Answer questions completely and provide appropriate attachments.
- Submit a completed application to Innovation PEI and retain a copy for your records.

| Section I | | | | |
|-----------------------------|-----------|--|---------|--|
| Office Use: | | | | |
| Application Received (Date) | | Program Officer | | |
| Company Name | | | | |
| Legal Name (if different) | | | | |
| Mailing Address | | Civic Address | | |
| | | | | |
| | | | | |
| | | | | |
| Contact Person | | | | |
| Name | | | | |
| Title | | | | |
| Phone | Fax | Email | Website | |
| | | | | |
| Business Information | | | | |
| Business Number (BN) | | Type of Organization | | |
| In business since | | Incorporated To Be Incorporated Federally Incorporated Partnership Sole Proprietorship Cooperative Other: (Specify) | | |
| Total Annual Sales | | | | |
| # of PEI Employees | full-time | | | |
| | part-time | | | |

Section II

| | |
|--|--|
| Location (or proposed location) of project or activity | |
|--|--|

| | | |
|-------------------------|----------------------|--|
| Project activity period | Estimated start date | |
|-------------------------|----------------------|--|

| | | |
|--|---------------------------|--|
| | Estimated completion date | |
|--|---------------------------|--|

Application must be submitted before any legal commitment has been made.

Section III

Applicants are required to submit a proposal that includes all information as detailed within the PEI Broadband Fund Program Guidelines and Application Guide.

Section IV

Applicant's Declaration, Consent and Disclosure Agreement

- 1) The information provided in this application is, to the best of my knowledge and ability, complete, true and correct.
- 2) The applicant consents to having Innovation PEI make any inquiries of such persons, firms or corporations as it deems necessary in order to reach a decision on this application.
- 3) The applicant will provide all information required by Innovation PEI to complete the assessment of this application.
- 4) The applicant understands that submitting an application does not guarantee funding; not all applications meeting the minimum criteria will receive funding. Innovation PEI retains the right to approve a proposal in part, rather than in whole; approved funding amounts may be different from requested amounts. Organizations with approved projects will be required to sign a project contract with Innovation PEI.
- 5) I certify that financial assistance from the PEIBF is a significant factor in the decision to proceed with this project.
- 6) I certify that neither the applicant nor its officers are involved in any litigation, or in any proceedings before any government board, agency or tribunal having a material effect on the application or the project investment, which have not been disclosed in writing as an attachment to this application.
- 7) Personal information on this form is collected under Section 31(c) of the Freedom of Information and Protection of Privacy Act and is necessary to determine your suitability and/or eligibility for programs delivered by Innovation PEI. If you have any questions about this collection of personal information, you may contact Innovation PEI, Toll Free: 1-800-563-3734 or Email: business@gov.pe.ca

| | |
|----------------------------------|------|
| Signature of Authorized Official | Date |
|----------------------------------|------|

| | |
|-----------------------------------|-------|
| Print Name of Authorized Official | Title |
|-----------------------------------|-------|

Please submit completed application and proposal to Innovation PEI.

**Innovation PEI – Attention: Prince Edward Island
Broadband Fund**
94 Euston Street
PO Box 910
Charlottetown, PE C1A 7L9

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