

# Deferral Account update

## BC Broadband Conference

Sep. 21, 2009



## Deferral Account – background

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- Created in 2002 Price Cap Decision, to offset residential rate reductions in urban areas that would have normally occurred
- CRTC initiated follow-up proceeding to determine how DA funds should be used
- Decision 2006-9 determined funds should be used to extend broadband service to rural and remote communities (95%) and enhance access for persons with disabilities (5%)
- Only those communities where broadband not available or planned were eligible for DA funds

## TELUS proposal

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- Modelled on Connecting Communities Agreement
- TELUS provides access and necessary transport
- Where ISPs file community plans approved by CRTC, provide wholesale service, and necessary connectivity to POP, at rate subsidized by DA
- No retail service for 3 years
- \$20k for connection
- TELUS provides retail where no ISP
- 352 communities in total: 225 in BC, 110 in Alberta, and 17 in Quebec; plus 43 supplemental

## Recent developments

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- Decisions 2007-50 and 2008-1 approved 229 communities: 121 in BC, 86 in AB, 22 in Quebec; unallocated funds to be rebated
- Bell, TELUS and Consumers' Association of Canada appeal to Supreme Court
- Sep. 18 Supreme Court rejects all three appeals
- Therefore, DA decision stands

## Implications

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- TELUS estimated DA balance: \$146 million
- TELUS remains obligated to invest 5% to accessibility
- Some communities have obtained broadband; TELUS will need to refresh list
- TELUS must rebate balance
- No funds for broadband likely in 2009, as construction season will have closed