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Immediate Government Initiatives for Regional Revitalization
Actions Gouvernementales Immédiates de Relance (AGIR) pour les régions

Connectivity for Québec's Communities

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Prepared by the Ministère de l'Éducation du Québec with the participation of the:
Ministère de la Culture et des Communications
Ministère des Affaires municipales et de la Métropole

CONTEXT

a) Background

While the 80s witnessed the upsurge of microcomputer technology in many spheres of human activity, the 90s saw its rapid spread in public services and among the public at large, thanks mainly to the growth of the Internet. Personal computers thus paved the way for digital data communications over high-speed networks.

b) The government perspective

In 1998, with tremendous advances in telecommunications on the horizon, the Québec government thought it useful to frame a policy on the information superhighway and published *Agir autrement: la Politique québécoise de l'autoroute de l'information*. One of the central concerns of this policy is to guarantee equitable access to telecommunications infrastructures across Québec, in both rural and urban regions. The government policy anticipated that such access would have positive socioeconomic spin-offs in a number of sectors, especially business, education, health care, culture, communications, municipal government and direct services to citizens.

In the budget tabled on November 1, 2001, the Minister of Finance voiced the government's desire to shift into action: "I am . . . announcing the introduction of a new program called 'Villages branchés du Québec,' with a budget envelope of \$75 million. The objective of this program is to connect Québec schools through a telecommunications network on the cutting edge of technology. These infrastructures will also be used by partner organizations, such as municipalities, thereby laying a solid foundation for a Québec-wide information highway."

The government feels the budget earmarked for this program will help accelerate public investments. It would therefore like to see these telecommunications infrastructures deployed as quickly as possible in the regions. Three ministries share responsibility for the program. The Ministère de l'Éducation is responsible for the budgetary envelope and will act as the program leader and main administrator. The Ministère de la Culture et des Communications is responsible for funding the preliminary engineering studies and implementing the information superhighway policy. The Ministère des Affaires municipales et de la Métropole is responsible for deploying and funding the infrastructures serving the municipalities.

c) The educational perspective

Extensive connectivity and bandwidth needs first emerged in the education system. At the postsecondary level, a high-performance fibre-optic network was installed to support university and college research. At the preschool, elementary and secondary levels, considerable efforts were made to equip schools with powerful computers, thereby allowing Québec to attain enviable ratios compared with most industrialized countries in terms of the number of students per workstation. At the same time, the school boards were connecting schools, adult education centres and vocational education centres to the Internet through the communications infrastructures available in their communities. This program now aims to provide widespread access to broadband networks in all of Québec's regions.

The major reforms introduced at all levels of the education system in the last few years are having a profound impact on teaching and learning. Information and communications technologies, including access to broadband communications infrastructures, play a central role in these reforms. In outlying regions where significant population decline is expected to continue until 2010, the optimization of educational resources and services through the use of new technologies will likely be a key factor in the success of ongoing reforms. This program will thus serve as a catalyst for the development of a network-based culture that will build on Québec's collective know-how in the area of integrating new technologies in education.

d) The municipal perspective

Communications infrastructure needs are also felt at the municipal level, especially given the extensive territorial restructuring now under way. More than ever before, municipalities need to equip themselves to become more efficient and more responsive to today's and tomorrow's realities.

Thus, according to the Ministère des Affaires municipales et de la Métropole, municipalities and their residents will benefit from the deployment of communications infrastructures. The Ministère anticipates that a synergy will form as municipalities, their partners and citizens share strategic information over a modern communications infrastructure that will facilitate more efficient municipal management.

As the main administrators of Québec's territory, the municipalities need made-to-measure tools. Geomatics, for instance, is a good choice, but requires a high-speed communications network.

e) The cultural perspective

The government's role with respect to public libraries is defined in two policies that fall under the responsibility of the Minister of Culture and Communications, namely, the information superhighway policy and the policy on reading and books.

The Ministère de la Culture et des Communications spearheaded the introduction of Internet stations in Québec's libraries. Between 1995 and 1998, the information superhighway fund disbursed \$7 million to introduce over 1 120 stations in 831 public libraries. This operation was continued thanks to funding granted under the policy on reading and books and by the Bill and Melinda Gates Foundation. Every independent public library and most libraries affiliated to a regional service centre are now connected to the Internet (most of them through a telephone line) and many of them provide public access to the catalogues of other libraries in the territory.

The purpose of this measure, as stated in the information superhighway policy, is to make sure that all Quebecers have access to advanced Internet functions. This is also a matter of equity for those living in regions where broadband connections will not be available to home users for several years yet. Public libraries can thus become service points for advanced Internet functions and promote remote access to written, visual and multimedia works.

PROGRAM OBJECTIVES

The purpose of this program is to:

- ensure the deployment of broadband infrastructures in all of Québec's regions in order to provide access to information highway services requiring high transmission capacity, and more specifically, to high-speed Internet services, by supporting local and regional partnership projects, and
- interconnect local or regional infrastructures through the high-speed communications backbone of the Réseau interordinateurs scientifique québécois (RISQ) and thus allow the pooling of digital services

SPECIFIC OBJECTIVES

- Make cutting-edge broadband infrastructures available to all of Québec's regions according to terms and conditions adapted to the characteristics and specific needs of school boards and municipal bodies and eventually other public bodies, and promote public access to the Internet by encouraging libraries to connect to this network
- Encourage local and regional consultation between schools and municipalities in order to avoid unnecessary costs and overlapping infrastructures

- Promote partnerships with private-sector businesses, especially telecommunications companies
- In the case of projects carried out in partnership, as one of the indirect objectives of the program, provide affordable broadband telecommunications services to homes and private-sector businesses in rural and remote areas

ELIGIBLE BODIES

The program is intended for:

- school boards established under the *Education Act* (R.S.Q., c. I-13.3)
- special-status school boards established under the *Education Act for Cree, Inuit and Naskapi Native Persons* (R.S.Q., c. I-14)
- Québec's duly constituted local municipalities: cities, towns, villages, townships, united townships, parishes, municipalities and northern villages
- regional county municipalities (RCMs), metropolitan communities and the Kativik Regional Government, and
- private educational institutions accredited for purposes of subsidies

ELIGIBLE PROJECTS

Only those projects that meet the following criteria are eligible:

- The financial assistance requested will be used to build a broadband telecommunications network¹ to connect certain buildings in a region, namely public and private² schools offering instruction at the preschool, elementary and secondary levels, vocational education centres, adult education centres, the administrative offices of school boards, eligible municipal buildings³ and public libraries. Buildings housing certain bodies with a regional mandate, such as CRSBPs (*centres régionaux de services aux bibliothèques publiques*, i.e. regional service centres for public libraries) or bodies whose mandate is geomatics-related, may also be connected to this network once approval has been granted by the appropriate ministry.

1. Under this program, "broadband communications network" refers to any network capable of providing any building connected to it with a minimum symmetrical transmission capacity of 2 megabits per second (2 Mb/s). Evidence that the network meets this minimum threshold requirement must be provided in each case.

2. Private educational institutions accredited for purposes of subsidies will, however, receive less financial assistance.

3. In other words, buildings where a broadband connection would be put to good use. The number of eligible buildings may be limited and contingent on the projected use of the broadband connection. Eligible municipal buildings will be connected in the following order, as funding permits: the administrative offices of RCMs, city hall, municipal libraries and other administrative offices as well as fire and police services.

- Part of the financial assistance requested will be used to connect certain buildings among those listed in the previous paragraph to a communications backbone serving as a core network.
- The projects must be based on proven technologies capable of providing services that meet the needs of the communities concerned and of evolving along with these needs.
- Where a project involves several eligible bodies, the partners in the project must conclude an explicit agreement among themselves before they submit their project. Such partnership projects may take the form of "telecommunications condominiums," where shared infrastructures are jointly owned by the partners or exclusive user rights are granted to the partners for at least 20 years. In the case of infrastructures owned by a single partner, the latter retain ownership or exclusive user rights for at least 20 years.
- Private-sector telecommunications carriers may be part of a project but do not qualify for financial assistance under this program.⁴

Projects submitted by school boards or private educational institutions alone are also eligible provided it can be established that special circumstances make partnership with a municipality unworkable.

Projects submitted by municipalities alone are not eligible. However, such projects may receive funding under programs related to municipal infrastructures run by the Ministère des Affaires municipales et de la Métropole.

Projects aimed at connecting homes and private-sector businesses are not eligible.

The deadline for submitting a project is November 30, 2003.

TERRITORY AND PRIORITIES

All of Québec's regions are eligible for the program.

Priority will be given to eligible projects set up under school-municipal partnerships involving at least one school board and one RCM or central municipality⁵ in the territory concerned and to projects involving municipalities that have been amalgamated as the result of municipal restructuring. More specifically, projects will be considered in the following order of priority:

1. Projects covering the entire territory of a Québec administrative region
2. Projects covering the entire territory of a school board
3. Projects covering the territory of an RCM or a local municipality operating as an RCM

4. Telecommunications carriers have been entitled to a 125% accelerated capital cost allowance since 2000-2001 for the implementation of fibre-optic networks outside the major urban centres.

5. Whether a municipality qualifies as "central" will be determined on the basis of the size of its population or the role it plays in the territory concerned. A central municipality may be replaced by several peripheral municipalities.

In any given territory, the schools of a school board can be connected, if they so wish, through the adjacent school board's network.

NATURE AND ALLOCATION OF FUNDING

Except where private educational institutions are concerned, the funding allocated to approved projects will be equivalent to two thirds (66 2/3%) of eligible expenses; the remaining third (33 1/3%) is to be assumed by the applicants. Funding granted to a school board project will, under a budgetary rule, be allocated to debt servicing by the Ministère de l'Éducation.

Private educational institutions accredited for purposes of subsidies will receive funding from the Ministère de l'Éducation equivalent to 40% of eligible expenses; the remaining portion of eligible expenses is to be assumed by the institutions. The terms and conditions for allocating such funding will be defined in a budgetary rule.

In the case of projects involving school-municipal partnerships, eligible expenses must be clearly divided between the municipal and school sectors as follows:

- installation and equipment costs for common portions of the network will be assumed by both sectors on a pro rata basis, i.e. in proportion to their respective shares of these common portions
- all costs for those portions of the network used exclusively by a sector will be assumed by that sector

The subsidized portion of projects involving the municipal sector will be taken into account according to the terms and standards set in the applicable program(s) under the responsibility of the Ministère des Affaires municipales et de la Métropole.

Rights related to the infrastructures deployed as a result of these various funding measures may be alienated only as stipulated in the applicable laws and regulations and with the authorization of the Minister concerned.

ELIGIBLE EXPENSES

In the case of fibre-optic deployment projects, eligible expenses for electric, electronic, optic and optoelectric equipment are limited to 25% of total eligible expenses. Cost overruns for equipment must be justified. The same applies to excess expenses in either of the following cases:

- the eligible expenses to connect a building exceed \$160 000
- the eligible expenses to connect all the buildings targeted by a project exceed an average of \$80 000 per building

Should technology other than fibre-optic technology be used, the attendant costs must be justified for each building concerned.

Eligible expenses include the cost of equipment, additional temporary staff hired by the eligible bodies for the duration of the project implementation phase, professional services, and the settling-in, travel and living expenses of specialized staff. They may be incurred for the following purposes:

- detailed engineering studies and plans
- the installation of fibre-optic or coaxial cable
- the optic, optoelectronic, electronic and electric equipment needed for the network to run
- terrestrial and electronic facilities required for wireless or satellite technologies, provided it has been demonstrated that such technologies are promising and just as appropriate and economical as fibre-optic deployment
- contracts awarded to businesses
- quality control throughout the project implementation phase
- various net taxes
- temporary financing costs incurred during the project realization phase
- the materials and work required to bring fibre-optic or communications links inside the buildings

Noneligible expenses:

- expenses incurred to connect a school building in cases where the school board plans to use the building for purposes other than the delivery of educational or instructional services
- expenses incurred to connect a building if the cost involved exceeds the average or unit cost initially set and the reasons given to justify this cost overrun are not accepted
- the rental of bandwidth or carrying capacity on existing networks; however, the purchase of existing infrastructures or cables may be considered an eligible expense if it is clearly and convincingly demonstrated that such a purchase would generate substantial savings without any loss in terms of quality, performance or durability
- the purchase of equipment to offer additional services such as telephony, Web page hosting and videoconferencing through the network
- expenses related to the internal networking of eligible buildings, except those expenses related to equipment that is absolutely necessary for the operation of the external network
- the salaries and expenses of permanent staff within eligible bodies, except those expenses related to the hiring of casual staff to replace permanent staff assigned to the project

Moreover, in the case of fibre-optic deployment projects, incidental expenses must not exceed 22% of the direct costs eligible. Incidental expenses include professional fees, permanent financing floatation costs, temporary financing costs and net taxes on incidental expenses. Direct costs include the cost of contract work before taxes, the cost of day labour if done by nonpermanent staff hired exclusively for this purpose, and net taxes on direct costs.

Other public and parapublic bodies may receive specific financial assistance from their respective ministries rather than through this program for their participation in a project. The appropriateness of granting such financial assistance will be assessed on the basis of the cost of the project and services offered by the body concerned, and interest for the project in the community.

PROMOTER UNDERTAKING

- The project must start no later than four months after its official approval.
- The project must be fully completed within two years of its submission.
- The promoters must submit a progress report no later than six months after approval of the project. If the project is not fully completed eighteen months after the project approval date, a second progress report must be submitted.
- Selection of the contractors and partners working on the project must be made in accordance with the applicable rules.

APPLICATION EVALUATION CRITERIA

Applications for financial assistance will be evaluated according to the following criteria:

- compliance with this call for projects
- the size of the target territory
- the scope and relevance of the needs to be met in the target territory, given the state of the situation
- the experience and expertise of the team in charge of the project
- the promoter's capacity to bring the project to completion, given the degree to which it is realistic, the project calendar, the financing package, project supervision quality and project management rigour
- the quality of the partnerships, the strategic alliances and other factors that may contribute to the project's success

APPLICATION PROCEDURE

Applicants must submit a preliminary engineering report prepared by a qualified firm that is independent from the partners in the project. This report must assess the needs in the region concerned, existing infrastructures and the various technological options that may be

considered to complete the project as well as their approximate cost. It must also present the potential partners and prospective connection sites.

Funding for preliminary engineering studies may be obtained from the Fonds de l'autoroute de l'information. Further information on this point is available at www.autoroute.gouv.qc.ca/fai/nouveaufai.html.

In the case of priority projects involving partnerships, the partnership agreement between the school authorities, municipal authorities and telecommunications companies must be enclosed with the application.

Applications must be filed using the appropriate form. Both the application form (in French only) and this document are available for downloading at www.meq.gouv.qc.ca/lancement/villagesbranches.

Applicants must complete all sections of the form and clearly show how project costs will be divided between the school sector and the municipal sector.

Applicants must submit four copies of the application form and all supporting documents. Each of the four copies of the form must be duly signed and accompanied by the following:

- a resolution by the council of commissioners, the local municipal council or the regional municipal body, as applicable, authorizing the application for financial assistance and specifying the amounts it has undertaken to invest
- signed letters of undertaking confirming the participation of private-sector partners in the project
- copies of the agreements signed by the partners in condominium-type projects

Applications must be sent by mail or delivered in person to the following address:

Programme Villages branchés du Québec
Direction des ressources didactiques
Ministère de l'Éducation
600, rue Fullum, 10^e étage
Montréal (Québec) H2K 4L1

E-mail: villagesbranches@meq.gouv.qc.ca