

SUPERNET: THE WAY FORWARD AND MUNICIPALITIES

We know that community leaders and Albertans across the province believe that enabling broadband is key to ensuring vibrant and sustainable communities where businesses can thrive. We also know that many internet service providers (ISPs) in rural Alberta count on SuperNet today to deliver internet services to residents and businesses – and as we move forward – we’re working to ensure those services remain available to ISPs and municipalities alike.

On June 30th, 2018 the current SuperNet operating agreement with Axia SuperNet Ltd. expires. In light of the challenges facing SuperNet today, and considering the insights provided by our stakeholders - including municipalities - the Government of Alberta (GoA) has been reviewing options to move forward:

- ✓ Job 1 is ensuring service continuity for our indigenous offices, municipalities, public sector schools, hospitals, libraries and government facilities;
- ✓ While the GoA is not directly responsible for the delivery of internet services to rural Alberta, we must also continue to support ISPs who use the SuperNet today to deliver internet to Albertans, particularly in our rural and remote areas;
- ✓ We must examine ways to address the growing cost of SuperNet, while working to eliminate the issues and challenges raised to us by our many stakeholders;
- ✓ We must decide what role the new model for SuperNet should play in supporting rural broadband in Alberta, and what, if any, additional approaches should be considered to advance rural internet in the province – now and into the future; and
- ✓ We need to achieve these goals within our existing budget.

WHAT IS SUPERNET?

SuperNet is not the internet. It is a network of fibre optic cables, wireless towers, and electronics whose primary purpose is to digitally connect over 3,300 of our province’s hospitals, libraries, schools, government offices, and many municipal and indigenous offices, in 429 communities. SuperNet is also used by many independent ISPs to provide Albertans and businesses in your municipalities with access to the internet.

Like every network, SuperNet has evolved. It started 15 years ago with the GoA making an investment of \$193 million to construct and own a digital network to bring 402 rural and remote communities into the connected world. At that same time, Bell Canada (Bell) stepped up with \$102 million to enhance their existing network covering 27 urban centres within the province. The rural and urban networks became the SuperNet, and made Alberta the most connected province in the country.

In 2005, as SuperNet moved from construction into operations, the ownership arrangements and contracts for SuperNet were changed. Bell had invested more than \$300 million into completing the build of the rural network, and the GoA decided to give away ownership of that infrastructure, to Bell, in exchange for 10-years of free maintenance. Axia SuperNet Ltd. was also contracted to operate SuperNet.

The GoA now holds rights to use Bell’s fibre and wireless infrastructure until 2045. From 2005 to 2015 maintenance of the Bell-owned infrastructure came at no cost to the GoA. As of 2015 the GoA now faces annual maintenance costs of over \$15 million and will have spent more than \$300 million, in maintenance fees alone, before having the opportunity in 2035 to purchase only the aged rural infrastructure for \$1.

As a result of the 2005 change in SuperNet ownership, increasing maintenance costs, and ongoing challenges with today’s SuperNet model, we face some difficult decisions in paving the way forward.

WHO CAN I CONTACT WITH QUESTIONS?

The GoA will continue to work with all municipalities to ensure we maintain clear and open communication regarding SuperNet as we move forward.

**All general inquiries should be directed to the SuperNet Secretariat and Rural Broadband Line:
(Toll-Free) 1-888-777-4010.**

