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Edmonton, Alberta

SuperNet approach set to take Alberta to new heights

Alberta is one step closer to connecting every community that has a hospital, school library or provincial government office to a high-speed, broadband Internet network.

The contracts for Alberta SuperNet, signed July 24 by Innovation and Science Minister Victor Doerksen and representatives from Bell Intrigna and Axia IP Services, mark a significant milestone in building a foundation for improved services in e-learning, e-health, e-government and e-commerce.

In total, SuperNet will make access to high-speed broadband services available to 4,700 facilities in 422 communities across Alberta. The Government of Alberta will provide a maximum of \$193 million to the cost-shared project to build the Extended Area of the network, consisting of 395 communities; Bell Intrigna and Bell Nexxia will invest \$102 million for the Base Area, consisting of 27 communities. In total, SuperNet will require a \$295 million investment.

In addition to connecting every hospital, school, library and provincial government facility in the province, Alberta SuperNet will allow Internet Service Providers (whether existing or new) access to the network at competitive rates. These Service Providers, in turn, will be able to make commercial and residential high-speed Internet services available at rates comparable to those in Edmonton or Calgary.

"We recognize that in areas where the private sector has already gone and competition exists, the government has no need to put fibre in the ground - so we aren't," reports Doerksen. "The real impact of SuperNet will be felt in the communities where the private sector is simply unable to make a business case to build, and that is where government investment is focused."

In addition to the capital investment, the Government of Alberta has agreed to purchase \$169 million worth of telecommunication services from Bell Intrigna over a period of ten years. This represents approximately half of government's expected telecommunications expenditure during that period.

"We're proud to be leading this innovative project and to be working with the Government of Alberta," said Bell Intrigna President and CEO Murray Korth. "SuperNet will ensure Alberta continues to lead with a network that opens a world of possibilities and explores our limitless potential."

The Bell Intrigna/Axia Consortium model opens competition in Alberta's telecommunications environment and provides significant economic development opportunities and jobs for Albertans.

"Alberta SuperNet will be one of the most extensive fibre optic networks in the world, and we are proud to be part of the team bringing it to Alberta," said Axia Chairman and CEO Art Price. "This is going to make the world stop and look at what we are doing here in Alberta."

With the contracts in place, a cost-effective, efficient implementation schedule will now be developed. Details on the three-year build schedule are expected to be confirmed this fall. Right now, approximately 30 communities in Alberta have some access to high-speed Internet; SuperNet will bring that number up to

422 communities.

"I am confident Alberta SuperNet will continue to spur on Alberta's high-tech economy five, ten, and fifteen years down the road," said Doerksen. "Once again, Alberta has established itself as a world leader in the new global economy."

Additional information on Alberta SuperNet is available on-line at www.albertasupernet.ca or by contacting Innovation and Science at (780) 427-0285.

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Background

Benefits to Albertans

Within three years, Alberta will be the first jurisdiction in North America to ensure that citizens, schools, hospitals, libraries and provincial government offices have access to affordable, high-speed, broadband Internet. Alberta is quickly becoming recognized globally as a high-tech hub. SuperNet will help to cement the province's position in the knowledge economy.

Currently many people in rural areas of the province feel "shut out" of the new economy. This solution introduces competition between service providers to rural communities - ensuring that new services are introduced quickly, and that the highest quality of service is provided at the lowest cost.

Knowledge-base of all Albertans expands

We are giving Albertans in 422 communities the same technological opportunities by removing the boundaries that prevent many from enjoying the full benefits of the Alberta Advantage.

Today, there are approximately 30 communities in the province that offer some high-speed, residential Internet services. Alberta SuperNet will increase the number of communities with access to this service to 422 in total - and at lower rates than what is currently charged in some areas.

Resulting benefits are two-fold: key government stakeholders such as schools, hospitals and libraries will enjoy access to high-speed services at extremely competitive pricing; and rural businesses will also benefit from this enhanced service, regardless of distance.

Schools, hospitals, health authorities, e-learning

Faster, better, cheaper access to a world of learning and health care applications.

High-speed services are not currently available in most parts of the province. Therefore, students and

health-care professionals in these areas are restricted in their use of services, such as telehealth and video conferencing. Under this proposal, all key government stakeholders such as schools, health authorities and libraries will be able to access high-speed services at extremely competitive pricing.

Components that assist in the delivery of health services will be dramatically improved.

Regional health authorities will enjoy improved and immediate access to information, and will be able to share these findings quickly and efficiently with other regions. For example, new methods of communicating health information, including real-time ultrasound, a comprehensive pharmaceutical information network, real-time health records transfer, telehealth learning and telepsychiatry will provide more effective delivery of health care, thereby reducing costs.

Lower costs, more efficiency

Schools and hospitals that currently have T1 service pay approximately \$2,000 per site depending on location. Within three years, they will be able to access 10 Mbps service (seven times faster) for one quarter of the cost.

Examples:

- **The virtual classroom:**

Five students in a rural community will be taking instruction via high-speed Internet from the best science teacher in the province. Those same students are able to ask questions and submit their homework assignments to that teacher.

- **Lifelong learning:**

Workers in Northern Alberta need to upgrade their skills but can't get the time to go offsite or out of town for their training. Now they will be able to take real-time courses from their own community or at their place of work, learning from experts all over the world.

- **House calls:**

A patient is brought unconscious into the local clinic. He is perspiring profusely and has strange marks on his face. The doctor has not seen these symptoms before. Instantaneously, she can call up numerous specialists - and with the excellent video capabilities of the high-speed product - these specialists can take a close look at the patient within seconds and suggest treatment.

Business Opportunities

Rural businesses enjoy the same advantages as urban

Currently rural businesses typically must pay costs for high-speed service that in most cases is prohibitive to them. Under this proposal, high-speed business services will be made available at competitive urban rates, not dependent on distance. They now can grow their businesses and better compete in the new economy.

Examples:

- **E-commerce**

- An entrepreneur dreams up an exciting business idea. However, to implement it today would require moving the family to access a larger market. With e-commerce, that market comes to them.

- **Impact on Urban Centres -**

Although SuperNet primarily affects rural areas, impacts felt by urban businesses and citizens are also significant. For example, many companies who had previously focused their marketing efforts in larger centres now have a new audience for their products.

- **Venture Capitalists Will See Further Benefits of the Alberta Advantage -**

Great ideas and discoveries are happening every day in Alberta. Unfortunately, the venture capital needed

to turn these discoveries into marketable industries has been scarce. Alberta SuperNet will give Alberta a strategic advantage - making the province more attractive to venture capitalists with an interest in investing in made-in-Alberta start-ups, and to grow those businesses right here.

Backgrounder

Contract Facts

- Alberta SuperNet will be made up of two distinct networks, a Base Area Network and an Extended Area Network.
- The Base Area Network is made up of 27 communities where competition already exists; the Extended Area Network will include communities where the private sector is simply unable to make a business case to build, totaling 395 communities.
- The government has committed to providing a maximum of \$193 million for the build of the Extended Network, and upon completion will own this asset. Bell Intrigna and Bell Nexxia have committed \$102 million total towards the completion of the Base Network, which they will own on its completion. Any cost overruns on either network are the responsibility of Bell Intrigna.
- Bell Intrigna and Axia are responsible to ensure that SuperNet is 'seamless' between the Base and Extended Areas. Users of SuperNet will have the same level of connectivity in either the Base or Extended Area and when 'traffic' on SuperNet is moving between the Base and Extended areas.
- Bell Intrigna will be the prime contractor responsible for the building of SuperNet, and will subcontract the build of the Extended Area to Axia.
- Wherever practical, Bell Intrigna/Axia will purchase or lease existing infrastructure.
- Fair access to the extended area is guaranteed for all interested Internet Service Providers (ISPs). In turn, these ISPs will be able to make residential and business high-speed Internet services available at competitive urban rates.
- Axia will operate the Extended Network under a Licensing Contract to the Government of Alberta, and act as an Access Manager.
- Alberta SuperNet is designed to be self-sustaining. Revenue collected will be used for operational costs and capital maintenance.
- The Government of Alberta will also purchase \$169 million worth of telecommunication services from Bell Intrigna over a period of ten years as part of the contractual agreement. This represents about half of government's expected telecommunications expenditure during that period.

Background

FAQ

Is \$193 million the total Government of Alberta commitment to building SuperNet?

The \$193 million commitment is the maximum government contribution towards building the network. Any additional costs related to the build will be the responsibility of Bell Intrigna. As a complementary part of the contractual agreement, the Government of Alberta will also purchase \$169 million worth of telecommunication services from Bell Intrigna over a period of ten years, which represents about half of government's expected telecommunications expenditure during that period.

How does this tie into the federal government broadband initiative?

Alberta is leading the nation in terms of the scope and innovative approach to SuperNet. We are encouraged that the federal government is studying the issue of high-speed broadband access for all Canadians and we will continue to work with them to determine how Alberta can become part of a national broadband network in a way that best serves Albertans and equitably recognizes the commitment we have shown in addressing the broadband issue provincially.

What are other provinces doing to provide access to high-speed networks?

While Alberta is leading the way, the issue of providing access to high-speed networks is a high priority for many provinces, and there are a number of regions that are examining options to connect their citizens.

Will SuperNet be connected to individual homes, as well?

In addition to connecting every hospital, school, library and provincial government facility in the province, Alberta SuperNet will allow Internet Service Providers (whether existing or new) access to the network at competitive rates. These Service Providers, in turn, will be able to make commercial and residential high-speed Internet services available at rates comparable to those in Edmonton or Calgary. So while SuperNet will not be connecting to individual homes and residences, Albertans in 422 communities will have access to high-speed Internet as a result of SuperNet. In fact, if no other ISP comes forward within a reasonable time period, Bell Intrigna will provide ADSL equivalent to homes that wish to take advantage of this.

How can other ICT companies really gain from this?

ICT businesses in Alberta will have significantly enhanced business opportunities in the telecommunications environment that will be created by Alberta SuperNet. For example, once SuperNet is in place, an ISP with a limited customer base now will have access to customers in 422 communities.

In addition, Bell Intrigna is contractually obligated to consider all existing infrastructure and, where practical, negotiate agreements to use that infrastructure.

Will municipal offices be connected?

Municipal offices, while not included as part of the SuperNet build, will benefit as a result of Alberta SuperNet. While fibre is not being trenched directly into municipal offices, any town or city hall that does connect to Alberta SuperNet will be eligible for Government of Alberta rates for network services to facilitate e-government service.

Are other Alberta Government departments involved in SuperNet, and when will information be available?

Several Alberta Government departments, including Alberta Learning, Alberta Health and Wellness, Alberta Infrastructure, Alberta Community Development, Alberta Municipal Affairs and others are

involved with SuperNet, and will make information available in the near future.

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