

**KEVIN O'REILLY—MLA FRAME LAKE**  
**Fibre Optic Line**  
**Committee of the Whole—2018-2019 Operating Budget Review**  
**Dept. of Finance—February 23, 2017**

**MR. O'REILLY:** Thanks, Mr. Chair. I want to ask about the Mackenzie Valley Fibre Optic Link revenue line on page 140. Back in 2017-2018, it was predicted to be \$1.182 million, but it was significantly less. Can someone explain what is happening there and why we are not getting the revenues that were predicted? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. When we prepared the main estimates for 2017-2018, we were projecting that the fibre line would be in service by April 1<sup>st</sup> of that year. The fibre line did not come into service until the summer of that fiscal year, which is why we saw a little bit of a drop in our projected revenues, and we are still projecting a little bit of a drop for 2018-2019.

We are being fairly conservative in our forecast. The number of customers that we do have using the line right now is what we were anticipating. They are not downloading at the capacity that we were anticipating because of the lateness of the fibre. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I did not quite catch that at the end. The demand that we predicted is not there? Is that what is driving the reduced revenues? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. Kalgutkar.

**MR. KALGUTKAR:** Thank you, Mr. Chair. The number of customers are there. Because we were a couple of months late, we did have to undergo some testing of the fibre line. When that was happening, the amount of capacity that these customers were purchasing was lower than we were anticipating.

However, our customer count is higher than we anticipated and will be increasing shortly because we do have another satellite customer coming onboard within the next couple of months. We are seeing indications that these customers are starting to buy more capacity. As the customers start getting the confidence that the line is operating like it is supposed to be operating, I think we will start seeing the revenue start going up. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Thanks, Mr. Chair. I guess I am still concerned that maybe we were overly optimistic with that one, but I look forward to seeing how it rolls out.

Are there any plans to expand the network to Tuktoyaktuk or other communities along the way, like Jean Marie River? Is this something that Finance is starting to think about? Thanks, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, we do have plans to expand the service down to Tuktoyaktuk, and I think it is part of our federal submission to expand it to Tuktoyaktuk.

As far as the other communities, I am not sure we have looked at those yet, but, if we have not looked at them, I am sure we will, and we will do a cost analysis of what it might cost to run lines into those communities, as well. Thank you, Mr. Chair.

**CHAIRPERSON (Mr. Simpson):** Thank you. Mr. O'Reilly.

**MR. O'REILLY:** Maybe it's time to update the standing committee, then, if there's a three- or five-year plan for this, given that the revenues may not be what you predicted or they're somehow going to pick up and that there is a plan to expand that. I think it's probably time to update standing committee. Is that something the Minister is committed to doing? Thanks.

**CHAIRPERSON (Mr. Simpson):** Thank you. Minister.

**HON. ROBERT MCLEOD:** Yes, thank you, Mr. Chair. Mr. Chair, yes, we are optimistic that this line is going to benefit, as Mr. Kalgutkar said. As it is starting to prove itself worthy, then you get more people online. I will commit to updating the Regular Members' committee on some of the work that we are doing and get some feedback from them, as well. Thank you, Mr. Chair.