



Eastern Ontario Wardens' Caucus

[www.eowc.org](http://www.eowc.org)

Submission to the Standing Committee on  
Finance and Economic Affairs

January 17, 2017

## Overview

The Eastern Ontario Wardens' Caucus (EOWC) Inc. is an incorporated not-for-profit organization comprised of the heads of Council of eleven (11) Counties and two (2) single-tier municipalities in Eastern Ontario. Its members include:

County of Frontenac

County of Haliburton

County of Hastings

City of Kawartha Lakes

County of Lanark

United Counties of Leeds and Grenville

County of Lennox and Addington

County of Northumberland

County of Peterborough

United Counties of Prescott and Russell

County of Prince Edward

County of Renfrew

United Counties of Stormont, Dundas and Glengarry



The Honourable Charles Sousa  
Minister of Finance  
7th Floor, Frost Building South  
7 Queen's Park Crescent  
Toronto, Ontario M7A 1Y7

Dear Minister Sousa,

As it has done since its incorporation a decade ago, the Eastern Ontario Wardens' Caucus (EOWC) continues to develop extensive research and advocacy regarding the financial sustainability of rural Eastern Ontario's municipalities.

This research confirms that rural ratepayers and businesses across the region continue to be challenged to pay the costs of vital municipal services, and also require assistance from the province in terms of service delivery, including the improvement of cellular and mobile broadband services. The local municipal sector is also at a crossroads in terms of financial sustainability, and has difficulty paying the ever-increasing costs of municipal services – including but not limited to roads, bridges, social housing, long-term care facilities, and land ambulance – vis-à-vis a relatively small and widely dispersed population.

In presenting this submission to the Ministry of Finance, the EOWC is seeking to maintain its open dialogue and positive working relationship with its provincial partners. Through past efforts together, municipalities and the provincial government have succeeded in finding solutions that benefit both sectors – and ultimately, improving conditions for the residents and businesses across our region. As financial circumstances and budgets continue to be tightened, rural municipal governments will require more active support in stimulating growth and employment and, in turn, the regional tax base. At the same time, the EOWC reiterates its request that the Province continue its efforts to contain the growth in costs for service delivery.

The recommendations in this suggestion involve contributions from both the EOWC member municipalities and the Province of Ontario, and as always, are likely to be most successful if pursued in partnership. Let us collectively move forward, in the best interests of all our residents.

Sincerely,  
Warden Robin Jones  
Chair, 2018, Eastern Ontario Wardens' Caucus

## **Improving Mobile Broadband in Eastern Ontario: A Priority for 2018**

People increasingly access the internet – and connect to the world – through smartphones, tablets and other mobile broadband devices. They expect to access online content anywhere, anytime, and on any device. In order to participate in this universally connected world, rural Eastern Ontario needs a robust network of both fixed and mobile broadband. Today nearly one-sixth of rural Eastern Ontario is in a cellular “dead zone” – meaning there are homes, businesses and major roadways with no cell service at all. In 2014, the Eastern Ontario Wardens’ Caucus tasked the Eastern Ontario Regional Network (EORN) to investigate the requirements to address this cell gap.

The EOWC’s number one priority for 2018 is the improvement of mobile broadband services across the entire Eastern Ontario region, both rural and urban. The EOWC continues to support the Eastern Ontario Regional Network (EORN) on its \$299-million business case to the Provincial and Federal governments, which would close the many cellular network gaps, boost mobile broadband service across Eastern Ontario, and increase public safety for residents and first responders during emergencies.

Eastern Ontario can only thrive if all residents, both urban and rural, have the tools to succeed. Today, that includes access to high-speed internet, whether at home, work or on the road. The Canadian Radio-television and Telecommunications Commission (CRTC) has designated both mobile and fixed broadband access as a basic service for all Canadians. However, telecommunications companies alone are unable to meet rural broadband needs, as there is not enough revenue for companies to justify large capital investments to serve few customers over a large area. The result is market failure.

In response, EORN is proposing a public-private initiative that would build on its high-capacity, fibre-optic backbone network to help close the gap in cellular services. This will keep products and services that create prosperity moving across the region and keep Eastern Ontarians connected to the world – at home, at work and on the road. EORN’s solution would expand mobile data services in Eastern Ontario, through the same type of innovative public-private partnership that expanded high-speed internet access across the region. This current proposal builds on EORN’s 5,500-kilometre fibre backhaul network, leveraging earlier investments in the region. Worldwide, demand for mobile data is skyrocketing. By 2020, overall mobile data traffic is expected to increase eightfold over 2015 – and without a creative solution, Eastern Ontario will be left behind.

There are currently significant gaps in both the reach and capacity of mobile broadband networks across rural Eastern Ontario:

- One-quarter of the areas where there are homes, businesses or major roadways cannot access mobile data services from their major carrier of choice.
- Depending on the provider, anywhere from 28% to nearly 40% of areas where there are homes, businesses or major roads do not have capacity to handle current demand for data services. If no improvements are made, the capacity gap will grow to 65% by 2018.

In addition, EORN's design also supports the proposed Public Safety Broadband Network (PSBN). This would be a dedicated, secure network for first responders to communicate seamlessly and share information in real-time. Canada has set aside 20 MHz of 700 MHz spectrum for a national network. By combining the commercial infrastructure build with construction of a dedicated cell network for first responders, this will save \$47 million compared to building them separately.

As a result, not only is the cellular and public safety broadband network project essential for businesses and economic development, it would absolutely increase public safety for our residents and our first responders – such as police, fire and paramedics – during emergencies.

In conclusion, Eastern Ontarians need a provincial government that will support connectivity for all Ontarians regardless of geography. For Eastern Ontario to work and grow, people need high-speed internet access at home, work and on the road. EORN, through the EOWC, has a proven track record of improving connectivity. EORN has previously demonstrated success in managing projects of this scale and delivering value for dollar. The original \$175 million broadband project is now valued at \$260 million, including additional private sector in-kind contributions.

Minister, this new project would boost quality of life, economic growth, and public safety across the region. It would also create 3,000 full-time jobs over the next 10 years. Through EORN, please help the EOWC and the Province provide an essential service for Eastern Ontario, and bring the region into the future.

For more information, the EOWC encourages you to visit its new website, at [www.eowc.org](http://www.eowc.org), and view an important video on its main page regarding this project and other essential priorities for the region.

Thank you.

## A Public-Private Solution with High Returns

EORN is proposing a public-private funding model to close cellular gaps in Eastern Ontario, creating a network that will support:

### Jobs, business growth and economic development

- Potential to create more than 3,000 full-time job equivalents over 10 years.
- Potential to generate more than \$420 million in private sector business revenues.
- Supporting regional economic development by enabling innovations like intelligent transportation systems and other technology integration.

### Stronger, more connected communities

- Improving public services online and making them easier to access.
- Ensuring cellular access to emergency services in remote areas and improving public safety by connecting all first responders on a dedicated network.
- Allowing people to connect with friends, families and community organizations whether they are down the street, or around the world.

## Well-Researched Project Design

EORN has conducted an engineering cell gap analysis, costing study, cell market analysis and economic impact study. The design includes the planned expansion of the 700 MHz spectrum and was informed by input from cell carriers through a Request for Information.

EORN has designed a cellular expansion project that will cover more than 95% of the region where there are homes, businesses or major roads, and will increase capacity to handle growing mobile data demand.

The project takes into account that in rural areas, unlike urban centres, cellular data services may be the only internet access available. This means that an even more robust network is needed.

## Supporting a Public Safety Network

EORN's design also supports the proposed Public Safety Broadband Network (PSBN). This would be a dedicated, secure network for first responders to communicate seamlessly and share information in real-time. Canada has set aside 20 MHz of 700 MHz spectrum for a national network.

### Project Cost

EORN envisions a public-private project, built in phases to respond to changes in the marketplace and evolving technology. Including the PSBN option saves \$47 million as compared to building it separately.

Project	Cost Estimate
Cellular Network Improvements	\$203 million
EORN Admin Costs (5%)	\$10 million
<b>Subtotal</b>	<b>\$213 million</b>
Public Safety Broadband Network	\$82 million
EORN Admin Costs (5%)	\$4 million
<b>Subtotal</b>	<b>\$86 million</b>
<b>Total</b>	<b>\$299 million</b>

### About EORN

EORN, a non-profit created by the Eastern Ontario Wardens' Caucus, helped to improve fixed broadband access to nearly 90% of Eastern Ontario through a \$260 million network funded by the federal, provincial and municipal governments and the private sector service providers. It works with governments and community organizations to improve and leverage broadband access to fuel economic development and growth across the region.