



Hamilton

INFORMATION REPORT

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: December 9, 2013	
SUBJECT/REPORT NO: CRTC – Fibre Optic Cable in Rural Areas (City Wide) (FCS13056) (Outstanding Business List Item)	
SUBMITTED BY: Mike Zegarac Acting General Manager Finance & Corporate Services	PREPARED BY: Filipe Janicas (905) 546-2424 ext.5705
SIGNATURE:	Fred Snelling (905) 546-2424 ext. 6059

Council Direction:

The correspondence from the Canadian Radio-Television and Telecommunications Commission (CRTC) was presented to City Council at their meeting on June 12, 2013 for their consideration, and the following recommendation was approved:

That the correspondence from the Canadian Radio-Television and Telecommunications Commission (CRTC) be received and referred to the General Manager of Finance and Corporate Services for a report to the Audit, Finance and Administration Committee.

Background:

A request from the Agriculture and Rural Affairs Advisory Committee, that the City of Hamilton petition the CRTC to encourage service providers to install fibre optic cable in rural areas of the City of Hamilton, was submitted to Hamilton City Council via Planning Committee Report 13-006.

This was approved by Council which resulted in a letter (attached as Appendix A to report FCS13056) being sent by Mayor Bratina to Jean-Pierre Blais, Chairman and Chief Executive Office of the CRTC on April 25, 2013.

OUR Vision: To be the best place in Canada to raise a child, promote innovation, engage citizens and provide diverse economic opportunities.

OUR Mission: WE provide quality public service that contribute to a healthy, safe and prosperous community, in a sustainable manner.

OUR Values: Accountability, Cost Consciousness, Equity, Excellence, Honesty, Innovation, Leadership, Respect and Teamwork.

On June 3, 2013, a response (attached as Appendix B to report FCS13056) was received from the CRTC indicating, in summary, “that in the Commission’s view, market forces and targeted government spending will continue to drive the roll-out and improvement of broadband internet access services in rural and remote areas. This approach will give service providers the greatest flexibility to choose technologies and prioritize roll-out in a manner that best responds to consumer demand.”

This response from the CRTC was reviewed by Council on June 12, 2013, which resulted in the recommendation that the correspondence be received and referred to the General Manager of Finance and Corporate Services for a report to the Audit, Finance and Administration Committee.

Staff Findings:

CRTC

In consultation with the CRTC and the Telecom providers it was discovered that the CRTC has an approved CRTC Telecom Regulatory Policy 2011-291, that, among other matters, reviewed broadband internet matters and determined:

- That the deployment of broadband Internet access services should continue to rely on market forces and targeted government funding, and that regulatory intervention by the Commission is not appropriate at this time. The Commission intends to closely monitor developments in the industry by collecting timely detailed information from service providers on the availability and adoption of broadband Internet access services. This activity will allow the Commission, in future, to determine whether regulatory intervention may be needed. (Paragraph 83 of Policy 2011-291);

- The Commission considers that the appropriate target speeds for broadband Internet access service are a minimum of 5 Mbps download (data that consumers are receiving from the Internet, including files, web sites, pictures, music, and movies) and 1 Mbps upload (data that consumers are sending to the Internet);

The Commission notes that, while many Canadians in urban areas already have access to broadband Internet services at or above these target speeds, such speeds are not currently available to most Canadians in rural and remote areas. (Paragraph 76 of Policy 2011-291);

- The Commission further considers that the target speeds are to be the actual speeds delivered, not merely those advertised. That stated, the Commission recognizes that the broadband Internet access speeds actually experienced by users are affected by a wide range of factors, some of which are outside the control of the network provider. (Paragraph 77 of Policy 2011-291);

- The Commission expects that the target speeds set out above will be available to all Canadian homes, regardless of their geographic location, through a range of technologies. For example, new satellite technology will soon be available to increase the footprint and quality of satellite broadband Internet access offerings, and numerous wireless network providers are expanding the reach of their latest network technologies, which promise greater speeds to more Canadians at reasonable rates. (Paragraph 78 of Policy 2011-291);

- With respect to the date for achieving the target speeds, the Commission considers that, based on the record of this proceeding, the end of 2015 is appropriate. In establishing this date, the Commission has taken into account the current reach of existing networks, as well as plans for network expansion by several carriers and other submissions made by parties during the proceeding. (Paragraph 79 of Policy 2011-291).

With the implementation of the Telecom Regulatory Policy CRTC 2011-291, it is obvious that the CRTC realizes that virtually all Canadians, whether they live in urban centers or rural and remote areas, benefit from access to the Internet.

Recognizing that Internet service is increasingly important for communication, the Commission has established universal Internet performance target speeds of 5 megabits per second (Mbps) downstream and 1 Mbps upstream. These speeds should be available to all Canadians by the end of 2015.

To help meet these speed targets, the Commission is collaborating with service providers and other partners to measure the performance of the Internet access services Canadians receive. The following website has been established by the CRTC to allow the public to determine if high speed broadband is available in their area:

<http://www.ic.gc.ca/app/sitt/bbmap/hm.html?lng=eng>

It is important to note that this document is simply setting a target. There is no mandate and there is no reference to repercussions if this target is not met.

Western Ontario Warden's Caucus (WOWC)

The Western Ontario Wardens' Caucus Inc. (the WOWC) is a not-for-profit organization representing 14 counties in Western Ontario, the purpose of which is to enhance the prosperity and overall well-being of rural and small urban communities across the region. The members of the WOWC work collectively to influence federal,

provincial and municipal legislative, regulatory and program initiatives through advocacy, research and analysis and education.

One of the 2013 priorities of this not-for-profit organization is:

Economic Development: Seeking government and private sector funding and partnership opportunities to expand the prosperity base of the region. This includes the completion of the WOWC study of the feasibility of creating a ubiquitous, affordable and accessible regional ultra-high speed broadband network regardless of population density.

Attached as Appendix C to Report FCS13056 is an outline of the WOWC Broadband Project. A draft copy of the Feasibility Study has been received by staff of the Information Technology Division, Corporate Services Department, City of Hamilton and will be reviewed to determine if this initiative is relevant and beneficial to the City of Hamilton. An initial meeting has taken place recently with representatives of the WOWC and follow-up discussions are planned. The target date for high speed fibre to be installed is late in 2018.

A similar initiative was undertaken by the Eastern Ontario Warden's Caucus in 2008. As highlighted in Appendix D to Report FCS13056, this initiative resulted in the Federal and Provincial Government funding up to \$110 million for Regional/Rural Broadband. The press release attached as Appendix D to Report FCS13056 indicates: "As others have said, spending public funds on broadband infrastructure is the one expenditure that benefits every sector of an economy from health, education, government to business and, of course, the individual taxpayer."

Summary

1. The CRTC has established a Telecom Regulatory Policy 2011-291 which has set target speeds of 5 megabits per second (mbps) downstream and 1 mbps upstream to be available to all Canadians by the end of 2015. This policy also states that the CRTC "considers that the deployment in rural and remote areas, should continue to rely on market forces and targeted government funding, an approach which encourages public and private partnership. Accordingly, the commission concludes that it would not be appropriate, at this time, to establish a funding mechanism to subsidize the deployment of broadband internet access services".

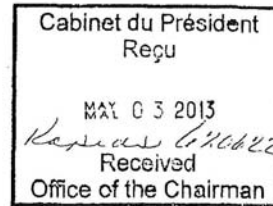
Again, the 2015 deadline is a target date only with no specific funding being allocated to subsidize the growth.

2. The Western Ontario Warden's Caucus is pursuing a model already proved successful by the Eastern Ontario Warden's Caucus. The EOWC initiative resulted in up to \$100 million of funding from the Federal and Provincial levels of government for Regional Broadband infrastructure.

Staff from the Information Technology Division, Corporate Services Department, City of Hamilton have had initial discussions with representatives of the WOWC and will continue these conversations. Information Technology Division staff will engage the Planning and Economic Development Department staff, in future conversations, with the WOWC. When appropriate, staff will prepare an Information Update to the Audit, Finance and Administration Committee on any developments with this initiative.



OFFICE OF THE MAYOR
CITY OF HAMILTON



File # C13-009

April 25, 2013

Jean-Pierre Blais, Chairman and Chief Executive Officer
Canadian Radio-television and Telecommunications Commission
Ottawa, Ontario
Canada, K1A 0N2

Dear Mr. Blais,

Hamilton City Council at its meeting held on April 24, 2013 approved item 12 of the Planning Committee Report 13-006, which reads as follows:

12. Agriculture and Rural Affairs Advisory Committee – Report 13-001 (Item 8.2)

1. Internet Service in the Rural Area

That the City of Hamilton petition the Canadian Radio-Television Telecommunications Commission (CRTC) to encourage service providers to install fiber optic cable in rural areas of Hamilton.

Your consideration of Council's request is appreciated. Please reference File # C13-009 when responding to this correspondence.

Yours truly,

A handwritten signature in cursive script that reads "R. Bratina".

Mayor R. Bratina
City of Hamilton

5.12



Conseil de la radiodiffusion et des télécommunications canadiennes

Canadian Radio-television and Telecommunications Commission

1, promenade du Portage
Les Terrasses de la Chaudière
Édifice central
Gatineau (Québec)
J8X 4B1

1 promenade du Portage
Les Terrasses de la Chaudière
Central Building
Gatineau, Quebec
J8X 4B1

Président et premier dirigeant

Chairman and Chief Executive Officer

JUN 6 2013

JUN 03 2013

Our reference: 620622

Mayor R. Bratina
City of Hamilton
71 Main Street West, 2nd Floor
Hamilton, ON 18P 4Y5

Dear Mr. Bratina,

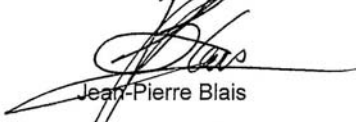
Thank you for your letter expressing interest in expanding fibre optic cable in rural areas of Hamilton.

In pursuit of its mandate to ensure that both the broadcasting and telecommunications systems serve the Canadian public, the Commission strives to ensure that Canadians can connect to quality and innovative communication services at affordable prices and have access to creative content.

In the Commission's view, market forces and targeted government funding will continue to drive the rollout and improvement of broadband Internet access services in rural and remote areas. This approach will give service providers the greatest flexibility to choose technologies and prioritize rollout in a manner that best responds to consumer demand.

The Commission intends to closely monitor developments in the industry by collecting timely detailed information from service providers on the availability and adoption of broadband Internet access services. This activity will allow the Commission, in future, to determine whether regulatory intervention may be needed.

Sincerely,


Jean-Pierre Blais

Attach.: Ref. File# C13-009



The Broadband Project

The WOWC has recognized that broadly available and affordable robust ultra-broadband (synchronous speeds of 100Mb/s or more) connectivity is fundamental to the continued relevance and future prosperity of communities in Southwestern Ontario. To prosper, communities must compete in the globalized economy. Our [background](#) section articulates the compelling reasons for this study.

The first step in creating a plan for the region is to completely understand the current environment. The WOWC has hired the firm of [Campbell Patterson Communications](#) to do the following work:

Gap Analysis

- Identify the scope of connectivity, speed and price gaps through the entire geographic area to help address potential opportunities for the future
- Identify key stakeholders that will benefit from a regional broadband investment and to measure the commitment level to invest and/or subscribe to the system once it is available
- Understand the deterrents to network investments that have inhibited stakeholders from providing or investing in infrastructure in the WOWC region

Scoping Exercise

- Engage the telecommunications industry to identify potential private sector collaborators including current private network providers, independent telephone companies and wireless providers
- Involve municipalities, utilities, schools and health sector agencies to effectively link broadband infrastructure and provincial and federal government priorities and find community 'champions' to create a higher level of success
- Identify existing community networks such as WEDnet, LARGnet and COIN, etc. that can be linked together to strengthen the existing network fabric
- Determine which technological solution(s) best enable the region to scale up the broadband infrastructure in the future (following the initial investment)
- Identify key stakeholders and their bandwidth requirements

Options and Costs

- For delivering a regional broadband project including ideal, better and minimum scenarios for business and residential users
- Providing options that are scalable to handle the explosion of applications and required bandwidth for growth of users to 'future proof' the network for ten years or more
- Linking economic development with government priorities and Intelligent Community initiatives within the region

Potential Funders and Market Interest

- Identify potential funding programs available from various levels of government
- Research potential private sector partners who can be funders for the project
- Contact organizations that may be engaged as potential anchor tenants
- Identify current internet service providers' interest in becoming potential financial contributors

A Roadmap for the Future

- Tying all the information and research from above together, to create a "roadmap" of next steps that will allow a broadband project to move forward in a logical sequence;
- Provide estimated costs and resource requirements for the next steps



www.eowc.org

July 30, 2009

NEWS RELEASE

FEDERAL AND PROVINCIAL GOVERNMENTS DELIVER UP TO \$110 MILLION FOR REGIONAL BROADBAND

NEWS

The Federal and Provincial Governments announced today that they will each provide up to \$55 million towards the creation of an eastern Ontario regional broadband network as proposed by the Eastern Ontario Wardens' Caucus Inc.

QUOTES

"Today's announcement represents a huge step forward in helping us construct one of the most important pieces of new infrastructure ever built in Eastern Ontario," stated Ron Emond, Chair of the EOWC. "We are extremely grateful to both the Federal and Provincial governments for their decision to support us and their faith in our ability to deliver this network," added Emond.

"As others have said, spending public funds on broadband infrastructure is the one expenditure that benefits every sector of an economy from health, education, government to business and of course the individual taxpayer. All of these sectors need access to a high-speed, high-capacity network in order to provide new and improved services," stated Chair Emond.

"The EOWC Inc. has a vision for unlocking the potential of Eastern Ontario, it has a plan to implement that vision and now we have the support of both senior governments to make it happen," said Chair Emond. "We know that many of the jobs of the future will come from the new knowledge economy and we want our region to be ready and able to create those jobs and enhance our prosperity," added Chair Emond.

FACTS –

- Many areas, particularly rural ones, in Eastern Ontario are years behind those more urban centers in obtaining access to the high speed internet.
- Analysis shows that more than 200,000 people and businesses have poor or no access to the internet across the Region.
- The Eastern Ontario Regional Network (EORN) will deliver some ten times (10x) more speed and capacity of current internet service in many areas of the Region.
- EORN will consist of two components: a high-capacity (Gigabit Ethernet) fiber backbone or trunk system and expanded and improved access to the end user.
- Requests for Proposals will be issued separately for both components of the network.
- EORN will have an estimated 60 new Points of Presence (PoPs) pushing optical fiber deeper into the Region.
- It is expected to take three years to fully complete the network but many will begin to receive access and higher capacities as it is built out.
- The estimated cost of the EORN is \$170 million. The EOWC and private sector will be expected to fund the remaining amount beyond the Federal and Provincial contributions.

EOWC Inc.

The EOWC Inc. is a corporation without share capital whose mandate is to present a unified voice on behalf of eastern Ontario municipalities engaging both the federal and provincial governments in developing new programs and policies that support the goal of realizing the region's full potential for sustainable economies and communities.

Membership includes the counties of Northumberland, Peterborough, Haliburton, Hastings, Lennox & Addington, Lanark, Renfrew, Frontenac, Stormont Dundas and Glengarry Counties, the United Counties of Leeds & Grenville, the United Counties of Prescott & Russell and the single tier municipalities of the City of Kawartha Lakes and the County of Prince Edward. The municipalities include nearly 1,000,000 people.

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For more information contact:

Ron Emond, Chair EOWC Inc.
(613) 966-1319

or Jim Pine, Secretary Treasurer
(613) 966-1319.