

## **Township of Southgate**

### **Administration Office**

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## **Staff Report CAO2020-027**

**Title of Report:** Southgate Fibre Communications Infrastructure Report

**Department:** Administration

**Council Date:** March 18, 2019

### **Council Recommendation:**

**Be it resolved that Council** receive staff report CAO2020-027 as information; and

**That** Council and staff organize meetings and discussions with area Municipalities and the County of Grey to gain common interest, agreement and approval for a Southgate Council support resolution that would request the Federal and Provincial Governments to only fund in rural Southern Ontario municipal projects seeking grant funding for broadband communications that would install fibre cable for the purpose of being recognized as being a served area with the high speed capacity infrastructure; and

**That** Council direct staff to draft a support resolution that would seek and request Municipal support across the Province of Ontario, as well as Association of Municipalities of Ontario to request the Federal and Provincial Governments only fund in rural Southern Ontario municipal projects seeking grant funding for broadband communications projects that would install fibre cable for the purpose of being recognized as being a served area with the high speed capacity infrastructure; and

**That** Council direct staff to organize meetings when possible with Federal and Provincial staff and with our local MP and MPP and/or seek where possible delegations at FCM and AMO Conference if possible, to discuss rural Southern Ontario broadband funding policies; and

**That** Council direct staff to develop an effective policy to install fibre cable infrastructure in the shoulder of the municipal roadways and at drainage crossings in a safe and secure manner to respect the reliability of both the road and communication assets to best serve communities and support cost effective fibre cable installation options; and

**That** Southgate Members on Grey County Council and staff promote to the County that they consider the same municipal fibre cable installation policies to support more cost effective service options that would install fibre cable communication infrastructure to make the best and most efficient use of available grants, funding, tax dollars and contractor investments; and

**That** Council direct staff to continue to look for rural infrastructure project funding sources to install fibre optic cable and continue to work with SWIFT to fund projects they can support.

**Background:**

Staff present report CAO2020-023 titled "OGRA Conference Report" at the March 4, 2020 Council meeting with the following resolution approved related to rural fibre high speed infrastructure projects and funding:

**Moved by** Councillor Shipston; **Seconded by** Councillor Rice;

**Be it resolved that Council** receive staff report CAO2020-023 as information; and **That** Council consider as part of our next visioning session meeting that we have a discussion on the issue of long term access to High Speed Communications infrastructure in rural Southgate; and

**That** Council direct staff to facilitate discussions with industry experts to develop short and long term future plans for High Speed Fibre Communications Infrastructure in rural Southgate; and

**That** Council consider partnerships to provide fibre optic cable installations into the rural area of Southgate through making municipal investments, seeking external funding sources and working with SWIFT to fund projects.

Carried No. 2020-130

**Staff Comments:**

Since the March 4, 2020 Council meeting staff have been asking questions as to why we cannot receive SWIFT financial assistance for projects on the east side of the Township. What we found out is SWIFT will not be providing funding to support rural Southgate projects for the installation of fibre optic cable on the east side of Township, as this area is recognized as 50/10 served by a service provider that is delivering the service through a wireless network. What staff has found is that SWIFT must follow the Federal and Provincial policy that recognizes communities with 50/10 service as being served with any type of technology regardless of the monthly service fees charged. The term 50/10 service refers the rate of data transmission and means a 50 download and 10 upload speed rate of megabits per second, which is recognized as a served community by SWIFT.

What has become apparent is that rural broadband service in Southgate, at its best today is functioning like many other communities, with definite service voids based on demand, that can only be serviced by a very tall wireless tower or a satellite service. One could say that the community is adequately served at this time, with those limitations like many other rural community's experience with the common topography and environmental challenges.

Today the average residential customer in Southgate or any other rural Southern Ontario community, uses broadband service with a 10/2 communication speed based on the needs for service and affordability. With the new and future technology demand we see arriving, consumer trends and information today tells us that the demand for increased service speed is trending at a rate of a 30% increase per year. As our aggregate rural customer base grows in user demand for speed,

the 50/10 capacity will trend as a basic speed requirement in 7.4 years and will outgrow the present wireless infrastructure capabilities to deliver broadband service needs long term and will at some point in the future fail this community without fibre cable infrastructure installed.

The concern today based on some vendor(s) out there, is they claim they can deliver the 50/10 service, but it is not affordable as presently advertised. The problem as we understand it, is if everyone in Southgate wanted the 50/10 service as advertised, without regard to the cost, service provider(s) are not capable of delivering the service capacity that would be required with the present available wireless bandwidth and backhaul capacity.

We have found that the 50/10 cost for the service ranges from \$80.00 to \$199.99 per month. Some service providers do not promote it and others do advertise the 50/10 product at higher priced rates, that is cost prohibitive and does not drive widespread uptake for the 50/10 service. Some service providers in our Township have told us they can deliver on the 50/10 capability for customers that must have it to function, but they do not promote or advertise the availability. They do not advertise the 50/10 service because they could not provide it to all of their customers as a functioning product option that could be delivered community wide or it would slow down or even crash their entire system during peak demands.

The long term solution for rural broadband service is to provide a high speed network with fibre optic cable and technology that is necessary to provide communication speeds for future agriculture, business, commercial, industrial and residential demands that will be necessary for the required speed and capacity demand. In order to deliver the reliability with the future growth requirements, fibre is the best and only solution in front of us that will also address the present topography and environmental issues. My concern is if we do not see yearly progress in growing rural fibre installations by service providers with the help of SWIFT and/or other funding supporting the infrastructure growth, where will communities like Southgate be in 10 years. This is an economic development and eventually an essential service issue we need to plan for before it becomes a critical or crisis issue.

The view that wireless is long term solution is flawed. Wireless is a short-term solution for the next few years and has less competition options for consumers making good business decisions. Fibre provides open access when Government funded, as well as customer service options in communities that have funded fibre installation projects. The growth of Fibre infrastructure to develop and sustainable high-speed communications service across Ontario will be essential in supporting future technology, as well as for long term economic and business growth.

We do not want to be driving a Broadband Model A in Southgate in 5 or 10 years when the rest of Ontario has a Cadillac service that was funded through Federal and Provincial grants.

### **Financial Impact or Long-Term Implications**

There is no financial impact to the Township of Southgate as a result of this report in the 2020 annual budget. The municipality will have to make some decisions going forward related to funding infrastructure projects to increase access to high speed fibre communications growth in Southgate.

One thing we have heard is that County and lower tier Municipalities must consider a policy to support the location of fibre cable infrastructure in the road allowance. In a recent webinar presentation by Centre for Excellence in Next Generation Networks (CENGN) presented on a Rural Ontario Residential Broadband Program that was an information session introducing a funding opportunity for SWIFT members. In the presentation one of the slides and comments stated and discussed at length related fibre cable installation is that "Plowing road shoulder to reduce access delays, pole engineering, replacement & rental costs. Horizontal Drilling to minimize repaving costs", are efficient and effective ways to reducing project costs considerably. A copy of the CENGN presentation is included in this staff report as Attachment #1.

### **Communications & Community Action Plan Impact:**

This report has been written and presented to Council to communicate accurate information to the public.

#### **Goal 5 - Upgrading our "Hard Services"**

##### **Action 5:**

The residents and businesses of Southgate recognize our linear services - roads, bridges, water and sewer works, for example - to be a fundamental purpose of municipal government. This infrastructure needs to be serviceable and sustainable so that our businesses and communities can thrive and grow.

##### **Strategic Initiatives:**

**5-B** - The Township will have adopted a long-term asset management plan for the timely repair, replacement, and expansion of the Township's infrastructure, facilities, and other assets.

### **Concluding Comments:**

1. That Council receive this staff report as information.
2. That Council and staff organize meetings and discussions with area Municipalities and the County of Grey to gain common interest, agreement and approval for a Southgate Council support resolution that would request the Federal and Provincial Governments to only fund in rural Southern Ontario municipal projects seeking grant funding for broadband communications that would install fibre cable for the purpose of being recognized as being a served area with the high speed capacity infrastructure.

3. That Council direct staff to draft a support resolution that would seek and request Municipal support across the Province of Ontario, as well as Association of Municipalities of Ontario to request the Federal and Provincial Governments only fund in rural Southern Ontario municipal projects seeking grant funding for broadband communications projects that would install fibre cable for the purpose of being recognized as being a served area with the high speed capacity infrastructure.
4. That Council direct staff to organize meetings when possible with Federal and Provincial staff and with our local MP and MPP and/or seek where possible delegations at FCM and AMO Conference if possible, to discuss rural Southern Ontario broadband funding policies.
5. That Council direct staff to develop effective policy to install fibre cable infrastructure in the shoulder of the municipal roadways and at drainage crossings in a safe and secure manner to respect the reliability of both the road and communications assets to best serve communities and support cost effective fibre cable installation options.
6. That Southgate Members on Grey County Council and staff promote to the County that they consider the same municipal fibre cable installation policies to support more cost effective service options that would install fibre cable communication infrastructure to make the best and most efficient use of available grants, funding, tax dollars and contractor investments.
7. That Council direct staff to continue to look for rural infrastructure project funding sources to install fibre optic cable and continue to work with SWIFT to fund projects they are able to support.

Respectfully Submitted,

**CAO approval: Original Signed By**

Dave Milliner – CAO

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- Attachment #1 – CENGN presentation on Dealing with Technical Challenges for Residential Broadband in Northern Ontario