

Bridge the Broadband Gap

Authored by the Ajax-Pickering Board of Trade and the Aurora and Newmarket Chambers of Commerce

Issue

Inadequate access to ultra-high-speed internet is compromising the ability of communities across Ontario to attract and retain businesses. The provincial government has an important role to play in bridging the “broadband gap” by supporting provincial working groups and working collaboratively with the federal government.

Background

According to the Government of Canada, broadband is internet service that is always on (as opposed to dial-up, where a connection must be made each time) and offers higher speeds than dial-up service.

Over the last several decades, ultra-high-speed internet has become a crucial success factor for cities to attract and retain business investment. Many Canadians consider broadband internet a standard public utility rather than a luxury. Canada ranks 33rd in the world when it comes to available speed as outlined in the 2012 York Region Economic Development Action Plan report. Some examples of speeds today in Ontario cities that have invested are Stratford (Business 1 Gbps Residential 50Mbps) and Toronto (Business 10 Gbps Residential 250 Mbps).

Peel, Halton, Durham, York Region and others from across the province have limited access to speeds that are primarily available in Toronto. Allowing this disparity to continue heightens the risk that Ontario's economic base could eventually be concentrated in two or three heavily populated urban centres, rather than having economic competitiveness stretch across Ontario.

In 2014, the federal government launched its Connecting Canadians program to address gaps in the delivery of high-speed Internet. It is estimated that by 2017, the federal government will have invested up to \$305 million to address gaps in the delivery of high-speed Internet at speeds of at least 5 megabits per second (Mbps) in rural and remote communities across the country.

While Connecting Canadians was a good start, its funding was insufficient to create the incentives necessary to facilitate cable operators' investments in broadband infrastructure. The new federal government has pledged \$125 billion for infrastructure investment, but has not yet signaled what percentage of those funds will be dedicated to digital infrastructure.

To help create the case for local investment, a number of Mayors' and Wardens' groups have been established to identify regional broadband infrastructure needs. They would benefit from provincial supports.

The Town of Newmarket's own economic development impact report from Sandel and Associates on the implementation of a gigabit corridor indicates that an investment of between \$300,000 to \$1.1 million could support the addition of 17 firms in the area, creating an estimated 205 jobs in phase one of the project. An additional 126 indirect jobs would also be generated from phase one.

The Ontario Chamber of Commerce supports the CRTC decision to promote competitive access to next generation fiber broadband networks that are integral to the success of Ontario businesses in the 21st century.

Recommendations

The Ontario Chamber of Commerce urges the Ontario Government to:

1. After conducting its due diligence, support the funding requests of regional bodies (Mayors, Wardens groups, etc.) for better access to broadband infrastructure without detrimental impact on existing service providers.
2. Facilitate the creation of additional regional bodies that can help build the business case for federal and private sector broadband investment.
3. Encourage the federal government to fund a successor initiative to Connecting Canadians. This funding initiative should fund the need for wired and wireless infrastructure for the expansion and extension of broadband connectivity to underserved businesses.
4. Benchmark Ontario's internet speeds and access versus competitor jurisdictions and consider 5 year targets of: Business 1Gbps and Residential 50Mbps and 10 year targets of Business 10 Gbps and Residential 250Mbps.
5. Consider broadband as a piece of infrastructure.
6. When assessing funding requests, establish requirements that high speed broadband connectivity to the last mile is a priority.

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