
REPORT TITLE: Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

FROM: Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services

RECOMMENDATION

- 1. That the Region of Peel endorse the advocacy positions as outlined in the report from the Chief Financial Officer and Commissioner of Corporate Services, listed on the June 23, 2022 Regional Council agenda titled “Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide”; and,**
- 2. That a copy of the subject report be shared with the local councils of the City of Brampton, City of Mississauga and the Town of Caledon, the Federation of Canadian Municipalities and the Association of Municipalities of Ontario.**

REPORT HIGHLIGHTS

- The digital divide is the gap between households who have reliable and affordable access to digital technologies and internet that meets the minimum standard for high speed, and those who do not.
- The inability to access high-speed internet impairs residents' ability to participate in the economy, receive essential services such as education and healthcare, and participate fully in their communities. The pandemic has highlighted the need for more adequate, accessible, and affordable internet services.
- Despite significant federal and provincial government investments in expanding rural digital infrastructure as well as programs that lower costs for low-income households, the digital divide still exists for Peel’s urban and rural communities.
- In urban areas, it’s an issue of affordability and lower quality services in communities where internet service providers (ISPs) lack incentives to invest in high capacity and costly infrastructure.
- In rural areas, there are limited options available, and most do not meet the minimum threshold for high-speed internet defined by the federal government. Many residents are left with very expensive options to access even poor-quality services or are forced to leave their homes to find a wireless hotspot to access digital services.
- Targeted investments are needed in broadband across the Greater Toronto Horseshoe Area’s (GTHA) urban and rural communities, including incremental investments into urban areas that are not currently benefiting from provincial and federal funding for improved digital infrastructure.
- Municipal, provincial, and federal governments have an opportunity to partner with each other and the private sector to bridge the digital divide and better enable residents to participate in the economic and social fabric of the GTHA.

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

- Municipalities can leverage municipally owned fibre in partnership with the broader public and private sectors while ensuring deployment in the right-of-way continues to balance multiple policy objectives.
 - The provincial and federal governments can enable the Region of Peel to address the digital divide through improved digital infrastructure and by making policy changes and investments that will improve digital connectivity for residents and businesses.
 - The Region of Peel's three local municipalities are aligned in the advocacy positions. Following the April 14, 2022, Regional Council meeting, further consultations yielded more information to demonstrate the coordinated and comprehensive advocacy positions (Resolution 2022-240). Section 2 of this report provides background on the local municipalities' advocacy efforts and successes.
-

DISCUSSION

1. Background

a) Community and resident stories amplify the need to advocate

Through community leaders and partners, GTHA municipalities have been collecting community and resident stories of the digital divide issues faced within the GTHA. Community leaders and partners include Caledon Community Services, Region of Peel's Community Response Table, Peel's Newcomer Strategy Group, Central West Ontario Health Team Digital Advisory Group and Alliance for Healthier Communities.

Community and resident stories highlight that:

- Families on fixed incomes, such as Ontario Works or Ontario Disability Support Program, are forced to make difficult decisions between rent, food, and the internet.
- Low-income households are often forced to choose between fixed or mobile connectivity when faced with combined costs that exceed their ability to pay.
- The cost of connectivity is not equitable across the GTHA, with some residents in remote locations forced to use expensive cellular services because wired internet services are poor quality or non-existent.
- While internet service providers offer reduced rate programs for low-income households, these services do not support the download and upload speeds to support working remotely or participate in online schooling.
- During lockdowns, families with no internet service found the only way for their children to participate in online school was to take their van full of kids – even in inclement weather – to the local public library or restaurant and remain in their parked cars and access the Wi-Fi services of these establishments.
- The digital divide can create heightened feelings of isolation. Community members such as newcomers can become disengaged with places of worship and community culture centres when they have no means to join virtually. Seniors living in long-term care feel isolated when they cannot have in-person visits with loved ones and have no access to a computer to connect virtually.
- Community organizations face barriers in delivering services to their clients when the community organization itself cannot access high-speed internet.

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

b) Municipalities across the Greater Toronto and Hamilton Area are collectively working together

Digital equality – the equal opportunity for all individuals to benefit from the economic, social, and educational potential of digital technologies and internet connectivity is very important to the health and well-being of our residents and communities. Precarious and unaffordable internet connectivity makes finding employment, obtaining education, and accessing essential services more challenging. It compounds the risk of broader, knock-on costs associated with poverty, including costs absorbed by healthcare, social, and housing services.

Digital access and affordability barriers correlate to underlying issues of social equity with low-income, racialized, and elderly communities having fewer options for reliable broadband access available to them. The COVID-19 pandemic has highlighted and amplified the consequences of precarious and insufficient access to household internet with significant costs absorbed by public schools and libraries through their efforts to bridge connectivity gaps in low-income communities.

Municipalities across the GTHA are collectively working together by looking at digital equity, accessibility, and affordability, improving service delivery and economic competitiveness. These two groups have identified opportunities to advocate to the provincial and federal governments to improve digital infrastructure and close the digital divide.

2. Findings

a) Municipal role

Municipalities can play a vital role in achieving digital equality, and ensuring their communities are well served. By adopting a forward-looking policy position that recognizes broadband internet as an essential utility service that must be available regardless of financial means or circumstances. This role is not meant to oversee, compete with, or duplicate the activities of incumbent ISPs, which are strictly regulated by the federal government.

Adopting the principle that broadband internet is an essential utility service like access to hydro signals a municipality's intention to leverage its assets and expertise in public service delivery. To work within the CRTC's regulatory framework in an effort to enhance local competition and support digital access for communities in need.

For the local municipalities of the Region of Peel, connecting communities to affordable and accessible high-speed internet to address the digital divide is not a new issue. It is important to recognize that there are existing efforts at the local municipalities to help address the digital divide.

The Town of Caledon has been a leading rural voice for access to broadband over the last number of years. The Town has currently endorsed the advocacy positions that distribution of the previously announced broadband funding needs to be accelerated to get residents connected quicker, and that improved mapping of gaps is required as well as assurances that rates charged by providers are affordable for residents.

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

The libraries within the Town of Caledon offer wireless hotspots to help residents gain access to the Internet to those who would otherwise not have access from their homes. The Town of Caledon has also actively worked to bring broadband to their community through the collection of a broadband levy used to leverage investments from telecommunication providers and other levels of governments, as well as participation in SWIFT, a regional broadband expansion project, all of which has contributed to closing some of the gaps identified in Caledon. However, it remains that almost half of the roads in Caledon do not have access to high-speed internet.

The City of Brampton benefits from having adequate commercial telecommunication infrastructure throughout the city to serve residents with traditional wireline broadband services. To improve digital access to residents, the city offers Wi-Fi access at all publicly accessible facilities and key outdoor locations to provide access the internet free of charge. The City of Brampton has also been actively investigating opportunities to partner with telecommunication providers to accelerate the adoption and deployment of emerging and new technologies (i.e., 5G technologies). These technologies will supplement traditional services and provide capabilities to enhance existing Digital Infrastructure and contribute to reducing or eliminating elements of the Digital Divide.

The City of Mississauga has been a municipal leader in Canada and fortunate to leverage the Public Sector Network (PSN) which is the largest municipally owned fibre network infrastructure in Canada. The High-speed network has given Mississauga the ability to build Canada's largest free public WIFI network – WirelessMississauga. The existing infrastructure has been optimized to create Canada's first Virtual Campus and provide wireless connectivity to support post secondary students with eduroam. During the Pandemic there was a pivot, and the existing wireless network was repositioned to support over 330 outdoor Wireless Hot Spots in Mississauga to continue to Connect the Unconnected and address the issues of digital divide and at a time of closures in City Facilities and Libraries for free internet access. In addition, the Mississauga Library provided additional support to residents through its free laptop and wireless hotspot lending programs, facilitating access to the Internet from home for those who would otherwise not have it.

Mississauga continues to embed itself into the standard build forms of new Development projects and Business Improvement areas (BIA). Mississauga has set a clear vision to secure a technology presence and develop infrastructure plans to support City WIFI, 5G technologies with telecommunications carriers and the City Streetlight team, enabling delivery of new services, in new ways. Plans to align technology with new development will ensure success in new communities that will ensure strategic positioning to support residents, business and innovation corridors. Mississauga continues to build on strategic partnerships and working towards bringing cost effective ISP services and capacity, leveraging PSN, into the Region of Peel and City of Mississauga facilities for consumption by families in need and forward-looking to a future of GTHA interconnected fibre infrastructures to partner with other municipalities to provide more affordable ISP offerings to address the digital divide.

Locally and as a collective, municipal staff across the GTHA have been having focused discussions and working together to determine how the GTHA can best address the digital divide, in partnership with other governments and the private sector.

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

3. Proposed direction – provincial & federal government changes to address the digital divide

GTHA municipalities have identified key policy, legislative and regulatory changes that could be made by the provincial and federal governments to better enable all governments to address the digital divide.

They have outlined the following key requests of the Governments of Ontario and Canada.

a) Invest in the GTHA

There is an opportunity for the provincial and federal governments to ensure that incremental investments in broadband are made in urban areas and directed to fill gaps in the GTHA. Residents in urban centres also face significant barriers to obtaining and maintaining household connectivity. Affordability in urban areas remains problematic, with low-income households (>\$30,000 per year) devoting an average of 10 per cent of their incomes to maintaining connectivity (Communications Monitoring Report, 2019; Brookfield Institute, 2021).

While governments have implemented programs to provide more affordable internet services to low-income households, these often take the form of discounted service packages with reduced internet speeds. These initiatives have not been sufficient to meaningfully address the affordability challenge faced by many households. Private ISP's have no obligations to maintain these programs over the long-term, posing a risk for low-income households who may come to depend on them.

The federal government's Connectivity Strategy has set 50/10 Mbps (upload/download) as a minimum speed for Canadians. Many residents in the GTHA receive speeds below this minimum. So, there are opportunities to make investments in broadband infrastructure in the GTHA to improve broadband access, quality, and affordability.

See **Appendix I** (maps of Internet Speeds across the GTHA) for more information on the existing digital infrastructure.

b) Enable municipalities to invest in and use existing fibre more effectively

GTHA municipalities own broadband fibre and have identified and mapped municipally owned fibre that may be leveraged to help close the digital divide. The purpose and use of municipally owned fibre varies across the region.

Some municipalities primarily utilize their fibre to support municipal operations, such as transit systems and traffic management systems. Other municipalities have developed delivery models that allow private internet service providers to lease the use of municipally owned fibre to provide high-speed internet services to residents without the ISPs incurring the significant costs of deploying "middle mile" fibre infrastructure. These cost savings can then be passed on to the customer. Open access models such as this, are examples of public sector investments being leveraged to provide affordable high-speed internet to residents. Municipalities are not taking on the role of an ISP, but rather working within the existing competitive market to enhance competition and lower costs.

The identification of provincially owned fibre at hospitals, universities, colleges, and regional transit can be leveraged to help close the digital divide. The provincial government could play a leadership role by supporting the identification and mapping of

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

this fibre. Further, the Province could work with municipalities to leverage collectively owned fibre and work in partnership with Internet Service Providers (ISPs) to address the digital divide.

Internet service disconnections resulting from inability-to-pay are problematic, especially for low-income households with children. Research indicates internet service disconnections can compromise a low-income household's ability to work within already strained household budgets. Cities do not have access to this data from ISPs. This inhibits municipalities' ability to make data-informed decisions on how to most effectively leverage municipal resources and municipally owned fibre to address the digital divide. Having access into ISPs assets, internet speeds available across the region, and data on service terminations,

Moreover, municipalities do not have access to local level data on assets, internet speeds, and service terminations/collection activities. This inhibits their ability to make data-informed decisions on how to most effectively leverage municipally owned fibre to address the digital divide. Municipalities would be in a better position to invest in and use municipally owned fibre more effectively if the federal government, in cooperation with internet service providers (ISPs), collects and shares this data with municipalities. Having access to this data, along with mapping of provincially owned fibre, would better enable municipalities to make targeted investments and work with service providers more effectively to ensure residents receive adequate internet connectivity. The competitive interests of ISPs – who benefit from significant investments of public capital and resources – can still be maintained with data sharing agreements containing appropriate non-disclosure provisions.

c) Ensure that new developments include digital infrastructure

GTHA residents and businesses would also benefit from the provincial government embedding internet connectivity as a legislative requirement for all new developments. This could be achieved by amending Section 41 (Site Plan Approval) and Section 51 (Subdivision Approval) of the *Planning Act*. Developers currently submit development coordination plans, but there is no requirement for this plan to include details about how a new development will be connected to the internet. Currently, developers may negotiate exclusive access agreements with preferred ISPs, which reduces competition and options available to residents. In the case of multi-unit dwellings, these agreements risk contravening provisions in the *Telecommunications Act* meant to prevent anti-competitive practices. These amendments to the *Planning Act* would ensure that all developments have proper connectivity.

Amending the *Planning Act* Section 41, Site Plan Approval, and Section 51, Subdivision Approval to require internet connectivity as a component of development approvals would give municipalities the ability to ensure all new development includes the digital infrastructure that residents and businesses need to thrive and compete in the digital economy.

Well planned developments typically include adequate internet connectivity; however, making it a requirement would ensure high-speed internet in all new developments and prevent anti-competitive practices. New, innovative technology, such as 5G, will require expansive hard-wired fibre optic connectivity. This proactive requirement would avoid

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

further risk to already congested public rights-of-way, particularly in the region's downtowns and urban centres.

Given the essential nature of an internet connection, it is important that connectivity be recognized as an important planning feature, in the same way that municipalities plan for other essential infrastructure such as sewer and water connections. Adding connectivity to the planning approval process will also enable municipalities to help deliver on key provincial policy objectives including remote delivery of health care services and accelerated access to justice with expansion of remote hearings and digital case management.

d) Define broadband as an essential utility service

Municipalities across the GTHA have stressed the need of the federal government to declare access to high-speed internet an essential utility service, regardless of financial means. Such a declaration is most effective coming from the CRTC, as opposed to provincial or municipal governments who have little to no regulatory authority in telecommunications. The CRTC has the most impactful legislative and policy tools available to ensure access. In 2016, CRTC defined broadband as a "basic" service, signalling the commission's intention that the service should be universally available to households. However, the CRTC did not exercise its authority to direct network deployments and has not compelled ISPs to provide broadband to all households. By declaring broadband access as an essential utility service, it would be given the importance of other services deemed vital to health, safety, and societal functioning, and provide a rationale for direct statutory intervention in its provisioning and pricing.

4. Summary of proposed advocacy positions

To achieve the objectives to improve digital infrastructure and address the digital divide the following advocacy positions are proposed:

The Government of Ontario:

- Under the *Building Broadband Faster Act* and the Ontario Connects program, ensure that incremental investments in broadband from other orders of government are made in under served areas and directed to fill gaps in the GTHA.
- Ensure all communities, including the GTHA, have access to reliable high-speed internet by the end of 2025. For the GTHA, it would help build better infrastructure faster, strengthen communities and boost local economies.
- Identify provincially and federally owned fibre assets that can be leveraged to help close the digital divide – such as schools, hospitals, and traffic corridors.
- Amend Section 41 (Site Plan Approval) and Section 51 (Subdivision Approval) of the *Planning Act* to embed internet connectivity as a requirement for all development.

The Government of Canada:

- Ensure that incremental investments in broadband from other orders of government are made in under served areas and directed to fill gaps in the GTHA
- Declare high-speed internet as an essential utility service, including a definition for affordability that combines fixed and mobile costs as a percentage of household income

Update to Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide

- Collect and share local level data on assets, internet speeds, and service terminations/collection activities, in cooperation with internet service providers (ISPs).
- Enable municipalities to more easily promote access to their fibre for public and private services by requesting the CRTC to define municipal entities as a special class of carrier subject to conditional exemption from the *Telecommunications Act*.

CONCLUSION

The local municipalities of the Region of Peel recognize and are advocating for internet access for all. Internet access is critical to connecting people, to community programs, for work, school, and health care.

The COVID-19 global pandemic has made the past two years of working, learning, and living difficult without access to digital technology and internet access.

Municipalities across the GTHA are collectively working together to address the digital divide as we move out of the pandemic. Listening to the community and resident stories about the digital divide, the GTHA municipalities want to make improvements. Through partnership and advocacy, improvements in digital equity, accessibility, and affordability, service delivery and economic competitiveness can be realized. The Region of Peel together with its local municipalities are committed to advocating and finding solutions to address the digital divide.

APPENDICES

Appendix I – Intergovernmental Partnership to Improve Digital Infrastructure and Address the Digital Divide Internet Speeds across the GTHA

Authored By: Steve Van de Ven, Director, IT Operations



G. Kent.

Gary Kent, CPA, CGA, ICD.D, Chief Financial Officer and Commissioner of Corporate Services