

Report CAOR-CC-07-14

To: Warden Milne and Members of County Council
From: Lance Thurston, Chief Administrative Officer
Geoff Hogan, Director of Information Technology
Meeting Date: July 8, 2014
Subject: **WOWC SWIFT Project Update**
Status: Recommendation adopted by County Council as presented per Resolution CC100-14;

Recommendation

THAT this report be received for information purposes only.

Background

Grey County is an active and engaged member of the Western Ontario Wardens' Caucus (WOWC). The WOWC's mandate is to improve the prosperity of rural southwestern Ontario.

The WOWC was convinced by the growing body of research from around the world which clearly demonstrates that communities and regions investing in and embracing high speed/high capacity communications and information technologies achieve above average rates of economic growth, job creation, social diversification and environmental protection. The WOWC accepts that for any community or region pursuing a prosperity agenda, ultra-high speed broadband is now a MUST-HAVE, not a nice to have like it was only a few short years ago.

In 2012 the WOWC commissioned a study into the state of Internet service in southwestern Ontario and options for improving it. The feasibility study found that Southwestern Ontario is lagging far behind other regions in Ontario, across Canada and around the world in availability of and access to affordable high capacity broadband Internet service. Many residents and businesses in Southwestern Ontario do not have equitable access to Internet Protocol (IP) based applications and services compared to

other countries, nor will the current infrastructure in much of the region scale to meet rapidly growing demand at the accepted standard of service quality.

According to the Canadian Radio-television Telecommunications Commission (CRTC), more than 75% of Canadian households subscribed to broadband Internet services in 2012. Yet, only a third of those, or about 22% of all households in Canada, subscribe to download speeds in excess of 10 megabits per second (Mbps).

In areas of the region where modern broadband infrastructure has been built, there often are too few service provider choices, as one or two incumbent providers control the access to the Internet. As a result, even in urban areas we tend to pay more for telecom services in Southwestern Ontario than in other regions of Ontario, Canada and worldwide.

The study shows that the small towns and rural communities in this region have even poorer service and less choice than their urban neighbours. And in most of the region, the last-mile connection to the home or business is copper wire, so scalable symmetrical connectivity (simultaneous upload and download), which is essential for today's reliance on cloud computing and peer-to-peer communications, is not feasible. This situation makes it more difficult for our residents, businesses, and public organizations to compete and prosper in the global economy.

Based on the findings of the study the WOWC accepted that the limited availability and access limitations to world class broadband and the absence of consumer choice in much of the region are significant obstacles to the region's continued well-being and serve as a brake on efforts to deliver needed economic and social renewal, particularly in rural and small town communities.

The study recommends the creation of a standards-based open access regional fibre optic network governed by a unique not-for-profit stakeholder consortium made up of service providers, users and municipalities. The public/private consortium would ensure a balance over time between public policy objectives for regional economic development and the private business interests of service providers. The intention is to extend, over a 20 year build-out period, ultra-high speed fibre optic broadband Internet service of up to 1 Gigabit per second symmetrical (simultaneous up load and down load) access to every part of Southwestern Ontario regardless of population density.

Project Status

The project has been managed since its inception by Grey County CAO Lance Thurston and IT Director Geoff Hogan along with consultant Campbell Patterson. A project steering committee comprised of industry experts and WOWC representatives provides

oversight and connection back to the WOWC. That committee includes former Grey County Warden Duncan McKinlay.

The project is within budget and tracking according to the work plan milestones. The work plan is monitored on an ongoing basis by the project management team. Below is a summary of the current activities of the team as set out in the project plan. The focus of activities is on developing the organizational and business framework for the proposed SWIFT network. This work is necessary in understanding precisely how the organization would operate and how costs would be apportioned to WOWC members. It also is critically important to future funding applications to the Federal and Provincial governments.

Action Item		Status
1	Communications and Marketing	Campbell Patterson has been engaged to prepare a communications and engagement plan for the project. Work is underway.
2	Engaging the SILECs	<p>Report to Caucus on the concerns expressed by the SILECs completed and submitted for Caucus meeting of June 20, 2014, which was cancelled. Next meeting of Caucus will be in August.</p> <p>WOWC SWIFT Report on SILEC Concerns June 20.14</p> <p>Caucus had asked the committee to create a small working group to engage with the SILECs to explore their concerns more fully and consider options. The request to do this has been turned down by the SILECs.</p>
3	Seek third party review of the SWIFT Feasibility Study	Professor Catherine Middleton of Ryerson University, an acknowledged expert in the field, has been engaged by the committee to review the study and offer her observations and opinion. We are awaiting receipt of her review.
4	Add project management capacity	Some additional project support has been secured through an arrangement between Grey County and SWEA to use the services of Ashleigh Weeden,

Action Item		Status
		Grey County Communications Officer, in providing community engagement expertise for SWIFT project in tandem with SWEA's Intelligent Region initiative. Beginning in June.
5	Contact Aboriginal Affairs	Seek guidance in engaging First Nations groups.
6	Engage Municipal Partners as active Partners in SWIFT	Seek authority from Caucus to engage municipal partners and other stakeholders as participating and financially contributing members of the project.
7	Engage e-Health and ORION network	Committee members will reach out to e-Health and Orion to broaden the project's engagement reach. This is underway.
8	Developing Business and Legal Frameworks	Contracts with BDO and Lou Milrad are finalized. Each has begun engagement to develop the business and legal structure for the proposed SWIFT network organization, which will be critical to understanding the implications for members and as the basis for funding applications to upper levels of government. An interim report will be available at WOWC in August.
9	Seek In-house Legal supports	Enquiries have been made with Middlesex County about the use of in-house legal resources of to assist in developing the legal framework for the proposed SWIFT consortium model. Discussions ongoing.

On June 19, 2014 the County was advised that Huron County Council passed a resolution on June 4th in support of the position being put forth by the Small Incumbent Local Exchange Carriers (SILECS), which opposes the proposed SWIFT Network. It is unclear what impact this decision by a member of the WOWC will have on the resolve of the organization to continue its support of the SWIFT project. The June 20th meeting of the WOWC was cancelled due to expected poor attendance, and no alternative date has been set. It is expected that the next meeting at which the WOWC can consider this project is August 17th prior to the commencement of the AMO conference in London.

Proceeding with the SWIFT project without Huron County participation is certainly doable, although not preferred, as it fractures the collective spirit of the WOWC and will place the SILECS at a competitive disadvantage in the future. The SILECS only represent a small percentage of the region in terms of population and area served. Other larger service providers will presumably step up and participate in the project in the absence of the SILECS and over-build the fibre plant within the SILECS' territories.

It is our hope and expectation that once all members of the WOWC have had the opportunity to review the project committee report on the SILEC concerns (report link is provided earlier in this report) and question the project team, there will be a renewed belief in the merits of the project and a commitment to proceed.

Financial / Staffing / Legal / Information Technology

Considerations

This project has been consuming large amounts of time for Lance Thurston and Geoff Hogan. This is expected to continue over the course of 2014 and into 2015. It is estimated that upwards of 65% of Mr. Hogan's time is dedicated to the SWIFT project, recognizing there are peaks and valleys in this time commitment that must be managed. This time is being billed back to the project budget, which is financially supported by all members of the WOWC.

With Lance Thurston leaving the employ of the County the WOWC has been asked to consider appointing another county CAO to support and champion the project.

Link to Strategic Goals / Priorities

The SWIFT project underpins each and every strategic priority of County Council, as set out in the corporate strategic plan – so pivotal to the wellbeing of the county is high speed broadband connectivity.

Respectfully submitted by,

Lance Thurston, Chief Administrative Officer

Geoff Hogan, Director of Information Technology