



Written Submission to the Province of Ontario regarding the 2019 Pre-Budget Consultations

Submitted by the Eastern Ontario Wardens' Caucus
January 29, 2019

Recommendation 1:

THAT the Provincial Government formally commit, in its 2019 Budget, to a contribution of \$71 million over four years, commencing in 2019, as its share of the Eastern Ontario Regional Network's Mobile Broadband Project.

Recommendation 2:

THAT the Provincial Government develop and implement stable, long-term funding for the improvement, expansion and development of infrastructure that will ensure all Canadians, including rural residents and businesses, receive access to the CRTC standard of 50Mbps/10Mbps for high speed internet services.

Recommendation 3:

THAT the Provincial Government maintain the Ontario Municipal Partnership Fund (OMPF) for rural and northern municipalities.

Background

The Eastern Ontario Wardens' Caucus (EOWC) represents more than 750,000 rural Canadians living in 103 municipalities across eastern Ontario. For the past 18 years, the EOWC has been a voice for the region and has actively pursued policies and projects that improve the economic health of its member communities.

In 2019, the EOWC is focused on creating jobs and improving the regional economy. While it understands the critical importance of issues such as increased affordable housing and long-term funding for critical municipal infrastructure, the EOWC's immediate concerns are creating jobs and improving public safety. That is why it has made improving access to cellular/mobile broadband services its number one priority.

It is worth noting that the EOWC – through its partner organization, the Eastern Ontario Regional Network (EORN) – has proven that, when it takes action along with the other senior levels of government, it can make major economic advances. EORN previously undertook a \$175-million public-private partnership project to improve access to high-speed internet services across the 50,000 square kilometers of the Eastern Ontario region.

The project began construction in 2010 and was completed at the end of 2015. The Governments of Canada and Ontario each provided \$55 million to help fund the project, while the EOWC along with six separated municipalities contributed \$10 million. The remaining funds were raised from the private sector.

Making Eastern Ontario one of the best “connected” regions in North America requires, however, another significant project to fulfill that goal. As noted earlier, this is why **the EOWC is making its very specific request in this submission for \$71 million in Provincial funding, to be paid over four years**, as the project moves through its construction phase.

The Province of Ontario has previously committed publicly to its \$71-million share, and the EOWC along with six of the 10 separated cities and towns have thus far committed to a \$10-million participation.

The EOWC, through its partner in EORN, is embarking on a mission to ensure that residents, businesses and the travelling public can access and utilize mobile broadband (cellular) services wherever they live, work or travel in eastern Ontario. This effort will require an investment of \$213 million (over four years), and an approach that will bring together all levels of government as well as the private sector – similar to the approach used in the first EORN project.

EORN has commissioned independent economic research and analysis to determine the benefits that will emerge from this Mobile Broadband project. This research tells us that:

- The project will create the equivalent of 3,000 jobs over the next 10 years;
- It can generate some \$420 million in new business revenues to support mobile broadband expansions;
- It will ensure that eastern Ontario – a region with more than 1.2 million people and thousands of small and medium business – will have access to new and emerging mobile broadband technologies, which are essential to remain competitive;
- The project will help lay the foundation for the implementation of 5G technologies across the region; and
- It will improve public safety, particularly for the travelling public and those in the business sector.

Reaching the CRTC target of 50Mbps/10Mbps

The EOWC and EORN are also focused on finding a path(s) to ensure that its 750,000 rural residents are not once again left behind as the rest of the country moves to the CRTC's speed target of 50Mbps download and 10Mbps upload for internet services. To that end, the EOWC has directed EORN to undertake a detailed engineering and financial analysis that will cost out two scenarios:

1. Delivering one Gigabit of speed and capacity to every home and business in rural Eastern Ontario;
2. Delivering 50Mbps down and 10Mbps of speed and capacity (CRTC's minimum target) to the homes and businesses of the region.

EORN and the EOWC will be pleased to share their research and analysis with Canada and Ontario. We believe that our region – one that is about the size of the Province of Nova Scotia – would reflect a similar situation to many areas of the country. This joint research may help both senior levels of Government develop their combined approach to helping Canadians get the benefit of the best possible high-speed internet services.

There is no doubt, however, that in order to achieve this goal, there is a requirement for long-term, sustainable funding supported by the Federal Government. Keeping our region and all of those across the country connected and competitive requires the financial support of the federal government. We are ready as a region to participate, but cannot go it alone – and by working together, we will all be stronger.

Maintaining the Ontario Municipal Partnership Fund (OMPF)

The EOWC support the Province's efforts to refocus the Ontario Municipal Partnership Fund (OMPF) on what it was originally designed to do: support rural and northern municipalities. Municipalities such as those represented by the EOWC face very difficult challenges in providing critical public services from limited local tax bases and large infrastructure-related services.

The EOWC municipalities also own two-thirds of the region's roads. This equates to 69,000 lane kilometres of roads – enough to wrap 1.5 times around the earth. There are more than 5,000 bridges and structures that these rural municipalities are responsible to maintain and replace. The difference in rural areas is that five households must share the cost of one kilometre of road, compared to 25 homes in urban centres.

Many of these same roads are the lifeblood for local and regional economies. Businesses depend upon them to move their products to market. Children require to get to school safely and tourists have to travel them to reach our region. As such, municipalities in rural Eastern Ontario absolutely depend upon OMPF funding, and any significant reduction would be a major hindrance to their ability to continue to provide critically important services.

The EOWC has done some research on the importance of continued OMPF funding, which can be found attached at the end of this submission. In conclusion, the EOWC requests that the Province remember how much municipalities like those in rural Eastern Ontario depend upon the OMPF.

Who is the EOWC?

The Eastern Ontario Wardens' Caucus (EOWC Inc.) is an incorporated not-for-profit organization comprised of the heads of Council of eleven (11) Counties and two (2) single tier municipalities in Eastern Ontario. Its members include:

- County of Frontenac
- County of Haliburton
- County of Hastings
- City of Kawartha Lakes
- County of Lanark
- United Counties of Leeds and Grenville
- County of Lennox and Addington
- County of Northumberland
- County of Peterborough
- United Counties of Prescott and Russell
- County of Prince Edward
- County of Renfrew
- United Counties of Stormont, Dundas and Glengarry





**OMPF FUNDING
&
FINANCIAL STABILITY FOR EASTERN ONTARIO**

ROMA 2019

The attached report illustrates the critical importance of sustained, equitable financial support to 102 of 113 municipalities across Eastern Ontario. A significant decline in OMPF represents a tremendous pressure on municipal revenues. This report highlights the impact of a full removal of OMPF support and the consequential result on the municipal tax levy.

OMPF was originally designed to assist rural and northern municipalities who have major infrastructure and service delivery needs but who have a limited local tax base to do so.

Eastern Ontario municipalities face these challenges. OMPF or a revised OMPF will remain essential to the fiscal health of our communities.

Municipality	Tier	2018 OMPF	2017 Tax Levy***	%age
FRONTENAC CO	UT	-		
<i>Kingston C</i>	ST	-		
Central Frontenac Tp	LT	2,054,900	7,284,661	28.2%
Frontenac Islands Tp	LT	226,100	2,150,328	10.5%
North Frontenac Tp	LT	1,601,000	5,773,475	27.7%
South Frontenac Tp	LT	1,519,500	18,683,211	8.1%
HALIBURTON CO	UT	334,300	15,401,387	2.2%
Dysart et al Tp	LT	1,791,500	8,018,399	22.3%
Minden Hills Tp	LT	1,734,000	7,337,319	23.6%
Highlands East M	LT	1,910,000	5,285,097	36.1%
Algonquin Highlands Tp	LT	1,268,700	4,790,667	26.5%
HASTINGS CO	UT	105,000	13,900,589	0.8%
<i>Belleville C</i>	ST	-		
<i>Quinte West C</i>	ST	1,209,600	45,921,934	2.6%
Deseronto T	LT	716,000	1,349,767	53.0%
Bancroft T	LT	1,421,900	4,736,752	30.0%
Faraday Tp	LT	669,900	2,342,844	28.6%
Limerick Tp	LT	366,800	1,005,518	36.5%
Madoc Tp	LT	470,400	1,608,880	29.2%
Tudor and Cashel Tp	LT	603,400	1,140,669	52.9%
Tyendinaga Tp	LT	447,400	2,538,332	17.6%
Wollaston Tp	LT	727,800	1,288,949	56.5%
Centre Hastings M	LT	1,527,000	3,863,877	39.5%
Stirling-Rawdon Tp	LT	1,001,900	4,271,305	23.5%
Tweed M	LT	2,084,600	3,928,287	53.1%
Hastings Highlands M	LT	1,722,800	6,752,023	25.5%
Carlow-Mayo Tp	LT	440,400	1,149,616	38.3%
Marmora and Lake M	LT	1,638,800	3,329,468	49.2%
LANARK CO	UT	-		
<i>Smiths Falls ST</i>	ST	3,586,200	12,731,035	28.2%
Carleton Place T	LT	599,100	9,678,081	6.2%
Perth T	LT	1,623,800	7,165,543	22.7%
Mississippi Mills M	LT	848,200	10,918,842	7.8%
Beckwith Tp	LT	438,100	4,268,343	10.3%
Montague Tp	LT	246,900	2,662,669	9.3%
Lanark Highlands Tp	LT	1,568,800	4,686,053	33.5%
Drummond-North Elmsley Tp	LT	597,100	4,881,259	12.2%
Tay Valley Tp	LT	694,300	5,240,445	13.2%
LEEDS AND GRENVILLE UCO	UT	-		
<i>Brockville C</i>	ST	963,000	34,043,505	2.8%
<i>Gananoque ST</i>	ST	1,508,500	7,615,230	19.8%
<i>Prescott ST</i>	ST	1,551,100	5,138,425	30.2%
Westport V	LT	165,500	801,202	20.7%
Merrickville-Wolford V	LT	282,400	2,907,051	9.7%
Augusta Tp	LT	753,800	4,454,403	16.9%
Front of Yonge Tp	LT	231,900	1,510,049	15.4%
North Grenville M	LT	963,600	13,314,781	7.2%
Rideau Lakes Tp	LT	1,504,600	9,712,803	15.5%
Athens Tp	LT	596,400	1,302,027	45.8%
Edwardsburgh-Cardinal Tp	LT	851,400	4,541,538	18.7%
Leeds and the Thousand Islands Tp	LT	948,700	7,769,527	12.2%
Elizabethtown-Kitley Tp	LT	772,800	5,995,190	12.9%
LENNOX AND ADDINGTON CO	UT	-		
Greater Napanee T	LT	1,644,700	11,572,290	14.2%
Addington Highlands Tp	LT	2,040,300	2,636,852	77.4%
Loyalist Tp	LT	506,600	13,156,883	3.9%
Stone Mills Tp	LT	1,131,700	5,439,816	20.8%
NORTHUMBERLAND CO	UT	-		
Cobourg T	LT	79,500	22,477,197	0.4%
Brighton M	LT	1,027,500	7,570,189	13.6%
Trent Hills M	LT	3,217,000	11,917,766	27.0%
Port Hope M	LT	189,300	18,286,272	1.0%
Hamilton Tp	LT	740,300	7,773,106	9.5%
Alnwick-Haldimand Tp	LT	506,800	5,288,546	9.6%
Cramahe Tp	LT	665,000	5,389,407	12.3%
PETERBOROUGH CO	UT	-		
<i>Peterborough C</i>	ST	-		
Asphodel-Norwood Tp	LT	764,000	2,729,504	28.0%

North Kawartha Tp	LT	1,004,800	5,279,773	19.0%
Cavan Monaghan Tp	LT	506,000	7,155,615	7.1%
Douro-Dummer Tp	LT	564,000	4,548,645	12.4%
Trent Lakes M	LT	1,299,900	9,021,486	14.4%
Havelock-Belmont-Methuen Tp	LT	1,359,500	5,705,702	23.8%
Otonabee-South Monaghan Tp	LT	515,400	5,190,902	9.9%
Selwyn Tp	LT	1,048,400	9,896,169	10.6%
PRESCOTT AND RUSSELL UCO	UT	-		
Clarence-Rockland C	LT	617,100	18,646,068	3.3%
Hawkesbury T	LT	1,979,800	10,112,739	19.6%
Casselman V	LT	236,000	2,633,066	9.0%
East Hawkesbury Tp	LT	282,100	1,923,633	14.7%
Russell Tp	LT	250,100	10,970,834	2.3%
Alfred and Plantagenet Tp	LT	1,439,800	6,832,920	21.1%
Champlain Tp	LT	1,059,900	6,667,593	15.9%
The Nation M	LT	694,900	10,163,393	6.8%
Prince Edward County C	ST	2,723,500	34,212,135	8.0%
RENFREW CO	UT	-		
Pembroke C	ST	1,369,200	20,515,784	6.7%
Arnprior T	LT	1,275,100	9,077,182	14.0%
Deep River T	LT	321,400	4,102,514	7.8%
Renfrew T	LT	2,281,800	7,495,520	30.4%
Petawawa T	LT	468,400	8,310,127	5.6%
Laurentian Hills T	LT	242,900	2,839,464	8.6%
Head, Clara and Maria Tp	LT	68,100	497,206	13.7%
Horton Tp	LT	227,700	2,175,136	10.5%
McNab-Braeside Tp	LT	494,500	5,225,254	9.5%
Brudenell, Lyndoch and Raglan Tp	LT	788,800	1,180,490	66.8%
North Algona-Wilberforce Tp	LT	573,400	2,706,411	21.2%
Admaston-Bromley Tp	LT	485,600	1,920,464	25.3%
Laurentian Valley Tp	LT	601,600	5,469,262	11.0%
Killaloe, Hagarty and Richards Tp	LT	966,000	2,447,281	39.5%
Madawaska Valley Tp	LT	1,513,400	3,972,029	38.1%
Bonnechere Valley Tp	LT	1,512,300	3,178,359	47.6%
Whitewater Region Tp	LT	1,160,100	4,900,214	23.7%
Greater Madawaska Tp	LT	576,500	2,856,238	20.2%
STORMONT DUNDAS AND GLENGARRY UCO	UT	1,338,600	44,274,856	3.0%
Cornwall C	ST	3,834,100	65,456,028	5.9%
North Dundas Tp	LT	903,400	5,897,259	15.3%
South Dundas Tp	LT	1,072,100	6,242,655	17.2%
North Glengarry Tp	LT	2,258,200	4,917,293	45.9%
South Glengarry Tp	LT	981,900	8,608,573	11.4%
North Stormont Tp	LT	677,600	2,692,348	25.2%
South Stormont Tp	LT	821,700	6,240,078	13.2%
Kawartha Lakes C	ST	7,205,500	106,371,180	6.8%
		\$ 111,003,700	\$ 937,959,061	11.8%

***Note: Data collected from 2017 FIR Schedule 10, line 0299

Signal for Innovation:

Improving Mobile Broadband in Eastern Ontario

Enhance. Expand. Empower.

The Eastern Ontario Regional Network proposes a **\$213 million** public-private partnership to close gaps in cell coverage and capacity, where there are homes, businesses and public roads, that will spur investment and jobs.



What's New?

Ontario's 2018 provincial budget earmarked **\$71 million** for their share of the project.



ACTION:

EORN seeks federal support, and that of all Ontario provincial parties, to ensure Eastern Ontario keeps pace with demand for connectivity.

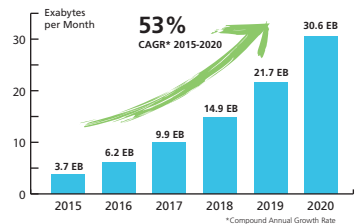
Cellular improvements will:



Create **3,000** full-time equivalent jobs over 10 years.



Spur **\$420 million** in new business revenue.



Growth in Mobile Data Traffic



Improve safety and support a future national public safety broadband network.



Prepare for **5G** driven technologies.

Meet exponential **growth** in demand.

About the Eastern Ontario Regional Network

The Eastern Ontario Regional Network (EORN) is a non-profit organization focused on supporting the region's quality of life and economic development through improved connectivity for rural Eastern Ontario.

Improved Fixed Broadband Access

From 2010 to 2014, EORN built a \$175-million network that improved broadband access to about 90% of Eastern Ontario. The innovative public-private partnership was funded by the federal, provincial and municipal governments, and private sector service providers.

As expected, the EORN project has spurred further investment by the private sector to further improve and expand broadband infrastructure in the region. Since the project was completed, internet service providers have invested more than \$100 million, with even more expected in the next few years in new infrastructure like fibre-to-the-home, fixed wireless towers and radios.

EORN includes:

- A scalable 5,500-km fibre optic backbone network.
- Local access networks that link people to the backbone through either wired or fixed wireless technology.
- More affordable satellite packages to reach areas that wireless or wired service cannot due to extreme population scarcity and/or difficult terrain.
- New fibre optic connections to more than 60 business parks and clusters across the region, improving communities' ability to attract and retain local business.

Today, EORN continues to oversee local access contracts. It's also collaborating with government and local partners on a digital strategy to improve and leverage broadband access to fuel economic growth. It is also driving continued efforts to improve regional connectivity through a cellular improvement and public safety network project.

Eastern Ontario

Eastern Ontario is home to nearly one million people spread out over 50,000 square kilometres. EORN was created by the Eastern Ontario Wardens' Caucus, which represents:

- Hastings County
- Peterborough County
- Renfrew County
- Northumberland County
- Haliburton County
- Frontenac County
- Lanark County
- Prince Edward County
- Lennox & Addington County
- the United Counties of Stormont, Dundas & Glengarry
- the United Counties of Prescott & Russell
- the United Counties of Leeds & Grenville
- the City of Kawartha Lakes.

