



# MUNICIPALITY OF THE DISTRICT OF LUNENBURG

**REPORT TO:** Council

**SUBMITTED BY:** Dave Waters Director of Business Development Tourism and Infrastructure

**DATE:** May 28, 2019

**SUBJECT:** Develop NS Internet process

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## DISCUSSION

Over the past three years, the Municipality has been moving forward to help improve Internet for its residents. Over this time, the Municipality has implemented the following;

- Municipal Internet Connectivity Strategy
- Sweetland Fixed Wireless project with NCS
- RFP for Fixed Wireless for Whynott's Settlement & Tancook with TNC
- Connect to Innovate Fixed Wireless for 9 communities north of Hwy 103 with TNC
- Connect to Innovate Hybrid Fibre for Hemford, Hemford Forest and Bakers Settlement with Eastlink.

In July 2018, the Government of Nova Scotia made Develop Nova Scotia, a Crown Corporation, responsible for developing and implementing a strategy to improve Internet access for Nova Scotians without reliable high-speed Internet. The Province also set aside \$192 Million to invest in better Internet. Their goal is high-speed Internet (minimum speeds of 25mbps wireless–50mbps for wired) reaching a minimum of 95% of Nova Scotians.

In 2018, Develop NS outlined an estimated timeline for Internet.

- Prequalification Q4 2018
- Prequalification Evaluation Q1 2019
- Invitation to Bid Q2 2019

- Bid Evaluation Q3 2019
- Proponent Negotiation Q3 2019
- Bid Selection Q4 2019
- Trust Review Q4 2019
- Contract / SLA Negotiation Q4 2019 – Q2 2020
- Project Begin Q1 2020
- CTI Projects Q1 2019 – Q4 2019

On February 19, 2019, the Internet working group provided an update to Council on the work of Develop NS with a recommendation that the Municipality take a pause on leading future projects until after the Develop NS Internet process works its way through. The short-term focus for the Municipality would be to move the current projects forward and still work with Internet Service providers to identify projects or areas where additional services would be beneficial.

On April 16, 2019 Develop NS released a list of ten organizations that were approved under the pre-qualification process. They are:

- Bell Canada
- Cross Country TV Limited
- Eastlink
- ISM Canada (IBM Canada)
- Mainland Telecom
- Municipality of Kings
- Municipality of Pictou County
- Seaside Communication
- TNC Wireless Ltd.
- Xplornet

These organizations are either Internet Service Providers or functioning as one for this initiative.

On May 2, 2019, Develop NS released its first RFP to the pre-qualified providers only, with a closing date of June 28, 2019.

The time frame from RFP release to submission due date is very short for these type of projects. MODL recognizes that although we are not submitting projects as a pre-qualified proponent, we can work with providers to provide more robust submissions by the providers to the RFP released by Develop NS.

To ensure that MODL is represented in the first RFP submissions, MODL reached out to eight of the 10 pre-qualification providers. The only two that MODL did not reach out to were the two municipal units.

To date we have made contact with six of the providers. We have met, or will meet, with four of the providers to discuss possible projects.

The internet team anticipates that we will bring at least one project to Council for review in June. At that time, we may ask for a financial commitment to a specific project.

**The Municipality's Internet Connectivity Strategy identifies the following strategies and actions the Municipality will implement to both increase and improve internet service:**

- To **Advocate** for funding and action from the Federal government, the Provincial government and the CRTC, and continue to advocate for better service from ISPs.
- To **Research** to prepare "shovel-ready" projects. This research would aid in the preparation of proposals that will meet eligibility requirements of other funders (e.g. CIRA Study).
- To continue to use where possible, a competitive procurement process to identify qualified partners for expanding high speed coverage. This will allow MODL to:
  - **Invest** in private infrastructure that will expand coverage (with appropriate performance conditions); and/or
  - **Build** municipally-owned infrastructure leased to an ISP.
- To develop projects and proposals that will **Leverage** funding from public and private partners (e.g. federal government, provincial, CRTC and ISPs)

Supporting any pre-qualified proponents in their application process is aligned with the strategies and actions noted above.



## Internet Connectivity Strategy

### Background

In December 2016, the Canadian Radio-television and Telecommunications (CRTC) made a ruling that high speed Internet is a basic service, just like the telephone. Reliable Internet access is now a basic need, whether you are a student, a small business operator, or a resident trying to access government services.

Large sections of the Municipality of the District of Lunenburg (hereafter referred to as the Municipality) do not have access to reliable high-speed Internet service. This is affecting our citizens' quality of life and is preventing new residents from moving to our communities. Through direct contact with Councillors on the doorsteps during the election and in our annual Your Government, Your Ideas meetings, residents have made it clear that access to high speed Internet is critical to the growth and success of the region. It's not simply fulfilling the desire for entertainment, high speed Internet is needed to participate in the economy, to attract residents and it is critical to protect the property value of rural homes. Increasingly, the education system requires students to have high speed Internet access for their studies, and residents also require it to complete basic government and societal interactions.

Our rural Municipality has several challenges to connectivity. We have a low density of connections compared to a town or a city, our topography of rolling hills and drumlins reduces the coverage provided by wireless technology, and coverage is further reduced by the proportion of conifers which obstruct wireless signals more than a leafy canopy.

### Overview

Though Internet is not identified as a municipal responsibility in the Municipal Government Act, the Municipality has been one of the leaders in responding to community outcry. Access to high-speed Internet is of critical importance to the Municipality, and a key priority for our Council. The Municipality has taken a very active role in researching the issues with current Internet service and developing solutions. This work has been critical in learning about options available to the Municipality, and about leveraging funding and opportunities to attract partners.

This Internet Connectivity Strategy takes into consideration the provincial government's recently released Internet strategies, the I-Valley report financially supported by the Municipality, and builds on the knowledge and partnerships the Municipality has developed in pursuing the short and long-term funding opportunities. It is based on Council and Committee discussions, public engagement, research with various partners, Provincial and Federal funding opportunities and reports, and practical experience gained with the Sweetland pilot project.

## Vision

The Municipality of the District of Lunenburg will improve and increase access to high speed internet creating an environment where families choose to work and raise a family and where businesses can thrive. We are a progressive community with a sustainable, diversified economy incorporating both traditional resource-based activities and one that capitalizes on new economic opportunities. Our success is built on a strong work ethic and productive partnerships with our community and regional partners. We are a vital economic and service centre for the region.

The Municipality will work on achieving this Vision for Internet by:

- Seeking financial investment from all levels of government, the private sector, non-profits and the community
- Being Fiscally Responsible
- Minimizing Risks
- Implementing the strategies and actions outlined in this Municipal Internet Connectivity Strategy

**The strategies and actions the Municipality will implement to both increase and improve internet service for its residents are:**

- To **Advocate** for funding and action from the Federal government, the Provincial government and the CRTC, and continue to advocate for better service from ISPs.
- To **Research** to prepare “shovel-ready” projects. This research would aid in the preparation of proposals that will meet eligibility requirements of other funders (e.g. CIRA Study).
- To continue to use where possible, a competitive procurement process to identify qualified partners for expanding high speed coverage. This will allow MODL to:
  - **Invest** in private infrastructure that will expand coverage (with appropriate performance conditions); and/or
  - **Build** municipally-owned infrastructure leased to an ISP.
- To develop projects and proposals that will **Leverage** funding from public and private partners (e.g. federal government, provincial, CRTC and ISPs)
- To include each year funds in the budget to aid in leveraging funding and partnerships. Partnerships could include other levels of government, the private sector, non-profit organizations and the community. This will make sizeable progress in increasing access to high speed Internet. The current Five Year Financial Strategy will permit Council to invest up to \$500,000 each year for Connectivity projects, should projects and funding partners be available. Council may also consider additional investments, but this would only be considered if a proposed project had the capability of significantly increasing the percentage of properties receiving high-speed Internet.

To aid the Municipality in implementing the above strategies and actions, project selection criteria has been developed. Using the following project selection criteria, the Municipality will evaluate and give preference to projects:

- With a greater number of connections, particularly connections that upgrade areas receiving internet service at 1.5Mbps or slower;
- With greater potential economic development impact;
- That increase the number of wired connections where possible;
- That lower the municipal share of costs by leveraging funding from other levels of government and ISPs;
- With a lower municipal cost per connection; and
- With greater feasibility of timely completion.

In addition to the above criteria, the following are fundamental requirements for any project:

- The Municipality will not normally proceed with a project where it is the sole funder (e.g. unless for newer exploratory technologies);
- The Municipality will not partner on projects that provides capped service;
- The Municipality will not partner on projects that cannot provide at least 10Mbps download speed with the capability to expand to meet CRTC guidelines; and
- The Municipality will not partner on projects where the ISP will not sign an agreement committing to minimum service levels.

## **Summary**

The Municipality recognizes that reaching the outcome of providing reliable high-speed Internet to our residents cannot be done alone or be resolved immediately. It will take time, funding and partnerships with other levels of government, private business, non-profit organizations and the community to develop solutions that will work for our communities.

To help seize on opportunities the Municipality is open to partnerships. The Municipality is always researching and seeking out opportunities to further enhance the Internet service to residents and communities. We welcome others to help us identify potential projects as well. Projects could be brought forth by other levels of government, the private industry, individuals or non-profit community groups.

In order to reach the Municipality's vision of improving and increasing high speed internet access to residents it will take all three levels of government, the private sector and the community working together to help build communities where families want to live and businesses can thrive.

## Glossary

**Backbone or Middle-Mile:** Core infrastructure needed to bring internet service to communities. Most often the backbone is provided via fibre-optic cable. Using the analogy of roads, the backbone is the 100 series highway that connects local roads but does not connect directly to homes.

**Canadian Radio-television and Telecommunications (CRTC):** The CRTC is an independent public authority in charge of regulating and supervising Canadian broadcasting and telecommunications.

**ISP:** Internet Service Provider or ISP, in this report, the term ISP is used to refer to any private firm involved in providing internet service.

**Last-mile:** Internet technology that connect individual homes and businesses to “Back-bone” or middle-mile” infrastructure. A wide range of technology can be used to provide last mile connections, including Fibre to the home (FTTH), cable or telephone lines, fixed wireless, cellular systems. Using the analogy of Roads, last mile-technology are the local subdivision roads that connect homes to the bigger transportation network.

**Mbps:** Megabits per second or Mbps is the measurement of internet speeds. The majority of the Municipality of the District of Lunenburg's properties currently have internet service below 1.5 Mbps download speeds, which is far below the CRTC standard.