



July 15, 2020

EOWC members and local municipalities,

The Improving Connectivity for Ontario (ICON) program opened July 9, 2020 and will improve and expand broadband and cellular infrastructure in areas of need by investing \$150 million over four years across the province. EORN will not be applying to this program because we have been directed by both the EORN and EOWC boards to focus our efforts on pursuing a 1 Gig project for eastern Ontario. In addition, our estimates show that even to bring a 50/10 project to our region would cost about \$750 million, far exceeding the financial capability of the ICON program.

ICON high level summary

- There are two intakes for the program, the first by August 21, 2020 and the second in early winter 2020/2021. It is unclear how much money will be allocated to each intake, and how it will be distributed across the province.
- The application requires that at least one of the partners in an application is a telecom service provider (TSP) with at least three years of experience.
- The applicant must provide broadband connectivity speeds of at least 50 megabits per second (Mbps) download and 10 Mbps upload or greater for end users, or if lower demonstrate the ability to provide 50/10 within five years of project completion.
- Eligibility for unserved or underserved is determined by the Ministry of Innovation, Science and Economic Development (ISED) broadband mapping at the rural road broadband coverage level, that is mapped quite reasonably at the rural area.

Should local municipalities submit applications on their own?

While EORN cannot make that recommendation for each municipality the following should be taken into consideration:

- The application requires that at least one of the partners in an application is a TSP. EORN anticipates that many of the local TSPs will be submitting localised applications for areas where they can upgrade or expand their service.
- There is no requirement that EORN is aware of in the guidelines for a municipality to provide a financial contribution, but it is expected to be evaluated more favourably if

there is as the program promotes “industry partnerships”. Letters of support will be a requirement, as will be other indications of project support. It might be prudent for the municipality to understand whether the 25 per cent contribution from the province alone will be sufficient for a TSP to consider undertaking a project.

- Project support may include support to expedite the right-of-way process, or making infrastructure such as roadbeds, vertical real estate or (where applicable) utility poles available to TSPs.
- While an application can stack other funding sources including funding from the Federal Universal Broadband Program (details not yet announced), this will require separate applications, with no guarantee of awards from either funding stream.
- If EORN is awarded funding for a Gig project, areas which may receive funding through the ICON funding stream may still be eligible to participate in the EORN Gig Project dependent on criteria set out in the ICON contracts and the level of service obtained through those builds.

Support from EORN in submitting applications?

- EORN has provided estimates to County staff on the potential capital costs for both a 50/10 and a 1 Gig project on a per county basis. Since EORN has a regional mandate we have not conducted analysis at a level below that of a county (such as a township) and therefore the costing analysis is not available at a local municipal granularity. EORN has provided county level maps based on our analysis of the ISED rural roads broadband mapping data. Municipalities should perform their own analysis of the ISED data, or the Ontario ICON mapping that is derived from the ISED data.
- EORN can participate in high level discussions with a municipality about a project but does not have the resources to prepare or review applications or technical input from TSPs. EORN’s focus is on delivering the Cell Gap Project and obtaining funding for a regional Gig project.
- Given the short timelines municipalities should ensure that any potential partners have the experience and capacity necessary to be successful.

EORN appreciates the continued support from its members and EORN staff are available to answer questions related to the ICON funding or to the county specific data shared with staff.

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