# Tower Rental Fee Reduction for Broadband Projects in Underserviced Areas

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| Presented To: | Finance and Administration Committee |
| Meeting Date: | November 16, 2021 |
| Type: | Managers' Reports |
| Prepared by: | Peter Taylor Information Technology |
| Recommended by: | General Manager of Corporate Services |

## Report Summary

This report provides a recommendation regarding a tower rental discount fee that will influence Telecommunications Service Providers (TSPs) to offer broadband internet in rural areas of the City.

## Resolution

THAT the City of Greater Sudbury approves the fee reduction policy as outlined in the report entitled "Tower Rental Fee Reduction for Broadband Projects in Underserviced Areas", from the General Manager of Corporate Services presented at the Finance and Administration Committee meeting on November 16, 2021;

AND THAT the City of Greater Sudbury directs staff to prepare a fee reduction by-law.

## Relationship to the Strategic Plan, Health Impact Assessment and Community Energy & Emissions Plan (CEEP)

This report refers to revised operations or procedures that may result in reduced energy use in the Community, particularly in the outlying and underserviced areas. More specifically, the increase in broadband services and therefore access to digital services, can have an indirect reduction on fossil fuels and other emissions by facilitating working from home and the ability to use online services.

## Financial Implications

There are no financial implications.

A business case entitled "Implement Fee Reduction for Broadband Internet for Underserviced Areas" was presented to Council and funded during 2021 budget deliberations as a $50,000 annual grant program with increases in the base budget in 2021 and 2022 of $25,000.

# Background

The City's IT Strategy envisions: 'great service experiences powered by technology and data, available, anywhere, anytime'.   Shortly after this strategy was adopted, a small internal team began to meet to consider the ways in which our services and the community we serve could become more connected digitally and how inconsistencies in access to broadband internet could be addressed.  Staff are leading a committee guided by the Council's strategic direction to improve broadband across the community. The team has met regularly with other IT services from public, para-public and private organizations in our community and internet service providers themselves.

Telecommunication service providers (TSPs) report that fees charged for access to City owned telecommunication towers is one of the barriers to providing service in outlying, sparsely populated areas.

The City currently owns nine (9) telecommunications towers that could be attractive locations for TSPs with customers or potential customers who are currently in an under-served area. Many of these towers are in rural areas where land lines are presently cost prohibitive to install.


# Analysis

Unmet needs in rural and remote areas

Data from the Canadian Radio and Telecommunications Commission (CRTC) indicates that the areas around the downtown and outside the former City of Sudbury boundaries contain areas that are unserved or under-served from the perspective of internet connectivity.  The CRTC uses 50mbps download and 10mbps upload as a performance standard for connection speed and there are many areas across the City of Greater Sudbury that do not meet this standard.  The community partners on the staff lead committee have endorsed additional data collection which indicates that 13% of the land parcels in Greater Sudbury have little or no internet connectivity.  Further, they have encouraged participation in various "speed tests" to engage residents and businesses in uploading their internet speed data to support broadband service expansion.  These tests have demonstrated that there are many areas, both in Greater Sudbury's more densely populated areas and rural areas that do not meet the performance standard for connection speed.

The fee discount approved by City Council is very timely.  Both the federal and provincial governments are currently offering programs for capital builds. The fee discount compliments these approaches by reducing ongoing costs making service enhancements more sustainable.  Success for this fee discount program will be measured by the creation of new connections in currently under-served areas and improvement of internet speed for those areas that currently have weaker, slower connections.

A new fee discount to encourage TSPs to respond to needs in rural areas

There is an existing process to access City towers that requires a standard application to determine the feasibility of installing what the TSP is proposing.   For example, does the tower have the space, power, and strength required? If the City determines the request as feasible, a monthly price and rental agreement is prepared. The rental price covers CGS costs (e.g., power, maintenance, rental costs paid to the province when CGS towers are located on provincial land) and is set based on comparable offerings in other municipalities. Under the current process, the rental prices are set independent of whether the TSP will serve a high subscriber density urban area or a low subscriber density rural area.

In 2021, Council directed that $50,000 be budgeted annually to discount City infrastructure rental fees. This would be made available according to the policy approach described in Appendix A, to any TSP who meets the criteria defined by the policy.

The City's approach for TSPs requesting space on a tower will not change. However, TSPs will be offered the opportunity to apply for a percentage discount off their monthly rental fees if they meet the criteria of

providing service to an under-served area until they have a financially viable number of subscribers.

## Resources Cited

*Community Energy and Emissions Plan Lens (April 2021):*
https://citylinks.greatersudbury.ca/departments/corporate-services/clerks/meeting-management-system/standard-operating-procedures/entering-a-report/ceep-quick-guide-for-council-reports/

*CRTC Broadband Fund Internet Coverage Map*
https://crtc.gc.ca/cartovista/internetcanada-en/