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**Subject:** Regional Council Decision - Improving Connectivity for Ontario Program: Funding Application

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On November 19, 2020 Regional Council made the following decision:

1. Regional Council endorse YorkNet's funding application(s) to:
  - a. The Ontario Ministry of Infrastructure, under the Improving Connectivity for Ontario Program outlined in Attachment 1.
  - b. The Federal Government, under the Universal Broadband Fund (UBF) as outlined in the Universal Broadband Fund: Funding Application memo.
2. A funding plan for YorkNet's share of the project costs to be developed and reviewed through the Region's 2021 Budget process.
3. This report and related memo be circulated to the local municipalities and Members of Parliament and Members of Provincial Parliament representing York Region.

The original staff report and related memo is attached for your information.

Please contact Laura Bradley, General Manager, YorkNet at 1-877-464-9675 ext. 71492 if you have any questions with respect to this matter.

Regards,

**Christopher Raynor** | Regional Clerk, Office of the Regional Clerk, Corporate Services

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Our Mission: **Working together to serve our thriving communities – today and tomorrow**

# **The Regional Municipality of York**

Committee of the Whole  
Finance and Administration  
November 5, 2020

Report of the Commissioner of Corporate Services

## **Improving Connectivity for Ontario Program: Funding Application**

### **1. Recommendations**

1. Regional Council endorse YorkNet's funding application to the Ontario Ministry of Infrastructure, under the Improving Connectivity for Ontario Program outlined in Attachment 1.
2. A funding plan for YorkNet's share of the project costs be developed and reviewed through the Region's 2021 Budget process.
3. This report be circulated to the local municipalities and Members of Parliament and Members of Provincial Parliament representing York Region.

### **2. Summary**

This report seeks Council endorsement of Stage 2 of the application to the Provincial Government under the Improving Connectivity for Ontario Program, to expand the Region's broadband network of backbone fibre to rural and underserved areas of York Region.

#### **Key Points:**

- Broadband connectivity is essential to every citizen, every day, in many aspects of everyday life – work, education, socialization, healthcare, etc.
- COVID-19 has put an enormous spotlight on why access to high speed internet is an essential service. At no time has the need for connectivity been more crucial
- In York Region, high-speed internet access is not always available at appropriate speeds or affordable prices, particularly in rural communities
- Council created YorkNet with the mandate of increasing fibre deployment for use by the Region, Municipalities, Universities, School Boards and Hospitals (MUSH) sector partners and Internet Service Providers (ISPs). At the end of 2020, there will be approximately 350 km of fibre in operation.
- YorkNet's proposal helps to fulfill its mandate by leveraging funding from other levels of government and partnering with the private sector to provide the Region, MUSH sector partners, and York Region residents with better, more cost effective, connectivity opportunities

### 3. Background

#### **The Provincial Government has launched the Improving Connectivity for Ontario Program, allocating \$150M to expand broadband and cellular infrastructure in Ontario**

On June 3, 2020, the Provincial Government announced the Improving Connectivity for Ontario Program (“ICON”) to invest \$150 million in broadband and cellular service for rural, remote and underserved areas of the province. ICON is part of the province’s \$315 million initiative called *Up to Speed: Ontario’s Broadband and Cellular Action Plan* and aims to address connectivity gaps brought to light by the COVID-19 global pandemic. The pandemic has forced people and businesses to shift to remote learning and work, which is challenging for many who do not have access to reliable broadband.

In York Region more than 500 kilometres of roads have been identified by the Federal and Provincial governments as underserved – meaning they do not have access to services of at least 50/10 Mbps from service providers. YorkNet’s assessment of the total underserved areas indicate that up to 14,000 households have insufficient access to broadband services to meet everyday demands. Post pandemic life will be more reliant on the online world and broadband for many activities such as education, work activities, commerce and retail as well as new opportunities for healthcare delivery.

#### **ICON will provide funding for eligible projects, with other funding from private and public sources**

ICON will support projects that rely on collaborative partnerships across the private and public sectors, where investments will be combined to improve connectivity in identified areas of need. ICON will fund up to 25 per cent of eligible costs for projects that deliver minimum speeds of 50/10 to households as the minimum service level. Eligible costs include labour, equipment/material, travel, satellite capacity and other costs directly attributable to the project. YorkNet is proposing a collaboration between all levels of government and private sector for this project.

#### **YorkNet has been qualified as eligible to move to Stage 2 of the process**

The program launched on July 9, 2020 and YorkNet received Board approval to apply to Stage 1 of Intake 1 and proceeded with submission. Included in the submission was the attached letter from the Regional Chair and the nine mayors supporting the project. YorkNet received approval on September 25, 2020 to move to Stage 2. This is an indication that this project is considered eligible under the program. The important milestone dates are summarized in Table 1.

**Table 1**  
**Intake 1 Milestones**

Milestone	Dates
Stage 1 applications due	August 21, 2020
Stage 1 assessments complete, invite to Stage 2	September 25, 2020
Stage 2 application due for initial completeness review (requires Council support)	November 28, 2020
Stage 2 application clarifications and updates due (Ministry of Infrastructure seeking any clarification for processing)	January 15, 2021
Stage 2 assessment complete, applicants notified, and funding offers issued to successful applicants	April 2, 2021

## 4. Analysis

### **YorkNet has received endorsement from the Mayors in the Stage 1 application submission**

York Region Council has worked to improve Broadband connectivity for many years. Under Council's leadership, a Strategy was created, and their vision resulted in the creation of YorkNet, a municipal services corporation under the *Ontario Business Corporations Act*. This corporation was established to expand the network across the Region and partner with the private sector. In three years of operation, those goals are being realized.

Council continued their support with a letter sent to Minister of Infrastructure, Laurie Scott, as part of the Stage 1 submission on August 21, 2020. Highlighting the significant importance these networks have for the Region's 1.2 million citizens as a cornerstone for the economy, health care and education.

Recognizing the urgent need to enable access for ISPs to connect York Region citizens, YorkNet has led the application process. YorkNet is proposing a Capital and Rural Expansion Project that would expand the network into the more rural areas of the Region. Using the Federal Innovation, Science and Economic Development Canada (ISED) mapping data and property data from the Municipal Property Assessment Corporation (MPAC), YorkNet estimates that there are approximately 14,000 underserved households/businesses in York Region, on approximately 500 km of roads.

YorkNet's backbone and middle mile fibre ensures fibre connectivity is available to all ISPs, who can use the network to offer high-speed internet services to citizens and businesses. This open access network practice is a standard for YorkNet and a requirement for grant funding.

The rural expansion will take the network from 800 kilometres to a total of 1,300 kilometres, blanketing the Region with fibre to create connectivity equity. This will enable access to fibre in all areas ensuring that rural businesses and residents do not continue to be neglected with inadequate infrastructure and services.

YorkNet made a total of 107 connections in 2019 and will make a total of 173 connections in 2020, including fire halls, libraries, Town halls, Regional facilities, water/wastewater, traffic controllers, hospitals and third-party customers. The additional kilometers added through the rural expansion will enhance the diversity and resiliency for Regional and Municipal facility connections. This will open opportunities in the future related to smart monitoring and automation, including Smart City like initiatives and connected cars.

As business operations expand into the digital age, connectivity becomes critical infrastructure. Expanding the Region's network can eliminate the reliance on outside network providers, ensuring adequate resources are available to address whatever is needed for business and emergency situations.

### **COVID-19 has put an enormous spotlight on why access to high speed internet is an essential service – at no time has the need for connectivity been more crucial**

The digital economy is the one of the most important drivers of innovation, competitiveness and economic growth, and holds significant potential for entrepreneurs and small and medium-sized enterprises. New digital trends such as artificial intelligence, cloud computing, mobile web services, smart grids and social media are radically changing the business landscape, reshaping the nature of work and how citizens undertake their daily lives.

Experts predict that work from home and online learning options will remain post COVID. In addition, new modes of service delivery for health care and other services will also have a component of their business likely to remain digitally enabled. Broadband connectivity is essential to operating in the post-pandemic new normal and a modern digital economy.

Fibre is the key infrastructure solution for sustainable, reliable and affordable internet connectivity. It is a reasonable investment, which can touch every citizen in many ways, every day – education opportunities, work, business operations, health, socialization – and close the digital divide with one project.

### **York Region has significant disparity between residents living in Regional urban areas compared to those in more rural areas**

New mapping data shows where adequate internet access exists, and where it is not across York Region. This confirms what many of the Region's Local Municipalities and citizens have been stating for the past decade, that they do not have access to affordable, reliable and fast service. The map provided in Attachment 2, shows this disparity. Large areas of East

Gwillimbury, Georgina and King, and pockets of Aurora, Markham, Richmond Hill, Vaughan and Whitchurch-Stouffville, are underserved or unserved.

Rural communities and residents are not on an equal footing when it comes to access to reliable, stable, affordable broadband services. The Canadian Internet Registration Authority completed a study this summer and found the following results:

- In July, median rural download speeds were measured at 5.62 Mbps, compared to 51.54 Mbps in urban Canada
- Since the pandemic began, median download speeds have effectively plateaued at the 5.62 Mbps speed while urban download speeds doubled from 26.16 Mbps to the 51.54 Mbps

In total this new project would add an additional 500 kilometres, all identified as underserved road kilometres today. This would create a region that was fully fibred, ready to embrace the evolving economy, new technologies and new opportunities.

### **Fibre is the best choice to ensure service scalability, flexible network options and a long sustainable future for the network**

Fibre offers significant advantages over other currently available technologies. Fibre is the only technology which scales with minimal effort. The cable itself can handle tremendous amounts of data traffic with only minor electronic changes. Using micro-conduit to deploy the fibre cable, it can be easily scaled up by adding incremental fibres over time at a fraction of the initial costs. This represents a tremendous ability to scale and grow over 50 years with minimal life-cycle impacts, features unparalleled by other solutions.

### **There is strong support for the YorkNet's Rural Expansion Project**

York Region's local municipalities have been eager to have fibre and improved internet connectivity for a decade or more. Using ISED's map, YorkNet's analysis indicates that there are over 730 km of roads with over 14,000 homes that have inadequate access to broadband services. This program clearly indicates the need for connectivity and fibre into the communities to improve internet access and speeds, and to help improve competitiveness and quality of life for businesses and residents.

In addition, York Region's Medical Officer of Health has expressed support for a network expansion that will provide high-speed internet connectivity critical to health care service delivery even more now, during the COVID-19 pandemic.

ventureLAB, a leading technology hub located in York Region that has engaged with over 2,000 technology companies, including over 100 companies who have created close to 4,000 jobs, has also expressed its support for rural expansion of the network. Citing reliable broadband connectivity as a key driver to innovation and competitiveness in the global broadband economy, their position is that, "without this access to broadband, a connected,

innovative community that modernizes traditional industries, embraces digital adoption, and addresses rural challenges, simply cannot happen.”

### **YorkNet’s rural expansion project supports the Strategic Plan priorities of Good Government and Economic Vitality**

The Capital and Rural Expansion Project has the ability to connect 192 regional facilities, 9 police stations and 96 libraries/community centres/fire stations throughout the Region, leading to enhancing service delivery and more efficient operations. As the Region transitions to having more sensors, cameras and Internet of Things, it can connect them more efficiently through this fibre network.

Connecting residents and businesses will support economic prosperity and growth, especially in underserved and unserved areas where limited bandwidth presents an almost insurmountable obstacle for business expansion and growth.

## **5. Financial**

### **The total estimated cost of the Rural Expansion Project is approximately \$84M and YorkNet’s portion will be included in the 2021 budget request**

Based on recent experience, YorkNet estimates that it will take approximately five years from 2022 to 2026 inclusive to complete the project. The cost has been estimated using average capital costs from current fibre projects plus the estimated last mile and equipment costs. As illustrated in Table 2, the total cost is estimated to be approximately \$83.6 million, funded through the ICON project and other potential sources. The Region’s share is 35% of the total cost, resulting in 500 kilometres of additional fibre assets that can be utilized by the Region, Municipalities and private sector.

**Table 2**  
**Capital and Rural Expansion Project Costs and Recoveries**

<b>Funding Responsibility</b>	<b>Amount</b>	<b>Share</b>
YorkNet – Currently Unfunded	\$28,857,000	35%
ISP Partner	\$14,380,000	17%
Province – ICON Program	\$20,171,000	24%
Federal – To be determined	\$20,171,000	24%
<b>Grand Total</b>	<b>\$83,579,000</b>	<b>100%</b>

## **The funding plan will be developed through the Region's normal budget process**

The application deadlines for Intake 1 fall outside of the Region's budget process with Stage 2 applications required before the budget is tabled with Council. However, ICON funding assessments and approvals will not be complete until April 2021, which is after the Region's budget has been approved. This means there is time for YorkNet to develop a funding plan that will be reviewed and vetted through the Region's normal Budget process, and then brought forward to Council for consideration and approval.

YorkNet's share of the project cost is currently unfunded. The plan is to work with the Region's finance department to develop a funding request as part of the 2021 budget that could include new funding and/or a draw from tax levy reserves. One option would be to include draws from the Debt Reduction Reserve, which would be a source of upfront funding that will then be repaid through annual contributions made by YorkNet with revenue received from ISPs connecting homes and businesses.

The ISP funding share represents the cost to complete last mile connections including fibre drops and equipment required to bring fibre to residents. This component of the project is vital to its overall success and ability to ensure access to businesses and residents.

This Provincial program along with Federal programs present the opportunity to close the broadband gap in York Region and provide equity regardless of location. Details of the Federal program have not been provided yet, but they are anticipated this fall.

## **Ongoing operating costs related to the rural expansion project can be recovered from the revenues it generates**

ISP(s) will pay YorkNet to use the network from revenues they collect from end-users. It is possible that revenues can start before the full construction is completed. YorkNet has assumed a conservative forecast well within industry standards. Given the lack of network today, the Regional network will be ideal for any provider looking to connect additional homes in these underserved areas.

## **6. Local Impact**

The Capital and Rural Expansion Project will impact approximately 14,000 underserved households/businesses across eight of the nine municipalities in York Region, especially in rural areas. The mayors for all nine York Region municipalities have signed a letter of support for increased connectivity for residents and businesses in underserved areas and for increased connectivity to municipal facilities.

## **7. Conclusion**

YorkNet is building critical infrastructure that supports York Region citizens every day and embraces an evolving world, by leveraging funding programs and partnering with the private sector. The Rural and Capital Expansion Project helps fulfill YorkNet's mandate in all 3



categories – Region, Municipal and underserved areas with private sector – enhancing connectivity by delivering infrastructure into unserved areas across the entire Region to provide opportunity for business, education, health and community.

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For more information on this report, please contact Laura Bradley, General Manager, YorkNet at 1-877-464-9675 ext. 71492. Accessible formats or communication supports are available upon request.

Recommended by: **Dino Basso**  
Commissioner of Corporate Services

Approved for Submission: **Bruce Macgregor**  
Chief Administrative Officer

October 23, 2020  
Attachments (4)  
Private Attachments (1)  
eDOCS # 11722208



# Improving Connectivity for Ontario (ICON) Program

## STAGE 1 PROGRAM GUIDELINES

RELEASED: July 9, 2020

For alternate format, please contact [ICONprogram@ontario.ca](mailto:ICONprogram@ontario.ca)

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# 1. PROGRAM OVERVIEW

## 1.1 Background and Objectives

According to the Canadian Radio-Television and Telecommunications Commission (“CRTC”) approximately 12 per cent of Ontarians lack access to broadband services that meet the CRTC’s minimum service standards.

The high cost of infrastructure deployment and low expected revenue in some areas deters private sector investment from providing these services. These communities have fewer choices for service providers, typically at higher costs, and with lower speeds than high density, urban counterparts.

The Province of Ontario will support the expansion of broadband and cellular infrastructure in Ontario by investing \$150 million over four years through the **Improving Connectivity for Ontario (“ICON”)** program. The ICON program is part of *Up to Speed: Ontario’s Broadband and Cellular Action Plan*, which outlines the strategy to expand access to broadband and cellular connectivity in identified areas of need.

The ICON program will promote industry partnerships to encourage solutions that leverage investments across sectors in order to meet the connectivity needs of communities that do not have adequate access to connection speeds of at least 50 Megabits per second (“Mbps”) download and 10 Mbps upload (50/10).

The ICON program will also support Cellular Projects (e.g. mobile wireless) that provide end-users with the ability to access voice and data applications while being mobile, using the latest generally deployed mobile wireless technology (currently long-term evolution or LTE) in the geographic area that the project proposes to serve.

Projects supported by the ICON program will achieve the following objectives:

- Increase the number of Households and/or businesses connected to broadband and cellular services in areas of need, according to the Provincial Broadband map.
- Provide broadband connectivity speeds of 50/10 or greater for end users.
- Provide cellular access at the latest generally deployed mobile wireless technology (currently LTE).
- Build Scalable infrastructure for future needs of users.

The ICON program is a discretionary, application-based funding program. Applications will be evaluated based on their ability to cost-effectively achieve program objectives.

NOTE: capitalized terms in this guide have the meaning that is set out in Appendix 1.

## 1.2 Application Process

Applying for program funding can be a resource-intensive process, particularly for complex, multi-partner infrastructure projects.

The ICON program will use a two-stage application process. Stage 1 will determine if a proposed project meets minimum program requirements. If so, the application proceeds to Stage 2 for a more detailed assessment of the project.

### **Stage 1**

Applications submitted under the ICON program will be assessed against the following pass/fail criteria (see Section 3 for more details):

- The project is located in an area of need;
- At least one applicant on a proposal has a minimum of three years of experience building, owning, servicing and/or operating broadband or cellular infrastructure;
- The technology meets specified speed and/or capacity targets;
- The percentage of provincial support required does not exceed 25 per cent of total eligible project costs; and
- There is local support for improving connectivity in the project area.

### **Stage 2**

The second stage of the application process will evaluate applications based on:

- Their ability to provide cost-effective access to Households and/or businesses relative to the total amount of ICON funding requested;
- Effectively leveraging other sources of public sector funding, if required;
- The overall project cost in relation to technologies and operational planning;
- How the project design meets community needs and accounts for unique community characteristics;
- Affordability to end-users in relation to nearest large urban centre; and
- Other strategic considerations of the ICON program.

### **Intake Periods**

The ICON program will have two intake periods.

It is up to applicants to determine in which intake they may wish to participate. For example, applicants who may already have scoped their projects and are ready to

proceed may wish to participate in the first intake. Projects that require more time to plan can instead participate in the second intake.

However, applicants must meet all application deadlines in order to be considered for funding. If an applicant fails to meet deadlines for the first intake, they may be deferred to the second intake.

The tables below show key dates for each of the intake periods. Dates for the second intake will be modified after stage 1 of the first intake is complete.

### **First Intake**

- July 9, 2020 – Intake opens.
- August 21, 2020 – Deadline for Stage 1 applications.
- September 25, 2020 – All Stage 1 assessments complete and applicants notified.
- November 28, 2020 – Deadline to submit Stage 2 application for initial completeness review.
- January 15, 2021 – Deadline to complete Stage 2 application clarifications and updates.
- April 2, 2021 – Stage 2 assessment complete, applicants notified, and funding offers issued to successful applicants.

### **Second Intake**

- Early winter 2020-21 – Deadline for Stage 1 applications.
- Late winter 2020-21 – All Stage 1 assessments complete and applicants notified.
- Late summer 2021 – Deadline to submit Stage 2 application for initial completeness review.
- Mid-fall 2021 – Deadline for completing Stage 2 application clarifications and updates.
- Early spring 2022 – Stage 2 assessment complete, applicants notified, and funding offers issued to successful applicants.

## **2. ELIGIBILITY**

### **2.1 Eligible Applicants**

An applicant must be one of the following to be considered eligible for funding:

1. A not-for-profit or for-profit entity that is incorporated in Canada,
2. An Ontario municipal entity, or
3. A Band Council.

Applications that have more than one entity responsible for the project must identify the lead applicant and all Project Partners. The lead applicant must be the primary contact on the ICON program application and is expected to serve as the funding agreement signatory if the application is approved for funding.

Project Partners are not required to contribute financially to the project in order to be listed as such. However, either the lead applicant or one of the Project Partners must have a minimum of three years experience in building, owning, servicing and/or operating broadband and/or cellular infrastructure in Canada.

Applications must include evidence of local support of increased broadband and/or cellular access in the proposed project area even if a municipal entity or Band Council is an applicant.

While not a pass / fail criterion, applicants must also submit letters of intent from each of the other Project Partners as part of the Stage 1 application to describe their respective roles in the project and confirm their intent to provide financial, in-kind, or other support to the project.

### **2.2 Eligible Projects**

The types of projects that are eligible for funding under the ICON program are listed below. An application may contain any combination of project types and may span multiple geographic areas.

An applicant may submit more than one application, but, the project areas in each application cannot overlap.

An application cannot depend on the completion of other projects in order to proceed.

#### **Last-mile**

- The final leg in connecting homes, businesses and other institutions to a high-speed network connection. This involves connecting a community to a Point-of-Presence (“PoP”) by upgrading existing assets or introducing new network infrastructure.

- Last-mile projects must deliver minimum speeds of 50/10 to Households and businesses and include no data usage caps. Projects that propose speeds slower than 50/10 for end users must demonstrate the ability to provide 50/10 within five years of project completion.

### **Backbone**

- A network connection that transports data traffic from one PoP to another or from a PoP to a location that contains the Internet Gateway. These projects enable internet connectivity for fixed infrastructure in areas of need. These projects must identify how they will enable Households and businesses to connect to speeds of 50/10.
- New Backbone infrastructure and upgrades to existing Backbone infrastructure are both eligible.

### **Cellular**

- Provides mobile connectivity to communities and/or along Major Transportation Roads. These projects increase the number of kilometers of road covered and the number of Households and businesses able to access mobile/wireless services. This is achieved by increasing the number of cellular towers in a targeted area or increasing the capacity of existing towers to provide access to increased users within the current line-of-sight.
- Provides access to the latest cellular technology with LTE as the minimum service level.
- Eligible project areas will be based on the latest data provided by Innovation, Science and Economic Development Canada ("ISED").

### **Satellite**

- Provides or upgrades broadband services in communities that are satellite-dependent.
- Satellite projects must deliver minimum speeds of 50/10 to Households and businesses with no data usage caps. Projects that propose speeds slower than 50/10 for end users must demonstrate the ability to provide 50/10 within five years of project completion.
- Eligible project areas will be based on the provincial map using data provided by ISED.

## **2.3 Eligible Funding**



The ICON program may contribute up to a maximum of 25 per cent of total eligible project costs. Applicants are encouraged to seek other sources of funding when appropriate. This could include financial assistance (grants, forgivable loans, etc.) from all levels of government and private-sector partners.

Other funding conditions:

- The Ministry will conduct a financial assessment to determine if a project is commercially viable within a five-year period without provincial government funding.
- Applicants will be required to provide detailed financial information in Stage 2 of the application process.
- The Ministry may determine that an application should be approved but at a funding level lower than the amount requested in the application. Applicants will be provided a clear description of the Ministry's determination at the time of funding offer.
- Successful applicants will be required to execute a funding agreement on terms and conditions that are satisfactory to the Ministry. After executing a funding agreement, the total funding offered will be final.
- Once a funding agreement is executed, recipients will receive funding based on milestone payments in accordance with the project budget. Funds will cover costs incurred as evidenced by the completion of deliverables associated with each milestone.
- Recipients will be responsible for satisfying all terms and conditions set out in the funding agreement, including reporting requirements, and submitting independently audited financial statements upon project completion to receive the final funding disbursement.

## **2.4 Eligible Project Areas**

Current access to broadband at 50/10 and Cellular at LTE will be determined using publicly available ISED data.

ISED provides detailed broadband availability data ('pseudo-household' data) for all roads in Ontario. The data shows service levels from 0 to 50/10 Mbps in 250 metre segments for all populated areas of the province. This data will be used to determine current internet service levels within the proposed project area.

Project areas that have already been awarded provincial funding to provide 50/10 or LTE connectivity are ineligible for ICON funding for the same connectivity type.

## **2.5 Eligible Costs**

Eligible project costs must be directly attributable to the project and must be incurred and paid after the funding agreement effective date and up to the Project Completion Date. A list of eligible and ineligible cost categories can be found in *Appendix 2* for reference only. A final determination of eligible and/or ineligible costs will be at the discretion of the Ministry and released with Stage 2 program guidelines.

Eligible project costs are cash outlays, net of all applicable HST, that must be documented through invoices, receipts, or grant recipient records acceptable to Ontario and are subject to verification by an independent auditor. Evidence of payment must be maintained for audit purposes.

### 3. EVALUATION

#### 3.1 Stage 1 Evaluation

Applications must meet all Stage 1 minimum requirements before proceeding to Stage 2. These requirements will be assessed as pass or fail. If a Stage 1 application fails on any of the minimum requirements, the application will be deemed ineligible and will not be invited to proceed to Stage 2.

The following table describes the minimum requirements for Stage 1.

#### **STAGE ONE ASSESSMENT MATRIX**

Criteria	Description	Verification
Located in an area of need.	<p>ISED pseudo-household data will be used to determine the current extent of 50/10 broadband service levels for the proposed operating area of the project.</p> <p>ISED data will be used to determine the current extend of LTE access for the proposed operating area of the project.</p> <p>Applicants will be required to submit details of their proposed project area. Applicants may use either the ICON Map Tool to create an image of their proposed project area or the National Broadband Internet Service Availability Map from ISED to generate a mappable file. A list of project area ID numbers is also acceptable.</p>	Shapefile or image of the project area, or a list of project area ID numbers.
Have minimum experience in connectivity infrastructure.	At least one Project Partner must have a minimum of three years experience in building, owning, servicing and/or operating broadband and/or cellular infrastructure in Canada.	Complete Section G of the Stage 1 Application Form.
Technology meets speed and/or capacity targets.	<p>Projects must deliver minimum speeds of 50/10 to Households and businesses and include no monthly data usage caps.</p> <p>Projects that propose speeds slower than 50/10 for end users must demonstrate the ability to provide 50/10 within five years of project completion.</p> <p>Cellular Projects that propose service levels below LTE must how the project will reach LTE service within five years of project completion.</p>	Complete Section G of the Stage 1 Application Form.

Criteria	Description	Verification
ICON funding request does not exceed 25 per cent of total eligible project costs.	The ICON program will provide up to 25 per cent of funding to projects for eligible costs. Projects that require more than 25 per cent of funding to be provided by the Province will be deemed ineligible.	Complete Section E and of the Stage 1 Application Form and the Estimated Budget template as part of Stage 1 application.
Local Support for improved connectivity.	Evidence of local support for improved connectivity must be provided with the Stage 1 application. In project areas where there are municipal entities or Band Councils, this evidence can take the form of a letter, council resolution, or other formal communication to the applicant. For unrecognized areas of the province, evidence of local support should be sought from Local Road Boards, Local Service Boards, or District Social Service Administration Boards in the form of a letter or other formal communication to the applicant.	Letter, council resolution or other formal communication that demonstrates support for improved connectivity.

### 3.2 Stage 2 Evaluation

The table below describes the evaluation criteria that the Ministry is currently considering for Stage 2 Evaluation. However, the Stage 2 evaluation criteria are still under development and the criteria below are subject to change.

Applications will be assessed based on seven criteria and will be evaluated based on the following definitions:

- **Primary:** Criteria that will be given the most weight and will determine if there is a need for government funding.
- **Secondary:** Criteria that will be given significant weight and will determine which projects align better with ICON program objectives over others.
- **Tertiary:** Criteria that will focus on strategic considerations when evaluating successful applicants.

#### STAGE TWO ASSESSMENT MATRIX

Criteria	Description
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<b>Criteria</b>	<b>Description</b>
Project Cost ( <i>Primary</i> )	Projects will be evaluated on the overall project cost in relation to the technologies used and their operational plans.
Project Design ( <i>Primary</i> )	Projects will be evaluated on how the project design meets community needs and accounts for unique community characteristics, which may include geography, topography, existing technologies, and the spatial presence of Households and businesses that may be served.
Funding Reach ( <i>Secondary</i> )	<p>Projects will be assessed based on the number of new connections that are made possible relative to the amount of program funding requested.</p> <p>Broadband Projects will be evaluated on the total number of Households and businesses impacted relative to provincial funding requested. Cellular Projects will be evaluated on the number of Households within the project area relative to provincial funding requested. Where applicable, evaluation will consider the kilometres of roads in serviced in the project area relative to provincial funding requested.</p>
Partnerships ( <i>Secondary</i> )	<p>Projects will be evaluated on how they leverage other sources of public sector funding to make the project more economical (i.e., lower project costs) or to provide better outcomes.</p> <p>This criterion will not apply to projects that require provincial funding as its sole source of public funding.</p>
Project Performance ( <i>Secondary</i> )	<p>Projects will be evaluated on relative improvement of connectivity in the project area.</p> <p>Broadband Projects will be measured in accordance to the 50/10 national minimum service standard. Cellular Projects will be measured in the percentage change in coverage with LTE as a minimum service level.</p>
Service Affordability ( <i>Tertiary</i> )	Projects will be evaluated based on a comparison of expected service prices for customers to similar costs in urban centres for a minimum five-year duration after project completion.
Strategic Considerations ( <i>Tertiary</i> )	<p>Additional consideration will be given to projects that:</p> <ul style="list-style-type: none"> <li>• are in northern areas or located in First Nation communities;</li> <li>• involve multiple municipal entities, First Nations and/or</li> </ul>

Criteria	Description
	<p>community organizations;</p> <ul style="list-style-type: none"> <li>• contribute to economic opportunities; or</li> <li>• increase connections to existing anchor institutions within the project area.</li> </ul>

The Stage 2 evaluation will rely on following documents submitted by applicants:

- Spread sheets: pro forma summary, detailed budget, equipment detail list, Anchor Institute and Household spreadsheet.
- Project Gantt chart.
- Three years of audited financial statements.
- Evidence of local support for the project.
- Logic network diagrams.
- Current network in project area – submitted in KML, Shapefile, geoJSON, CSV, .lyrx, .gdb, or GPX formats.

## **4. STAGE 1 ASSESSMENT AND NOTIFICATION**

### **4.1 Communication with Applicants**

Contact between the Ministry and applicants will be limited to ensure fairness and transparency.

All inquiries during the application intake periods must be sent to [ICONprogram@ontario.ca](mailto:ICONprogram@ontario.ca). The Ministry endeavor to respond within 24 hours. The Ministry will not provide any advice or feedback on proposed projects or information on the status of individual application assessments. However, it can respond to inquiries that seek clarification on the application form and the overall ICON application process.

### **4.2 Notification of Stage 1 Assessment Results**

All Stage 1 applicants that submit by the first intake deadline will be notified on September 25, 2020 about the results of the Ministry's assessment. For second intake, Stage 1 applicant notification will take place in late winter 2020-2021.

Applicants that do not meet one or more of the minimum requirements will be notified that their project cannot proceed to Stage 2. The Ministry will provide a detailed explanation on how the application did not meet requirements when the applicant is notified.

Applicants that pass Stage 1 of the assessment process will be invited to submit a Stage 2 application via TPON.

The Ministry will not consider any Stage 2 applications submitted before Stage 1 applications are assessed and applicants are notified about results.

## **5. ADVANCING TO STAGE 2**

### **5.1 Conditional Approvals**

The Ministry encourages applicants to seek other sources of funding to support the project if needed. In instances where applications with other funding entities are pending approvals during the Stage 2 evaluation process, the Ministry will take note of these applications.

The Ministry may provide conditional offer of funding for projects if the applicant is awaiting approval for other sources of funding that were previously identified by the applicant. The Ministry will work with applicants to specify this condition.

### **5.2 Funding Agreement**

If a Stage 2 application passes Ministry evaluation, the applicant will be notified by email with a conditional offer of funding. If the applicant accepts the conditions for funding, the application will be deemed approved.

The Ministry will provide a draft of the funding agreement to the lead applicant based on information provided in the Stage 2 application, including a budget, timelines, milestones, mandatory reporting requirements, and payment schedules. The lead applicant will be required to execute the funding agreement with the Ministry. Once parties agree to all terms and conditions, the funding agreement is executed.

Any costs incurred by applicants prior to executing a funding agreement will be ineligible. Thus, applicants are recommended to avoid undertaking any work that would be deemed as an eligible cost until a funding agreement is executed.

Stage 2 application materials will provide more details on funding agreement requirements.

### **5.3 Compliance**

#### **Regulatory Approvals**

Applicants must ensure that all activities required for the project comply with federal and provincial laws and regulations and municipal by-laws. This includes receiving all necessary regulatory approvals prior to initiating work and receiving funding, such as environmental assessment or environmental compliance approvals (if required).

#### **Duty to Consult and Accommodate**

The Government of Ontario may have a duty to consult and, where appropriate, accommodate Indigenous communities (First Nation and Métis peoples) where the Government of Ontario contemplates funding an activity that may adversely impact an established or credibly asserted Aboriginal or treaty right.



Before deciding whether a project should receive funding, the Government of Ontario will assess whether a duty to consult obligation is potentially triggered. Ontario may delegate day-to-day, procedural aspects of consultation to potential grant recipients who may also have their own separate obligations. Ontario's delegation to potential grant recipients of procedural aspects of consultation is a regular practice and the procedural aspects of consultation will be delegated to grant recipients on this initiative. Therefore, it is important that all applicants anticipate this process and appropriately plan for this work (e.g., resources, time, etc.) as part of their funding submission.

Consultation requirements may vary depending on the size and location of the project in question. Further details surrounding specific consultation requirements, including which communities require consultation, will be provided by provincial officials for applications being considered to proceed. Applicants should ensure that Ontario is satisfied that any duty-to-consult requirements are met prior to commencing any site preparation, removal of vegetation or construction in respect of the project. Failure to meet these obligations may result in funding being withheld."

### **Open Access**

Applicants must comply with all Open Access rulings by the CRTC and it is the responsibility of applicants to consider future rulings in their ability to compete fulfill the requirements their funding agreement.

## **6. CONFIDENTIALITY AND PUBLIC REPORTING**

The Ministry is subject to the Freedom of Information and Protection of Privacy Act (“Act”). The Act provides every person with a right to access information in the custody or under the control of the Province, subject to a limited set of exemptions.

Approved projects may be the subject of public announcements.

Applications may be shared with third-party due diligence providers, other ministries and/or Provincial third-party service providers as part of the assessment process.

## **7. STAGE 1 APPLICATION GUIDE**

### **7.1 Managing Applications**

#### **Starting a new Application**

Eligible applicants who have applied to the ICON program through the TPON portal can download the Stage 1 application form using their ONE-key log in information. The application form and attachments are interactive, and the online system will not allow for discrepancies and incomplete fields in applications to be submitted. You will not be able to save your work unless all required fields are completed.

Please ensure you fulfill all requirements before preparing your application for submission:

- **Required Fields:** For items marked with a red asterix you must provide an answer to these questions before you can move on to the next page in the form.
- **Attachments:** After you have inputted your completed application form, you will be prompted to submit your additional attachments. Attachments should be uploaded with clear titles that identify the purpose of the file.
- **Maximum character count:** Each text box has a maximum character count and you must ensure to you do not surpass this count in order to proceed on the form. Spaces are included in the character count.
- **Group Applications:** If two or more entities are involved in the application submission, every Project Partner must submit their contact information in Section C on the Stage 1 application. Please note that the application must identify who is the lead applicant when submitting the contact information.

#### **Submitting Materials**

Lead applicants must sign on to the TPON portal to download and complete the Stage 1 fillable form. The completed application and all other required Forms must be submitted through the portal. Materials do not need to be submitted at the same time, but for applicants that want to be considered for the first intake, the completed application must be submitted by 5:00pm on Friday, August 21, 2020 to be considered for funding. The deadline for Stage 1 applications in the second intake will be set in late September 2020.

Stage 1 applicants can use the [ICON Map Tool](#) to create a screenshot of the area for which the proposed project is applying for provincial funding.

#### **Submitting your Application**

After you have saved your work and completed an application, you can now submit it along with the supplementary attachments by uploading your documents on the TPON portal.

The system will not accept applications that do not have all required attachments uploaded and an error message will emerge. If you do not receive a confirmation email, then your application has not been submitted and you will not be considered for ICON program funding. Please make sure that you receive a confirmation email and contact [ICONprogram@ontario.ca](mailto:ICONprogram@ontario.ca) if you are experiencing troubles.

Applicants can resubmit or modify their applications, including to submit additional supporting materials, any time prior to the ICON program intake deadline.

Please refer to the [Get Help](#) section of the Ontario.ca page for detailed instructions on how to use the TPON system. For a step by step walkthrough, please watch the [orientation video](#).

## **7.2 Application Form Completion Instructions**

### **Section A: Applicant Profile**

- Organization Name:
  - Applicant must identify the organizations operating name. This field will be pre-populated from the information provided when the organization is registered in TPON.
- Organization Legal Name:
  - Applicant must identify the organization's legal name. This field will be pre-populated from the information provided when the organization is registered in TPON.
- Website URL:
  - Applicant to provide the organizations official website URL. This field will be pre-populated from the information provided when the organization is registered in TPON.
- Canada Revenue Agency ("CRA") Business Number:
  - Applicant must provide the 9-digit business identifier provided by the CRA. This field will be pre-populated from the information provided when the organization is registered in TPON.
- Organization Type:

- Applicant to select from the dropdown menu the legal type that best describes the organization applying for funding. If “other” is selected, then the applicant will be provided an opportunity to specify the type of organization.
- Date Incorporated:
  - Applicant to identify the date first incorporated.

## **Section B: Applicant Address Information**

- Business Address:
  - Applicant must provide complete information of the physical location, such as the unit or suite number, street number and name. Identify the municipality under “City/Town” followed by the postal code, province, and country. This field will be pre-populated from the information provided when the organization is registered in TPON.
- Mailing Address:
  - Applicant must provide complete information of the physical location, such as the unit or suite number, street number and name. Identify the municipality under “City/Town” followed by the postal code, province, and country. This field will be pre-populated from the information provided when the organization is registered in TPON.

## **Section C: Contact Information**

- Contact Information:
  - All Project Partners must provide their contact information (e.g. organization type, name, phone number, email) in this section. This includes the lead applicant; however, only the lead applicant should check the “Lead Applicant” box.
  - Under “Contact Type,” please indicate whether the contact functions as an applicant, payee, or other.
  - If more than one contributing partner is involved, the form will allow you to add an additional box. Click the “plus/minus” signs to add and remove additional fields.
  - NOTE: The lead applicant must check the “Signing Authority” box and complete the Declaration and Signing Section I.

## **Section D: Project Information**

- Project Name:
  - Identify the public name of the project.
- Proposed Start Date and Proposed End Date:
  - Identify the anticipated construction start date and project completion date.
- Project Summary:
  - Provide a brief overview in maximum 500 characters of the project that can be made public by the Ministry.
- Project Description:
  - Provide a detailed and thorough description in maximum 1,000 characters of the project involving a high-level overview of expected project activities.
- Project Type:
  - Applicant to select from drop down menu what specific type of broadband (backbone or last-mile), cellular or satellite infrastructure the project will deploy.
- Impacted Municipalities:
  - Applicant to select from drop down list of registered municipalities in Ontario that will be directly impacted by project activities. Hold the “Ctrl” key to select multiple names.
- Anchor Institutions Connected:
  - Applicant to identify anchor institutions (e.g. not-for-profit organizations) that will be connected or are impacted by project activities.
- Number of Households and Businesses Reached:
  - Applicant to provide a total number of expected households and/or businesses that will have access to 50/10 broadband and/or LTE upon project completion.
- Service Target:
  - Applicant to identify the expected speed target achieved after project completion.

- NOTE: Applicant will be able to expand in Section G if the applicant cannot meet the universal connectivity standard of 50/10 broadband and/or LTE.

### **Section E: Project Budget**

- Requested Amount:
  - Identify the total amount being request under the ICON program.
- Total Project Cost:
  - Identify the total project cost based on most recent financial forecasts.
- Total Eligible Cost:
  - Identify the total eligible costs associated with project activities (e.g. direct equipment costs, direct materials costs, direct labour costs, etc.).
- Other Sources of Funding:
  - Identify other expected sources of funding to cover all project costs. The amount of funding listed will be confirmed in Stage 2, if the applicant is successful. Applicants must include a brief description of the funder, the status of funding, and the total amount expected from the funder.
  - NOTE: Applicant must complete the full budget table as a supplementary document (see Section 7.3).

### **Section F: Other Support**

Applicants to provide details regarding all non-financial and community support that the project proposal is receiving.

- Organization:
  - Applicant to identify the organization or municipality by name.
- Contact Information:
  - Applicant to provide basic contact information for the organization or municipality.
- Why does this organization support the proposed project?
  - Applicant to outline why this organization is in support of the proposed project.

- What type of non-financial support for the proposed project is this organization able to provide?
  - Applicant to describe how the organization is supporting the proposed project and through what sort of non-financial commitments (e.g. council resolution).

### **Section G: Proposal Details**

Please follow questions in the fields of the form and provide as much information as you can relevant to the question and within the maximum character limit.

If you have any concerns or questions regarding some of the questions listed, you may contact our support team at [ICONprogram@ontario.ca](mailto:ICONprogram@ontario.ca).

### **Section H: Relevant Experience**

This section must be filled out by the Project Partner that has relevant experience in building, owning, servicing and/or operating broadband or cellular infrastructure.

Please follow questions in the fields of the form and provide as much information as you can relevant to the question and within the maximum character limit.

If you have any concerns or questions regarding some of the questions listed, you may contact our support team at [ICONprogram@ontario.ca](mailto:ICONprogram@ontario.ca).

### **Section I: Declaration and Signing**

The lead applicant must read and complete the declaration and signing of the project proposal.

## **7.3 Supplementary Documents Information**

Stage 1 requires four types of additional documentation attached to your submission.

If any of these files are missing from your initial submission, your application will not proceed until all files are received. There is no limit to the size of the attachments in the TPON system; however, be advised that the larger the attachment the longer the upload time will take.

Applicants can remove and add attachments until the application form is fully submitted. In Step 3 of the 4-step application submission wizard, simply click the “New” button to upload and “Delete” to delete uploaded files.

### **Mapping Information**

Ontario’s Broadband Map can be used for your mapping submission.



A mappable file is the preferred method of submission and can be provided as KML, Shapefile, geoJSON, or other mappable file formats. If you do not have the ability to create mappable files, you can use the free map tool provided by ISED or submit a screenshot of the proposed project area as either a .jpg or .pdf file.

### **Evidence of Local Support**

The applicant must demonstrate local support for improved broadband and/or cellular service in the proposed project area. The applicant has the option to prove support through these identified methods and submit the document in .pdf format:

- Formal letter of support from municipal entity, Band Council, or regional board that provides services in unrecognized areas of the province, including Local Road Boards, Local Service Boards, or District Social Service Administration Boards;
- Municipal council or Band Council resolution; or
- Other types of formal communication to the applicant that demonstrates support for improved connectivity.

### **Letter of Intent**

The applicant must provide letters of intent from each Project Partner to describe their intent to provide financial or in-kind support to the proposed project. The letter must be submitted in .pdf format and signed by a Project Partner representative that has signing authority for the organization.

### **Proposed Project Budget Table**

A budget template in .xlsx format is available in the TPON portal. Applicants must download and complete the budget.

## APPENDIX 1 – DEFINITIONS

**Affordability** means rates that are comparable to those offered by a facilities-based service provider to the nearest major urban centres or community.

**Anchor Institute** means facilities that provide a public service (e.g. schools, medical facilities, libraries, community halls, First Nations band offices, or other institutions around which a community is formed) and capacity for other uses (including residential, business, and/or mobile services) for which broadband services would benefit the community as a whole.

**Backbone** means a network connection that transports data traffic from one PoP to another or from a PoP, to a location that contains the Internet Gateway and which enable internet connectivity for fixed infrastructure in areas of need.

**Band Council** means a council of the band, as defined in section 2 of the *Indian Act*, RSC, 1985, c. I-5.

**Bandwidth** means the capacity for transferring data over a network as measured in bits per second (bps), kilobits per second (Kbps) or megabits per second (Mbps).

**Broadband Projects** mean any project with the objective and outcome to provide improved or new connectivity to a household or business.

**Cellular Projects** mean any project with the objective and outcome to provide improved and new connectivity to a mobile or cellular device.

**Customer-Premises Equipment** means any telecommunications equipment located at a subscriber's premises that is connected to a service provider's telecommunications network at a demarcation point, for example, wiring, modems (DSL, cable, wireless) as well as antennae or other wireless equipment.

**Household** means a person or group of persons who occupy the same dwelling.

**Internet Gateway** means a piece of network hardware that allows data to flow from one discrete network to another.

**Major Transportation Roads** means a road classified by Statistics Canada in its Road Network File as having a street rank code of 1 (the Trans-Canada Highway), 2 (a national highway system not under rank 1), or 3 (a major highway not under rank 1 or 2).

**Ministry** means the Ministry of Infrastructure.

**Open Access** means open to third parties for dedicated capacity purchases on a wholesale or retail basis and adheres to CRTC regulations.

**Point-of-Presence or PoP** means a site in a transport network that marks the end of the network and that connects to access infrastructure.

**Project Completion Date** means the date upon which the project is deemed complete per the funding agreement.

**Project Partner** means any entities that are directly involved in the design, implementation and consultation of a project.

**Scalable** means sustainability of chosen technology over both the short- and long-term to meets needs of end-users.

**Transfer Payment Ontario or TPON** means the online portal where applicants will submit an application for funding their project.

## **APPENDIX 2—ELIGIBLE AND INELIGIBLE PROJECT COSTS**

Eligible project costs must be directly attributable to the project and must be incurred and paid on or after the funding start date as indicated in the funding agreement and up to the Project Completion Date.

Eligible project costs are cash outlays, net of all applicable HST, which must be documented through invoices, receipts, or grant recipient records acceptable to Ontario and are subject to verification by an independent auditor. Evidence of payment must be maintained for audit purposes.

Below is a list of eligible and ineligible cost categories for reference only. A final determination of eligible and/or ineligible costs will be at the discretion of the Ministry.

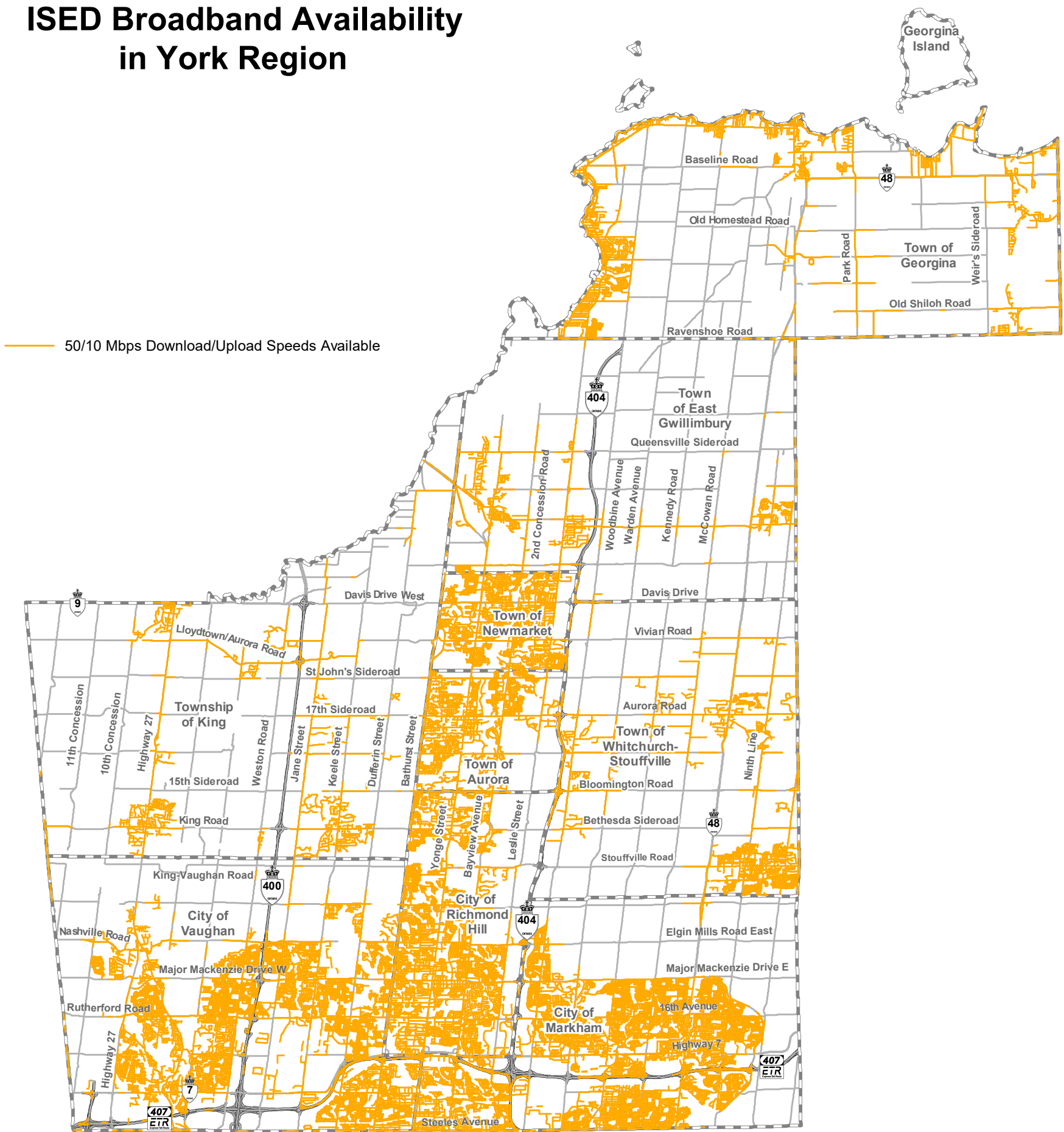
### **Eligible Costs**

- Direct Labour Costs, meaning the portion of gross wages or salaries incurred for work which can be specified, identified and measured as having been or to be used on the project..
- Direct Material Costs, meaning those costs of materials which can be specifically identified and measured as having been used or to be used on the implementation of the project.
- Direct Equipment Costs, meaning the cost of equipment required for the completion of the project, including but not limited to servers, switches, fibre optic cable, repeaters, radio equipment, towers, poles, back-up power supplies, shelters and network broadband connectivity devices including upgrades.
- Direct Satellite Capacity Costs, meaning the portion of the direct purchase or lease of Bandwidth or capacity delivered over the physical medium of satellite which can be specifically identified and measured as having been used or to be used on the implementation of the project. These costs will be measured in units of Mbps, MHz, or a quantity of satellite transponders.
- Direct Labour Related Travel Costs, meaning the cost of travel which is deemed necessary to the performance of the project. To be eligible, travel costs must be clearly documented as to the purpose of each trip. Travel expenses, at economy rates, shall be charged as actual costs.
- Other Direct Costs, meaning those applicable costs, not falling within the categories of direct labour, direct equipment, direct material, direct satellite capacity, or direct travel costs, but which can be specifically identified and measured as having been incurred or to be incurred to implement the project.

### **Ineligible Costs**

- Customer-Premises Equipment.
- Expenditures incurred outside of the terms of a Funding Agreement, including otherwise eligible costs.
- Expenditures related to developing the application.
- Expenditures related to purchasing land, buildings (except for equipment shelters not meant for human occupation) and associated real estate and other fees.
- Leasing land, buildings and other facilities, including permanent shelters for housing network related equipment (except for temporary facilities directly related to the construction of the project).
- General repairs and ongoing maintenance resulting from the project and related structures.
- Legal fees.
- Operational costs to run infrastructure built as a result of the project.
- Taxes for which the applicant is eligible for a tax rebate and all other costs eligible for rebates.
- Contingency provisions.
- Insurance costs.
- Existing capital assets including land, buildings, vehicles and other indirect, fixed, and/or capital costs.
- Cost of any goods and services which are received through donations or in kind.
- Financing or carrying costs, loan and interest payments.
- General office space and equipment i.e. photocopiers, furniture, telephones, computers, printers and office software.
- Training to set up an Internet service provider or on-going training to implement the project.
- Advertising/promotion activities.
- Radio and Spectrum licensing fees.
- Costs that have been paid for or reimbursed by another funder.

# ISED Broadband Availability in York Region



**Wayne Emmerson**  
Chairman and CEO



**ATTACHMENT 3**  
The Regional Municipality of York  
17250 Yonge Street  
Newmarket, Ontario L3Y 6Z1  
Tel: 905-895-1231  
email: wayne.emmerson@york.ca

Friday August 21, 2020

The Hon. Laurie Scott  
Minister of Infrastructure  
777 Bay Street – 5<sup>th</sup> Floor  
Toronto, ON M7A 2J3  
Laurie.scott@pc.ola.org

Dear Minister Scott:

**RE: YorkNet application for Stage 1 Improving Connectivity for Ontario (ICON) program**

On behalf of York Regional Council and The Regional Municipality of York, we are sharing with you our support of YorkNet's Stage 1 application of the *Improving Connectivity for Ontario (ICON)* program.

With the support and commitment of York Regional Council, York Region continues to take steps to improve access to high speed broadband in our communities. Through our own dark fibre network operated and managed by YorkNet, we are building an affordable, reliable and sustainable network across York Region.

Many areas of York Region, in particular in the northern municipalities of Georgina, East Gwillimbury, King and Whitchurch-Stouffville, are digitally divided from the rest of the Region. Approximately 70% of the homes in these areas are still underserved. High-speed internet access is not always available at appropriate speeds or affordable prices, particularly in these rural communities. **The attached National Broadband Internet Service Availability map highlights this divide in York Region.**

This digital divide is driving the impassioned plea to improve connectivity in York Region. We hear from our citizens, businesses and communities the digital divide in York Region creates unacceptable barriers. In light of the growing demands COVID-19 has placed, in particular on our agricultural and rural communities, the need for reliable and consistent broadband services is needed now more than ever.

As outlined by the [Canadian Internet Registration Authority](#) (CIRA), a not-for-profit organization best known for managing the .CA internet domain name on behalf of all Canadians, a growing disparity between rural and urban internet performance has been highlighted even more so since the pandemic.

- In July, median rural download speeds were measured at 5.62 Mbps, compared to 51.54 Mbps in urban Canada – a difference of approximately 10 times
- Since the pandemic began, median download speeds have plateaued for rural areas while urban download speeds have nearly doubled (51.54 Mbps in July versus 26.16 Mbps in March)

Through YorkNet we are primed to better connect our underserved communities but we cannot achieve this without the support of senior levels of government. Funding through the **Improving Connectivity in Ontario (ICON) program** will allow for the rapid expansion of our dark fibre network – using our proven business model at a time our citizens need connectivity the most. Our fibre backbone will be built in partnership with Internet Service Providers (ISPs) that will provide the ability to connect homes and businesses through a last mile network.

Should YorkNet's application proceed, it will be brought to Regional Council for a resolution of support in Stage 2.

Connectivity has become the cornerstone for our economy, health care and education and is vital to online learning. Investing in backbone dark fibre enables reliable and consistent connectivity to start to bridge York Region's digital divide and ensure more equitable access for all.

On behalf of York Region and our more than 1.2 million residents who rely on broadband as an essential service, we thank you for your consideration in providing us with the financial support to help enable the enhancement of this vital infrastructure.

Sincerely,



Wayne Emmerson  
York Region Chairman and CEO




Mayor Tom Mrakas  
Town of Aurora



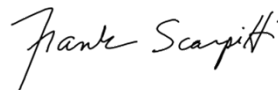
Mayor Virginia Hackson  
Town of East Gwillimbury



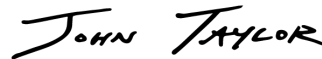
Mayor Margaret Quirk  
Town of Georgina



Mayor Steve Pellegrini  
Township of King



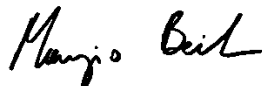
Mayor Frank Scarpitti  
City of Markham



Mayor John Taylor  
Town of Newmarket



Mayor Dave Barrow  
City of Richmond Hill



Mayor Maurizio Bevilacqua  
City of Vaughan



Mayor Iain Lovatt  
Town of Whitchurch-Stouffville



**From:** [Bradley, Laura](#)  
**To:** [Basso, Dino](#)  
**Cc:** [Patel, Samir](#); [Anderson, Bonnie](#); [Di Giovanni, David](#); [Gill, David](#); [MacDonald, Shane](#); [Felepchuk, Mark](#); [Barlas, Peter](#); [Noseworthy, Kevin](#); [McNaught, Debbie](#)  
**Subject:** FW: Improving Connectivity for Ontario (ICON) Program - Stage 1 Evaluation Results  
**Date:** Friday, September 25, 2020 11:49:50 AM

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Dino

We will start working on the stage 2 next week!! We have enough basic knowledge to know some of the pieces they will likely need.

Team – great work, more to come!

Have a great weekend everyone!

**Laura Bradley, P. Eng.** | General Manager, YorkNet, Corporate Services

**O:** 905-830-4444 or 1-877-464-9675 ext. 71492 | **C:** 289-338-7682 |

[Laura.bradley@york.ca](mailto:Laura.bradley@york.ca) | [www.york.ca](http://www.york.ca)

*Our Mission:* **Working together to serve our thriving communities – today and tomorrow**

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**From:** "ICON Program (MOI)" <ICONprogram@ontario.ca>  
**Date:** Friday, September 25, 2020 at 11:38 AM  
**Subject:** Improving Connectivity for Ontario (ICON) Program - Stage 1 Evaluation Results

Good morning,

After reviewing the application you submitted for ICON Stage 1, we would like to inform you that the proposal has passed the evaluation criteria and moved to Stage 2. You will be contacted soon once Stage 2 Program Guidelines are published to proceed with your submission and inform you about the timelines. In the meantime, you can contact [ICONprogram@ontario.ca](mailto:ICONprogram@ontario.ca) if you have any question.

Best regards,

ICON Program Team

## Memorandum

TO: Regional Chair and Members of Council

FROM: Dino Basso, Commissioner of Corporate Services

DATE: November 18, 2020

RE: **November 5<sup>th</sup> Committee of the Whole – Item I.2.6, Improving Connectivity for Ontario Program: Funding Application  
AMENDED RECOMMENDATION**

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On November 5<sup>th</sup>, 2020, Committee of the Whole approved sending the Improving Connectivity for Ontario Program report recommended by YorkNet Board of Directors to Council on November 19, 2020. This memorandum is related to that staff report and seeks to replace the recommendations in I.2.6 of the Committee of the Whole report with the following (proposed change is ***emphasized***):

1. “Regional Council endorse YorkNet’s funding application(s) to:
  - a. The Ontario Ministry of Infrastructure, under the Improving Connectivity for Ontario Program outlined in Attachment 1
  - b. The Federal Government, under the Universal Broadband Fund (UBF) as outlined in the Universal Broadband Fund: Funding Application memo.***
2. A funding plan for YorkNet’s share of the project costs to be developed and reviewed through the Region’s 2021 Budget process.
3. This report and related memo be circulated to the local municipalities and Members of Parliament and Members of Provincial Parliament representing York Region.”

### **The Government of Canada has announced additional funding for broadband expansion**

On November 9, 2020 the Federal Government announced a \$1.75 billion Federal funding program, the Universal Broadband Fund (UBF). It is designed to increase rural and remote broadband connectivity to speeds of at least 50/10 Mbps for underserved areas. While \$1 billion had been previously announced, the fund has been increased by \$750 million and an application process has been announced.

The UBF is a component of the financial plan described in the report currently before Council. The proposed plan is to request funding from Provincial and Federal sources, with contributions from the Region and private sector. UBF anticipates approaches that will leverage partnerships as a key to solving the connectivity issue across the country.

UBF is focussed on ensuring projects are sustainable and well-financed while requiring the minimum program funding necessary. In addition to the main funding stream, allocations have also been indicated for the following streams:

- Rapid Response Project Stream: up to \$150 million is dedicated for projects that can be started and completed quickly. These projects will provide immediate connectivity improvements and must be completed by November 15, 2021.
- Large Impact Project Stream: up to \$750 million is available to advance large-scale, high impact projects. These projects must be completed by March 31, 2026.
- Mobile Project Stream: up to \$50 million available for mobile projects primarily benefiting Indigenous peoples.

Although YorkNet's focus is on the main UBF project funding stream, YorkNet staff will look at potential projects that could fall within the Rapid Response Stream and assess the viability of an application to that stream as well.

The deadline for funding applications is February 15, 2021 for main UBF applications, with assessments and selection decisions taking place over the months following.

UBF and ICON applications are required before the budget is tabled with Council. This provides YorkNet time to develop its funding plan through the Region's normal budget process which will provide Council with the opportunity to consider the funding request in detail. YorkNet's funding request will be developed in collaboration with the Region's Finance department, considering all potential options available.

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