



# Staff Report

## Finance and IT Services

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**Report To:** Committee of the Whole  
**Meeting Date:** March 27, 2017  
**Report Number:** FAF.17.49  
**Subject:** Letter of Support for GBTEL Inc. application for Federal “Connect to Innovate” Funding  
**Prepared by:** Ruth Prince, Director of Finance and IT Services

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### A. Recommendations

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THAT Council receive staff report FAF.17.49, entitled “Letter of Support for GBTEL Inc. application for Federal “Connect to Innovate” Funding”;

AND THAT Council approve the letter of support for GBTEL Inc.’s application for Connect to Innovate funding, as drafted and attached to this report;

AND THAT endorsement by Council of the Town of The Blue Mountains does not provide authority for use of municipal infrastructure.

### B. Overview

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This report is intended to provide Council with information regarding a letter of support being requested by telecom company GBTEL Inc. for their application to the Federal government for funding under the federal “Connect to Innovate” program. The funding would be for the purpose of extending backbone fibre-optic infrastructure to the communities of Clarksburg, Heathcote, and Ravenna.

### C. Background

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The Connect to Innovate (CTI) program is a federal government program that allocates \$500 million across the entire country to provide high-speed backbone infrastructure to designated unserved communities across Canada. In The Blue Mountains, the program has identified Clarksburg, Heathcote, and Ravenna as communities where applicants would be eligible for funding to extend backbone high-speed infrastructure.

The Town’s Director of Finance & IT Services, Manager of Information Technology, and Communications and Economic Development Coordinator all met with GBTEL Inc. on Thursday, March 16, 2017. GBTEL Inc. has approached The Blue Mountains seeking a letter of support for their application for funding to bring high-speed backbone infrastructure to Clarksburg, Heathcote and Ravenna (Attachment 1). The program’s deadline is April 20, 2017.

## **D. Analysis**

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A combination of CTI funding (75%) and GBTEL Inc. funding (25%), would allow for the extension of fibre-optic infrastructure to a POP (Point of Presence) in Clarksburg, Heathcote and Ravenna. Once this backbone line of infrastructure is in place, GBTEL Inc., as well as other providers, will be in a position to consider where there is a business case for them to fund and implement the extension of further connections from the “backbone” to homes and businesses around each POP, and/or along the backbone line.

We understand that other companies, such as Bell and Rogers do have fibre-optic infrastructure in the area, though Geoff Hogan from the SWIFT project has indicated that, at this time, those companies are reluctant to disclose the exact location of their existing infrastructure. Companies like Bell and Rogers may well decide to make their own applications for the CTI funding, but to date have not approached the municipality for support. Municipal support is not a mandatory criteria for the CTI program. At the March 13, 2017 Council did endorse a letter of support to Packetworks. The Town can issue multiple letters of support for applications under this program.

GBTEL will work with the Town to determine suitable locations for point of presence structures, to facilitate hub and spoke deployment.

Staff are recommending that Council approve the Mayor sending a letter of support to GBTEL Inc., as per the draft letter attached (Attachment 2).

## **E. The Blue Mountains Strategic Plan**

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Goal #1: Create Opportunities for Sustainable Growth

Objective #3: Promote a Diversified Economy

Action #1: Continue to support County efforts for SWIFT (South Western Integrated Fiber Technology) project to provide ultra-high speed broadband internet to all residents and businesses of South Western Ontario at a reasonable cost.

## **F. Environmental Impacts**

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A greater proliferation of the availability of high-speed internet throughout the community increases opportunities for people and business to interact electronically, and less requirement to travel by means that result in the production of greenhouse gases.

## **G. Financial Impact**

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Potentially none, if internet access at Ravenna Hall can be made available at no cost.

## **H. In consultation with**

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Cathy Bailey, Manager of Information Technology

Elizabeth Cornish, Communications and Economic Development Coordinator  
Senior Management Team

## **I. Attached**

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1. Presentation re: GBTEL Inc.
2. Draft letter of support from the Mayor and Council of The Blue Mountains

Respectfully Submitted,

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Ruth Prince  
Director of Finance and IT Services

For more information, please contact:  
Ruth Prince  
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519-599-3131 extension 228

# Connect to Innovate

Innovation, Science and Economic Development Canada



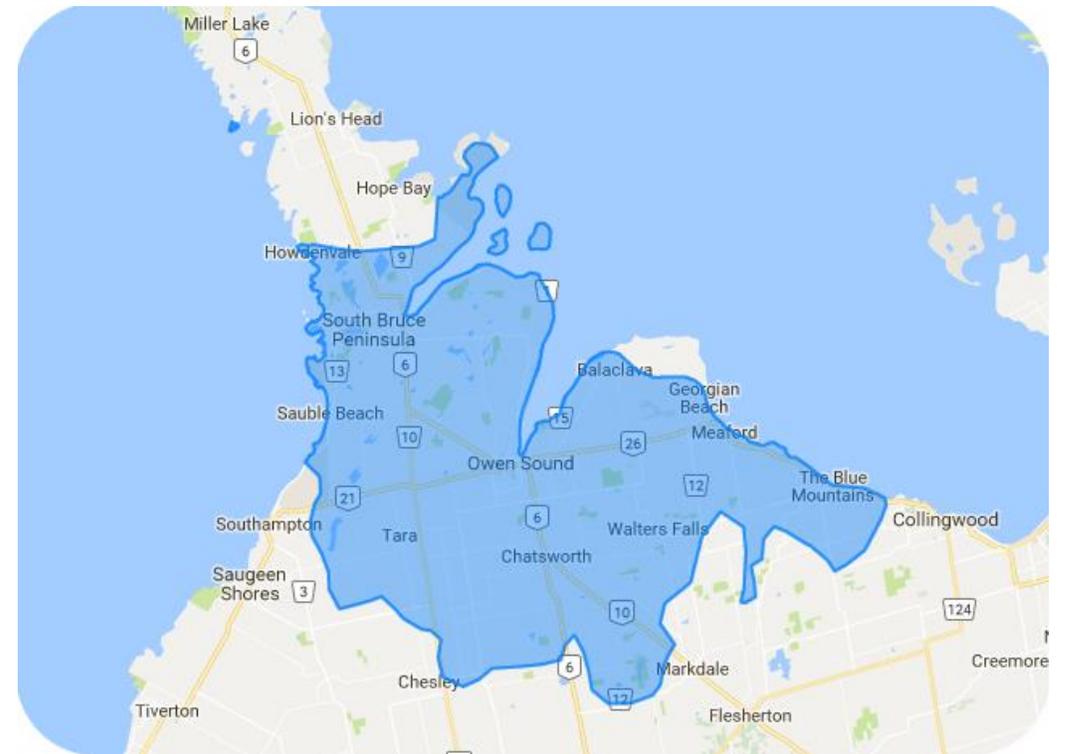
March 20th, 2017

# GBTEL – A Grey Bruce Telecom Company

The largest locally and independently-owned wireless internet service provider in Grey-Bruce.

We also engineer and build custom fibre solutions.

And can offer package deals for internet, telephone and television to future fibre clients.



# GBTEL – Management & Key Staff

**Richard Gils**  
President

**David Gils**  
VP Operations

**Ben Chard**  
Lead Technician

**Mark Barron**  
Finance/Management

**Infinity Network Solutions**  
**Pickards Construction**  
**SFWP Inc**  
Subcontractors



# GBTEL – Quality and Reliability

GBTEL provides rural high-speed internet to homes, cottages, businesses and farms in Grey and Bruce counties.

We connect directly to fibre optics locally, which is critical for an enhanced internet experience for all users.

Our network is monitored 24/7 by staff living in the region and our customer support team is based in Owen Sound.



# GBTEL – Fibre Networking Projects

## **The City of Owen Sound**

Installed in 2014 to provide fibre optic internet and gigabit wireless to municipal offices of the city

## **Greenough Harbour / Stokes Bay**

Fibre to the Home (FTTH) for waterfront community in Northern Bruce Peninsula since 2011

## **Meadowland Road, Wiarton**

Custom FTTH solution deployed in 2015 for residential customers unable to connect to our existing wireless network



# GBTEL – Connect to Innovate

The Canadian federal budget for 2016 introduced a five year initiative to commit \$500 million to support new backbone infrastructure in rural and remote communities.

GBTEL has identified three suitable locations within The Blue Mountains region:

1. Clarksburg
2. Heathcote
3. Ravenna



# GBTEL – Backbone Infrastructure

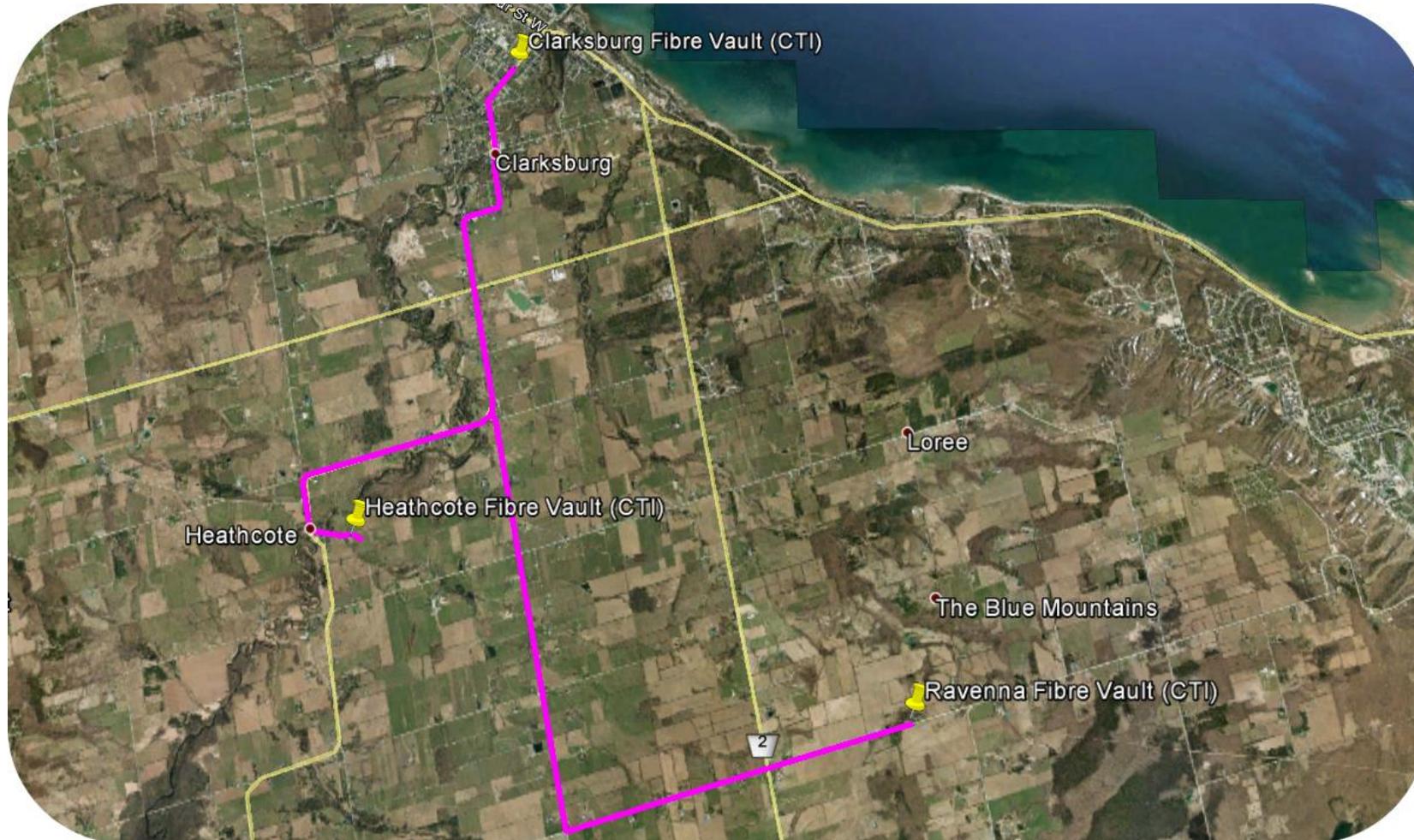
We are the incumbent provider in the area, with the existing infrastructure and customer base to facilitate maximum reach.

The new backbone could potentially connect up to 150 homes and businesses in Clarksburg, Heathcote and Ravenna.

Burial of fibre would be the preferred method of installation, with a build cost of approximately \$40,000.00 per km.



# GBTEL – Backbone Infrastructure Map



# GBTEL – FTTH and Last-Mile

A portion of CTI funding is dedicated to last-mile infrastructure, for which The Blue Mountains region is not eligible.

GBTEL has vast experience in last-mile rollouts and would consider undertaking such a project, following further examination at the appropriate juncture.

Burial of fibre would be the preferred method of installation, with a build cost of approximately \$3,500.00 per km.



# GBTEL – The Blue Mountains

## Letter of Support

To ensure the town is aware of and supports GBTEL's application for Connect to Innovate funding from the Canadian federal government.

## Fibre Vault Locations

GBTEL aims to work with the municipality to determine suitable locations for point of presence structures, to facilitate hub and spoke deployment.

## Ravenna Community Hall

GBTEL understands that providing internet service to this location would be a desirable outcome.



# GBTEL – Contact Details

**Richard Gils - President**

richard\_gils@gbtel.ca

519-378-1410 ext: 101

**Mark Barron - Finance/Management**

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519-378-1410 ext: 104





## Town of The Blue Mountains

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Website: [www.thebluemountains.ca](http://www.thebluemountains.ca)

**OFFICE OF:** MAYOR JOHN MCKEAN  
mayor@thebluemountains.ca  
519-599-3131 extension 401

March 27, 2017

To: Whom it May Concern

Re: Connect to Innovate program

**DRAFT**

The Town of The Blue Mountains is aware of, and supports, GBTEL Inc.'s application to the "Connect to Innovate" program for funding of new high-capacity backbone connectivity of 1 Gbps into eligible communities within our municipality. Funding of this application will result in a truly transformative step for our communities and the municipality.

Affordable broadband access at world-class speeds is critical to the future of residents and businesses in The Blue Mountains. Gigabit access has become a necessary tool for education, health care, economic development, agriculture, and overall quality of life.

The demand for broadband connectivity will continue to grow. All residents, no matter where they live – in an urban centers or in rural areas – need and deserve appropriate access to online services.

Council for The Blue Mountains recognizes that we need to provide a strong and unified voice in support of significant broadband funding and building of this infrastructure. Growing the information economy will contribute to business retention, education, and provide residents with access to information.

The Blue Mountains strongly supports the application by GBTEL Inc. for funding from the "Connect to Innovate" program. The purpose of the funding is to build and maintain backbone broadband fiber-optic infrastructure to the identified eligible communities. The Town of The Blue Mountains also supports GBTEL Inc.'s commitment to provide Fiber to the Home, Fiber to the Business, and Fiber to the Farm last mile connections in these and other communities.

Sincerely,

Mayor John McKean  
The Town of The Blue Mountains