

From: [Dan Armstrong](#)
To: [Executive Committee](#)
Subject: My comments for 2022.EX31.8 on March 30, 2022 Executive Committee
Date: March 27, 2022 11:39:01 AM

To the City Clerk:

Please add my comments to the agenda for the March 30, 2022 Executive Committee meeting on item 2022.EX31.8, ConnectTO Program Update

I understand that my comments and the personal information in this email will form part of the public record and that my name will be listed as a correspondent on agendas and minutes of City Council or its committees. Also, I understand that agendas and minutes are posted online and my name may be indexed by search engines like Google.

Comments:

Thank you for taking the time to read and understand our perspective. I was hoping to be able to make an in-person deputation, unfortunately I'm traveling, and the timing didn't work.

I am the CEO of Beanfield Metroconnect. Beanfield builds, owns, and operates the largest independent fibre network in Toronto and Montreal. We started building our fibre network in Liberty Village as it was completely ignored by the incumbent Telco's much like several neighbourhoods in Toronto still are today. Beanfield has over 3000 commercial MDUs, 300 residential MDUs on our fibre network and are proud to supply services to the public sector which includes the City of Toronto, and many of its ABC agencies.

When I first heard about the ConnectTO program I was very excited. The digital divide in rural areas has been the focus of the federal and provincial governments but the digital divide in urban centres has been completely ignored.

Beanfield looked at the ConnectTO RFP but didn't submit a response because the proposal just didn't make sense in the reality of building and operating a fibreoptic network.

Toronto already has a lot of fibre that has been built by the facilities-based providers of which we are just one. The real reason there are areas in the city which are underserved is due to the high cost and difficulty of building the "last mile" (the few meters the fibre network to the buildings) and the "last inch" (extending the fibre network into older MDUs which were built before fibre was around).

Making it easier (quicker and cheaper) to build the last mile and working with the property owners to retrofit their older buildings to accommodate fibre is how you remove the digital divide in the underserved neighbourhoods. Creating the environment where extending an existing fibre network to the underserved areas and older buildings is the same as extending it into newer buildings will create the environment where companies like Beanfield can build and provide the competition that removes the digital divide.

There was a change to the building code around 2000 which required all MDU buildings to have conduit pathways placed to every individual unit. With this in place, it is simple and

easy for many competitive fibre providers to serve a building, and even come in after the fact. Buildings built prior to that are extremely challenging to retrofit. As a large landlord, the City could focus it's ConnectTO efforts on retrofitting the pathways inside these buildings to accommodate competitive fibre upgrades. It could work with the province to compel other landlords to do the same. Having the City hand a mandate to property owners somehow that they must participate in these upgrades is the key to unlocking and solving the digital divide in these urban areas.

The last mile problem could also use some City help in a couple of different ways:

Toronto Hydro does have a shared structures program where they lease out conduit space to telecom companies like us. The favourability of the terms in this program have eroded over the years. Significant roadblocks, brick walls, hidden costs have crept in to the process. A look at streamlining this process would be very helpful to speed up and reduce the cost of running last mile fibre.

The second way the City could help with the last mile problem is to re-examine the process of how telecom companies could jump in and add conduits to all and other's municipal works projects. If Toronto Hydro or Water or whomever is digging up a street, for us to come in and throw a couple of extra conduits in costs almost nothing. This could contribute very positively to the outcome of connecting lower income buildings. The current process of sharing municipal works is broken. If we see a route of interest during the circulation process and want to hop in on it, typically all participants share the cost equally. This makes sense on the surface however if the intent is to help create low cost pathways to lower income neighbourhoods that process could be reexamined to make it more favourable.

Put simply, I feel for little to no cost the City of Toronto can create the environment for the problem to be solved organically.

There have been several attempts by governments to fund and/or build shared-access fibre networks over the years. These are rarely if ever successful. Whoever builds and operates the network becomes the telecom provider. The notion that others connect to provide service over it is a misnomer. A public sector entity is simply not setup to be an effective or efficient telecom company. If a contract is awarded to a private company to build this shared access network, they become a monopoly which is entirely contradictory to keeping prices low and access open.

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