

July 21st, 2016

Premier Kathleen Wynne
Legislative Building
Queen's Park
Toronto, ON
M7A 1A1

Dear Premier Wynne,

As Ontario business becomes more integrated into a technology-driven knowledge economy, access to high-speed internet is essential. Broadband is no longer recognized as a luxury. It is a basic infrastructure requirement, much like roads, bridges, and electricity. An analysis of comparator jurisdictions indicates that a 10 percent increase in household broadband penetration could accelerate economic growth by up to 1.5 percentage points.¹

As Ontario's business advocate, the Ontario Chamber of Commerce (OCC) and our member network believe that Ontario's economy can benefit immensely from new and dedicated investments of public dollars into broadband infrastructure. In certain regions of the province, particularly remote and rural areas, there is not a business case for private sector investment in broadband development. Given this challenge, investment in high-speed internet as public infrastructure should be prioritized in order to safeguard economic growth as well as the Government's commitment to shifting more public services to online channels. Communities with broadband speeds less than the accepted standard of 5Mbps should be targeted as priority sites of government investment.² By working with the Ontario business community, we believe that government can develop broadband policy that is responsive to existing needs while not dissuading private sector investment.

Therefore, we are calling on the Ontario Government to take three important steps:

- 1) Develop a robust broadband investment strategy which identifies broadband as an infrastructure investment and does not dissuade private sector investment.** Though a patchwork of programming and funding does exist, the Ontario Government does not have a formalized broadband strategy. As such, communities and businesses are unable to properly plan for or provide input on broadband development. Crafting a formalized strategy, in consultation with Ontarians, will help the Government achieve an evidence-based approach to broadband infrastructure development. A necessary feature of this strategy should be a

¹ Czernich *et al.* (2009). University of Munich. *Impact of Broadband on the Economy*. International Telecommunications Union. https://www.itu.int/ITU-D/treg/broadband/ITU-BB-Reports_Impact-of-Broadband-on-the-Economy.pdf

² Canadian Radio-television and Telecommunications Commission. *Internet Speed and Performance*. <http://www.crtc.gc.ca/eng/internet/performance.htm>.

reclassification of broadband as an investment category in order to broaden potential funding sources. It is important that the Government see broadband as a multifaceted infrastructure investment with various economic and social benefits.

- 2) Build partnerships across all levels of government in order to leverage funding and respond to local need.** The private sector has long driven investment in broadband infrastructure. Other levels of government are increasing support. The Province should commit to an intergovernmental 'funds matching' formula that will incentivize and leverage investment in a way that expedites the closing of the digital divide. With respect to governance models, regional bodies and municipalities may be well positioned to oversee the implementation of such investment. As part of the development of Ontario's broadband strategy, the government should consider means by which broadband decision-making and auctioning could be localized.
- 3) Benchmark Ontario's internet speeds and access.** Given growing demand for internet services, it is important that the Government not only establish a target for broadband penetration and speeds but that these targets be benchmarked to comparator jurisdictions. In a competitive global knowledge economy, we cannot allow Ontario communities and businesses to lag. Benchmarking will ensure that investments are well aligned with needs.

The OCC and its member network are committed to working with the provincial government to advance our shared economic priorities in Ontario. We welcome the opportunity to meet with your office to discuss the policy solutions presented in this letter.

Sincerely,



Allan O'Dette
President & CEO
Ontario Chamber of Commerce

CC:

The Honourable Bob Chiarelli, Minister of Infrastructure
The Honourable Brad Duguid, Minister of Economic Development and Growth
The Honourable Michael Gravelle, Minister of Northern Development and Mines
The Honourable Jeff Leal, Minister of Agriculture, Food and Rural Affairs
The Honourable Deborah Matthews, Minister of Advanced Education and Skills Development,
Minister Responsible for Digital Government, Deputy Premier