**EB# EB-2015-0304 Pole Attachment Pricing Change**

**OEB Pricing on Rural Broadband**

The Ontario Energy Board is proposing a rate increase to attach wires, such as those required for Broadband i.e. Fibre, to hydro poles from $23 per pole to $53, which would be a 133 per cent increase to the Internet Service Providers (ISPs) who pay the fee. The increase in fees will hamper efforts to expand broadband internet into rural and remote communities.

**Background**

Most of rural Ontario is on the Cambrian Shield where there is none, to little opportunity to bury Fibre cable to provide high speed rural broadband. The only other option is hanging fibre on the existing electrical pole network.

The large Telcom providers have had little interest in providing and expanding this service due to high cost and low populations.

There are local Internet Service Providers (ISP’s) who have been able to raise funds either privately or through Government support to enhance the Broadband service levels. It is already difficult to raise the capital to service the last mile customers. The local ISP’s already face high costs in hanging Fibre from poles as the poles are in general, very poor condition due lack of maintenance by the owners and the geography. The “third messenger position” often forces the local ISPs to pay the full cost of pole replacement thereby increasing their cost and often making broadband expansion projects cost prohibitive.

According to the [Canadian Internet Registration Authority](https://cira.ca/factbook/2014/the-canadian-internet.html), broadband internet access is universal in urban areas, but only 85 per cent of Canadians living in rural areas have access. There are six million Canadians living in rural areas, which means nearly one million people don't have broadband access.

Ontario’s rural population is 1.8M which represents 28.5% of Canada’s Rural population. The broadband services are substantially below any urban levels. For example, the upload and download speeds in the West Parry Sound Area on the average, are worse than Botswana where their upload speed is faster. The Internet speed in the West Parry Sound area are:

* Download speeds of around 2 to 3 Mbps,
* Upload of less than 1Mbps.

**Impact of the cost increase**

The proposed OEB price increase will impose additional cost to rural broadband service providers, and consequently, inhibit broadband expansion, upgrades, and competition.

The digital divide between rural and urban communities will become even greater than todays unacceptable levels.  Underserved rural areas will continue to struggle to compete in business, education, health care and opportunities that come with increased bandwidths.