

# PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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## Standing Committee on Education and Economic Development

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**DATE OF HEARING:** 1 FEBRUARY 2017

**MEETING STATUS:** PUBLIC

**LOCATION:** COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

**SUBJECT:** BELL ALIANT-GOVERNMENT CONTRACT

**COMMITTEE:**

Bush Dumville, MLA West Royalty-Springvale [Chair]  
Dr. Peter Bevan-Baker, Leader of the Third Party, MLA Kellys Cross-Cumberland  
Jordan Brown, MLA Charlottetown-Brighton  
Kathleen Casey, MLA Charlottetown-Lewis Point  
Sonny Gallant, MLA Evangeline-Miscouche  
Matthew MacKay, MLA Kensington-Malpeque  
Steven Myers, MLA Georgetown-St. Peters  
Chris Palmer, MLA Summerside-Wilmot

**COMMITTEE MEMBERS ABSENT:**

none

**MEMBERS IN ATTENDANCE:**

Brad Trivers, MLA Rustico-Emerald

**GUESTS:**

Economic Development and Tourism (Hon. Heath MacDonald, Kal Whitnell)

**STAFF:**

Ryan Reddin, Clerk Assistant (Research, Committees and Visitor Services)

Edited by Parliamentary Publications and Services



The Committee met at 1:30 p.m.

**Chair (Dumville):** I'll call the meeting to order. I would like to welcome everybody back. I hope everybody got fed and watered appropriately after the last meeting. Anyway, Mr. Brown will be half an hour late and I guess we got everybody else around the table so we will proceed and I'll ask for the adoption of the agenda.

**Ms. Casey:** So moved.

**Chair:** Kathleen Casey, thank you.

Our item number three is the briefing on the 2008 Bell Aliant, government of PEI high-speed Internet services agreement and we will welcome the hon. Minister Heath MacDonald and I'll also welcome Kal Whitnell here today to present to us. All I ask everybody to do is go through the Chair and speak. I'll ask everybody to say their name before you talk so Hansard can pick it up. As the previous Chair mentioned, these are not for amplification, they are just for recording purposes only, so we will try to keep the meeting moving on as best we can.

Minister MacDonald, you're welcome to lead off and the floor is now yours.

**Mr. MacDonald:** Heath MacDonald. Thank you, Chair.

Thanks for allowing us to come here today to the committee and we look forward to giving you an overview of where we've been in terms of the Internet service for Islanders and where we are – and obviously where we're headed.

I'm joined by Kal Whitnell. Kal is the senior director of economic research and trade out of my department. He's going to make a brief presentation after I speak and then we'll move on to questions from the floor.

I'd also like to take the opportunity to thank the committee for their work on this file and bringing it to the forefront of the public eye and allowing us to make it a priority. Simply put, good Internet service is necessary to fully participate in today's society and I think everybody agrees with that. Whether you're a business owner, student or everyday citizen of this province, fast,

reliable Internet service is an essential tool for success and quality of life and that's why, as minister, I have made this a top priority in my department and I will continue to do so.

Our goal is to see a robust competitive industry and I think that's where it's really important, where service providers attract customers by offering ever-improving service at ever-improving prices. We saw a great example of that recently when an Island-owned company, Air Tech Communications, moved into Maximeville all on its own to provide better service to residents and businesses. They saw an opportunity and they took advantage of it. As a minister, as a person in public office, we want to see more of this. Competition is good for the people of PEI.

We do have an important role to play as a government. That's why we've been speaking with community groups, local governments and individual Islanders who need better Internet service. We are working to find solutions to their needs. We have, and will continue, to present those needs to ISPs and offer them an opportunity to propose a solution, and if necessary tell us what role government should play. Be it through sharing infrastructure, monetary support or other means, we will consider those requests and proposals and move forward.

We have met, and more than once in some cases, with every ISP currently operating in Prince Edward Island. Big or small, we have met every one of them. They know this is a priority and they probably noticed – you guys likely noticed some recent activity in the media and social media through Wicked EH? and how it has expanded. Air Tech Communications is expanding. Route2 is expanding. Bell is expanding. EastLink is expanding.

I'm not sure if any of you have received it yet, but you will be receiving a letter which is done through Xplornet and I think it's a national letter that went to every MLA in Canada – is that correct?

**Kal Whitnell:** PEI.

**Mr. MacDonald:** PEI, okay sorry. When it does in 2018 or sooner, the entire Island will

have speeds available up to 25 megs per seconds. We'll have the best coverage, as it says in the letters, in the country. We have also met with industry experts to assist us in identifying any further gaps. We've brought in people that were in this business for a long time in previous life and we were asking for advice from them to ensure that we are taking all necessary steps to move this issue forward.

With that, I'll turn it over to Kal for his presentation and then questions, I guess.

Thank you, Chair.

**Chair:** Go ahead, Kal.

**Kal Whitnell:** Thank you, minister, and thank you committee for having me here today to kind of speak about this very important topic. I'm just going to go over a little bit about the contract between, and the strategic partnership agreement between Bell Aliant and the province, and I'll get into a little bit about the current landscape and the future landscape of high-speed and where the province is going in terms of what government is doing and what actions are we taking to help improve services for Islanders across the province. I believe everyone should have a copy of the presentations.

In terms of overall objectives with our department, and we are working with others across government as well, we do have some key objectives and we are obviously the biggest. The most important thing is getting services and high-speed services to Islanders and that's reliable high-speed services.

High-speed has evolved and changed a lot in terms of what the needs are of businesses and residents across PEI and this is not unique to PEI. There's more users than ever. There's streaming. There's video. There are a number of online applications. The amount of bandwidth which is now required to meet the needs of businesses, and residents for that matter has increased exponentially over the past few years so this is why we continue to have to evolve as a province and find ways to improve services for all Islanders.

How are we doing that? We're working closely with the Internet service providers.

We have had consultations with them trying to understand what government can do to help assist them and what supports we can put in place to help assist the Internet service providers. We've spoke to a number of Islanders who are looking for increased services and increased speeds to meet their growing needs. We've had consultations and discussions with community groups and regional economic groups as well across parts of the province.

The primary focus at this point – most of the discussions we've had with Islanders, the primary focus is really on the remaining 20% of rural Islanders that currently do not have access to at least the minimum standard which the CRTC mentioned in 2015 of the five megabit per second and higher. We are obviously not hearing that much from the individuals in the urban centres of the province, but we are in the rural areas of PEI.

If you flip to the next slide, in terms of the Bell Aliant contract, there was an original contract that was signed in 2008 agreement and then there were two addendums in 2010, as well as 2013. The essence of these agreements was simple, that the province tendered – or sorry, the province had a service agreement with Bell Aliant for local or telephone services. These are essential services to government to make sure that we can provide the proper services to Islanders. That's what we provided initially, was a contract out to 2013 for Centrex services and we made a commitment to Bell Aliant at that time, that in exchange, Bell Aliant made the commitment to roll out high-speed services, DSL services, which is a wire-line service out to various communities across the province. That would be up to 1.5 meg, was the commitment, but with that some of the speeds would be higher than that depending on how close you were to some of their main facilities as well, which could reach up to seven megabit per second as well.

The investment made by Bell Aliant at the time, and I believe they referenced this when they were in the standing committee here back a few months ago, the investments made at that point in time were about \$8.2 million by Bell Aliant. In 2010, the province once again, it extended the Centrex service agreement for an additional three years.

There was growing needs. The fibre technologies were coming online and Bell was looking at further investments. In order for them to roll out these investments and expedite higher speed services to more urban areas at this point, Charlottetown and Summerside, the province had extended the Centrex contract for an additional three years out to 2016. As part of that agreement there was also labour and market agreement funds which are used for training purposes and \$300,000 was provided to Bell Aliant for that in that capacity.

2013 was the final addendum. This was further expansion of high-speed services or fibre services to seven other communities across the province. Bell Aliant's investment at that point in time was \$3.5 million, approximately, and the Centrex agreement was extended out to 2019 for an additional three years. Overall, the baseline and overview and I guess snapshot of these three agreements, is that Islanders now have access to wire line services, both DSL and fibre high-speed services, and that resulted in a reduction of costs of Centrex services, or the telephone service agreement for the province which is obviously an essential service for the province to make sure that we can meet the needs of Islanders moving forward.

Just a quick snapshot – obviously the space in terms of the Internet service providers on PEI is becoming – we do have a number of players in the market. It is a competitive marketplace. Since 2008 we have seen new entrants in the market. We have seen Wicked EH? come online. We see Xplornet coming on with a new service in terms of a fixed wireless solution so there is a competitive market. It is a competitive marketplace on PEI and there are a number of providers that provide service in different parts of the province. That provides the consumer with choice and as we move forward we're going to continue to see additional choice for consumers moving forward.

As I mentioned, new market entrants; in 2008 there weren't as many players as there are today so there still is space for additional companies in this space. They see the need, especially in the rural areas. There are new market entrants and we're continuing to see expansions from new entrants.

In terms of current coverage and expansion of high-speed services, approximately 99.9% of the province has access to high-speed broadband services. That's some type of high-speed service. Obviously today, and this is what we're focusing on, is moving forward. We're looking at the needs of Islanders moving forward and that's higher speed services. The speeds that were rolled out and implemented back in 2008 and earlier, obviously do not meet the needs any longer. We are looking at how we can expedite services for the higher-speed services, provide additional capacity out to the rural areas of PEI and make sure that they can continue to meet their household and business needs.

Approximately 77% of civic addresses on the Island have access to five megabit or second or higher Internet services, so we're really focused on it. We mentioned on the first slide, about the remaining 20%-23% is a major primary focus for the province at this point in time. We've talked about the number of Internet service providers in the province. We are continuing to see investments and expansion of high-speed services by a number of players and we do list them in the presentation.

Air Tech Communications has recently made announcements in late 2016 that they are going to be expanding services – sorry, that should read in Kings County, not Prince County. Route2 has mentioned that they are continuing expansions – or sorry, Air Tech Communications has continued investment in Prince County, my apologies. Route2 has identified continued expansions. Wicked EH? has identified they will be putting in a new tower near Montague and looking at additional coverage which they already have in the Charlottetown area, but it's going to extend their coverage further into Kings County.

Xplornet, which submitted a proposal as part of the federal program a couple of years ago, are going to be launching and implementing services this year province-wide and that should start to come online sometime in May, timeframe of 2017, and they'll be done of their implementation by year-end. Bell and EastLink, which obviously they are the key fibre players and they're extremely high capacity-type services, they continue their expansions throughout the provinces, mainly

in the higher demand areas. They have business cases they have to look at and the viability of rolling out, which are pretty costly to roll out higher speed services from the wire line perspective, but they are continuing in pockets across the province.

PEI, as the minister alluded to, we will be near the top of the country of five megabit per second services and higher by the end of this year which is tremendous news and progress for the Island.

Finally, in terms of government action and what are we doing? Over the last six to 12 months we have been hearing more from businesses and households. We have been hearing some of those customers have potentially had some issues with their services. Some of those complaints or requests to the government have been about Bell, but they have been about other providers as well. What we do is we will contact those Internet service providers and most, if not all, cases when someone has been out of service the company has been able to get them back online for service or find an alternative solution for them.

Another complaint that we are hearing from residents and businesses is now it's about the higher speed services. So it's not just about having access to basic high-speed service. It's the higher speed service, so the five, 10, 25 megabit services and higher. That's what we're doing moving forward, was how can we action and what can we do moving forward to make sure that Islanders have access to the higher speed services that they require.

In terms of the Internet service providers, we've had in-depth and comprehensive consultations with them. We heard from all of them. We met with all of them and we're hearing – we're trying to work with them and provide supports where we can. We heard from them that we need to provide information and have information. We've agreed to do that. They said in some cases in the rural areas, if it's an Internet service provider and a fixed wireless that uses a tower-based solution, that they may look at opportunities for co-location that could be utilizing public lands, public infrastructure or access to our particular towers as well so that's something we will be considering.

Funding supports as well, they did mention in some cases they might be looking for additional funding from the province and these are considerations that we have indicated to the Internet service providers that we will consider.

In terms of federal engagement, you'll notice that there's a lot more government intervention in this space now. They realize that a lot of the wire line services, the extremely high-speed services, they have taken it out pretty far to the rural areas but it's getting extremely expensive to roll out to, let's call it the last mile in some of those rural areas, both within PEI and even across Canada, so it's not a unique situation.

The federal government over the last few years has announced several funding programs, one being the Connecting Canadians program. Xplornet, which will be coming online and implementing services this year, submitted a proposal for PEI and the federal government funded (Indistinct). That's going to ensure that most Islanders now will have five megabit per second or higher speeds by the end of 2017.

There's also a new program that was recently launched in December of 2016 through innovation, science and economic development and that is a \$500 million program and that's really to grow the fibre networks out further to the rural areas to make sure that those smaller communities where it's difficult to get the higher speed and the higher capacity services, that there's going to be funding in behind that. We are working with ISPs and have indicated that we will consider funding and providing additional funding on top of that. We're working with other federal entities as well as stacking and additional funding is available as part of that federal program.

The CRTC has also recently mentioned that Internet service should be a basic service across Canada. We are in discussions with CRTC to understand the impacts on the province in terms of their recent decision. They have mentioned that at a minimum, residents and businesses should have access to 50 meg speeds and there is going to be a fund that's developed through their partnerships and interactions with the Internet service providers to help roll out

and make sure that those minimum standards are met moving forward.

In addition to that, in terms of best practices and as government, we are continually doing additional mapping of the Internet services across PEI. There are a number of maps out there. We've talked to the Internet service providers, but we're going to continue to do additional mapping to understand where there might be additional gaps in the province and what else government can do. We've been talking with field experts as well and understanding what else we can do. We're looking at both of a top-down and a bottom-up kind of approach in terms of how we can make sure that we're going to expedite services as quickly as possible across the province and meet the needs of Islanders moving forward.

Thank you.

**Chair:** I would like to thank you for your presentation and I'll open up the floor to questions.

Kathleen Casey and then Matt Mackay, and then Steven Myers.

**Ms. Casey:** Thank you, Mr. Chair.

Thank you for your presentation. Minister, I know that seeing the Bell Aliant contract has been under some scrutiny. I understand you probably have been spending a lot of time looking at it. But, I'm wondering: when you were going over the contract again, have you looked into the option of tendering the Centrex portion of the contract prior to 2019?

**Mr. MacDonald:** Over the past two months we have been delving into this quite heavily and we feel that there may be an option to get out of this contract and that's kind of what we're looking at right now. But in saying that, we have to ensure that if we do get out of this contract, what does that do for the remaining three years that are on there and those discounts and what does it do to the other entities surrounding this contract? That's what we're looking at right now, but there is a possibility that we could go to tender for access to telephone services, Internet or –

**Kal Whitnell:** (Indistinct)

**Mr. MacDonald:** November? Telephone? Is that what you're – yeah?

**Ms. Casey:** Centrex.

Thank you.

**Chair:** The Chair recognizes Matthew MacKay.

**Mr. MacKay:** Thank you, Chair.

Minister, in the House you said there were certain parts of the, I guess, the secret contract that you would have done differently. What would some of them have been?

**Mr. MacDonald:** Hon. member, my opinion is my opinion and I'm here as a minister to move this forward and for me to go back and talk about seven years ago or eight years ago, or whatever that may be, is not going to do any of us any good.

My initiative, and it's been aggressive – I've stated it in the Legislature, I've stated it in the media, is we need better access for the people of PEI. Based on that first question of us looking at this to see what legalities, if any, that we can get out of some of this contract – if it's so a desire of us and the people of PEI that's not going to affect them negatively, then I think that's the route that, personally, I am going to take. Going back to 2008 for the economic climate of the day and the companies that were in business – going from dial-up to where we are now that even five megabits per second, I don't think it's going to do me any good or anybody else.

**Mr. MacKay:** Chair?

**Chair:** Go ahead.

**Mr. MacKay:** I guess looking back, the main reason we're around this table is because the government of 2008 promised all Islanders high-speed Internet. So now we're eight to 10 years later and we're sitting here having this discussion today so there are a few questions I have just, I guess, going back a bit. One being: How come the contract was untendered at the time? Was EastLink not welcome to the table, I guess, to provide a bid for that deal?



**Mr. MacDonald:** First of all, there's – in the contract, and I think everybody read it before – it's up to 1.5 megabits per second and that was considered high-speed. That's not high-speed today and everybody is aware of that so everything that is going forward will be tendered.

**Chair:** One more and I'll come back to you.

**Mr. MacKay:** Sure. I guess there's a good point on the 1.5. I've had numerous calls on people that are nowhere close to 1.5 so would that not be enough to say that Bell has unfulfilled a contract right there? There are lots of people, I'm getting calls that are at point 7 or point 8.

**Mr. MacDonald:** If you want to get those people to call us, we'll deal with every scenario. Recently there hasn't been a whole lot of calls to me, anyway, and maybe Kal can answer differently, but usually I have been trying to stay on top of this file because it's something, based on an economic development minister, you've got exports going and you've got all kinds of things and businesses out there too as opposed to just individuals, so it has been – if there are people that are not getting that service up to 1.5 then I would suggest they call us directly or me directly and we'll see if we can do something about it.

**Mr. MacKay:** Thank you, Chair.

**Chair:** I'll come back to you.

The Chair recognizes Steven Myers and then Peter Bevan-Baker, following.

**Mr. Myers:** Thank you.

I have a question and I guess it has to do with some of the expenses that came out of this agreement and the Centrex services one that's all through here. Can you tell us how many employees of government have both a desk phone and a cell phone?

**Kal Whitnell:** The last numbers that we have in terms of Centrex lines in the province was around 6,900. It was 6,944 was the last number that we have. In terms of a cell phone, our department does not have responsibility for the wireless services so we'd have to take that back and get you

an answer on the number of cell phone users.

**Mr. Myers:** Okay that's great, so that would be over and above what we've already discovered is \$23 million then if that's the case.

One of the things that I noted, and it's kind of right through your presentation, is in 2008 you planned for the high-speed Internet of the day and then in 2010 you planned for the high-speed Internet of the day, and in 2013 you planned for the high-speed Internet of the day and now we're talking about getting the Island upgraded to the high-speed Internet of the day.

We're a very small province, why aren't we looking at planning for the future if we're going to build – if we're going to pay somebody to build networks, why are we building it on today's technology? That's basically why this is an issue because the 1.5 is not high-speed Internet. It was at the time but that's the agreement that you signed. You said: Give me today's standard instead of today's best. What I'm saying is: Today, there's already better than what you're building. There's already better than what you're promising to Islanders. By the time you get it built it won't be any good either. Why aren't we planning for the future and go for what the best is?

Rogers in Ontario is like miles and miles above what you can get here. They're 100 megabits aren't they Brad? Yeah, like 100 megabits, in home. That's not for a bank or for a business, that's (Indistinct) –

**Mr. MacDonald:** What percentage of that, Steven, is that in the homes in Ontario? Ontario is a big province and they're having similar issues because we've done the research right across Canada – and mainly in Atlantic Canada – to see if there is something that we're missing and if there are deficiencies. Xplornet is saying they're up to 25 megabits per second, is that correct – starting out? We have some of the national companies sitting before us and this is what they're telling us. If there's a will or a way to get that 25 in every household in PEI, I'm all for it if someone can come up with (Indistinct) to give me the solution to it. I think we're moving in the right direction and CRTC, obviously, has just come out not

too long ago and talked about making it – you must have, you must be providing 5 megabits per second –

**Unidentified Voice:** (Indistinct)

**Kal Whitnell:** CRTC was coming out with 50.

**Mr. MacDonald:** Yeah, 50. I mean if that's the case, these companies either have to catch up or get out of the way. I agree with you, I'm not disagreeing with you. But I mean you have to take what we have in front of us for today and keep pushing forward. We can't sit and wait for a company to come back and say – Rogers can come into PEI, or any company can. Look what we've seen already in the past year.

The other thing, too, to keep in mind is – and I think I said this in the House at the beginning of all this – there's companies out there now that are actually doing satellite. I think that will likely be the answer to everybody. You get to Newfoundland and places like that, obviously no matter what you have, you're going to have problems, there's going to be grey areas. But when you get in to satellite services – I'm not sure if Xplornet's doing satellite, they've investigating satellite now and there's a company in (Indistinct) you may know that do satellite. It may resolve itself, but I think we just have to keep pushing as a province. I take exactly what you're saying, you're hitting the nail on the head and we'll keep pushing that way. We're not going to settle for anything less.

**Mr. Myers:** One more. During the life of this contract – so since 2008, we've heard from Robert Ghiz, Al Roach, Neil LeClair, Richard Brown, Wade and now yourself, saying that all of Prince Edward Island will have high-speed Internet. We've heard this; all these people have already come to Islanders and said this.

Is today a confirmation that all of those that came before you failed on that promise?

**Mr. MacDonald:** I'll leave that to your opinion.

**Mr. Myers:** No, I'm looking for yours. I have mine already, I think it's clear.

**Mr. MacDonald:** When the original contract – and I don't want to go back – but they talked about different centres having certain levels of service and then we got FibreOP come into play and we're dealing with that and additional communities were added to that. I think going forward, I don't think society today depends so much on technology that we're going – they're going to allow a government, whatever government it is, they're going to allow us for anything less than what they demand. The companies are going to be held accountable, too. I think those types of issues aren't going to be a future issue.

**Chair:** Peter Bevan-Baker then Chris Palmer.

**Dr. Bevan-Baker:** Thank you, Chair.

The original agreement was to supply high-speed Internet to all Islanders and I see the top at one of the pages in the handout here it says that 99.9% of PEI has access. That's interestingly written because it doesn't say 99.9% of Islanders, it says PEI. If it was 99.9% of Islanders that would mean there is only 140 Islanders who were without broadband service. I know in my own district there is more than that.

My question is: Given that 1.5 – it's sort of falling on from what Steven said – 1.5 was considered high-speed at the beginning of this contract in 2008 and it was renegotiated twice but there was no obligation from government to Bell to increase that speed rate. Why was that? Why was Bell not obligated to improve the high-speed capacity?

**Kal Whitnell:** In terms of the contract, take this from two parts. First – and this goes back to some of the other questions in terms of Rogers and what they're doing in Toronto and you're trying to stay ahead of the curve – the latest technologies are being rolled out by EastLink, are being rolled out by Bell, in terms of the wire line services. You can provide up to – and they do provide potentially up to 1 gigabit in terms of speed. Those are the latest technologies.

Xplornet is coming out with the latest technology in terms of their new implementation and they're fixed wireless to provide up to 25 megabit service and that's

more of a rural play. Those services, that is going to be the latest technology.

In terms of the commitments to Bell – I know that Bell had alluded to and discussed this at the previous standing committee meeting a few months ago – it is depending on a number of factors in terms of the speed. They continually are investing and they mentioned this during the standing committee, are investing in their technologies; but there are certain factors in terms of distance from their central offices, etc., why you may not get the higher speeds that you're talking about. I would defer to, as well, in terms of Bell, to provide additional information if you're looking for more information on their specific technology.

**Chair:** Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you, Chair.

I'd like to go back to the sort of announcement you made earlier that you're considering getting out of the contract as it exists, the one that's being extended to 2019. One of the major concerns I had with the way the contract is written is that on December 31<sup>st</sup>, 2019, Bell can pretty well abandon the backbone and they're not obligated beyond that point to provide any service whatsoever to Islanders.

In the renegotiation of this contract, I hope that you'll be absolutely sure that that part of the contract is well taken care of. Is that a concern to you?

**Mr. MacDonald:** First of all, no one said anything about renegotiating the contract with them. Everything we do from this from going forward will be request for proposals and it will be opened up to the Rogers, or whoever, but it will – of obviously consideration – I think with everybody's knowledge now of going from dial up to 1.5 to 5 to 25 to 50, I think we'd be very concerned if we didn't negotiate further developments and technology. I think it would be fair to say that the contracts would likely be three years or five years, as opposed to what we're dealing with. I think that's what you're getting at. I think you can be sure that that would be part of this.

**Chair:** Can I come back to you?

**Dr. Bevan-Baker:** Okay.

**Chair:** It won't interrupt your questioning, will it?

**Dr. Bevan-Baker:** No, I'm fine.

**Chair:** Chair recognizes Chris Palmer and then Matthew MacKay.

**Mr. Palmer:** Thank you, Chair.

I just was looking for some clarity around the CRTC. I think you had said that now the minimum threshold for high-speed Internet is now 5 megabit?

**Kal Whitnell:** Yes. Back in 2015 their target speeds were five megabits for all Canadians; that was a target. Obviously, a number of Canadians – and that was a Canadian standard or target that they were trying to achieve or at least hoping that Internet service providers could achieve. Obviously, everyone in the rural areas across Canada don't yet have five megabit; that was simply a target the CRTC mentioned in that year.

**Mr. Palmer:** That was the new threshold that they had determined in 2015, that it was five meg?

**Kal Whitnell:** Correct.

**Mr. Palmer:** What was it before that, probably a meg and a half or something?

**Kal Whitnell:** It would be something below the five meg.

**Mr. Palmer:** The second thing, I think, Chair, is more of a comment. As I think we all understand to some degree as technology evolves, is it Moore's Law that next year you can get something twice as fast for half the cost? We have to be careful we're not on too much of the bleeding edge that we're spending more for the return.

Certainly, higher speeds than we have now should always be the target for us and continue to move forward, but there is a point where you're going to spend far too much money for the benefit that if you waited and become a fast follower there would be economic advantages to that.

Thank you.

**Chair:** Thank you.

The Chair recognizes Matthew MacKay, followed by Kathleen Casey and then Sonny Gallant.

**Mr. MacKay:** Thank you, Chair.

Minister, I know you don't want to talk about the past so I'm just going to vaguely go over something here, but I'm curious to know why this contract was extended twice even though Bell didn't live up their obligation. So after the contract was up for renewal, why did they extend it and extend it again when Islanders were still without high-speed Internet? Did you go back to any of the ministers and ask: Why did you extend these contracts when Bell hasn't obligated anything?

**Mr. MacDonald:** Again, I can't go back in time and it may be frustrating but in moving forward I think we have to consider everything of that day and that age and technology, when computers were 60 and 70 pounds sitting on a table top as opposed to a laptop or a tablet or an iPhone. I mean, technology is changing so rapidly. I would assume that trying to see beyond the future might have been a complicated issue as far as making decisions on this, and maybe we're having this conversation today and the way technology is growing, we could be in the same situation. I hope we don't, but there's things happening out there that are – technology is changing very rapidly and we can only take what information that we receive today and make the best decision possible.

Interesting enough, through some of our research the Centrex contract has never gone to RFP in any government.

**Chair:** Just put on the list or?

**Mr. MacKay:** No, I've got a couple more questions here.

**Chair:** Yeah, I've got you on the list now.

**Mr. MacKay:** Okay.

**Chair:** Kathleen Casey and then Sonny Gallant.

**Ms. Casey:** Thank you, Mr. Chair.

Minister, did you just say that Centrex has never gone to tender?

**Mr. MacDonald:** That's correct.

**Ms. Casey:** Since when?

**Mr. MacDonald:** I think we went back as far as the 1970s.

**Ms. Casey:** The 1970s? Okay. My second question is, we all around this table want to ensure that Islanders have the best Internet services to meet their needs, whether it be residentially or with their business, and we all recognize technology is changing.

Minister, when we look at providing services in the future to different areas of the province we all know that different technologies work in different areas of the province so satellite may work better in the extremities of the province or the current system that we have now or fixed wireless works better; can we ensure that if we are looking at doing new technologies in the future, that the right technology is directed to the right end of the province? It may not be the same service going across the province because one technology might work better in the extremities. Is that something you would look at?

**Mr. MacDonald:** Certainly. I think FibreOP is a good example. For everybody in PEI to have FibreOP, I think we all know would be over \$200 million likely, so there has to be other ways and other technologies that are better suited for remote areas and gray areas.

**Ms. Casey:** Great, thank you.

**Chair:** Thank you. Just for –

**Mr. J. Brown:** I briefly, I just want to indicate I just arrived – Jordan Brown, for the record – I just arrived -

**Chair:** It's already been done.

**Mr. J. Brown:** Good, thank you, Chair.

**Chair:** You're very welcome.

This for everybody's information, this is our order as we go forward: Sonny Gallant, Brad

Trivers, Steven Myers, Peter Bevan-Baker, and Matthew MacKay.

Go ahead, Sonny.

**Mr. Gallant:** Thank you, Mr. Chair. Thank you very much, gentlemen, for coming in and sharing this information with us.

Just a couple of questions and one is just an opinion from me. But a question: With all of the advances in technology, what would in your mind be a reasonable contract going into the future? Would it be two years? Three years? Five years? 10 years? I mean, you don't want to get caught, right? So on today's standards, what would be a contract, a reasonable timeframe for a contract for this type of service?

**Kal Whitnell:** I think that's part of the consideration that government is going to have to look at. In terms of Centrex – but you have to look at, if we do go out to the Centrex contract there are other options and I know government is considering whether that's unified communications. There are other options, voice over IP etc. I think there are a number of considerations that have to – and whether – I don't think you can put a number on in terms of the number of years at this point, but I do agree with you that you obviously don't want to go to necessarily a five or 10 year because the technology is advancing so quickly and the options to meet the needs of the Centrex contract is specific to government, but you want to make sure that you're leaving enough flexibility to ensure that the new services and options that are available to government employees who do their work remotely etc., that you have that flexibility in any future contract.

**Mr. Gallant:** The minister just made a comment that maybe it would cost a couple hundred million dollars to have high-speed –

**An Hon. Member:** FibreOP.

**Mr. Gallant:** - Internet, FibreOP, across the province. Do you see someday, maybe in the very near future, of this becoming a utility sort of like electricity? We all saw that in a meeting in the last year or so. You alluded to it, for people to be successful in rural PEI you need high-speed Internet and you can't be talking on the phone in the middle of a

business deal and you lose connection or you can't be online and lose connection. It's great that you met with these providers. They are actively out there trying to zone in on the bad areas. Do you see this maybe coming in the future, or a possibility? Could be an expensive one, but –

**Mr. MacDonald:** I guess it could be. I mean, just recently Air Tech Communications expanded service to Maximeville and Poplar Grove and Milligan's Wharf region which has – you could likely tell me – have three or four businesses down there.

We need to get to the point where if someone comes to us, whether it's a community or a group of businesses and says: We need your help. We're going to be there. We need to be at a point where we say we have infrastructure in whether it's Kensington or Cabot Park or something like that where someone says: We need to put a tower up there. Government needs to assist in that.

But, we've also got to stay out of the way too and we have been told that by some of these suppliers, to say: Stay out of the way and help us when we need help but don't get involved maybe as we have been in the past. Because I think maybe it slows things down or makes it uncompetitive and I think then everybody suffers, including the government.

You mentioned Centrex there – personally, I think Centrex will likely be obsolete within a few years and I think most people around the table would agree that those systems will fade and it will be your cell phone on your desk, not your desktop.

**Mr. Gallant:** Thank you.

**Chair:** The Chair recognizes Brad Trivers followed by Steven Myers.

**Mr. Trivers:** Thank you, Chair.

I think it's pretty hard to disagree that over the last number of years since 2008 the Liberal government has really dropped the ball when it comes to high-speed Internet. Extending this agreement twice without proper due diligence, creating a monopoly situation, unsatisfactory services for

Islanders – it's really been a mess. I'm glad to hear you say that you're thinking of breaking the contract and opening it up. My concern is going forward that we're not going to be in a position where we're throwing taxpayer dollars to try and pick and choose winners, as has been alluded to by other people.

We already see that some of the, as you termed them, new market entrants, have received federal government money that are coming in. So we already have a playing field that has been – is not level just to start off with, right? We've got a number of local Internet service providers that I personally, if we're going to have a bias at all I would like to see a bias toward local companies.

But, I wonder what is your plan going forward? First of all, are you going to put in taxpayer dollars and if you're going to do that how are you going to decide where they're going and how are you going to do this in a way that does not end up being a situation where you're rewarding one company to the detriment of the others? Do you have a methodology in place where you can allow the free market to operate but still see the service provided?

**Mr. MacDonald:** I think it's an easy answer, is a request for proposals. I think that's the answer, is put it out there and some of the companies that you're talking about, local companies, they also receive funding so it's not an unlevel playing field. We entertain applications all the time on resources for any type of company and business, or what have you.

As far as what the federal government does, it's limited to what we can do there but what PEI does – even these businesses within themselves talk about boundaries and things like that and that's their business. All I am here to do is get the best possible deal with the best possible speed of Internet services right across PEI.

**Chair:** One more?

**Mr. Trivers:** When it comes, there's two distinct sets of services here. There are services that government is procuring for internal purposes like the Centrex services, the telephones that government employees are using. Then there is, of course, services

for Islanders as a whole, in particular, high-speed Internet has been the big one.

Are you planning to put taxpayer dollars into the non-government services? If so, are you planning to do that in a way that's unbiased? For example, perhaps you could give more money back on taxes to people so they can pick and choose whatever Internet service provider meets their needs, instead of government issuing an RFP to have a service provider go into whatever part of PEI to offer whatever technology you have. Then you let the free market choose what technology is best and let people decide.

**Mr. MacDonald:** Let's take a couple of steps back. If a community comes to us and says there is three or four businesses – if it's Maximeville, which is a good example – and we go to the supplier in that area, or we do an RFP where the suppliers can come in and say: We'll help you out in Maximeville and we subsidize that. You don't want that to happen? That's where we can assist. We're doing an RFP for any of those companies in Maximeville. The community came to us and says: Look, we've got five businesses here, they're not getting Internet solutions where they should be, we need your help. That's where government will help.

**Chair:** Thank you, minister.

Chair, recognizes Steven Myers followed by Peter Bevan-Baker and then Matthew MacKay.

**Mr. Myers:** Thank you.

Just on Centrex. I know when Centrex came in there was only Island Tel. Granted it wasn't tendered but there wasn't anybody else who could have picked it up in the 1970s. There really wasn't anybody else who could. The technology was so archaic; there is no way anybody else could have picked it up in the 1970s. I just want to clarify that.

But the Centrex thing did bring up something – it did remind me of something having the conversation with Centrex. In the original agreement, Bell had required government to commit to 6,900 lines on the Centrex system which is expensive. But in 2013, when Al Roach re-signed the contract that was moved down to 2501, so 2,501; yet

I find out today we're at 644, or 6944 was the number I was given, which is 4,400 more than were required. Over the life of this contract from 2013 to 2019, it could cost Islanders an additional \$9 million.

Can you tell us why, even though it's no longer a requirement, you keep such high numbers of land lines?

**Chair:** Kal Whitnell.

**Kal Whitnell:** In terms of the 6,944, that was the requirement. We have the flexibility within the contract to go down to 2,500. You've been talking about cell phone users – if we have 800 or 1,000 users, whatever the number does come out to be and we want to move all of those land lines, or Centrex lines to cell phones we can do that. We can do those moves as changes and remove those lines. There is flexibility in the contract. I wouldn't necessarily say that you're indicating a \$9 million extra; those 6,944 are the number of Centrex lines required by government today to do service, to provide services out to Islanders and to have those phone services available.

**Mr. Myers:** I guess having worked inside government, I would question how much some of them are needed. Not everyone in government has a requirement to take calls from the public. Actually, the way it's set up now with central services like the licensing and everything is put in to centralized areas, it's a lot fewer than it even was 10 years ago how many people have to take calls from the outside.

I do question how many people need to have – that's a high cost for what the service is. It's really old technology and for us to be paying that much money for technology that that's old. I know a lot of the people who I've worked with also would have a cell phone. So they'd have a desk phone and a cell phone. I really don't know if you're getting your bang for the buck.

On another topic – in and around 2008 and the same time, I know EastLink was quite upset that the government allowed this contract to go out untendered. Were there any other untendered contracts to companies like EastLink around that period of time with this type of technology?

**Kal Whitnell:** I'd have to come back with that; I have no idea.

**Mr. Myers:** Could you find out? My understanding was that there was another untendered contract worth \$8 million in that time. Could you find that out for us?

**Kal Whitnell:** Back in 2008?

**Mr. Myers:** In and around that time, yeah, 2008, 2009.

**Kal Whitnell:** Specific to –

**Mr. Myers:** Internet.

**Kal Whitnell:** – Internet.

**Mr. Myers:** Thank you.

**Chair:** Chair recognizes Peter Bevan-Baker.

**Dr. Bevan-Baker:** Thank you, Chair.

Clearly the main urban centres of Prince Edward Island and some of the larger towns are fairly well certain with the FibreOp network and this issue is really related to rural districts. There are five of us around this table who are representatives of rural districts, either entirely or largely rural districts. If we want our districts to be able to develop and have sustainable prosperity – whether that's using our schools as hub models and being able to perhaps bring in economic incubators there, or to provide distance learning or to set up medical clinics where we can have telemedicine. All of these things require access to high-speed Internet. It's predominantly – entirely, actually – a rural problem that we don't have high-speed in rural areas.

To this point government has been helping Bell – I'll put it that way – create the network that they have. Bell has provided a decent service to the more urban areas, but they've really done a terrible job in the outlying areas. I see in here that Bell has continued expansion throughout the province in higher demand areas. They're only interested in doing this as much as they can improve the bottom line.

My question is: When it comes to government action, what are you going to do – and it sort of follows from what Brad is

saying – to make sure that there is a level playing field here? Are you going to subsidize the building of the infrastructure or are you going to subsidize ongoing delivery of services? Or are you just going to send an RFP, come and do your thing? What is government's strategy?

**Mr. MacDonald:** I think we've mentioned several things right – I mean we're here, for starters. This is part of the process and I think it's a good process. Again, I thank the committee for keeping it on the front burner because I think it is important to rural PEI, it's important to PEI as a whole.

What we've done, we've gone outside and we've got expert advice. We're relooking at contracts that are six, seven, eight years old. We've offered communities to contact us for resource, whether that be monetary or infrastructure, whether it be putting towers on government Crown land, whether it be putting it on buildings that we may own, all kinds of stuff. I think we've opened the door – or I think we've opened the door as much as we can open the doors of government to ensure that those communities that are having issues, or those businesses that are having issues, or those students that are doing long-distance learning or having issues, that we rectify that situation ASAP.

As far as RFPs, I think it's really important and I'll continue to state that we need to create competition amongst these companies. Really the only way you're going to do that is through RFPs. Then you get into the logistical side of things but I think – at the beginning I think we're doing as much as we can possibly do as a government to push this issue forward.

Does that answer your question?

**Chair:** Go ahead, Peter.

**Dr. Bevan-Baker:** I'd like to dig down a little bit when you say we're going to do RFPs. Do you imagine this – I'm just trying to get my head around what your strategy is. Do you imagine doing this on a geographic basis? Let's say, well, for the tip of Kings County for example, we're sending out an RFP for these communities. I'm just not sure what you mean by that.

**Mr. MacDonald:** I think an RFP – it's kind of like the issue of Maximeville. What we've done is we sent an RFP out. We knew there was an issue there and we wanted to rectify the issue. We sent the RFP out to all the companies to say: Are you guys interested in going in here and working with government? What do you need to make this happen reasonably? Before we had concluded the RFP, I believe we had a company call us that was in the area and said: I'll do it.

So it created that competition. We didn't even have to go in. Do you see what I'm saying? We didn't have to provide any resource. We just provided the RFP which was an instinct to get companies to react to it and the job was done.

**Chair:** Go ahead.

**Dr. Bevan-Baker:** If I understand it correctly, minister, the Maximeville situation was something that was identified by the community itself, so they came to you. All of the other areas of the Island, including several in District 17, that are lacking high-speed Internet, is it our obligation to come to you and then you do an RFP or are you going to identify areas that require to be upgraded?

**Mr. MacDonald:** We are identifying grey areas without a doubt based on people calling us, contacting us, and saying you know – if there are issues in District 17, well, I'm assuming we'll have that track somewhere. You may be able to answer that more so than me, and then we'll deal with the issue. If it's infrastructure they need to build a tower, if a company comes in and says this is what we need, then I think that's where government has to go but I think government has to go to a certain point and then back off and let competition derive at the best solution. But, we will work with any community right across PEI to do this.

**Kal Whitnell:** We're also in the preliminary stages of doing a comprehensive mapping exercise. Obviously, there's a new federal program that's out. There are a number of communities in there that have been identified that have the potential and will be considered for funding through the new federal program. In terms of additional network or fibre services into those areas,



we are looking at – I see it as kind of a two-way dialogue. I think government needs to reach out and understand where those pressure points are in the province and understand those gaps and that's what the mapping exercise is going to help us do.

We also have to hear from Islanders as well to understand where the real gaps are as well, so I see that kind of a – you'll meet in the middle and understand where your true gaps are. We're pre-Xplornet implementation. We'll have to see where the gaps are post-Xplornet implementation as well, which I think it will be fewer.

I do take your point in terms of telemedicine and education, etc. That's critical for economic development and making sure the rural areas can continue to flourish and grow. We have heard from other regional groups across the province and they have looked at collaborative models where the municipality has come together and they are working within their municipality and coming to the province with a proposal in terms of what we can maybe do to help them, but that would be a partnership. They come to us looking for additional funding.

Potentially, we would also tap into other federal entities, potentially speaking with ACOA, to see how we can help as a government and the municipality, in a few cases, are staying up and actually looking at providing funding on their own as well so it would be kind of a three-party or a three-pronged kind of approach in terms of how to resolve some of these issues in the rural areas.

**Chair:** Can I come back?

**Dr. Bevan-Baker:** Yes, absolutely.

**Chair:** The Chair recognizes Matthew MacKay followed by Brad Trivers.

**Mr. MacKay:** Thank you, Chair.

In the mid-2000s, government used capital expenditure to build a fibre optic network linking government buildings across the province. Who – or do you know the name of the supplier that we used at that time?

**Kal Whitnell:** That was Exetel.

**Mr. MacKay:** Exetel? Do you know how much money the government invested in the network at the time?

**Kal Whitnell:** I don't. That network is not managed out of our department. I would have to go back and get that information.

**Mr. MacKay:** Who in government approved the sale of Exetel fibre optic network to Bell in 2009?

**Kal Whitnell:** I don't have that information. I'd have to go back.

**Mr. MacKay:** Is that something we could get brought back? I guess one more question, Chair: I'm just wondering why government signed over the control of their own fibre optic network to a private company? I would also like to know that.

**Kal Whitnell:** My understanding is that Exetel owned the network. The province has a right to use on the fibre network for 20 years. There's approximately 10 years remaining on that right-to-use agreement. During that 20-year contract or right-to-use agreement, Bell Aliant bought the asset from Exetel and that right to use transferred from Exetel to Bell Aliant, who now owns and operates the network, and we still have the right-to-use for approximately another 10 years, but we can get the specifics on that.

**Mr. MacKay:** That would be great, thank you.

**Chair:** Brad Trivers and then Chris Palmer, and then Peter Bevan-Baker.

**Mr. Trivers:** Right now the Prince Edward Island government spends a lot of time and money trying to cultivate local Island entrepreneurs and economic development on PEI for obvious reasons. What are you doing in this particular sector to ensure that local companies can compete on a level playing field with national and international companies that in some cases have received federal funding?

**Mr. MacDonald:** What are we doing?

**Mr. Trivers:** To ensure that the local companies can compete with them.

**Mr. MacDonald:** Well, it's free enterprise. It's pretty hard for us to stop companies coming into Prince Edward Island when we have companies leaving Prince Edward Island to bid on contracts in New Brunswick and Nova Scotia. I mean, you can't have your cake and eat it. It's procurement, so procurement is a two-way street. What it's going to come down to is who can provide the best service at the best rate.

**Mr. Trivers:** Have you considered giving back subsidies directly to households, for example in the terms of tax credits, that are in areas where government has paid for high-speed Internet but it's just simply not available, and then letting them make their choice who to go with?

**Mr. MacDonald:** No.

**Mr. Trivers:** You haven't considered that? Okay, thank you.

**Chair:** Chris Palmer.

**Mr. Palmer:** Thank you, Chair.

Minister, is there an opportunity for us in PEI, based on the – I think it was the – in December 2016, CRTC had mandated high-speed Internet across Canada. Is there an opportunity for us to work with possibly new entrants or existing providers to develop a technology that will help kind of get to the extremities of PEI, which again helps to get it to the extremities of Canada?

Because clearly, or I think clearly, the technology that we have today that is available today, does not reach well. Are there opportunities, based on again the CRTC mandate that we have to have Internet everywhere, that we can be working with new entrants to help develop that new technology – use PEI as a testing ground and potentially export that knowledge?

**Mr. MacDonald:** I'd certainly like to see an application to such degree that perhaps we could create something here and be a test ground for it. I would love to see it.

**Mr. Palmer:** Thank you.

**Chair:** Peter Bevan-Baker and then Matthew MacKay.

**Dr. Bevan-Baker:** Thank you, Chair.

We are of course a rural population, but we're also the most densely populated province in Canada and providing good, true high-speed Internet to the whole Island really should not be a difficult thing to do. We're not a province like BC or Quebec or Ontario with some very isolated communities. That's not what PEI is.

One of the ways that we're going to do this properly is through the – we already have the fibre op spine, if you like, which stretches essentially from Tignish to Souris and that is owned by Bell Aliant. It's critical infrastructure. It is key infrastructure for the province. That ties in, of course, to the new cable which is being laid under the strait, which is government owned. So we've got sort of a patchwork here of private ownership of essential infrastructure and government ownership of essential infrastructure. Is there any thought going forward that government would take over ownership of this key fibre op spine across the province?

**Mr. MacDonald:** It's something that hasn't been broached with me, but getting back to the densely populated – I think it's working right now. If we go back to 2008, there are likely two companies. Now we've got seven companies and new companies coming on all the time to create better access to Internet services right across Prince Edward Island.

Every province in Canada is dealing with this issue; and speaking with several owners of these companies, I think they have all the potential in the world and many of them are local companies and I think they're doing a relatively good job.

As far as purchasing the FibreOp with the expanded service of and research that's going on as far as satellite, I'm not sure if that would be – that would be something that would have to be looked at. Like I said, to roll out FibreOp across the province, I think – and you can quote me, Kal – but 200 million plus, so I'm not sure if that would be a feasible option for us or even to buy the service from Bell without understanding the depreciation on those lines and things like that.

I guess it's something you could look into, but I think with technology advancing so quickly I'm not sure it would be an appropriate decision.

**Chair:** Okay, go ahead.

**Dr. Bevan-Baker:** Yeah, I wasn't suggesting that we lay parallel lines – nor is it necessary, I don't think, to provide FibreOp to every driveway; but at some point, we have to tie into the fibre network. That's necessary at some point, and the sooner you do that the less latency problems you have and the better connectivity because it's not just about up and down, it's latency.

One problem that the ISPs that I have spoken to, is that there's no access to the fibre map here on Prince Edward Island, and for them to respond, for example, to RFPs, it would be very useful for them to know where this fibre lies. That's currently information that Bell is not willing to share publicly, as far as I'm aware. Can you fill me in on that?

**Kal Whitnell:** Two-part question or answer, I guess, two-part answer. First off, ISP consultations we had, we had mentioned how we're looking, considering supports. One of those considerations is information sharing, and that's where government has towers and/or infrastructure where potentially the fixed wireless or the tower-based type rural players of Internet service providers can co-locate with us.

Once we get a request from Internet service providers – we've had a few since our consultations – we're going to provide that information to them. They were looking at specific areas in the province where they want to expand their services. If we can provide access – there are factors, obviously. You can't, based on the loads and everything else in terms of these towers and how much equipment you can put on these towers, but we are into considering co-location possibility.

In terms of, sorry –

**Dr. Bevan-Baker:** The fibre map.

**Kal Whitnell:** Yeah, the fibre map.

**Dr. Bevan-Baker:** (Indistinct)

**Kal Whitnell:** In terms of the fibre map, Bell, as we mentioned – Bell Aliant, I guess it is Bell now – has ownership of that network. We don't have full access to that information either. We would have to request that. In terms of the Internet service providers, if they want to go outside of let's say what we're looking at in terms of co-location on the public side in terms of government, they have to go through the wholesale groups through Bell Canada and request access for a fibre connection so they can link to their towers. That's how the model works when you're dealing with Bell and/or Eastlink, which are the two network providers on PEI.

**Dr. Bevan-Baker:** Just one tiny follow-up, Chair, if you will.

**Chair:** Tiny? Little? Go ahead.

**Dr. Bevan-Baker:** It is tiny. When these companies are delivering their RFPs, it's very difficult for them to give an accurate cost because they don't know where that fibre line is and how much it's going to cost them to have a hardwire connection in there. Can you tell me how the RFP will work given that there's an unknown here, a large unknown in their cost?

**Kal Whitnell:** I have to defer that to Eastlink and/or Bell in terms of – obviously the Internet service provider is going to indicate where they have a tower, and then obviously they're going to look at the closest node on that fibre to connect to and the company, Eastlink and/or Bell, would price that out on a wholesale basis to them. I don't know in terms of understanding exactly where the network is what type of information they provide to the Internet service provider. I can't answer that question.

**Dr. Bevan-Baker:** Thank you, Chair.

**Chair:** Matthew MacKay.

**Mr. MacKay:** Thanks, Chair.

Few questions just to finish up here. One question regarding a contract: Has the province had a lawyer look at the contract yet to see if it can – who's the lawyer that looked at it?

**Mr. MacDonald:** There have been a couple of lawyers, actually. What's the firm? Stewart McKelvey?

**Kal Whitnell:** (Indistinct)

**Mr. MacDonald:** Stewart McKelvey firm.

**Mr. MacKay:** And who was the other one?

**Mr. MacDonald:** It was back – I'm not sure, I'll have to bring it back to you.

**Mr. MacKay:** Next question: When Bell was in to do their presentation, from our understanding basically – the way I took it when they left is that it's as far as it's going to get here. It's a cost factor now. So basically the reason Islanders don't have high-speed Internet is because it's multimillion dollars to finish it off.

My question is: With these seven companies, it's great that there's new companies out providing service, but is it realistic for a multimillion dollar company not to be able to service it and we've got seven small companies that – I'm just curious. How is it possible for a small company to provide the high speed with a multimillion dollar company not being able to?

**Mr. MacDonald:** Well, I think Xplornet is stepping up and they're talking about covering all over the Island, but the other factor is these smaller companies are invested in their communities. If it's West Prince, Air Tech's invested in that community and seems to be doing very well and thriving. I think it's creating competition and maybe that's why they're not as concerned maybe as they should be, because there's other companies that are doing the job.

**Mr. MacKay:** Which is great to see.

**Mr. MacDonald:** Yeah.

**Mr. MacKay:** I'm just wondering on the cost factor. Is it doable?

**Mr. MacDonald:** Well, their –

**Mr. MacKay:** At the end of the day, is it going to be (Indistinct) –

**Mr. MacDonald:** They've been (Indistinct). There's a couple of these companies that have been around a while, and Wicked EH?, I mean it's –

**Mr. MacKay:** Yeah.

**Mr. MacDonald:** – it's going. So –

**Mr. MacKay:** Two final questions: Obviously we've had a lot of discussions since I've been elected 18 months ago. When can Islanders expect a timeline? Obviously, minister, I know you're sincere in getting this high-speed looked at, but this has been something that's been waiting now, Islanders have been waiting for ten years. You've got the Premier in the House that's saying within a full year that basically all Islanders are going to have high speed and some of the best in the country. Is a year realistic? Is this going to happen?

**Kal Whitnell:** Based on the Xplornet implementation, they have indicated – and we spoke to them recently – that they would start rolling out services. They've secured tower locations in a number of areas across the province. They're going to do this on a phased approach once they have kind of a cluster I guess in terms of towers when they can roll out in specific areas. They indicated probably in a May timeframe they'll start to roll out services and then they'll roll out services throughout the year in 2017.

In addition to the previous question as well, what you're hearing in terms of these large companies in terms of multimillion dollar enterprises versus maybe some of these other fixed wireless players, it's a different technology. Wire line services that Bell and EastLink roll out are very expensive services and obviously to roll that out across the entire province would be extremely costly.

That's why you see these fixed wireless or tower-based type solutions from the Internet service providers, these other providers able to fill those gaps. That's how the industry has evolved over time. It's a different solution and it's a different pricing model as well, so that's why you see different types of players in the market.

**Mr. MacKay:** Final question, Chair.

**Chair:** Okay.

**Mr. MacKay:** Minister, have you sat down with the federal minister on this issue yet?

**Mr. MacDonald:** I've actually spoken to the minister previous, but again, it takes us back to when we were first both elected. I think it was talked about in the previous federal government where they initiated the Xplornet, the Connecting Canadians, and it was delayed and then it resumed again down the road. It's been a while, but everything that we were told was we're doing everything that we can.

Again, every province in Canada is experiencing this to some degree. I think we just keep the pedal to the metal and keep being consistent in how we do business and making it a competitive market and I think PEI will end up, hopefully, on the good side of everything.

**Mr. MacKay:** Thank you.

**Chair:** Brad Trivers followed by Chris Palmer.

**Mr. Trivers:** Thank you, Chair.

My question is along the same lines as what Matt MacKay was asking about. In your presentation you talked about you consulting with field experts. You're creating a map of the province, identifying the grey areas and then coming up with an Internet strategy. Is that the way I understood it?

**Kal Whitnell:** Correct.

**Mr. Trivers:** And I wanted to know what the timing is on the different pieces of that and whether that information will be released to the public. For example, when would the map be complete with the grey areas? Will it be released to the public? And then when will the Internet strategy based on that map on your consultations with field experts be complete and will that be released to the public?

**Kal Whitnell:** I guess in terms of this – we have no specific deadlines or timelines at this point in time. We obviously are moving forward as quickly as possible. We're in the preliminary stages, but in terms of making this public, I see the public and Islanders feeding this process and being a big part of this process.

We've had some good discussions over the past week or so and we see that outreach to Islanders is going to be a significant part of all of this in terms of filling in those gaps and filling in the map and understanding where some of those civic addresses there might be, let's call them underserved addresses, households or businesses. So I see the public playing a big role so I would see them feeding into this process and having (Indistinct) in that discussion.

**Mr. Trivers:** So who specifically should the public contact if they want to get on this list as being in a grey area?

**Kal Whitnell:** We are in the preliminary stages and we're going to be looking at a potential mechanism to do that outreach (Indistinct) –

**Mr. Trivers:** So we don't have a number for them to call or an email address or anything?

**Mr. MacDonald:** Call our office right away.

**Mr. Trivers:** So call the office of economic development and tourism?

**Mr. MacDonald:** Yeah.

**Mr. Trivers:** Okay, very good.

**Chair:** Chris Palmer.

**Mr. Palmer:** Thank you, Chair. I wanted to pick up on a piece that Matt had said about why small companies couldn't potentially provide something that larger companies can't, and that's a common economic theory of creative destruction where larger companies get bought into some of the overhead and some of the things that they have in place and they have to get a return on that, where smaller companies can come in on some new technology and deliver services that the larger ones just can't because they're not nimble enough. So there may be opportunities around that and that kind of comes back to what I'd said earlier about: Can we invest in smaller, new entrants that are looking at new technologies that can kind of close the gap on that?

The other piece I wanted to mention was about the question that Peter had about the

backbone. Is there an opportunity for us in the backbone, the fibre backbone, on PEI? I think, and someone can correct me, I think the backbone is just a piece of glass and the money or the value in it is the electronics on either end and those can be changed to – and that's where you get your higher speeds and new technology comes in.

Your fibre backbone doesn't – the glass doesn't change, but it's the electronics on either end that now we can provide services of 15 meg and 100 meg and 200 meg, that those electronics were just too expensive 20 years ago or 10 years ago or whatever that timeline is. Is that accurate? Can anybody tell me that? Because I think where electricity and the cables coming under that piece of copper and it doesn't change, it just stays the way it is, where the piece of glass on the fibre backbone, it's the electronics on each end that really change the bandwidth.

**Kal Whitnell:** I think we'd have to go back and ask some of those questions of some of the network players, but the capacity on the network going into certain locations, whether it's going into the schools or other areas, could be – the schools I think have a one meg, or 100 meg excuse me, capacity going into the schools today.

The capacity right now in terms of this new federal program is – they're looking at increasing fibre network to make sure that rural areas will have at least one gig capacity moving out. So that's where we're headed and I think – but if there are more technical questions that have to be answered I think we'll have to do some follow-up if there's any further information you might need.

**Mr. Palmer:** Okay, thanks Chair.

**Chair:** Kal? As a segue to that, I guess every so many years that there's a major leap forward in technology, and I understand that computers as we understand them today, but there's new quantum computers being developed where the computer is actually frozen. Did you see that? There was a piece on television. Is this kind of technology – would it ever be applied to a network application? Have you heard about quantum computers?

**Kal Whitnell:** I can't answer that question. I would have to go back and speak to some experts.

**Chair:** Okay, well, I'm at the end of my list. Is there any other questions or – all right. Peter and then –

**Mr. Myers:** I said I was going to make a motion for some of that information (Indistinct)

**Dr. Bevan-Baker:** It's just very quick. It's something you said at the end there, Kal, about the schools. You said the schools are 100 megs.

**Kal Whitnell:** Yes.

**Dr. Bevan-Baker:** Every school in Prince Edward Island is serviced with 100 meg potential?

**Kal Whitnell:** Yes.

**Dr. Bevan-Baker:** Every school?

**Kal Whitnell:** Yes.

**Dr. Bevan-Baker:** Okay, thank you. Thanks, Chair.

**Chair:** All right. The Chair recognizes Steven Myers.

**Mr. Myers:** Thanks. I was just going to make an (Indistinct) official motion for some of the things that we asked for. I'll put it all together. If you want to deal with it separately, we can.

I would like to make a motion that we get a copy of the document that was signed giving Bell control over the Exetel network that government owned, so that when that change happened, that document.

Also, any untendered agreements or contracts around the 2008-2009 time that would have been given to any other telephone companies that would deal with Internet, telephones or cable.

The other one is an unredacted copy of the assignments and assumption agreements which includes network access agreements signed by Bell Aliant and the government dated May 15<sup>th</sup>, 2009. So those three things.

**Chair:** Okay.

**Mr. J. Brown:** Discussion (Indistinct)

**Chair:** Discussion? Question?

**Mr. J. Brown:** On your untendered piece, are we talking just with his department?

**Mr. Myers:** I don't know where it would fall.

**Mr. J. Brown:** The only reason I ask is it's pretty broad – are we sending the letter to every minister or how would you do that even?

**Mr. Myers:** We talked about it – I'm not sure if it was before you came or not, but there was – I had been told that there are other untendered contracts around that, namely a contract of \$8 million to a company that dealt with a similar type of thing so whether it's with your department or directly with the department of education. I don't know, Jordan, to be honest with you. It's a good point.

**Mr. J. Brown:** Yeah. Why don't we – we can send him the letter and you can find out more information and –

**Mr. Myers:** Yeah, let's do that.

**Chair:** All right, so –

**Mr. Trivers:** Are we going to ask for the number of cell phones too, officially in the motion?

**Mr. Myers:** Sure. Do you want to add that?

**Mr. Trivers:** I think that's an important piece.

**Mr. Myers:** It was the number of – we have the number of landlines now so it's (Indistinct) I guess we'll add –

**Mr. Trivers:** The number of employees that have cell phones and landlines.

**Chair:** Okay –

**Clerk Assistant (Reddin):** Could you repeat the third thing in your list?

**Chair:** If the discussion is mutually agreed upon, is that okay?

**Some Hon. Members:** Yes.

**Chair:** All right.

**Mr. Palmer:** Could I get clarity on that cell phone – is it the number of cell phones in government or the folks that have cell phone and landline?

**Mr. Myers:** Can we get both? Would it make sense to get both?

**Mr. Palmer:** Yeah sure, but as long as it's clear –

**Mr. Myers:** Let's see if there was a number that didn't have both –

**An Hon. Member:** ITSS.

**Mr. Myers:** (Indistinct)

**Chair:** Everybody's okay?

**Ms. Casey:** Yes.

**Chair:** On behalf of the committee, gentlemen, minister and Kal, I'd like to thank you very much for coming here today and providing the information that you provided us and the committee appreciates your candour and thank you very much.

I'm going to call for a three minute break just to let the minister and Kal leave, and a stretch break. Three minutes.

[Recess]

**Chair:** All right, we'll call the meeting to order. We'll resume.

Item number four, discussion of additional invited witnesses re: Internet services, and I'll have the clerk read off those additional witnesses.

**Clerk Assistant:** Sure, Mr. Chair.

Back in the fall, the committee agreed to invite several people to appear on the Internet services issue. It agreed that it wanted to hear from Minister MacDonald and then consider whether to bring in the rest of the agreed-upon witnesses after that.

There was some discussion about bringing in other ISPs in priority after Minister MacDonald, and then there was other discussion about not doing it that way.

Anyway, the list of invited witnesses that I have are Minister Allen Roach, Minister Richard Brown, Allan Campbell, Dr. Michael Mayne, David Dunphy, Bruce Howatt, Paul Montgomery, Todd Clark – the last three being associated with Bell Aliant, though Bell Aliant has already appeared – and then the other Internet service providers are TekSavvy, Wicked EH?, Island Telecom, EastLink Wireless and Xplornet.

Essentially from the committee's perspective, I'm just looking at should I attempt to arrange the appearance of these additional witnesses now or some of them, not others, or what?

**Ms. Casey:** I think we can probably take the Bell Aliant names off the list because Bell Aliant has come in with all the people and their bosses have been in. So we can probably take them – is everybody in agreement with that?

**Some Hon. Members:** Yeah.

**Ms. Casey:** Thank you.

**Mr. J. Brown:** I remember when that was made, there was kind of a name association. Some of the names were just said because they were thought to be the people that we could talk to about something. I can't even remember who said that.

**Ms. Casey:** Like Bell Aliant (Indistinct) –

**Mr. J. Brown:** Who made the requests in the first place?

**Mr. MacKay:** I think they were cc'd on a bunch of emails is where we got –

**Mr. J. Brown:** Sorry. Say that again, Matt?

**Mr. MacKay:** I think the correspondence, it was some of them on there for Bell that were cc'd in all the emails, so that's why Paul Montgomery and a couple of these other people –

**Ms. Casey:** Okay, but we're taking all them off now –

**Mr. MacKay:** Taking all them off.

**Ms. Casey:** – because they've already –

**Mr. J. Brown:** It's just the same, like Richard Brown and all that, I don't know what we'd get out of him that –

**Mr. Myers:** (Indistinct)

**Mr. J. Brown:** (Indistinct) dealing with it.

**Mr. Myers:** I think it was because he had signed it. One of the renewals went through him.

**Ms. Casey:** But because the minister is now in and basically has answered a lot of the questions –

**Mr. MacKay:** I'm not so much concerned if he comes off, but I would like Roach since it was extended in 2013. He was the most recent. I've got no problem taking Richard off and leaving Allen on.

**Mr. J. Brown:** (Indistinct) –

**Mr. Palmer:** Can Roach speak to it as the minister of the day or the Minister of Finance? What capacity do you want him in as? If it's the minister of innovation, then isn't Heath the guy who answers that stuff?

**Mr. MacKay:** Heath done a good job but he didn't give us any indication why it was extended, right? He couldn't give us any of that information. I would like to know why it was extended twice when they didn't live up to their obligation, and Minister Roach was the last fellow to sign off on it.

**Mr. J. Brown:** I would still think, like, normally if we have a question about that department we get the minister of the day in and I think there's a good reason for that because he should be responsible to answer it as the one accountable. I'd say, first, if you want the answer to the question and he didn't provide it, then let's send him a letter and see if you can get the answer that you want.

**Mr. MacKay:** If I didn't get it here at the table, what makes you think I'm going to get (Indistinct) –



**Mr. J. Brown:** Well, I wasn't here I guess. I don't know what you asked him.

**Mr. MacKay:** He just didn't –

**Chair:** He wanted to move forward.

**Mr. MacKay:** Yeah.

**Chair:** He's more looking forward.

**Mr. MacKay:** He's going forward. He wasn't going back to the contract at all, so – I've got no problem meeting halfway. We don't need to go back to the minister in 2008, but I do think the last minister that extended the contract, I'd like him to come in for a half hour.

**Chair:** You are doing really good taking turns here but the clerk has reminded me that you should go through the Chair for the benefit of Hansard.

**An Hon. Member:** Sorry, Chair.

**Chair:** Not me, benefit of Hansard. Okay?

Thank you.

**Mr. Myers:** Lock all the media out, too.

**Chair:** Yeah. Where are we at?

**Clerk Assistant:** Well, I think we've agreed that those three additional Bell Aliant representatives can be set aside. I also think I hear that we don't need to arrange for Minister Brown to appear, but there is some desire to have Minister Roach appear.

Then that leaves Allan Campbell, Dr. Michael Mayne, David Dunphy – and David Dunphy, as I understand it, is also a representative of Eastlink and Eastlink is one of the five ISPs as well, so –

**Mr. Myers:** Yeah, definitely want Eastlink I think.

**Chair:** Just mention your names before you –

**Mr. Myers:** Sorry.

**Chair:** Just for them.

**Mr. Myers:** I'm done.

**Mr. J. Brown:** So is that what we want? Eastlink to come in, is that what you're saying?

I think if we could tackle it this way maybe, if we could say who we do want and who the name – like, not the name, the name of the company or whatever so we're not – I don't know what David Dunphy does at Eastlink, just to make a point.

**Mr. Palmer:** Chair?

**Chair:** Go ahead, Chris.

**Mr. Palmer:** It's Chris Palmer.

**Chair:** Yes.

**Mr. Palmer:** Why do we want the other ISPs to come in? What's the goal? Is that why David Dunphy's on the list? What's the goal of having the other ISPs in?

**Chair:** Well, the list was pretty extensive. This was a long time ago that we put this list out and it was a catch-all type list, so now we're trying to refine it to see if –

**Mr. Palmer:** With the goal of what? What is it we're trying to find?

**Chair:** Mr. Myers will answer the question.

**Mr. Palmer:** Okay.

**Mr. Myers:** Thank you.

I think the idea at the time was we were all getting a lot of complaints from all over about the quality of high-speed Internet, so we wanted to know if other companies could provide it, and I guess in some aspects what type of things we need to do to get to it.

Brad was talking about fairness and leveling the playing field, so how would they view leveling the playing field and what government's involvement maybe even should be in any of this? I think government probably regrets being as deeply into this as they are too, right? Because they got themselves in a no-win where Islanders are looking at them saying: You're responsible for Internet now but you have to rely on a third party to deliver it. So that's why we thought we'd bring some of them in to hear from them those things.

**Mr. Palmer:** Okay.

**Chair:** I'll go to Jordie Brown.

**Mr. J. Brown:** I'm just going to say, Chair, it might make sense – and I'm prepared to make the motion – that we get, I'm going to say two or three of the list of fibre, or whatever it was, in to talk about things from their perspective.

So this is the current, like Wicked EH? and Xplornet and whatever, and prioritize things and say let's get them in next and then see what we need or want –

**Ms. Casey:** Doing an ISP grouping?

**Mr. J. Brown:** If we – I realize they are probably competitors of each other so I don't know if they're going to want to come together but –

**Ms. Casey:** Oh.

**Mr. Myers:** Can we get them all on the same day?

**Mr. J. Brown:** Yeah.

**Ms. Casey:** Yeah, make an ISP day.

**Mr. J. Brown:** Let's do (Indistinct) –

**Chair:** Stagger them out?

**Mr. Myers:** Give them a set amount of time for questions, for presentation and questions.

**Mr. J. Brown:** I think we can provide direction to the clerk to contact them and just say: You can either come present together or separately if you want to.

**Chair:** Kathleen Casey.

**Ms. Casey:** But, even though they are going to come in separately they can still read the notes of the meeting online so they'll still be able to get the information if they wanted it.

**Mr. J. Brown:** Anyways, does that sound good to start?

**Ms. Casey:** Yeah, it's fine. Sounds fine to me.

**Chair:** Everybody in agreement?

**Ms. Casey:** Yes.

**An Hon. Member:** (Indistinct)

**Chair:** We will carry on then.

**Clerk Assistant:** So I will proceed on this as having those ISPs in as the next priority.

**Chair:** Okay. All right, five: Briefing on signage legislation from the Department of Economic Development and Tourism.

**Clerk Assistant:** Sure. In the thicker of the two memoranda you have in front of you, item C is a letter from Deputy Minister Neil Stewart in response to a request about highway signage that the committee had sent before Christmas, and in his letter he mentions that the department appeared before the Cabinet committee on priorities in February of 2016 on this very subject to provide an overview of the signage legislation.

If the committee is interested, the department would make a similar presentation to the committee and respond to any questions that may arise. So essentially, I know Mr. MacKay, you had expressed an interest in that so –

**Chair:** The Chair recognizes Matt MacKay.

**Mr. MacKay:** Thank you, Chair.

I guess the reason I would like to see something done sooner than later – because a lot of tourism operators are struggling with this so they want to get this rectified before the next tourist season, right? At the end of the day, I don't know what could be done. Obviously the minister at the time recognized there was a problem, so my fear is that it just doesn't get sorted out before the next tourism season and the operators are struggling just like they're doing now.

**Chair:** Everybody –

**Mr. J. Brown:** (Indistinct) nothing to say.

**Chair:** Do you want to move that one up to the first thing we do?

**Ms. Casey:** Chair? I'd be willing to (Indistinct)

**Mr. MacKay:** Chair?

**Chair:** Yes? Matthew.

**Mr. MacKay:** I don't think, truthfully, I think it just hasn't been looked at in years, right? I think it's a minor issue unless the department has more to say on it, but I think it can be rectified relatively quick.

**Chair:** All right. The clerk will contact them and arrange to have them in.

**Mr. MacKay:** Thank you.

**Mr. J. Brown:** Just to be clear, who are we arranging to have in?

**Chair:** Neil Stewart has made the offer, the deputy minister.

**Mr. J. Brown:** Okay.

**Chair:** The presentation was made to the Legislative Assembly so I imagine it would be the same people making the same presentation.

All right, number six: MLA Steven Myers re: School review recommendations.

**Mr. Myers:** Yeah, I guess where this came from was there's been a lot of focus on the closure side of it, which is five schools, but there's a lot of rezoning stuff. I can't be the only one getting calls about this and not having the answers.

We had Doug Currie in this morning and I guess everybody was here for that one this morning and I just talked to him about it on the way in and I said: Do you have anything? He said just send a request, he said, and we'll see what we can do.

I don't know what that means but I would like to get a better explanation so I can explain to people when they're calling me, what the rezoning actually means. People are asking me: Is there any grandfathering? I say I don't think there is but I don't know the answer and some of the implications around it. I thought maybe we'd get Bob in to review his recommendations.

**Mr. J. Brown:** I agree. Send a letter off to Doug and (Indistinct)

**Chair:** Yeah, and then bring who he thinks could –

**Mr. Myers:** Yeah, if Doug wants to come. If they all want to come, it doesn't matter as long as they have the answers to that type of – the zoning is one that's particularly hard to answer right now because I don't have – I really don't know the answer.

**Chair:** Okay.

**Mr. J. Brown:** I wonder if we have any kind of concern about timing or when we can do it, I guess would be the – I wouldn't want to have them in the night before recommendations are due. Do you know what I mean?

**Mr. Myers:** No. Well the next one I know is the letter – it's not on here. It's –

**Clerk Assistant:** (Indistinct)

**Mr. Myers:** Yeah okay. I'm reading the wrong thing. The letter from Paul Bennett and he had set a date – I can't remember what it was – that he could be here and I'm wondering –

**An Hon. Member:** The 15<sup>th</sup>.

**Mr. Myers:** Yeah, the 15<sup>th</sup> – and I'm wondering if maybe we could try to set the same up, both on the same day, and then that day is education topics. I know you have three distinct topics.

**An Hon. Member:** (Indistinct)

**Mr. Myers:** We still have the Bell stuff and now we have the signage stuff so if we can keep the education stuff all on one day it would be nice as far as preparation goes.

**Chair:** The clerk is going to clarify it here.

**Clerk Assistant:** Sorry. The letter Mr. Myers is referring to came in just late yesterday and it's in the second memorandum in front of you labeled memorandum two and yes, you're correct. Mr. Bennett is going to be on the Island from February 15<sup>th</sup> to the 17<sup>th</sup>. The logical time in there for him to appear before the committee would be the 15<sup>th</sup> because that's Wednesday.

I would point out he has a request to make two presentations essentially to the committee and I talked with him on the phone yesterday and while he didn't give an exact timeframe, my sense is that it might take a little bit longer than your standard presentation so it might be difficult to get that and Mr. Andrews in on the same day unless you wanted to do a lengthy meeting

**Mr. Myers:** I think most of us will probably be here in the morning for public accounts too so it's –

**Clerk Assistant:** Yeah.

**Chair:** Do we bring them in before the recommendations come down or after?

**Mr. J. Brown:** This is, I guess, what I'm saying. I mean, ideally the public meetings are –

**Mr. Myers:** Starting tonight.

**Mr. J. Brown:** - next week kind of thing so I almost wonder if we're too late. You're never really too late, I guess, but –

**Mr. Myers:** No. I'm still going to have to be able to explain it, because for me a lot of people just assume it's a done deal so I kind of get it in different pockets of my district because there's some distinct divisions as to what's happening in different parts of my district and it's a hard – I don't really know the answer and I'm having trouble finding it.

**Chair:** The Chair recognizes Kathleen Casey.

**Ms. Casey:** Thank you.

Mr. Myers, I know you want to get the answers as soon as possible. Would it be better for you – instead of having Minister Currie come into the committee, would it be better for you to reach out to him one-on-one and you might get your answer sooner rather than later just because of the timing? I'm all for him coming in and discussing it, but I'm thinking if you need the information sooner rather than later it might be better for you to –

**Mr. Myers:** Yeah, the –

**Ms. Casey:** - call him up and go see him.

**Mr. Myers:** I don't disagree. I think that part of what's going on is that he's telling me that until it's approved by the board it's not really in front of him so he doesn't want to be the one dealing with the frontline stuff until the file gets transferred to him, which would be when the board votes and I think it's March 13<sup>th</sup>.

So I'm all for trying to get him to talk to it but if it's going to put him in a precarious situation and I'm not going to get an answer anyways then – that's why I'd suggested Bob, but if Doug wants to come with him, then great.

**Ms. Casey:** Let's continue with the letter that we –

**Chair:** Chris?

**Mr. Palmer:** I'm on the same page as Steven and I want to find out what that is as well and I don't know if we can – we don't want to get ahead of the process but we also don't want to be behind the process either. So is there a way, and maybe it is to send a letter off to have somebody explain to us about the rezoning recommendations so that we clearly understand and it doesn't matter to me if it's Doug or Bob or who it is as long as we have an understanding of it.

**Chair:** Do we have a consensus then?

**Ms. Casey:** Sure.

**Some Hon. Members:** (Indistinct)

**Chair:** Okay, we'll send the letter out.

**Clerk Assistant:** Instead of arranging for an appearance right now?

**Mr. Myers:** I mean maybe include it, if you wish, to do a presentation then all the better, but if you think he can answer in writing then answer it in writing.

**Chair:** Okay? Any new business?

**Clerk Assistant:** I just want to make sure – and does the committee wish to have Mr. Bennett appear on the 15<sup>th</sup>?

**An Hon. Member:** Yes.

**Mr. Myers:** Yes.

**Chair:** Chris?

**Mr. Palmer:** What do we know – I did get that email and I read most of Mr. Bennett’s letter. What are his qualifications? Does anybody have any background on him? Does he – I don’t know anything other than he’s a guy that says he wants to come in and talk to us.

**Chair:** Kathleen Casey.

**Ms. Casey:** No, I’m good (Indistinct)

**Chair:** Okay, Steven Myers.

**Mr. Myers:** I know him. I guess he’s a professor of education at Saint Mary’s. I’ve met with him in the past. He’s a proponent of the hub school model. For a number of years – Kathleen will remember – I’ve been kind of pumping that idea on and off in the Legislature and at this committee that it’s an option for some of the small schools.

He’s been directly involved in Nova Scotia, the development of hub school model planning for some of the smaller schools. I think the gentleman that’s coming with him, Leif, I had met him at River John when the River John school was closing and they were doing a hub school model for there. So I went over one Saturday while they presented their whole plan for it, and both Paul and Leif were involved in it, so they would have a lot of expertise in repurposing of small schools. I guess that’s why – and I had been talking to him on and off, and I believe, Peter, you might have been talking to them, too.

**Dr. Bevan-Baker:** Yeah.

**Mr. Myers:** It just kind of seemed like a natural step if we could get this in front of committee and see what people here thought of the idea.

**Mr. Palmer:** Has his model been widely adopted in Nova Scotia?

**Mr. Myers:** I don’t think they have any implementations on it.

**Mr. Palmer:** Okay.

**Mr. Myers:** Yeah. But they’re kind of just in this phase, too, right?

**Mr. Palmer:** Okay.

**Mr. Myers:** Yeah.

**Chair:** The clerk and I are trying to get some direction in regard to whether we’re going to have him in prior to the recommendations on the 15<sup>th</sup> or whenever.

**Mr. Myers:** It would be great to have (Indistinct)

**Chair:** What’s the –

**Mr. Palmer:** What was the dates that he was available?

**Mr. Myers:** Fifteenth?

**Mr. Palmer:** Fifteenth?

**Clerk Assistant:** The fifteenth to the 17<sup>th</sup> is when he’s here.

**Mr. Palmer:** And are we still in the presentation stage of the process across the schools at that 15<sup>th</sup> or is that –

**Mr. Myers:** It’ll be done by then.

**Mr. Palmer:** It’ll be finished?

**Mr. Myers:** Yeah.

**Mr. Palmer:** So then either a recommendation could be out or they’d still be in deliberation about that?

**Mr. Myers:** (Indistinct)

**Mr. J. Brown:** Steve, do you know – and I guess the delicate kind of thing to me would be if, it seems like you might be saying: Well, go ahead and close your school and do like the St. Peters model, is that –

**Mr. Myers:** No, a hub school is both. It’s a community hub where you have the school but you have part of the – he would be much better at explaining it, but you’d have part of the building cordoned off to be rental space like St. Peters –

**Mr. J. Brown:** Yeah.

**Mr. Myers:** – but at the same time, the other part of the school –

**Mr. J. Brown:** (Indistinct)

**Mr. Myers:** – would continue. So you would use the revenue from the rentals to offset the small school size or the under-utilization.

**Mr. J. Brown:** Okay. Yeah, no, I just didn't want to – if we were –

**Mr. Myers:** Yeah, no.

**Mr. J. Brown:** – in the middle of the process and he's going to come and tell us to close things and that's – anyway (Indistinct)

**Chair:** Chris.

**Mr. Palmer:** I think that's a good point, Jordie, is that if the public consultation phase is over and they're in deliberations and we're coming in with new models at the time, is there value to that? Are we too late? Is there –

**Mr. Myers:** No, I think these have probably come up in these meetings.

**Mr. Palmer:** Okay.

**Mr. Myers:** Yeah, I think that there's people who will talk about them at these meetings. But this isn't – just because March 13<sup>th</sup> comes and they make a decision doesn't even mean it's final because it is a Cabinet decision. We would be able to provide back to the Legislature a report, hopefully prior to them making a decision, and then maybe it's something that Cabinet can look at. So it's good for us to be a little bit ahead of the curve here.

**Mr. Palmer:** Okay.

**Mr. Myers:** I think, anyway is that we may be able to bring some change forward to Cabinet and have information and they might say: Okay, that's worth looking at, or maybe we'll pick a school and try it or –

**Mr. Palmer:** Sure.

**Mr. Myers:** One of the things about the hub model is that it's really contingent on the people on the ground taking it on. So if you really want your school, then you have to do the work yourself. It's not government doing it for you.

**Mr. J. Brown:** (Indistinct) no harm in talking, it's a good idea.

**Some Hon. Members:** (Indistinct)

**Mr. J. Brown:** (Indistinct) as long as it's not interrupting the process that's going on now.

**Chair:** So have we got a consensus here or do you want to make a – did you say –

**Ms. Casey:** (Indistinct) consensus.

**Chair:** Consensus? Are you okay with consensus?

**Mr. MacKay:** Yeah. I've got another motion, though.

**Chair:** Oh, you got another one? Okay.

All right, so the clerk will look after that one.

The Chair recognizes Matt MacKay.

**Mr. MacKay:** Thank you, Chair.

I just wanted to make a motion to bring Minister MacDonald back in at some point to discuss the Mill River transaction.

**Chair:** Discussion?

**Some Hon. Members:** (Indistinct)

**Mr. Palmer:** I think that's a great idea.

**Mr. J. Brown:** (Indistinct) ask the question. I actually should say it. I think – (Indistinct) was saying, I think our law firm, my law firm may have some doings of some party in that transaction. I'm not sure of that, but is the deal even done, I guess, would be the question that I would ask and I'm not sure what the answer is to that question

**Mr. Myers:** They announced it today.

**Mr. MacKay:** Announced it on (Indistinct)

**Mr. J. Brown:** I don't know.

**Chair:** There's a possibility that that community may challenge it –

**Mr. Myers:** Oh.

**Chair:** – I heard, you know, so –

**Mr. Myers:** Okay.

**Mr. Palmer:** Well, if we send a letter to Heath he'll tell us that he can or can't come because if it's not done or whatever.

**Chair:** All right.

**Ms. Casey:** Sure.

**Chair:** So we'll have a briefing from him? We'll send a letter to the minister asking for a briefing?

**Some Hon. Members:** Okay.

**Chair:** All right.

New business being done, I'll call for an adjournment.

**Ms. Casey:** So moved.

**Chair:** Chris, thanks.

The Committee adjourned