

Questions about SWIFT? We have answers.

Q: What is the SouthWest Integrated Fibre Technology Network?

Why should my community invest in SWIFT?

SWIFT will build a regional fibre optic broadband network in order to provide equitable access to the Internet for everyone in Southwestern Ontario, regardless of the population density or geographic location of their community. SWIFT will be a registered, not-for-profit, non-share capital corporation governed by public sector organizations, large commercial enterprises, small and medium sized businesses, farmers, and residents.

By investing in SWIFT, rather than going it alone, participating member municipalities will leverage \$14 million each to secure a bigger slice of provincial and federal funding – rather than attempting to leverage smaller, individual investments as individual applicants. By investing in this project together, members will be able to achieve greater buying power and influence, which will dramatically change the landscape for how broadband infrastructure is funded, built and provided in Southwestern Ontario.

Q: Who are the small incumbent local exchange carriers (SILECs)?

The SILECs are incumbent telephone company providers. SILECs service less than 10% of the geography of the SWIFT project and less than 2% of the population to be served by SWIFT. Because of their long-standing market dominance in each of their serving territories, SILECs are regulated by the CRTC.

Q: Who will own the SWIFT Network? How will service providers be involved?

Telecom service providers will participate through an open procurement process and they will build, own, and operate the network. Infrastructure Canada requires the municipal members of SWIFT to maintain 51% ownership of the assets of the network for the first 7 years of its operations (starting in 2020). After 7 years of ownership,

Infrastructure Canada grants the recipient of funding (SWIFT) the choice to divest some-or-all of their equity stake to the service providers that built the infrastructure.

SWIFT will be an open-access network, where all service providers compete to deliver services to consumers. As a buying group, SWIFT will ensure greater competition between telecom service providers. More competition gives consumers more choices, which leads to better services and lower prices, as documented by the CRTC and Industry Canada, as well as demonstrated by numerous models from across Canada and around the world as reported in the SWIFT Feasibility Study. Open access is a requirement of the federal government funding program.

Q: How long will it take to build the network? What will it look like when it's finished?

SWIFT will provide next generation fibre optic connectivity to the region through the first five-year phase, from 2015-2020. Initially, SWIFT will provide fibre optic coverage to all counties and separated municipalities in the Southwest, reaching 310 communities with a total population of 3 million, covering an area of 41,286 km², with the lowest density community served at 4 persons per km². The goal is to connect every resident, farm, business and public organization to fibre optics by 2040 or sooner.



Q: How will SWIFT benefit local service providers?

Each of the service providers including the SILECs has been invited to participate in the planning phases of SWIFT. Those who elect to participate and are successful bidders after the competitive procurement process, will be the ultimate owners and operators of network. While increased competition may challenge some service providers, by participating in the procurement process, the service providers also have the opportunity to expand their coverage footprints and subscriber base with a two-thirds subsidy from SWIFT. The SWIFT project represents a singular opportunity for the

service providers to leverage their current service and other competitive advantages to capture more market share by competing aggressively.

Q: Don't we already have high speed service? Is SWIFT duplicating existing services?

No, most of Southwestern Ontario is not served by fibre optics today. For communities that do have access to fibre services, many are connected with legacy technology that does not meet current needs, let alone future requirements. For others, the fibre optic strand counts are not high enough to support fibre-to-the-home connectivity. SWIFT's unified system will make it easier, faster and cheaper for service providers to deliver services to consumers everywhere in Southwestern Ontario. After the initial discovery phase of the upcoming procurement process, SWIFT will build fibre exactly where it is needed to maximize the impact of the investment.

Q: Will SWIFT solve the last mile problems in Southwestern Ontario?

Out of the \$240 million estimated for the initial construction of SWIFT, \$60 – 70 million is earmarked for last-mile connections. Over 2700km of new fibre is estimated to be built in the first phase of the project. Out of a typical 96-strand count fibre cable, 94 strands will be available to provide last-mile connections to individual homes and businesses.

Connecting everyone in Southwestern Ontario requires overcoming an infrastructure deficit of approximately \$3 billion. Without the SWIFT model in place, there is no mechanism for addressing this gap fairly and equitably. SWIFT will continue to subsidize telecom service providers until everyone in Southwestern Ontario is connected by fibre optics.

Q: Will SWIFT use its funding to over-build existing telecom service providers networks?

No. For all telecom service providers who qualify and participate, there will be no over-building of fibre optic infrastructure. Rather, funds will go to close gaps in fibre infrastructure. In areas where the infrastructure is already in place, this means there will be substantial capacity to support further last mile build out.