

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, April 20, 2011

LEGISLATIVE CHAMBER

**Department of Economic and Rural Development and Tourism
Broadband for Rural Nova Scotia**

Printed and Published by Nova Scotia Hansard Reporting Services

Public Accounts Committee

Ms. Diana Whalen, Chairman
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Hon. Keith Colwell
Mr. Chuck Porter
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[Mr. Gary Ramey replaced Ms. Michele Raymond]
[Mr. Zach Churchill replaced Ms. Diana Whalen]

In Attendance:

Mrs. Darlene Henry
Legislative Committee Clerk

Mr. Terry Spicer
Assistant Auditor General

Mr. Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Economic and Rural Development and Tourism

Mr. Ian Thompson, Deputy Minister
Mr. Howard Lake, Investment Manager, Cape Breton Regional Office
Ms. Fancy Flam, Corporate Strategist, Broadband Project Lead



House of Assembly
Nova Scotia

HALIFAX, WEDNESDAY, APRIL 20, 2011

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIRMAN
Ms. Diana Whalen

VICE-CHAIRMAN
Mr. Howard Epstein

MR. HOWARD EPSTEIN (Chairman): Good morning, I will call the meeting to order. The chairman, Ms. Whalen, is not able to be with us today. As vice-chairman I will conduct the meeting.

We're here to deal with the topic of broadband services in rural Nova Scotia, and we have with us witnesses from the Department of Economic and Rural Development and Tourism. Welcome to all of you. We'll start by having the members of the committee and witnesses introduce themselves to you.

[The members and witnesses introduced themselves.]

MR. CHAIRMAN: Thank you. The deputy will know that our usual process is to invite the witnesses to make an opening statement, after that we will turn to the three different caucuses in turn for questioning in tranches of 20 minutes and then for a second round of about 12 to 14 minutes, depending on how things go.

I see you've given us your speaking notes, complete with a seasonal simile in the middle of it - I look forward to hearing it. Mr. Thompson.

MR. IAN THOMPSON: Thank you, Mr. Chairman, and thanks for the opportunity. As you all know, the broadband network is complete in the sense that the umbrella and the framework is in place, so it's something about which we're very proud.

In 2007 we had about 200,000 Nova Scotians who didn't have access to fast, reliable Internet service, and today that number is down to - well, now we have an additional 198,000-plus who have access to broadband. The result is that Nova Scotia is today a global leader in connectivity, and it's true that our infrastructure is the envy of many other jurisdictions.

As of the end of March, we have about 600 potential customers, 600 Nova Scotian addresses who are on the list of EastLink and Seaside awaiting service. That number, as you would imagine, continues to change as people are served and new people put up their hand indicating they'd like to get service. The number, as of the end of March, was about 600.

We have, as part of our contract arrangement with the two principal suppliers, EastLink and Seaside, we have in the case of EastLink a holdback of \$550,000 under our contract with them while we await the completion of their work, and in the case of Seaside, the holdback is \$1.15 million. Thinking about our own budget, from the perspective of the department and how much we contemplated spending from day one, we are on budget; in fact we're a little bit under budget at this stage. So from that perspective, and many other perspectives, it has been a great success.

You'll recall that when this project was first defined and described and announced, it was announced as a \$75.5 million project. Out of that \$75 million, \$19.5 million was to come from the Province of Nova Scotia, and as I said, that part is modestly under spent at this stage - \$14.5 million was to come from the Government of Canada, and the balance of \$41-plus million was coming from the private sector. So that's how the \$75 million was arrived at.

Now here we are, a couple of years later, and EastLink tells us that they have actually spent \$29 million on their areas. So \$29 million spent by EastLink and, of that, \$2.7 million has come from the amount that we had in our budget, so EastLink has spent a great deal of money.

In the case of Seaside, Seaside has spent \$24 million, and when you think of the federal and provincial contribution to the Seaside network that contribution is \$22.8 million. The difference in the cost between the Seaside and the EastLink and our relative contribution reflects a couple of things. It reflects the submissions that each of those companies made at the time of the RFP, but more importantly it reflects the fundamentally different territory and areas that each of those companies, their service territories, so in the case of Seaside the territory is larger, the topography, arguably, is more difficult, and there was a need for more infrastructure because they had to put in additional infrastructure that EastLink didn't. That's the explanation for that difference.

Now I know from the perspective of those of you who are elected members of the Legislature, those customers who are remaining to be served are your highest priority - and

Mr. Chairman referred to the seasonal simile. Well, the biblical parable of the lost sheep, it did occur to me as I was contemplating this and the idea being that we have succeeded in serving a massive additional number of Nova Scotians and there are some who are not served, so I understand completely why those of you who are in elected office would be most concerned at this stage with those people who are not yet served.

I don't want, in any way, to diminish the fact that some Nova Scotians are frustrated with the fact that they haven't been served yet and, from their perspective, the process is taking too long. But, at the same time, I think it is important for us to reflect and to remember that this really is a visionary project for Nova Scotia. If this was, indeed, an easy thing to do, others would have done it by now, but they haven't. In Europe, in the U.S., in the Caribbean, people are asking us, how did you do it? They want to learn from us because the truth is they haven't yet figured it out. Yes, it has taken longer and, yes, from a private sector perspective they have ended up spending more money than they had contemplated.

As a result of this initiative, many more Nova Scotians are today able to engage with the world through the Internet than otherwise would have been possible; as a result of this initiative, many more Nova Scotian businesses are able to sell more goods and more services in more markets than otherwise would have been possible; and as a result of this initiative, rural Nova Scotia is stronger than it otherwise would have been.

As deputy, I am proud of the ERD team that has worked on this initiative. Nancy Flam has been the leader and, along with our partners, Nancy and her team have faced many challenges and, undoubtedly, many more challenges remain. We are not going into Walmart and buying something off the shelf - we are developing something and doing something that had never been done before. And this project is a success. The technology has worked and there were choices - and the right choices were made. The technology has worked and thousands of Nova Scotians are today living enriched lives because of the access they have to the Internet and, from our perspective, we have remained on budget.

So with those opening remarks, Mr. Chairman, I'm happy to see where you'd like to take us next.

MR. CHAIRMAN: Well thank you very much. We will turn first to the Liberal caucus for 20 minutes of questioning, and Mr. Colwell, please.

HON. KEITH COLWELL: Thank you, Mr. Chairman. It's a great pleasure to have you here this morning on this very important topic.

First, I'd like to state for the record that I think this is an incredible program that was undertaken and one that should have been done years and years ago, but for the reason of technology I can understand why it wasn't. I want to commend you and your staff, and any predecessors who worked on this, for the vision to do this because this is one tool that they desperately need, on an ongoing basis, to attract businesses to Nova Scotia and rural areas.

I have some questions I'd like to ask. You talked about the funding for this and, indeed, you outlined that pretty well. You were under budget, from what I can understand, provincially, for what you put in. How much under budget?

MR. THOMPSON: In the order of half a million dollars.

MR. COLWELL: That's nice to hear. Normally it's just the opposite.

MR. THOMPSON: I agree.

MR. COLWELL: At the time this was started - and I know this technology changes rapidly, I mean, it will change today from what it was a month ago - was there any available technology that could have been better at the time, if it could have been delayed slightly?

MR. THOMPSON: I'll ask Nancy to comment on that. It was before my time, but I did have a good briefing on that and you're right, Mr. Colwell, there's always good technology on the horizon. There were some who thought that there were better options, but we got the best advice we could and we believe that the best chance to put the sort of program we were talking about in place, as easily as we could do it, but that this was the technology to go with. Nancy?

MS. NANCY FLAM: At that time most of what was offered in Nova Scotia was DSL and cable. The reason why we also opened it up to fixed wireless and explored that option was because it was a proven technology. Other technologies such as satellite, we'd had a number of complaints from the population and the public saying that it was very expensive and the latency was a problem.

For example, if you have a satellite and the service is offered out of Ontario, if there's a storm in Ontario, the service would go down in Nova Scotia. I did have a number of technical advisors. I'm not a technical expert, but we did do our research and fixed wireless technology was a proven technology, so we opened it up to include that in our tender. All of the responses to the tender came in offering fixed wireless technology as the viable option.

MR. COLWELL: There was no indication from any of the suppliers that they could provide better technology if the tender was put off for awhile?

MS. FLAM: No, there wasn't, not at that time. One thing I would like to point out is that in choosing fixed wireless, one of the benefits was that - and it was included in our RFP - what the supplier had to be able to do was to make the system scalable and expandable. It's also in the contract that as new and better technologies are introduced they would agree to upgrade to those. This system is upgradable in the sense that as more bandwidth becomes available on this technology, that can be offered as well, so it is expandable.

MR. COLWELL: When the towers were erected, how many towers - and again you described earlier that Seaside did areas, probably described as - correct me if I'm wrong - more rural areas, more isolated areas, than EastLink did, in general, is that correct?

MR. THOMPSON: Yes, that's correct, with smaller urbanized or semi-urbanized hub, if you like, more dense in the EastLink hub than was the case in the Seaside.

MR. COLWELL: Are these towers geared up now to also put cell service on them or whatever other service may be down the road that we can't even imagine yet?

MS. FLAM: At the time, something that we should note is that the province also offered to defray the cost of infrastructure. That was the reason why broadband wasn't in our rural communities, because it was too expensive to bring, and that was with respect to the cost of the infrastructure. What the province did was offered up some of our infrastructure, for example, access to our public safety towers. We also offered access to Crown land at a very reasonable cost. We also offered up access to our right-of-ways so, with respect to the towers, some towers - our towers and most of the towers that were built - were built to spec for broadband, but also for future use. I really can't speak to what the private sector was contemplating at that time, I just know what the province offered up were towers that were able to use other technologies.

MR. COLWELL: In the province now how many areas are not served yet by this service?

MR. THOMPSON: Well everybody now has global access, if you like, so the network, the umbrella, is in place. Now that's not to say that down every road, or every corner, the individual poles have not been placed, but the umbrella is 100 per cent in place. Now as people identify themselves in wanting service - as you know it's a line-of-sight service that's provided - as individuals are identified, then we need to understand where the next pole has to go and how we extend the on-the-ground capacity to reach those individuals.

MR. COLWELL: I know in my riding, in an area that should have had service for a long time, I had one street, one street that was about 500 feet away from the high-speed Internet. I think they finally got it. I wrote so many letters and inquired so many times and was kept being told there weren't enough homes - the houses were close together but there were not a lot of them - to get the high-speed Internet there. Three or four of those people worked their businesses from home so it was a really serious problem for them. This is in East Preston and I think they've got it now because they've stopped complaining so I'm sure they did.

This is the sort of service, I think, that the province should probably fund in areas like that. Is there any provision in your funding to assist the companies in partially paying for the capital cost in installing these services, is that available?

MS. FLAM: That's basically what the initiative was for and the contribution that the province made. When you speak about East Preston, that fell under the HRM contract, so it was with OmniGlobe, the purpose of the funding was to defray that cost and that is why they now have service.

MR. COLWELL: That's good, I'm glad, because it was major problem for people. In some communities it wouldn't have mattered, it depends on the demographics of who lives there.

MS. FLAM: That is exactly why we did this initiative.

MR. COLWELL: In the systems that you have in general, what was the standard for speed and conductivity at the time of the project in 2007 and how has that changed today. I know that's a long time for technology, so how has that changed today and are the systems being installed being upgraded as we move forward?

MS. FLAM: It's really amazing when you think that today it's only 2011, it's amazing that back in 2006 when we were building the strategy, 1.5 was the standard around the world for high-speed and that was faster than light and people were excited about that. Today - and I tell people it's interesting - as people are getting connected now, 1.5 is almost like dial-up to them. One of the advantages of this system is that it is, as I mentioned earlier, scalable and upgradeable to accommodate higher bandwidth.

I can't speak for the companies, but in some cases the demand will now drive that and the expensive part is already in place, the infrastructure; to add equipment and to change the equipment is more affordable. In some cases I believe that they have upgraded, for example, we had 12 schools in Cape Breton that were underserved. We say underserved because they had what we call T1 lines, so it was just a little over 1 meg.

The exciting thing about this project is that Seaside stepped up to the plate and devised an opportunity to provide 20-25 megs to the schools, but because there was a contract in place - Aliant was providing the T1 lines to those schools and so, because it was a contract, it became competitive and so they awarded half to Aliant and half to Seaside, and now 12 schools before this project only had basic, I guess 1 meg, now can have enjoy 20 to 25 megs of service - and at the same price as they are enjoying here in Halifax, because they do charge more for higher speeds as you go outside an urban centre.

MR. COLWELL: Yes, I believe now it is 45 megs in my office, which is an upgrade from 15 megs that we had a year ago.

MS. FLAM: It's always changing.

MR. COLWELL: Yes, and that's positive. One other thing I've heard, and I would like this confirmed, the under-ocean cable that hooks up to Nova Scotia has the highest Internet speed in the world connected to Europe - is that correct?

MS. FLAM: I believe so. That wasn't part of this initiative.

MR. COLWELL: That's quite an asset for the province to have at their fingertips. What has the province done to exploit that, to ensure that we can use that available power, I should say, to really push industry to come here, push maybe more and better use of our existing companies in the technology business so they can utilize that and create more employment here?

MR. THOMPSON: Well it's a great question and, coincidentally, I met the other day out at Hibernia Atlantic and looked at that facility, not that there's - well, I guess there is a lot to see there, and you are absolutely right. It speaks to, I think, a couple of things - it speaks to the fact that Nova Scotia today exists not at the extremity of a large, underpopulated land mass like it was in my imagery growing up; we don't exist in Canada huge land and small population. Rather, we exist at the corner of Main Street and Main Street, between the two richest markets in the history of the world, when you think about Europe and you think about the United States. Our landfall position, relative to that cable, is of economic significance, just as our harbours are at a time when the ships are getting so large.

This is a terrific asset. There is a company that I have in my mind that is a European company, and I'm just not sure where we are now in terms of what we may have announced or not announced, but there is a company that is going to be locating here based on the fact that that cable exists. I'll give you one other anecdote, just to point out how significant this is - we had a meeting the other day with a large financial institution from the United States, and I'm not sure whether it is the circumstances in Japan or some of the terrorist activities or what it is, but he explained to us that in that company they are actively looking now at dispersing their technology, their people, their head office - the idea of having a big office in one location that is heavily dependent with all the key people coming to the same place and all the technology coming to the same place, that idea is being abandoned.

So they are looking for places that have some sophistication, have access, for example, to that sort of high-speed and high-capacity cable, and looking at places that have good universities, et cetera. You are absolutely right, that is a great asset.

Five years ago I think we had a surplus of bandwidth in the world and that was the thinking - people who invested in that company in the first instance lost a lot of money; those who bought it at some cents on the dollar I think have made a terrific investment and there is significant growth happening there now.

MR. COLWELL: Yes, I think it's an asset that nobody realizes we have, number one and, number two, I don't think that we've exploited it. Nova Scotia is strategically

placed, as you know - you can talk to anyone in Europe today and you can also talk to someone on the west coast of the U.S. in the same day and you are gone to work at 8:00 a.m. and gone home at 5:00 p.m. Europeans can't talk to somebody on the west coast because they've gone home and these guys are just waking up, so it's a huge advantage for us in Nova Scotia, and especially in Nova Scotia with that kind of technology available.

What has the department done to really exploit that? This, I think, is one of the things that we have in Nova Scotia. I would probably compare it to having an endless supply of natural gas to every house in Nova Scotia at probably one cent a litre, in comparison, how powerful this is, but I don't think people have any concept of what this can possibly do.

MR. THOMPSON: Well, I think that NSBI does understand it and the financial services sector is a key sector for us. I know that when we, through NSBI, are overseas attending trade missions or visiting with potential clients, this is very much part of their agenda. As you said, the time zone is an advantage, but the ability to move massive amounts of data relatively inexpensively and securely between Europe and financial capitals of Europe and the U.S. is very much on their mind. You're probably right, there's more that can be done here. I think you're right that Nova Scotians perhaps don't understand the magnificence of that asset. You're probably also right that we can be doing more, but it's not as if we're indifferent to it, for sure.

MR. COLWELL: I'm sure you're not. I know you work very hard to ensure the economic growth of the province. I used to do a lot of business in the U.S. and in Europe and I find that Europeans like to work with Canadians. Sometimes they don't like to work with Americans, not because they don't like - our culture is very similar to Europe and our culture is very similar to the U.S., and we're in a really good spot for that. I find the Europeans love to work here. They'll come here and spend their money here and I think that this asset is just another asset that we really can help with and the wide area broadband that you put in place. I think those all go together. How do you market that now outside of Nova Scotia, especially in Europe?

MR. THOMPSON: I think you're right that there are some cultural affinities, there seem to be fewer barriers. I think we market the same way we would elsewhere. I think we understand that cold calls are rarely effective on the first instance, that it requires some building of some relationships and building of some trusts. We have, through the financial services sector, for example, targeted companies in Europe and we do our best to get in front of them as often and as positively as we can. We do talk about the assets that we have - the ones that you've mentioned - our location, our time zone, our technology, our universities. I think that story is a compelling one and what Stephen Lund will tell me is that if we can get people to visit here, come and see it, the chances are that we're going to have some success with them so we need to tell our story.

Nova Scotia is on the lips of few people when they get up in the morning around the world, we're not top of mind, so we have to get in front of them and tell our story as actively and as persuasively as we can.

MR. COLWELL: That's a selling asset, as well, because if you're on the lips of everybody in the world, it means you've got some kind of major problem going on, like they have in Japan right now or they had with 9/11 in the U.S., so I think that's a selling feature too. I know it's difficult to sell to companies that are established and they run their businesses the way they are. Have you had trade missions or ways that you can sell this? How do you direct your sales? I know NSBI might be better at this because that's part of their mandate, but what has the department done to really sell this to outside the country?

MR. THOMPSON: You're thinking about Hibernia Atlantic in particular?

MR. COLWELL: Yes.

MR. THOMPSON: Well, I think probably we have relied heavily on the owners of the company to do most of the selling for that facility. Naturally they have a vested interest in being successful and we have made it known to them that we're enthusiastic about being their partners - to the extent that they can identify customers or clients where, through some involvement of ours, we can help put them over the top and make them more successful, we're enthusiastic about doing that. I guess principally we leave the responsibility to sell that asset to the company, other than as I've already said, making sure that prospective investors here know how well-positioned we are and how strong the infrastructure is when it comes to broadband.

MR. CHAIRMAN: The first 20-minute session is over. We're going to move now to questioning from the Progressive Conservative caucus.

Mr. MacMaster.

MR. ALLAN MACMASTER: I'd like to thank the department for giving us an opportunity to ask some questions about high-speed Internet today. I think this was a great initiative and it was actually led by my predecessor, the MLA for Inverness at the time, who was Premier Rodney MacDonald. Just for the record, I'd like to commend him for his vision on this particular piece. They also worked with the federal government to provide funds to get Nova Scotians connected in rural areas. No doubt it was because he was from a rural area, the area I now represent, Inverness. We know, actually, that high-speed has been brought through Seaside Communications to about 1,100 households.

To put that into perspective, there are about 84 households in Inverness County and that would be about a 13 per cent market penetration, so it's quite significant when you think that one in every eight and one-half households now has high-speed Internet. It was certainly something that I'm sure he had been hearing about at the time, about the need for the service. This initiative helped to make it happen.

We know what this means for the area. Non-traditional industries, people who might be able to do their work from home, it means they can now work in rural areas like Inverness County and other parts of the province and that's important. The Internet, of course, has also become a big part of our personal lives. I think Nova Scotians need that and it's nice to see the government saw the importance of that and tried to connect people to the Internet.

We know the government has invested a lot of money in it. I think I should point out, too, as we all know, I think the reason why people in rural Nova Scotia didn't get access to high-speed Internet was because there wasn't a business case for it. We can't fault the companies that had been providing the service for trying to be profitable, providing jobs for people and whatnot. People might be invested in those companies and getting retirement income from their dividends of the stocks. I think government had to step in and do something otherwise we wouldn't have seen communities in rural areas get access to the service.

I want to commend the vision of the government for doing that and I know that one of the things that has bothered me is that not everybody has it yet. The original commitment was that everybody would have it by 2009. I will say that when we've worked with Seaside, from my office, they've been good to help us and help the people who still aren't connected to try and get them connected and we appreciate that there are challenges sometimes - whether it be trying to locate a pole in a certain area or a repeater pole to carry the service, there are all kinds of minutiae. I can only imagine what it's like to get poles and signals across the many hills throughout our province.

It is something that has been a concern to me because when government tells people they're going to get something, I think it's important that government tries to make sure that commitment is kept.

My first question - I do know there were other companies that bid on the service - why was Seaside chosen over the other bidders? I understand the government did pay more to go with Seaside. Can you give us some explanation as to why the higher bid was chosen, in the case of Seaside, which covers the eastern part of Nova Scotia, all of Cape Breton Island, Guysborough, Antigonish County, Pictou County and up into the northern part of the province.

MR. THOMPSON: I'll ask Nancy to comment on that but I will say you are right to acknowledge the former government. It's interesting to think now, the Legislature approved that initiative, which was a bold initiative, and we were the first in Canada to do it. Subsequently, the Government of Canada came out with a program to support rural broadband in Canada and the paradox is that we are not eligible for support through that program because the government at the time took the initiative and provided the leadership.

I had occasion, not long ago at an event, to raise this with Minister Tony Clement and I was able to tell him the story - and you may be familiar with this story - about Debora and Ken Samson in Little Anse, Cape Breton, who were in the bait bag business, and because of broadband they are now on-line and they are able to sell their bait bags on-line and somebody in Manhattan saw the bait bags and decided they could buy the bait bag and put a silk lining in it and call it a purse and sell it at a premium in downtown New York. So it's a little twist on the silk purse/sow's ear story.

I told this story to the minister and he said yes, but are they catching any lobsters down in Manhattan? I said well, I don't think they've caught any lobsters but nor have any seals gotten into the purses of the people carrying them in Manhattan. It is a good story and many people deserve a lot of credit for having the vision and doing the work - and Nancy is one of them and she is going to talk about the particular contract.

MS. FLAM: I'm almost happy that you asked that because after so many years we have a tendency just to focus on the few. I think Seaside was the right choice for those particular zones.

When we issued the RFP we divided the province into zones, and when we divided them into zones it was based on demographics such as salaries and numbers of people, et cetera. We invited responses to that by zone, so we did evaluate by zone. What we also did was we had an overall evaluation committee and that consisted of individuals from each zone across the province. We had three subcommittees and they were divided into financial, technical, and ability to meet the end of the timeline. We did individual evaluations and those teams were experts in their area - for example, we brought in Grant Thornton to lead the financial review, we had individuals from Treasury Board, the Department of Finance, et cetera, to all participate in that.

We had a number of criteria that were divided up into each of those three components, and each of those was weighted. There was a high value put mostly on technology and the ability to meet the timeline, so they scored the highest.

One of the things that we did do was when we did a first screening and we took the top four companies, we asked them to answer additional questions. One of the questions was - we gave them a specific area of the province and we asked how you would address that with respect to technology, how would you provide service to every individual in that area? Seaside and EastLink won that particular area because we had to make sure everybody was able to receive the service.

Some of the issues that the companies are encountering are vast. At that time nobody had done this before to this extent. Even though it was a proven technology, nobody has 100 per cent land-based coverage like Nova Scotia. Some of the issues that we run into are: who knew that somebody would have a steel roof? Who knew that somebody would have a steel roof and live in a valley behind a mountain? It's amazing where people live; it's amazing where people live and have a business - it is. Who knew that somebody

who had 85 acres didn't want one pole on the side of the road, because it ruined the aesthetics, or their grandchild may want to put a road there to build a house into that particular area in those 85 acres?

That all takes time - we have to treat everybody from the public in a particular way and respect them and respect their wishes, so because your neighbour wants high-speed and you don't, and you don't want the pole, that creates a conversation. Every single one of these challenges are ones that we work together to overcome. But Seaside and EastLink were chosen on very strict criteria - cost was just one of the small factors - we were really, truly trying to meet the timeline and trying to make sure that everybody could be reached.

MR. CHAIRMAN: Excuse me, Mr. MacMaster, just before you continue I want to note that we have been joined by an additional member of the committee, the member for Truro, Ms. Zann.

Please continue with your questioning.

MR. MACMASTER: Thank you, Mr. Chairman, and thank you for the answer. I guess one of the things that came up in some of my discussions when I was researching the issue, because it has been a significant one in my constituency - as I understand, there was another bidder who was using the same technology, who was not promising 100 per cent coverage and they believed that they couldn't hit the 100 per cent mark because of the technology. Why would we go with another company who's going to use the same technology who would claim 100 per cent coverage and pay more to do it?

MS. FLAM: Because they will give 100 per cent coverage and the other company we need up front had already stated that they wouldn't and our mandate was 100 per cent coverage. How do you award a contract at the beginning to someone who won't meet your needs, it didn't make any sense.

MR. MACMASTER: My next question would be I guess we don't have 100 per cent coverage yet. There is added cost, I suspect, in the case of Seaside to try to provide that 100 per cent coverage because they are still trying to work out through all of the minutiae you've just pointed out about getting poles set up in areas, addressing people who might have a metal roof on their home. Is this the reason why the government provided them recently with a loan, and I think the government even took an equity stake in Seaside. Is this to try and help the company provide that 100 per cent coverage because there was \$16.4 million in the form of two loans? A \$7 million loan, a \$5.4 million and there was also a \$4 million equity stake, that would have been last Fall that it was provided to the company.

MS. FLAM: I'm just going to answer the first part and then I'll turn it over to Ian. Something that's a little bit confusing, I think, to people is that we do have 100 per cent coverage. We don't have necessarily at this particular point in time 100 per cent

availability. The signal does blanket the province it's just that we have a challenge sometimes to reach up and grab the signal. The loan did not reside with our group.

MR. THOMPSON: Before turning it over to Howard who has been responsible for that transaction, I'll say that yes the private sector, the two largest companies did spend more than they contemplated and we ended up in discussions of this sort. I'll just make clear that the equity investment that was made as part of this transaction was made in the cable company not in the wireless company, it was part of the overall transaction but I'll ask Howard to take you through it since he is intimately familiar with that.

MR. HOWARD LAKE: I'll try to keep it simple. Around about November 2009 the company approached the province and while the minutiae you were talking about, the logistics of it, there were some delays and some overruns.

One of the big issues that the company faced was the estimated customer base ended up being about 50 per cent of what it was originally thought. Obviously their business model was going to be 50 per cent less than was anticipated, so they were going to run into a bit of a cash crunch because the ramp up was taking longer than anticipated, not necessarily through their own fault just the nature of the project - the topography, the technology and all of those little details that have to be worked out.

So we sat down with them and we crafted a financial package and in it was included some restructuring of existing debts within the company. You're correct, it's \$16.4 million of which \$7 million was a term loan, which was essentially to complete the project. One of the fears was that if we didn't provide the proper financial package, the company could basically just leave it as it is without getting the final milestone payment from Broadband for Rural Nova Scotia (BRNS). We wanted to make sure the project was completed and it was a robust system so it would be able accomplish all the things that we were talking about earlier, the upward capability, the scalability, make it dynamic instead of static.

We sat down and we looked at it and we came up with a package. We recognized that the company was a little light on the equity side so they agreed to invest some more money into the company as part of this deal. Also we said okay we can only support so much debt because of the customer base and the revenue base is less than anticipated, we made the equity investment in the sister company to flow into it.

It was all structured in a way to stabilize the company, to make it sustainable, to allow it to move forward, to allow it to make regular ongoing investments in technology. Most importantly to be able to have the resources to satisfy all of the requests for those last-mile customers who came forward up to that point in time and who will continually come forward. As Nancy has mentioned the coverage is there, it's now just a matter of the people raising their hands who actually want the connection. Every one of those last-mile ones are significantly more expensive than the bigger groups.

MR. MACMASTER: I know all about the people who are raising their hands because we hear from them a lot. I'm sure a lot of the other members of the Legislature hear as well. I do want to say that the company has been good when we've worked with them to try to get those people connected.

Is there anything we could tell people today? Some people were hoping, they were excited when they felt that by the end of 2009 we'll be connected. Is there anything we can tell those people who are still raising their hands about when we might be able to expect to have them connected to high-speed?

MR. THOMPSON: EastLink tells us - and I don't have the data in my head for Seaside - but EastLink tells us that they're completing about 96 installations a week. The number, I suspect, of those awaiting service will never be zero because there will be new people moving into territories and there will be people who decide in September of this year that they want to be served so they will be added to the list.

I'm sorry, on behalf of the companies, I can't give a definitive answer to when everybody will be served. I know the companies are working very hard and we're working hard to encourage them to get this done. Patience continues to be required.

MR. MACMASTER: One of the things I think we've noticed, something I've been hearing about and I'll just ask you today, have you seen that the competitors for the service that's now being provided by the companies that won the contracts to provide the rural broadband, have you seen that their competitors have tried to ramp up their service in rural areas?

MR. THOMPSON: Sure. As soon as the contract was awarded companies that hadn't been successful did try to pick off customers they thought they could pick off. That certainly has been a dynamic and it's a competitive marketplace, so, yes. We've created that competitive marketplace through this program, which ultimately I guess is a good thing.

MR. LAKE: That was part of the reason that Seaside's potential customer base was reduced, because the competitors picked the low-hanging fruit, the little clusters that they could get at easily.

MR. MACMASTER: Has that complicated the success of getting everybody connected?

MR. THOMPSON: Sure, I'm not sure that it has complicated it, but it has made it more difficult for Seaside, for example, to hit its targets because it's in a competitive environment and every customer it wanted to get, it wasn't able to get. In that respect it's complicated.

From a customer's point of view, there's more of a robust marketplace than there had been before.

MR. MACMASTER: What about the speed, the quality of the service? Can you give us some perspective of how it compares with high-speed in other areas of the province? Also, going forward into the future, because we know that with computers, there's always improvements, technology is always improving, and with that there's a requirement to have even faster and faster networks. Could you also give us some feedback on how this system can expand to accommodate that as we move forward into the future?

MS. FLAM: As I did mention earlier, the fixed wireless system is scalable and upgradeable, which means you can add more, extend what they call repeater extender poles. You can also upgrade the equipment to accommodate more bandwidth. From the quality of service perspective, it's the same.

People that I talk to - as someone had said earlier, people stop calling when they're happy. I haven't really heard from very many people who have been happy; I only hear from people who are unhappy. I haven't heard from anybody who was unhappy. Any of the testing that we have, we had somebody go out and actually test the quality, we have somebody on staff, a broadband project officer, who monitors the contract and checks for quality of service and he was very pleased with the quality.

MR. CHAIRMAN: Excuse me, Mr. MacMaster, the first 20 minutes has expired. I'm going to move now to the NDP caucus. I understand questions will come from Mr. MacKinnon.

MR. CLARRIE MACKINNON: Mr. Chairman, I'm just delighted to have you here this morning because this broadband initiative has been so important to my constituency of Pictou East, a very large rural area, and the fact that someone today - a real example - can edit books in the beautiful East River valley, with a river flowing through the property, and move here from Toronto to do that, those are exciting things.

Now, one of the things that I want to talk about is the expertise that has been developed by this initiative. I don't know whether it's a good thing or not. It's a good thing that we have a leg up on all other areas. It is a great opportunity when you have so many states in the U.S. and folks in the Caribbean asking about how you did it, as you have said in your opening remarks. I believe that there is a tremendous opportunity for the technical people to go into some of these areas and help out those areas in gearing up. Are we doing anything to look after some states?

You think of, perhaps, Virginia and some of the rolling hills and what Seaside has been able to do in Cape Breton and Pictou East and other areas that have a lot of hills and dales. You get servicing into an area like Pleasant Bay or Ingonish or Bay St. Lawrence or Broadway, in my constituency, or Laggan or Barneys River and some of these areas. Are we doing anything to try to move this forward or is it better that we have the expertise and

other areas don't? I think other areas will want to move into the field, for sure, and try to get 100 per cent coverage and one way or another, eventually states and countries will try to move forward like Nova Scotia has done. I think there is a tremendous opportunity there. Some comments, please.

MR. THOMPSON: I'll be happy to start and then ask Nancy to comment. Nancy has been in contact with many jurisdictions on this subject, but I think you've raised two topics. Anecdotally, by the way, I heard a story the other day of a person who is down in Shelburne County, who works for a major U.S. fashion magazine. She and her husband - he's interested in boatbuilding and she's a fashion magazine editor and they've chosen to live in Nova Scotia. It wouldn't have been possible absent the broadband. You've touched on two things. One is, relating to Nova Scotians, leveraging this advantage that we have and I think this is now our biggest challenge.

We, with the Government of Canada and the private sector, have invested significantly. We have created an asset, which is used as a competitive advantage. We can pause for a moment to be proud of our accomplishment, but the challenge now is to exploit that advantage that we have. That's one of the challenges that we have in the department and I would say legislators, it would be - and I know you're sensitive to this issue but - important that whenever we have an opportunity, we remind Nova Scotians that we do have this asset and we need to leverage it. Nancy has been involved in a number of programs where we're getting out and trying to talk to Nova Scotians about things they might consider doing to enhance their social or community life or their business lives.

The other aspect is, we have this knowledge now and we have a private sector partner and I'll ask Nancy if she can comment on that first part. Nancy has been in heavy demand from other jurisdictions to talk about our experience, what we've learned and how we can help.

MS. FLAM: Thank you so much for acknowledging that. I'm very proud of the project that our team has done and completed and it's almost there. We all knew it would be tough at the end and we will be there until the end.

Yes, I've been very blessed to be invited - I haven't pursued it, they pursued me - to speak in London to a group of 14 African companies on how they can use fixed wireless as a tool to bring broadband to their communities. I have been invited to the National Association of Counties, which is made up of hundreds of counties across the States, many of which have approached me to ask me, how did you do it and how are you doing it? There are a number of questions.

One of the things that people are keenly interested in, other governments are interested in, is our accountability and governance structures. They're very excited to see that we have evaluation frameworks in place, and audit processes, and how closely we work with our internal audit to ensure that when we're auditing we do it in the correct manner.

I've been invited, as Ian said, to the Caribbean. They want to bring us down there, they want to look at various Nova Scotia companies that have also gained that experience and expertise.

I have to share a story, I've been holding back sharing stories but I have to - two different instances. It's always amazing how the most remote areas can catch people's attention, and Meat Cove has caught people's attention twice. Once I was at the NACo, at the National Association of Counties Conference, invited to a meeting and I was sitting there and somebody said to me: "Oh, I was up in Nova Scotia and travelling around and my wife said there's no way she's going back to Meat Cove, which I loved, because it doesn't have high speed." I said pack your bags, Meat Cove has high speed, and he was so excited - he couldn't wait to get back to Meat Cove.

Another instance - and you all may recall the instance when we had a huge storm and we lost telephone service to Meat Cove and lost the bridge and everybody thought it was totally disconnected from the world. Well, because of the tower - the location of the tower wasn't anywhere near Meat Cove - they were able to continue to have broadband. So all the tourists who were located in Meat Cove were able to contact their families to say we're okay, we're safe and it's fine. So they lost the bridge - no big deal. Also, our Emergency Measures Organization used the CAP site as their mode of operation, and so world and life continued in Meat Cove because of broadband.

So these are the stories that people are hearing as I go out and around the world. We have a number of vignettes on our Web site which we point everybody to and that's what's bringing attention. A gentleman from Sysco who also presented at one of the national NACo conferences with me sent me a note not too many months ago: I love your vignettes.

Everybody is seeing Nova Scotia around the world because I use those in my presentations. So we are getting recognition for our foresight and, yes, that's the thing about being first - you do sometimes have to work through the wrinkles to get to the end.

MR. MACKINNON: Thank you very much for that. I'm very glad that staff is being asked to go elsewhere and so on. I'm wondering about the opportunities that there are for our engineering and technical people and so on, who are working with the companies, to actually go and make some money for Nova Scotia by providing the expertise directly to folks in other jurisdictions?

MS. FLAM: They've actually been participating with NSBI on their trade missions and they're also being invited, some of the providers - for example, Nova Communications participated in, actually, the same conference I did in the Caribbean. As a separate - we don't point out any specific company, but companies on their own can join the trade missions and have, and I believe are experiencing success.

MR. MACKINNON: Has Seaside and EastLink been encouraged to participate?

MS. FLAM: Encouraged - would you answer that?

MR. THOMPSON: They certainly are welcome to participate. I think they've probably had their hands full, but there are companies that Nancy has alluded to that are very excited and have been intimately involved in this project and are travelling to some of the places that Nancy is going.

Some of the jurisdictions with which we're meeting, they like to see government there, and they like to see government and the private sector working together. It gives them some confidence when they can look to Nancy, for example, and have some confidence that we fought through some of the public policy aspects of this, some of the auditing sorts of initiatives that Nancy has alluded to and, at the same time, have somebody right there who knows the technology intimately and is prepared to work on this together. So there are good private sector opportunities that are coming out of this.

MR. MACKINNON: Thank you very much for that. I just thought that the actual providers - and I have to pay a tribute to, and I think Parker Barss Donham is in the gallery today, and my office has worked very, very closely with Parker in relationship to some of the hard-to-service areas and he has even visited way up in Laggan, in the hilly area there, and many other points in my constituency. I just believe that the providers have so much expertise in servicing the hard-to-get areas, and I'm very appreciative of what Seaside has done to try to hook up those last ones.

Just a comment for clarification - deputy, in your remarks you indicated that in 2007 roughly 200,000 Nova Scotians were trying to get fast, reliable, affordable Internet service, and today more than 198,000 additional Nova Scotians have the availability. Now, having said that, it kind of looks as if there are 2,000 still out there, and that's not the case, because as of March you used the figure that 620 customers in hard-to-reach areas are waiting service. I just wonder about the difference here between the figure of 2,000 and the 620, because I believe it is the latter - and probably a lot less than the 620, because you are talking March.

MR. THOMPSON: You're right, it was macro numbers. The 600 number was plus or minus a dozen, as of March 31st, and the companies continue to make progress.

MR. MACKINNON: Now you've already indicated that Seaside had the harder job of the two companies. EastLink and I certainly know another company was involved as well, but for the two main companies, can you tell me perhaps how many towers and how many poles each put in? It's my understanding that to service some of the areas in my constituency and elsewhere in Cape Breton and so on, that Seaside had to do a whole lot more - do we have the number of towers for each, and the number of secondary poles?

MS. FLAM: Not exactly because they change every day, but for the most part - well over 400 towers. "Tower" is a very broad word . . .

MR. MACKINNON: Yes, I realize that, exactly.

MS. FLAM: . . . and they come in all shapes and sizes - structures.

MR. MACKINNON: Structures, yes. So you are saying 400 structures combined?

MS. FLAM: Yes, over 400.

MR. MACKINNON: We don't know the breakdown between the two?

MS. FLAM: I can get you that, if you'd like. I can get the exact number.

MR. MACKINNON: I'd really appreciate that because it would give one an idea of just the insurmountable tasks that were out there in some situations.

One of the things that I'm impressed with is the limited number of staff that was actually involved in this initiative. At one point I believe there were only two and I don't think you've ever reached ten - could you comment on the number of staff that you actually had working on this massive project?

MR. THOMPSON: Well, you're generally right. I'll ask Nancy to comment on it. There's no question, this was a very lean operation and it was a team that was put together specifically for this task. So we were fortunate in the department to have people who had some of the core skills and some of the necessary background, and then we were able to assemble the team and they were totally dedicated to getting this effort done.

Nancy, would you talk about how it . . .

MS. FLAM: I guess at our highest point there were seven of us on the team, but something that we need to remember is that it wasn't just a provincial initiative, we didn't just sign a contract and walk away. The team was very small but we did have a number of partners that we relied on extensively, mainly with the Department of Transportation and Infrastructure Renewal, Natural Resources, and our financial services. We also relied very much on our partners with respect to Seaside, EastLink and OmniGlobe. We did work flat out and we were very blessed with the crème de la crème. We just worked very very hard and worked in very close partnership.

Something I would want to mention - back to when I was speaking around the world, I always mention the partnerships. We call this the 4P, the public - private - people partnership, because it takes everybody to make this a success.

MR. MACKINNON: One of the things that I'm concerned about is how the department has audited the initiative. Before you have a chance to answer that, I would be remiss if I didn't commend and congratulate Nancy for the job that she has done in this

initiative. I know from early on we had a number of discussions, there were some very insurmountable problems that I think were handled very well and I have to commend you for that.

MS. FLAM: Thank you.

MR. MACKINNON: So, the audit process?

MS. FLAM: The audit, I'm an ex-auditor, to everyone's chagrin, so I did rely heavily - we did a couple of different types of audits. One was around the coverage of the province. We have a broadband project officer and we worked very closely with internal audit to develop the scope and the sample size. He would go out to make sure - and it sounds almost silly, but he did go out to verify that the towers they said they built, they actually did build. He also verified the equipment and took an inventory of them all - we have a picture of every major tower that was put in place. So we know what we paid for actually exists. He also did a quality of service audit, where he went around and actually tested the signal to make sure it was there so we can make sure that we actually paid for what existed.

We also have engaged Deloitte & Touche to do a compliance audit and they have relied on the initial work that Gerard, our broadband project officer, has done. The report isn't in, but you do have a lot of discussions back and forth between the auditor and yourself, and with respect to financial it looks like we will have a clean audit.

MR. MACKINNON: You mentioned your audit background. I understand you have a law background as well - is that correct?

MS. FLAM: No, I have my Masters in Public Administration.

MR. MACKINNON: Okay. I knew there were other credentials involved there was well.

I've heard something about a coverage audit. What does a coverage audit actually mean?

MS. FLAM: The coverage audit means that what you would do is you would look at the engineering plan and it would say they have a number towers, so we actually would make sure those towers are in place to provide the coverage. We would also look to the tower, make sure the coverage that they say they get by that tower - we would actually go out with a signal and test to make sure that the signal exists. So when we say we have 100 per cent coverage, we know we do because we've actually gone out and tested it.

MR. MACKINNON: You are also involved with a High Speed Future program. What did that cost and could you elaborate a little bit about that?

MS. FLAM: The cost of the program - it was very efficient. We're so blessed to be able to draw on the infrastructure that already existed. The budget for that was \$28,000, but we came in under budget - I'm kind of a penny-pincher that way - it came in around \$25,000. The objective of the program was to go out to the communities, before and during, to help communities realize the potential, so what we would do is bring together all the various leaders within a community, it could be the educators, the health care, it could be chamber of commerce members, boards of trade, so it was a good cross-section of the community. We would bring them together and lead them through a process where they would identify within themselves what they wanted to see in their high speed future. So it was basically sort of asset mapping, looking at their strengths, identifying their opportunities.

Then, as a result of that, what we did was we recognized as they were going through this program that people were coming up with some pretty great ideas but they had no way of funding them. So we did a couple of things: If you look on our Web site you'll see that we will help them identify funding sources, potential funding sources that they may want to tap into, and we would help them with guidance with that, and the other thing we did was we offered a program called Building a High Speed Future.

Each of the communities that participated in planning for the high speed future submitted some of the ideas that came out of their sessions, their workshops. A couple of them - I won't go through them all that were successful but one of the key ones that I'd like to point out was from Victoria County. They wanted to look at video conferencing as a way to address climate change, save costs, travel costs, et cetera, more efficient ways for meeting out in our rural communities.

They identified an application, and they used it not only for Victoria County - since it was such a success they were able to train a number of businesses to use it, communities to use it, and the success of that has now been moved across the province. The Department of Energy is now using that application, WebEx, to provide training to individuals across the province. We're also using it in an upcoming event that we're having next week. What we'll be doing is broadcasting through WebEx across the province, so anyone who has high speed will be able to participate in this event that we're having. That's just one example of a great idea that came from our communities and that was identified through planning for the high speed future.

MR. CHAIRMAN: Excuse me, Mr. MacKinnon, we've gone through our 20 minutes and we're going to move on to the second rounds. I think we have enough time to have 14 minutes each for the second rounds. I'll turn again to the Liberal caucus and welcome Mr. Churchill.

MR. ZACH CHURCHILL: Thank you, Mr. Chairman, and thanks for being here today, folks, really appreciate it. Mr. Thompson, we've had the chance to speak before on some various issues relating to your department, and I want to express my appreciation for

your openness and willingness to have those conversations with members and to chat about issues that are important to us and our constituents.

Mr. Lake and Ms. Flam, I don't think we've met before, but it sounds like you're doing a great job in the department, so keep it up. This is obviously a very important project for the province, a pioneer project and I think one that all of us can be very proud of. I realize that the majority of Nova Scotians now have access to broadband high speed Internet, which is a great accomplishment.

I am going to ask again about the number of folks who don't, because the last I heard, I believe there were some in my constituency who were without access. I realize the umbrella is covering 100 per cent of the province, so if the umbrella is covering 100 per cent of the province, why wouldn't all areas have availability to that service? It is just because of towers and structures that need to be put in place, or why is that?

MS. FLAM: As I said, there are just about over 600 who are waiting for service. In that instance, it's mainly due to topography, the challenging topography in some instances; in some instances it is because people have steel roofs, so that is mainly the challenge; and sometimes it's the challenge of trying to negotiate access to land. One of our biggest issues that we've been coming up against is getting power to our sites. We are totally reliant on Nova Scotia Power, which is an independent, private company that has no stake in this project at all. Particularly this winter it has been very harsh and they've had a lot of outages so they spend a lot of - when that happens, their resources are very slim so they redirect their resources to getting people power and then they come back to providing the power to the poles. That is the major, the biggest obstacle, from my understanding, from talking to our providers.

MR. CHURCHILL: You did mention those issues before. The 600 number, that's the amount of residents who are without right now - that's it, over 600?

MR. THOMPSON: It's important to understand, that's the number of people who have self-identified, which is a different measure than what we call the "penetration". How many of those people who have access to it are actually using the service or actually signed up? The 600 number is the number of people who have said I want service and when are you going to get it to me?

MR. CHURCHILL: So this number is probably a bit more relevant than the larger number of people without, because they might not want to utilize those services anyway.

MR. THOMPSON: Exactly and, as I said, the number is a rolling number. There are people today who don't know that next week they're going to say, well, I'd like the service and then they pick up the phone and get added to the list.

MR. CHURCHILL: I think that small number speaks to the good work of the department and the folks who put that service in. What is the process that's in place for

individuals who do want to access that service? Is there a call-in number or someone in the department who is the lead on that to accept those requests or applications?

MS. FLAM: This is a private sector contract, so when people want service they go directly to the private sector company. What we do have is, on our Web site, a map that asks what county you live in. If you live in this county and you want service in an unserved area, it will point you to the company with the phone number. The only time they call us is if they're having a challenge and they don't understand, there's confusion as to why they are having trouble getting the service. It's not because the company hasn't responded to them, it's just that they have a challenge and the company isn't able to - what normally happens is that if you contact the company and you want service, they'll send out a truck, just like they would here in Halifax or area, and they'll test for the signal. If they aren't able to get the signal, then they will have to go back and work with our engineering department at that company. Sometimes that's when they start to do the re-engineering for it and decide if it's a pole.

Something we have to realize is that these 600 people aren't people who live in a cluster. These people live, one person here and then one person another 20 miles away, so it could be one house all by itself and sometimes it takes three repeater poles to get to them. So to put three repeater poles in, that will take access to three pieces of land, three negotiations, three contracts, so that's sometimes why it takes a lot of time, but people don't always understand it. I can't speak for the company, but sometimes when people are frustrated they don't always hear, so that's when they call us.

MR. CHURCHILL: So the companies are the first point of contact for individuals seeking this service, but there is some information available through the department, through your Web site, and as members we can direct them to that information if they wish to access it?

MS. FLAM: Yes.

MR. CHURCHILL: Excellent. As we mentioned before, technology is always changing and we never know where we're going to be three weeks to a year down the road, so when it becomes the case that broadband is perhaps an outdated technology, is there an ability to quickly convert that technology into something else, a more modern technology or anything like that? Is there an ability to do that when the time comes - I don't think it's necessarily in the next few years, but down the road when that happens?

MS. FLAM: In the RFP, the responses to the RFP, we required - and it's also built into the contracts - that the infrastructure or the network build was to be scalable and upgradable and so, yes, it definitely has that capability.

MR. THOMPSON: If I could add - while I can't speak for the business model of the companies, I think from my perspective the prize for EastLink and Seaside is less about the

1.5 megabytes that they can sell, but rather to secure that customer relationship and then be in a position to continue to upgrade and continue to sell more and enhance the service.

The client relationship is probably, in the first instance, not that profitable, but once secured then obviously there are opportunities to sell more and to do more and to deliver greater value. The companies hope that will happen and from our perspective we hope that will happen, that more Nova Scotians will get more engaged in some of the virtual simulation-type businesses and ways to communicate with people around the world that, you know, we could have only imagined five years ago.

MR. CHURCHILL: That's fantastic news. I have some questions about the towers, in particular. Are they, and I guess I don't know the difference between the structures and towers, but the towers that I think are providing that essential umbrella service, are they single purpose towers? You mentioned that they might not be, earlier on in the presentation.

MS. FLAM: For the most part, no, they're not single purpose. Many of the towers that are being used are provincial towers or some of them are owned by Nova Scotia Power actually. We have an agreement with Nova Scotia Power and we've been able to negotiate with Nova Scotia Power to allow the service providers to access those towers as well. So they're being used by Nova Scotia Power, They're also used by firefighters, by the volunteer firemen, and used for our public safety. So they are multiple-use towers as well.

Also - excuse me, a thought came into my head, also we have a reciprocal agreement with the service providers for their major towers that, as the province builds out its new public safety system, they'll be able to use their towers as well. So it's a reciprocal agreement. So, yes, the towers would be dual and multi-use.

MR. CHURCHILL: And they're being used for various purposes as we speak?

MS. FLAM: Ours are.

MR. CHURCHILL: The province's are?

MS. FLAM: I can't speak for the private sector towers, what they're using them for.

MR. CHURCHILL: Did the province, I'm just not familiar with this, did the province - some of the funds that went into this project for the development of the private sector towers, that's the case?

MS. FLAM: Yes.

MR. CHURCHILL: So is there any net benefit to the province other than the broadband service they receive for the towers from those other towers, the private sector towers?

MS. FLAM: The private sector towers were really to defray the costs of the infrastructure to bring broadband to our rural and remote areas, but we do have a reciprocal agreement in place so that if we do need to use those towers, we can.

MR. CHURCHILL: What's the process used to determine where these towers go in the province?

MS. FLAM: We didn't determine that, the engineering department of the various private sector companies did. So they submitted a plan and our technical - we have an engineer who works for Transportation and Infrastructure Renewal, and he was able to look at the plans to tell us that they made sense, that they were actually viable plans.

MR. CHURCHILL: Were there any major concerns that were brought forward by communities that had these towers in them or anything like that? I'm familiar with one in Kings West.

MS. FLAM: Yes, we were challenged in some areas. We barely signed the contract and Industry Canada brought in a couple of different policies - one was on public consultation and the other was on tower sharing. With respect to the public consultation process, you would need to go out to the public to get their approval, like if anybody had any concerns, they were able to express them. Some of the counties, such as Kings County, had policies in place around not allowing towers, so that became a challenge. We did work with the municipalities and, as a matter of fact, all but two of the municipalities across the province were very open to changing their policies to accept the new standards to help move this project along.

MR. CHURCHILL: So the buy-in needs to come from the municipal units in those areas for you to move forward with the construction of the towers?

MS. FLAM: Yes. Actually in the very end in Kings County, Industry Canada had the last say. They try to leave it up to municipalities to do their own governing but, when push comes to shove, Industry Canada overrules and in that case they did.

MR. CHURCHILL: So in that case the municipalities didn't want the tower to go up?

MS. FLAM: In that instance that held it up quite a long time, yes.

MR. CHURCHILL: That was the only instance in the province where that was the case?

MS. FLAM: Yes, that I can recall.

MR. CHURCHILL: Were the concerns in Kings County primarily around health and safety issues and concerns of what was being emitted from those towers?

MS. FLAM: For the most part, some of them, it's just that people don't want towers. Everybody wants service but people don't want the towers in their backyard.

MR. CHURCHILL: So are there health and safety concerns from the department's standpoint about what effects these towers could have on organic crops or on people who are in close proximity to them?

MS. FLAM: No. A lot of research has been done. When people would write to us or would call us, we would provide them with the research that was done to help ease their conscience and their minds.

MR. CHURCHILL: That research has been done and there are no health and safety concerns from the department's standpoint or from any other department's standpoint in the province?

MS. FLAM: No.

MR. CHURCHILL: How has the public feedback been since the beginning of this process and where we are now?

MS. FLAM: Are you saying (Interruption) I had one, thank you.

MR. CHURCHILL: I'm just saying it seems that people would be very excited.

MS. FLAM: Two, I'm sorry, I apologize. How thoughtless. I have two.

MR. CHURCHILL: I think every member here thanks you today.

MS. FLAM: Okay. I feel much better. Thank you so much. I believe my Communications Advisor, Mary Jane Fumerton, who I could not live without, I think she's had maybe two.

MR. CHAIRMAN: Okay, this is maybe a good point to interrupt. We just finished the first tranche and we'll now move to the Progressive Conservative caucus for 14 minutes.

MR. CHUCK PORTER: Thanks deputy for being here today. It's great to have you here as well as Nancy. I know my office, you and your office have had many conversations. It was interesting in your opening comments, deputy, you spoke about 600 people still being without service. I felt some days, in the recent past, that 599 of them belong to me. I'm sure many members have felt that frustration as well. I will agree the initiative has been a fantastic initiative for this province. We are leaders, there's no question about that, when it comes to this.

When I look back - and I was saying to Allan a few minutes ago, I think one of the mistakes, if you want to call it that, was ever putting a date on it, not knowing what we were really getting into. When you do that, people have very high expectations. People still ask today, it was 2009, it was the end of the year, how come I'm not hooked up?

We've had success working with your office and getting the one-ofs here and there and two and three and I still have them. They're still there and I think we'll always have them, I think you alluded to them a few minutes ago, people moving in and out or whatever it might be and not happy with service. We all know how things go as far our utilities go and that's fine.

There are still some people in my area who don't have it. I'm certain that if they're not on your desk, they will be. The calls are still coming in, last week, this week, about these areas. You try as much as you can to explain towers aren't necessarily these great big steel structures, they're structures.

On April 1, 2009 of all days, I hosted an open house in Brooklyn, Hants County, at the fire hall. We had folks come out and do a great little thing. Lorraine Glendenning was one of them, she was out, folks from EastLink were there and others. They put all these beautiful pictures on the wall and they showed the tower and the big circle and the signals and it all looked very good, it all sounded very good, it was very simple. This is what people see. If you can envision the simplicity of this whole thing, and it really is when you're looking at it on the wall in the fire department, very simple, so they're saying how come I'm not hooked up? You can see the frustration some of them are having. You try to explain as much as you can, most often though, they're not happy, hence the reason you're involved and we're working through the one-ofs. There are still a number of those that I'm working on and I'll continue to work with your office.

I wanted to go to the tower itself for a few minutes. In the Brooklyn-Woodville area a tower is there and there's a gentleman who lives next door and another family next door to him. Before the tower was there, there was never any interference with the phones - I'm talking about a handheld phone, or a remote phone, whatever you want to call it. He calls and says I've been trying to deal with these people to no avail. He's gone out, he's bought the next - I don't understand it all but what was supposed to be the greatest phone in the world but that didn't work either.

The greater frustration was that nobody from EastLink would come out to that tower to do an assessment. They wouldn't go, they wouldn't shut it down for five minutes to confirm, this is actually the problem or that it's not the problem that has been created with the interference on the telephones.

In this house, of course, the landline works fine, from what I understand. His name is Philip Barker. I don't know if he has been in touch with you or not, I know he has spoken with some people at EastLink. He's not an EastLink customer but that really shouldn't matter at the end of the day, if there is some interference by way of customer service, and

we are trying to provide the best customer service and get these issues resolved and I'm sure there are many around the province. So there's Philip and his neighbours, Dale and Kim Chambers. They both have the same problem but they're the only ones I know of who have this problem and they are next to this tower.

He has called and said look, come out to the tower, shut it down for five minutes or whatever it takes, and say that this is creating the interference. But no, we don't want to do that, for a couple of reasons, well everybody would be without Internet. Well, when the power is off, everybody is without Internet anyway, is it that big a deal? Probably not as big a deal as some people might think. I know you don't want to take your service down but you have to take your service down at certain times, there's maintenance, there's whatever. This would seem like a rather simple thing to have done that we have still, to this date - and this has been going on since last Fall, by the way - we have still not made any headway in this.

When I see today that we're under budget, \$500,000 under budget, quite simply it would be two things; we would send somebody out there to shut the tower down to say that this is or is not the problem with your phones, we did not create it, it is something else. That resolves the issue in minutes, to me, and takes away many hours of frustration and time that we could well be spending probably on something else.

The other would be, if there is money in the budget to resolve issues, the minutia, as it has been referred to, why would you not go out and buy the 2.4 GHz which I guess, or whatever you call it now, is the greatest level of phone that is supposed to overcome this, so he's been told, and supply them to these two homes and then your problem is over. And maybe end up with an EastLink customer because he is happy with the customer service. Instead, he is now so frustrated he is hanging up on people and, knowing Philip, probably offering them some other encouragement. You can understand where people are after all this time and what they're going through.

I'd like to hear the deputy, or Ms. Flam, either/or, just comment on how are we resolving some of these simple, to me, customer service issues because that's a big part of what we're trying to provide.

MR. THOMPSON: I will ask Nancy to comment but if you don't mind, I'd just like to make a couple of observations around your introduction. The question of the deadline, it's an interesting one, there's no question it was a stretch objective for us and we created some expectations that, in retrospect, we shouldn't have. On the other hand, we did put a lot of pressure on ourselves to get it done, and on the companies and I wonder if we hadn't been that ambitious whether we would have gotten as far and as quickly as we actually did.

I think we probably, in retrospect, left the impression with some that this was a simple task. As I said at the outset, if it was that simple, others would have done it, so we perhaps should have prepared the soil, if you like, for the fact that some of these

installations are going to be very complex and the solution is going to be found through an iterative process of trial and error.

The third thought about that is that in retrospect, I do believe that from our department's perspective probably but more generally, that we inappropriately characterized this as a pure government initiative and the truth is that most of the money here has been spent by the private sector. Their money is at risk, they have a big incentive to generate revenues to have some return on that investment. There was never an attempt to cloud the reality but it just became characterized as an initiative of the government and we are a partner, clearly, but the big stake in this is a private sector stake.

Nancy, do you want to talk about the particular issue, if you can?

MS. FLAM: I can't really speak on behalf of the company, I cannot say to you why they didn't shut the tower down. I guess if I were a private sector, it would depend on how many other customers were on that tower to shut it down so someone can test their telephone, I don't know how many calls we'd get from everybody else to shut their towers down to check their telephone, so I can't really speak on behalf of the company.

I think maybe in some of these individual situations we do try to work with the company and try to come up with some creative solutions. I do think for the most part there are a number of creative solutions that come forward.

This particular one is probably being handled by somebody else on my team but that doesn't mean I shouldn't know about it. I suppose we can think of a way to take his phone and take it someplace else in the province and check it, but I don't know if that's what we want to be doing because we would probably have hundreds of calls from hundreds of people saying, can you check my telephone. These are challenging issues and we do need to think about our resources and how we deal with it.

I would assume that we are working closely with the company to try to come up with a solution with respect to why someone's telephone doesn't work. It is an unlicensed spectrum and sometimes it does impact telephones. We did know that and if we don't have any information on our Web site, then we should probably make sure we put that up there to tell people that a lot of the older phones don't work when you have fixed wireless in the same spectrum because it is unlicensed and a number of things reside there.

MR. PORTER: Just on that, prior to the tower being placed, apparently there was a survey done and questions were asked. According to Philip, there was never anything mentioned about the potential for interference in the phones. I'm not asking, and he's not asking, that you take his phone to Halifax and try it, I guess what he's saying is shut the tower down. He walks out in the yard and picks up the phone, not going anywhere but doing what he always did, making the call, and clearly he has a signal, we know that that issue has been created by the tower.

The other thing was shutting the tower down, or maybe not even shutting it down but coming out to assess the tower. Is there something there by way of radio waves, or whatever it is, that's being used that's creating the interference that can be adjusted to resolve that problem as well? Simply by nobody coming out, that automatically creates a huge headache and it's very poor by way of customer service. That's where it's at and I know what you're saying with regards to the financial piece, deputy, you know, we only invested \$2 million, but I can tell you it doesn't matter.

The simple fact, as a taxpayer in Nova Scotia and my constituents, and I'm sure many constituents in the province, will say we're still involved in this project. It was a government initiative. Taxpayers' money is still being spent. It doesn't matter if it's \$100,000 or if it's \$100 million, they see it as their money being spent and they expect something in return for it and that's where we're at in this particular case.

Most people are very good, don't get me wrong, but there are people who have now, for six months or more, experienced this frustration and they are reaching the maximum frustration level so, again, to me it seems very simple. If you want to provide good customer service, you do whatever you can and I think EastLink, and Seaside, most businesses are all very interested in customer service because there's something to be said for that. It's the future of your business, customer growth and everything else. There's great potential in our area for customer growth and I'm not promoting one over the other but I think it's important to provide customer service.

So I'm looking for direction as to how I am going to assist my constituents and, yes, there are only a couple but they matter to me. They're my constituents, they are my priority. It doesn't matter if it's one or 100. I'm trying to deal with it and I know you are as well. Nancy, we've worked with you, as I said, one on one, and Dan many times. So, we're trying to resolve the issues, one by one if we need to, and that's fine as long as we can get them resolved. So I want to know what I've got to go back and tell Philip and what I need to tell Kim and Dale. They want to know what we are going to do. Nobody wants to help us here.

It's interesting that Mr. Lake is here and if I'm not mistaken, you're representing Seaside, is that correct?

MR. LAKE: No.

MR. PORTER: No, okay, I just wondered. It may have been valuable to have a representative of Seaside and EastLink at the table today but maybe we'll see that in the future, I don't know. Anyway, to my question, and I know my time runs by quickly here, so I'm just wondering what direction am I going to give Mr. Barker and Mr. and Mrs. Chambers? (Interruption)

MS. FLAM: Yes, as the deputy suggested, we could facilitate a meeting if that would suit you. We don't have any control over the towers. We can't ask a company to shut down their towers. We don't have that power.

MR. PORTER: So there's nothing in the contract that says, even though there's a government vested in it - and this is just where I wanted to get clarification actually - you have no power as a government to say, look, there appears to be an issue out there, we help provide this service, but we have no say in the contract as to where it's going. Is that it?

MS. FLAM: Well, we can't direct a company to shut down their service. No, that is not in the contract to ask a company to shut down their service.

MR. PORTER: What about assessing the service, Nancy?

MS. FLAM: Pardon me?

MR. PORTER: What about having someone go and assess the service, if there's an issue at that site?

MS. FLAM: We could have somebody go and assess the service, we can do that.

MR. PORTER: Because we haven't even been able to accomplish that, as far as I know.

MS. FLAM: Yes, if you would like, we could facilitate an opportunity to meet with the company to resolve this issue and we could have somebody go to that site and assess it to make sure that the services are available. But no, there is no clause in the contract that would give us the power to make them shut down their tower.

MR. PORTER: Okay, that's good to know because we're kind of just wondering where to go with this. I know that we have spoken to EastLink, as a matter of fact I thought actually we had EastLink convinced that they were going to replace the phones in these two homes. The portable phones and that would have resolved the issue for a couple hundred bucks this is done and over with and never to be heard from again. You might even get a new client, as I've said, but anyway that has fallen through, hence the reason I'm asking the question.

I do know that my colleague, the member for Inverness has a couple more questions he wanted to get in so I will leave it at that and I do again want to thank you very much for the ongoing work that you've been assisting us with.

MS. FLAM: Thank you.

MR. CHAIRMAN: Excuse me, I'm afraid that we're actually out of time for this tranche. Sorry Mr. MacMaster.

I should just note in passing that I think Mr. Lake's mic didn't come on earlier and the answer to the question about whether he represented Seaside was no. I want to note that for the Hansard record.

We move now to the NDP for up to 14 minutes of questions, we have Mr. Ramey.

MR. GARY RAMEY: Thank you very much Mr. Chairman. I've got a question and a couple of comments if that's okay.

First of all I need to ask a question of Ms. Flam. There is another person that works with your department who you can call if you have a problem related to the service. You're one of the people that I know my constituency assistant and I have both phoned. There is another person, what's that other person's name?

MS. FLAM: Mary Jane Fumerton.

MR. RAMEY: Mary Jane, okay. I would like you to convey to her our great appreciation for the service she's provided to us, and to you as well because I don't think we've ever phoned you when you haven't been right on it. I can tell you it's very much appreciated.

We have many people in rural Lunenburg County building properties on remote lakes and we're surrounded by drumlins, the farther they go back into the hinterland the harder it is to do exactly what you've been talking about this morning. We're sort of generating the problem and we're calling on you folks to help us get it fixed so that's very much appreciated.

The other thing I wanted to mention is this, I was at a breakfast a couple of mornings ago. There was a chap there and his wife, she had just flown in from London, and they moved to Nova Scotia immediately and bought a house as soon they found out we had broadband, they live in the Petite Riviere area. Since that time about four other people have moved in, software developers and folks like that. It's actually been a driver for the economy down there. The school population which was going down has actually gone back up now because people are moving there because it's beautiful, it's peaceful for the most part and we have broadband. They made a point of telling me that, I didn't even know these people, I had just met them, I didn't even realize they had moved in.

I guess the point I'm trying to make about that is I think in relation to what Mr. Thompson was talking about a little while ago as well, that perhaps there should be an ad that talks to some of these people and they explain why they came to Nova Scotia and what they like about it. One of the things they'd be saying they like about it is the fact that we have broadband. When we do the ads that say "So when are you coming?", and those ads are great and they are pushing tourism. But we could say, so when are you coming and while here by the way you'll never be out of contact with back home because we have universal broadband across the province.

That's something I think that's fairly significant. The other thing is going back to the business case, I think my friend, the member for Pictou East brought up and others have as well today, that is in Lunenburg County a number of years ago we got very heavily into recycling. We did such a good job on it that people from all over the world started coming to Lunenburg County because they couldn't believe we got such a high recycle rate as we did. It was something that we did that made us a world leader in that one little tiny thing. Now we have a province that's also - from what I gather - a world leader in coverage. I know what we're trying to do - we're trying to get people served, and here in Nova Scotia that's our main goal, to get these 620 and however many more come out of the woodwork as we move forward.

I really do think we've got a bit of a jewel here, and I really think going forward we have to make sure that the world is aware of it, not just to attract people to come here and set up their business because we have it, but also to sell the expertise we have that we've created as a government and private sector working together to really drive this forward. I don't know if there are any specific plans to do that. I guess my question would be, again - I know it has already sort of been addressed - are there plans in the not-too-distant future to make a deliberate effort to sell that expertise to other parts of the world?

MS. FLAM: Well now that we have our exportable government services policy, it allows us to be able to do that. As I said, we have been approached by a number of jurisdictions and if that opportunity arises we certainly will take advantage of it. We did just entertain a delegation from the Caribbean who came to Nova Scotia as a result of a presentation that I made at the Caribbean Telecommunications Union, and when those opportunities arise, we certainly do take advantage - and word seems to be spreading fast, through our trade missions, when our private sector companies attend, participate, also through the company who is the technology provider, Motorola has been very instrumental, because they cover the world. They're a worldwide company. They also share the story of Nova Scotia.

As those opportunities arise - and they're coming fast and furious, which is challenging because we're moving on to the next step of getting every single person connected and moving on to the next step of developing. Now that we have it, what are we going to do with it? And that's our eNova Scotia. So there are challenges, but yes we are looking to do that.

MR. RAMEY: Thank you very much, and I'll now turn the remainder of the questions over to my friend from Pictou East.

MR. MACKINNON: I'm pleased to have an opportunity to make a couple more comments and ask, perhaps, a couple more questions as well.

I think I will be one of the happiest people in my constituency when the last few are hooked up. I know that Parker Barss Donham has been working very, very hard to get his people to service those hard-to-reach areas.

The good news story that we keep talking about, being number one - I think there is a secondary good news story here as well and that is a project that has gone over the time period that was forecast and the fact that you're still under budget from a province is just amazing, because everything that runs over a timeframe, a schedule, is in fact usually the complete opposite, where you have a large overrun in expenditure. I guess there is a good news story too in the fact that some of the towers owned by the Department of Transportation and Infrastructure Renewal were used by Seaside, and I believe somewhere between \$0.5 million and \$0.75 million dollars was paid by Seaside to the province, to TIR - is that correct and what was the exact amount, do you know?

MS. FLAM: Initially when Seaside submitted their plan they were going to build all their own towers, but then as we started to negotiate the contract and had discussions around using the towers and they were going to have free access to the towers, from a time perspective it made sense that they would take advantage of some of the towers that we were using and we were building. As part of the negotiation it was agreed that we would only pay them for basically what they used. That would be accommodated as part of the price.

Seaside did pay money to TIR. In other words, we reduced the milestone payment through a payment to TIR. I can't remember the exact amount, but it was around \$670,000.

MR. MACKINNON: Did you hear anything from the companies in relationship to delays this winter and actually last Fall as well? We've had so much wind, so much heavy rain and in some cases some parts of the province, very hefty snowfalls. That must have been difficult for the companies because there were times when crews just couldn't be out there working. Was that something that you heard from the companies about?

MS. FLAM: Absolutely. We work really closely with the companies. Ever since day one we recognized that it was a partnership and we did have a clear understanding of that. That was very helpful to hear from them. Actually we hear from the communities as well so when people who are hard to reach are having challenges, we do tell them, we give them a friendly reminder that there was a storm last week and that did have an impact and that they lost power and that Nova Scotia Power has been redirecting their services.

We do have conversations about that and we do try to keep that in mind as we're going forward and monitoring the contracts.

MR. MACKINNON: I'd like to go back for a moment to the questioning that I had before in relation to the High Speed Future program when my time ran out before. How many communities do you know? Did you actually get into and the number perhaps of the people that you dealt with on that? I hear some good reports on the work that was done and I think you went into a number of communities. You mentioned Victoria County as one, but there were other areas that you worked in. Do you know the number?

MS. FLAM: There were approximately 16 communities. One thing we have to remember is that communities are defined differently so the size of the area that we called the community, sometimes we would include Pictou as well as Pictou County and maybe as far as New Glasgow. Other times it was as small as just Caledonia. We had about 16 communities and I think over 100 people participated.

MR. MACKINNON: Do you know how much that program cost?

MS. FLAM: For the planning of the High Speed Future or the building? Planning for High Speed Future was just over \$25,000; for building a High Speed Future, we had a budget of \$150,000 and we had expended approximately \$128,700. Of course, we do everything efficiently. There were three communities that had similar projects in similar areas so what we did was we worked with those three communities to combine their projects, which may it a stronger, more viable project, and that's what reduced the cost to bring it under budget.

MR. MACKINNON: I don't know if we have time for this or not, but can you tell us how the government money was used and where the government money came in and where the companies put in the monies and so on?

MS. FLAM: Okay, how it worked?

MR. MACKINNON: That's sort of a hard one to break down but it's something that would be of interest. Maybe if we don't have time, it could be supplied to us, just the framework of who did what. I'm not sure if we fully understand the roles of the government with relation to the companies.

MS. FLAM: The province and the federal government, their combined contribution was towards the cost to defray the cost of the build. That would include things like towers, project management and engineering, those types of costs, so it would be direct costs. There was additional funding that was to build, I believe about \$900,000, to build new towers for the province. The reason we decided we would invest in those new towers for the province was recognizing that we would have a new public safety system coming down the road so it was dual use. It became more efficient to build it now at this time, anticipating that we would also have another use for it in the future.

We also invested money in upgrades for the Department of Transportation and Infrastructure Renewal towers so, again, we work very closely with that. There was a small amount towards admin and of course, we had ear-marked about a million dollars to go towards -in that admin was what we called our Changed Management Strategy, Planning for a High-Speed Future, some e-marketing seminars for business, some liaison and development work, so that was basically the breakdown.

MR. MACKINNON: Perhaps we could end on another good note. I understand that there is an eNovaScotia event coming up on April 26th. Do you have any comments in relation to that, to get a little plug in for it, perhaps?

MR. THOMPSON: Thank you for the opportunity. As I said earlier, our big challenge now, without losing sight of those who remain to be served, our big challenge now is to encourage more Nova Scotians to embrace this technology and so Nancy and her team - Mr. Ramey, by the way, M.J. Fumerton is in the gallery so thank you for your kind words. As is Bruce Hennebury who has had overall responsibility for this team so thank you all for those comments.

Yes, next Tuesday there is a session and it's at Pier 21, but using the technology that Nancy alluded to earlier, there are going to be six pods around the province and this is all about taking advantage of the virtual reality opportunities that become available through broadband. Nancy and her team have attracted world-class speakers to come and talk about how we can use social media to, as I said earlier, strengthen our businesses, our communities, our social lives and the strength of the province. There's a lot of attention being directed to that conference next Tuesday, Pier 21 with six pods around the province and naturally you can go on-line and participate in the conference that way.

MR. MACKINNON: Thank you, a job well done.

MR. CHAIRMAN: Our time for question and answer is expired. I wish now to see if the deputy wants to make any summary comments. If so, this would be an opportunity.

MR. THOMPSON: Thank you very much, Mr. Chairman. I think I really just made my summary. I appreciate the opportunity to be here. We appreciate the thoughtful and positive way in which you've entered into the discussion. We always come away from these sessions knowing more than when we came in and we appreciate the support. Thanks for speaking favourably about our team and the successes we've achieved here today.

MR. CHAIRMAN: I thank you and I thank your staff for being here and I just want to note that there was one request for additional information, that is specification of the number of towers by area of the province and perhaps also by company. If that information could be sent to the committee clerk at your convenience, that would be very helpful. I will note for members of the committee that we meet next a week from now on the 27th, between the hours of 9:00 and 11:00 a.m. The topic will be the Department of Justice on the Maintenance Enforcement Program. Mr. MacMaster, did you have a point?

MR. MACMASTER: I just wanted to call to attention, there was some information requests from the Public Service Commission after their recent meeting with us. We had looked at a timeline of about four weeks to get that information, recognizing that about two weeks would be too short and wanting to give them some extra time so they could assemble the information. I think we're about four weeks since we had that meeting and, if we could,

if we haven't received the information, perhaps we could ask the department to forward it along in recognition of the timeline that we had agreed to.

MR. CHAIRMAN: Yes, that's a good point. We can send them a reminder. If there is no additional business, we stand adjourned. Thank you very much.

[The meeting adjourned at 10:59 a.m.]

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