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Ford 'ripping up' Ontario's \$100M contract with Elon Musk's Starlink in wake of U.S. tariffs

Musk part of President Donald Trump's team that wants to destroy families, Ford says

[Rochelle Raveendran](#) · CBC News · Posted: Feb 03, 2025 8:18 AM EST | Last Updated: 17 minutes ago



Ontario signed a deal with Starlink in November to provide high-speed internet access to 15,000 eligible homes and businesses in rural, remote and northern communities by June 2025. PC Leader Doug Ford announced Monday that the province is backing out of that deal. (Jonathan Migneault/CBC)

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Progressive Conservative Leader Doug Ford is "ripping up" Ontario's nearly \$100 million contract with Elon Musk's Starlink in the wake of U.S. tariffs on virtually all Canadian goods, he said in a statement Monday.

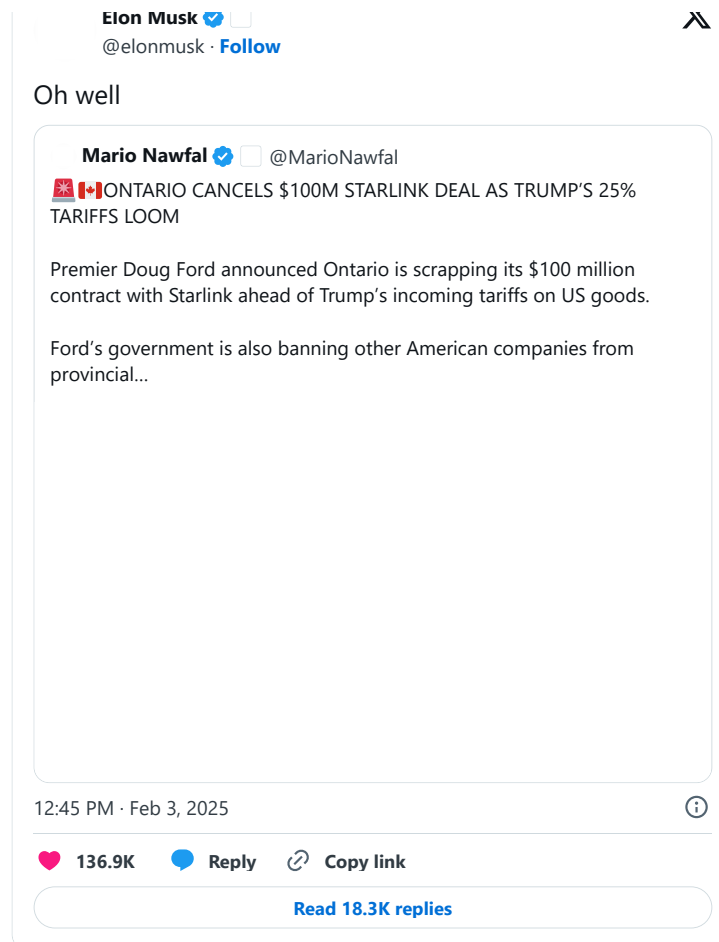
The contract, [signed in November](#), was meant to provide high-speed internet access through Starlink's satellite service to 15,000 eligible homes and businesses in rural, remote and northern communities by June of this year.

Musk is "part of the Trump team that wants to destroy families, incomes, destroy businesses," Ford said at a news conference in Etobicoke on Monday.

"He wants to take food off the table of people, hard working people, and I'm not going to tolerate it."

Musk responded to Ford's announcement on X, formerly Twitter, a platform that he owns.

"Oh well," he wrote.



Ford said the province and its agencies spend \$30 billion every year on procurement. Ontario will ban American companies from provincial contracts until U.S. tariffs are removed, he said.

"U.S.-based businesses will now lose out on tens of billions of dollars in new revenues. They only have President Trump to blame," he said in the statement.

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On Saturday, U.S. President Donald Trump imposed 25 per cent tariffs on virtually all goods from Canada and a lower 10 per cent tariff on Canadian energy products

Musk, an adviser to Trump, is overseeing the U.S. Department of Government Efficiency (DOGE) in co-operation with the president's administration.

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Local steel manufacturer already seeing U.S. contracts cancelled in wake of tariffs

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Speaking on Metro Morning, the manager of Toronto's Conquest Steel says local manufacturers need government support to protect jobs as U.S. contracts get pulled.

Ford has faced criticism for the contract, with Ontario Liberal Leader Bonnie Crombie calling on him to end the deal last week.

"If he were serious about standing up to Trump, he would cancel his sweetheart deal with Elon Musk," Crombie previously said in a news release.

Ford defended the contract at the time, saying there was a transparent bidding process and it was part of the government's plan to get everyone in the province high-speed internet.

Speaking in Etobicoke on Monday, he said the province hasn't "paid a penny" yet for the contract.

As for potential penalties for breaching the contract, Ford said, "I think we have a very, very good case if it goes to court."

It's unclear how much it will cost for the province to get out of the deal.

But one expert said there could be financial penalties.

"I don't know the contract and its details, but I assume there are, and the richest man in the world will flex all his muscles to get this contract done," said Andreas Schotter, a professor at Ivey Business School at Western University in London, Ont.

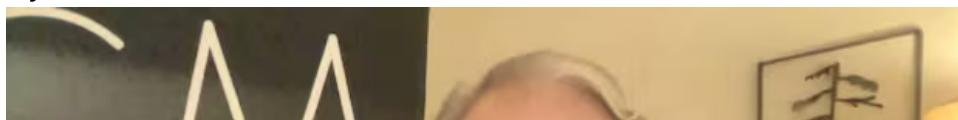
"But I think it's a good signal that we are prepared to do whatever it takes."

Starlink growing quickly in Canada

According to a news release from Infrastructure Ontario in January 2024, only two satellite internet service providers could meet the province's needs.

Those were Musk's SpaceX, which runs Starlink, and Xplore Inc., a rural internet service provider founded in Canada and owned by Stonepeak, an American investment firm. Both providers were invited to participate in a bidding process, the release said, with SpaceX ultimately winning out.

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Starlink surpassed Xplornet, operated by Xplore Inc., as the leading satellite-based provider of rural and remote internet access service in Canada in 2022, according to a [report](#) by the Global Media and Internet Concentration Project in December.

As of 2024, Starlink has around 400,000 subscribers in Canada, the report said.

Speaking Monday, Ford didn't name Xplore Inc. but said "the Canadian company didn't have the infrastructure ready after I looked into it ... they couldn't do it for another two more years."

"So we're going to wait two more years for 15,000 people in the far north," he said.

The head of an economic growth corporation focused on expanding broadband access in northern Ontario said she wasn't surprised by the move.

"It's truly standing up to a bully," said Susan Church, executive director of Blue Sky Economic Growth Corporation in North Bay.

Church said she thinks the province will be able to find other options for bringing high-speed internet to rural communities in northern Ontario

"I think we need to not react to this news with fear because I do think that there are many other solutions that are possible that we are going to see come out over the next number of months," she said.

Party leaders react

Green Party Leader Mike Schreiner, Liberal Leader Bonnie Crombie and NDP Leader Marit Stiles all said the province's contact with Starlink was a bad deal from day one.

"Why Doug Ford thought it was a good idea to do a sole source contract with Elon Musk and Starlink makes absolutely no sense to me," Schreiner said in Kitchener on Monday.

- [Toronto 'ready to do its part' in taking on Trump tariffs](#)
- [Researchers ask if Starlink could be a risk to northern communities. A Canadian community disagrees](#)

[company disagrees](#)

He said he was happy about the reversal, but the deal should never have been struck in the first place.

In a statement Monday, Crombie said she had been calling for the contract to be ripped up since the inauguration.

"We have the same technology right here in Ontario, for goodness sake. What a waste of \$100 million," Crombie said, speaking in Kitchener on Monday.

Communities that were waiting for internet connection through Starlink need an alternative immediately, Stiles said.

"It needs to be a Canadian alternative," she said in Oshawa Monday.

With files from Jocelyn Shepel, Désiré Kafunda and Lane Harrison

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