48. Bridge the Broadband Gap

Issue

Inadequate access to ultra-high-speed internet is compromising the ability of communities across the country to attract and retain businesses. The federal government has an important role to play in bridging the "broadband gap" by supporting federal working groups and working collaboratively with the provincial and territorial governments.

Background

According to the Government of Canada, broadband is internet service that is always on (as opposed to dial-up, where a connection must be made each time) and offers higher speeds than dial-up service.

Over the last several decades, ultra-high-speed internet has become a crucial success factor for cities to attract and retain business investment. Many Canadians consider broadband internet a utility rather than a luxury. Canada ranks 33rd in the world when it comes to available speed as outlined in the 2012 York Region Economic Development Action Plan report. Some examples of speeds today in Canadian cities that have invested are Stratford, Ontario (Business 1 Gbps, Residential 50 Mbps) and Toronto (Business 10 Gbps, Residential 250 Mbps).

Communities across the country, even those adjacent to large urban centres like Toronto, have limited access to speeds that are primarily available elsewhere. Allowing this disparity to continue heightens the risk that Canada's economic base could eventually be concentrated in a handful of heavily populated urban centres, rather than having economic competitiveness stretch across the country.

In 2014, the federal government launched its Connecting Canadians program to address gaps in the delivery of high-speed Internet. It is estimated that by 2017, the federal government will have invested up to \$305 million to address gaps in the delivery of high-speed Internet at speeds of at least 5 megabits per second (Mbps) in rural and remote communities across the country.

While Connecting Canadians was a good start, its funding was insufficient to create the incentives necessary to facilitate cable operators' investments in broadband infrastructure.

The federal government has pledged \$125 billion for infrastructure investment, but has not yet signaled what percentage of those funds will be dedicated to digital infrastructure. Upcoming federal investments present an opportunity to help bridge this critical infrastructure gap.

There is a disincentive for private companies to invest in less populated areas. The private sector invests where it is likely to achieve the best return on investment. This creates an externality which the Government of Canada is uniquely suited to address.

In 2016, high speed, reliable internet service is a utility to which all Canadians must have access. The lack of access to high speed internet contributes to urban gridlock as working remotely is not an option for many.

The world is becoming more digital and, with the internet of things, this trend is only going to continue. Not addressing this will stifle entrepreneurship in many areas of Canada and inhibit the development and success of the companies of the 21st century.

There is sound reasoning behind the CRTC decision to promote competitive access to next generation fiber broadband networks that are integral to the success of Canadian businesses in the 21st century.

Recommendations

That the federal government:

- 1. After conducting its due diligence, support the funding requests of provincial and territorial bodies (Premiers, Mayors, Wardens groups, etc.) through infrastructure investments for better access to broadband infrastructure without detrimental impact on existing service providers;
- 2. Prioritize strategic investment for the expansion and extension of broadband infrastructure for underserved businesses and communities throughout the allocation of the federal infrastructure investment program;
- 3. Benchmark Canada's internet speeds and access versus competitor jurisdictions and consider a minimum of 5-year targets of Business 1Gbps and Residential 50Mbps and 10-year targets of Business 10Gbps and Residential 250Mbps.