

August 3, 2018

The Honourable Bill Morneau, P.C., M.P.  
Minister of Finance  
90 Elgin St.  
Ottawa, ON K1A 0G5

**Re: Federal Budget Consultations 2019**

Dear Minister Morneau:

As your Ministry considers Budget 2019 priorities, please find below recommendations from TELUS.

Whether it is connecting Canadians through our wireless and wireline businesses, or leveraging the power of digital technology to enhance the delivery of healthcare services across the country, TELUS is committed to positioning Canada for success in the digital economy and driving better economic, social, and health outcomes for all.

With investments totalling over \$147 billion since 2000, we continue to do our part in ensuring Canada has the digital technology infrastructure ecosystem the country needs to connect and innovate. We plan on investing over \$45 billion more in the next 4 years to ensure that Canada keeps up with the pace of global technological change. Our investments will span Canada, in both urban and rural areas, including a focus on bridging the digital divide in remote regions and with Indigenous communities. We are doing so with a team across Canada over 26,000 employees strong. Together we live by the philosophy to 'give where we live', donating more than \$482 million to charitable causes since 2000. These community investments are on top of the roughly \$1.2 billion in federal tax revenue TELUS generates annually to help support important social services.

We believe in the power of partnership as core to delivering superior service and outcomes for Canadians. This includes our work with small and medium-sized enterprises (SMEs) across the country that provide us with equipment and construction, and fleet and maintenances services. We also value our relationships with regional internet service providers, who have become important partners in the supply chain to deliver internet connectivity, notably in remote regions.

As proud innovators and enablers, we are also excited about our partnerships made possible by your government's robust *Innovation Agenda*, including as a founding member of Canada's Digital Technology Supercluster, and through our support of municipalities' Smart Cities Challenge applications.

Our outlook in Canada is bright and our commitment to continuing to deliver superior service and network speeds<sup>1</sup> is unwavering. However, we operate and invest in a quickly evolving economic and technological

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<sup>1</sup> Ookla. August, 2018. TELUS is Canada's Speedtest Awards Winner for mobile network speed during Q1-Q2 2018. Retrieved from: [http://www.speedtest.net/awards/canada/2018/?time\\_period=q1-q2](http://www.speedtest.net/awards/canada/2018/?time_period=q1-q2); OpenSignal. February, 2018. TELUS is just plain fast. Retrieved from: <https://opensignal.com/reports/2018/02/canada/state-of-the-mobile-network>.

landscape. Global and domestic demand for data and speed continues to rise exponentially. We are also witnessing a global shift to 5G with many countries in Asia and the US positioning themselves as first-movers to leverage the opportunity this technology reflects. As mentioned, we are investing to make sure Canada does not fall behind. Large investments in new and upgraded infrastructure are required, in an already highly competitive, capital-intensive environment, further intensified due to the country's land mass and geography. As a country, we must remain nimble.

Within this context, below are key themes we urge your government to focus on in Budget 2019:

- Positioning Canada as a global innovation leader by enabling timely 5G technology deployment
- Supporting connectivity solutions that bridge digital divides and help at-risk Canadians achieve social and digital equality
- Leveraging digital technology to strengthen Canada's healthcare systems and deliver better patient outcomes; and
- Enhancing's Canada's cybersecurity ecosystem to secure our digital future

## Recommendations

### Positioning Canada as a global innovation leader by enabling timely 5G technology deployment

Whether it is enabling the delivery of remote and virtual health care in Point de l'île Quebec or Prince George, British Columbia, or exploring how our technology supports the creation of collision-free transportation corridors – what gets our team members up every day is the incredible opportunity we have to use the power of our technology to innovate to create a better Canada for our families, friends and neighbours.

As we look ahead, the world is poised to unlock the next generation of wireless cellular communication that will enable even more innovation: 5G. Unlike the generations before it, 5G is about so much more than just more information at faster speeds. With fully deployed 5G technology, latency – or delays in loading information – falls to almost zero. Vast quantities of information can be sent without interruption.

5G has the power to allow a specialized heart surgeon in Toronto conduct surgery on a patient in Edmonton, or a farmer in Saskatchewan deploy technology that will increase their yields by enabling early intervention in pest control and disease management, and adapting to changing weather.

With real time information, cities will be able to improve the flow of traffic to allow emergency vehicles to respond faster, increase safety for cyclists and pedestrians, and reduce costs and waste by optimizing power production and water supply networks. These are but a few examples of what 5G networks will enable.

#### Recommendations:

To position the country as a global innovation leader, we recommend the Government of Canada:

- Accelerate the timeline for the 3.5GHz spectrum band auction, enabling cross-Canada deployment for all industry players by 2020

- Ensure that Canadian citizens, service providers and businesses have access to competitive 5G service offerings by clawing back 100% of 3.5GHz spectrum band in urban centres – enabling a fair and even bidding process for all interested parties
- Proceed with the proposed transition plan for rural internet service providers currently operating on 3.5GHz, allowing them to continue to operate on the same bandwidth and frequency until at least 2023. This will ensure continuity and connectivity for Canadians currently being served by those providers
- Extend Canada’s Capital Cost Allowance regime to include investments in key digital technology infrastructure
- Ensure a consistent and predictable regulatory ecosystem that fosters investment in key digital technology infrastructure

### **Supporting connectivity solutions that bridge digital divides and help at-risk Canadians achieve social and digital equality**

As we become increasingly connected, we are working to make sure no one is left behind.

In 2016, TELUS launched *Internet for Good™* in British Columbia and Alberta in collaboration with provincial governments and not-for-profit partners. This program ensures that Canadians in need are all connected to the invaluable resources an internet connection provides. *Internet for Good™* offers low cost internet and data plans to nearly 30,000 low-income single-parent families. We applaud the Government of Canada for its recently announced *Connecting Families* initiative that will, along with extending similar programming to other carriers across the country, enable TELUS to extend *Internet for Good™* to even more families in B.C., Alberta and Quebec.

We also believe the most effective and efficient way to connect more citizens in rural and remote communities is through partnerships with the federal and provincial governments. To that end, TELUS has been an active in supporting the establishment of initiatives such as the government’s *Connect to Innovate* and *Connecting Canadians* programs.

#### **Recommendations:**

To continue to achieve social and digital equity across Canada, we recommend the Government of Canada:

- Maintain a long-term outlook for supporting important programs that strengthen connectivity in rural, remote and Indigenous communities such as *Connect to Innovate*
- Expand scope of existing, or create new funding programs that allow for greater flexibility in terms of the technology best-suited to meet a community’s needs, including programming focused on expanding mobility coverage
- Work with industry, other levels of government, Indigenous communities, and stakeholders to develop a framework for identifying national connectivity priorities

## **Leveraging digital technology to strengthen Canada's healthcare systems and deliver better patient outcomes**

A combination of escalating healthcare costs and a shrinking tax base from an aging population pose a material impact on Canada's healthcare delivery system. We believe in the power of digital technology to transform the healthcare system, create efficiencies, and enhance health outcomes.

That is why over a decade ago, TELUS made the decision to leverage our world-class technology to tackle the challenges facing our healthcare system. TELUS Health has invested \$2.5 billion to establish a foundation of digital health applications and an open health platform to enable collaboration among healthcare providers, allied health professionals and patients. Our goal is to build innovative solutions necessary for patient-centred care, in a way that complements and strengthens the public healthcare system across Canada. Electronic medical and personal health records, and home health monitoring, for instance, reduce unnecessary hospital visits, better manage chronic diseases, and improve quality of care.

### **Recommendations**

We believe the government is uniquely positioned to demonstrate national leadership in digital health care delivery. We recommend the Government of Canada:

- Support the national adoption of digital healthcare solutions through pilots and partnerships with provincial and territorial governments and the private sector, including continued support for the Canadian Health Infoway
- Ensure the development of a national pharmacare plan includes dialogue regarding the role of digital technology and innovation

## **Enhancing's Canada's cybersecurity ecosystem to secure our digital future**

As we live in a world where digital systems are imbedded in the way we work, travel, communicate, shop and more, it is essential Canadians' data is safe, protected, and used appropriately. TELUS takes this responsibility seriously. We invest significantly in protecting our digital assets. We are also members of and participate in information sharing groups like the Canadian Telecommunications Cyber Protection Working Group and the Canadian Cyber Threat Exchange.

Through our TELUS Wise program, we also provide resources and workshops to Canadians to empower them to stay safe in an increasingly digital world.

But it is critical that government, industry and all stakeholders are nimble in addressing the growing threat of cybersecurity. To that end, we support the development of a more proactive and adequately resourced cybersecurity strategy in Canada that shifts Canada away from the investigate and prosecute paradigm, strikes a better balance between the role of the public and private sector and acknowledges the risk inherent across the entire supply chain – including the need for greater support for small and medium sized enterprises (SMEs).

The Government of Canada's Budget 2018 \$500M commitment to cybersecurity and certain elements of the new National Cyber Security Strategy are positive steps – including commitments to consolidate cyber operations and establishing a new cybercrime coordination unit. However, we believe more is needed to ensure the strategy comes to fruition and is properly implemented.

TELUS recommends the government of Canada:

- Ensure its Strategy is backstopped by appropriate implementation measures, funding and resources, and industry is robustly consulted in the development of its 'action plans'
- Provide tax incentives to SMEs with limited means, to incentivize investments in the protection of their digital assets
- Adopt a national standard for cyber security for SMEs, for which compliance would be linked to the tax incentive
- Continue to invest in, and partner on, cyber awareness campaigns that empower Canadians to protect themselves
- Extend voluntary or mandatory privacy and cyber security obligations beyond critical infrastructure providers and domestically regulated companies to foreign companies operating in Canada 'over the top' or in the cloud
- Grow and diversify the cyber security talent pool in Canada by investing in programs – including those targeting underrepresented groups such as women
- Implement legislation that will give law enforcement the tools needed to protect critical infrastructure from damage – typically in the process of theft
- Implement "call before you dig" requirements for federally regulated industries, to better protect underground infrastructure

## Conclusion

Thank you for your consideration. We look forward to engaging with you and your colleagues in the months ahead. If you have any questions or would like more information, please do not hesitate to contact me.

Sincerely,

Johanne Senecal,  
Senior Vice President

CC:

Hon. Naveep Bains, Minister of Innovation, Science and Technology

Hon. Pablo Rodriguez, Minister of Heritage

Hon. Ralph Goodale, Minister of Public Safety and Emergency Preparedness

Hon. Dominic Leblanc, Minister of Intergovernmental Affairs, Northern Affairs, and Internal Trade

Hon. Diane Lebouthillier, Minister of National Revenue

Hon. Harjit Sajjan, Minister of National Defence

Hon. Carla Qualtrough, Minister of Public Services and Procurement and Accessibility

Hon. Patty Hajdu, Minister of Employment, Workforce and Labour

Hon. François-Philippe Champagne, Minister of Infrastructure and Communities

Hon. Mary Ng, Minister of Small Business and Export Promotion

Hon. Filomena Tassi, Minister of Seniors