



## **Pre-Budget Submission**

**Presented to the Standing Committee on Finance of the House of Commons**

**August 2018**

### **Background**

**The Canadian Communication Systems Alliance (CCSA)** represents more than 110 Independent companies providing internet, TV & telephone services across Canada. They serve hundreds of thousands of customers in communities generally outside urban markets, from coast to coast to coast. They include community cooperatives, family businesses, municipalities and companies owned by Indigenous Peoples. They work and invest in their communities. They connect hundreds of thousands of Canadians who otherwise might not have access to these critical communications services. Our members invest in infrastructure in areas where the large communications companies do not. Therefore, in rural areas, CCSA members are sometimes the only source of essential communications services.

### **Recommendations**

- 1. Increase investments in broadband as critical infrastructure**
- 2. Direct funding for broadband to smaller, locally-based companies who are already in the field**
- 3. Commit to no new internet taxes**

### **Increase investments in broadband as critical infrastructure**

Broadband service should be viewed as critical infrastructure that is on par with electricity and roads. The government has made important progress with its 5-year, \$500 million *Connect to Innovate* program. But many more dollars are needed to meet the Canada's objective of extending broadband service to all Canadians. In today's digital economy, it is vital that the government invest in the country's broadband infrastructure just as it does for other physical infrastructure deemed critical for the well-being and future of our communities.

Our recommendation for the upcoming budget cycle is that the government continue to consult with CCSA and our members as the *Connect to Innovate* program is rolled out and that the program be continued and expanded. We also ask that the government consider further investments in broadband infrastructure given the importance of high-speed Internet access for all Canadians, wherever they may live, and for Canada's economic competitiveness and productivity.

### **Direct funding for broadband to smaller, locally-based companies who are already in the field**

Our second recommendation is that the government direct funding for broadband so as to leverage the expertise, resources and networks that local communication service providers have already established. Smaller, local ISPs throughout Canada have tremendous value to add in extending broadband services to rural areas. Because they are "on the ground" in their communities, it is local service providers who best understand their communities' needs. They can stretch the dollar much more-so than the large communications companies. More importantly, it is local service providers who are the most motivated to provide the connectivity that their communities require to survive and thrive. That's because they are members of those communities, too.

### **Commit to no new internet taxes**

CCSA members, and the federal government through its *Connect to Innovate* program, are committed to providing broadband services to Canadians in an efficient and affordable manner. Our members and Canadian consumers are very supportive of the government's objective of extending broadband services to parts of the country that are currently under-served. Any new tax aimed at the providers of those services would be harmful to this important objective. We therefore recommend that the government not impose any new tax on internet service providers in Canada.