



## Pre-Budget Brief

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### Pre-Budget Consultations in Advance of the 2019 Budget

**Submitted by:**

- i-Valley Intelligent Community Association, a Not-For-Profit Internet enabler in rural Nova Scotia
- i-CANADA, a national not-for-profit dedicated to creating exemplary Canadian networks

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## Statement of Intent and Recommendations

We have two recommendations:

- 1. A national strategy with stable, long-term funding is needed in which all players, telecom companies, municipal agencies and provincial organizations work together to create an exemplary network.**
- 2. The national strategy should be founded on three principles that should underpin Internet delivery in rural regions: Municipal Control, Open Access and full regional coverage.**

## **Impacts and Implications**

Congratulations on recent initiatives for the provision of increased Internet performance and choice for rural and remote consumers of Canada's communications services. They are desperately needed.

Between **one-quarter and one-half of all job loss in rural areas is attributable to a lack of Internet service**. *There is no other single factor in rural Canada that is so necessary for success.*

We therefore encourage you to press forward until rural networking conditions are established that will ensure Canada's resurgence back to the global communications leadership that was Canada's historically. Depending on which international study one reads, our collective communications services now ranks around 20<sup>th</sup> in the world, with an average connection speed of 16.2 Mbps. Bad though this is for a country that used to be first or second in networking, to set the record straight: the speed achieved by the majority of rural Canadians is much closer to 1.5 Mbps than the reported average of 16.2 Mbps.

Many studies have proven that the performance of a region's advanced broadband communications has a direct effect on its economic growth. Stratford and other Canadian communities will attest to significant new business investments because of their new local communications facilities. We have "Islands of Excellence" across Canada but to be globally competitive we need a new national communications ecosystem which has to extend to our rural areas.

"Rural" in this case does not always mean 'country-side'. There are communities within sight of the CN Tower in Toronto that have appalling Internet service.

i-Valley and its partner organization i-CANADA are a very focused alliances of Canadian communities all working to become the world's leading Smart/Intelligent Communities. It is a fact that Smart Communities around the world have higher rates of economic growth; innovation, incoming investment and employment increases faster than their neighbours; and social and environmental innovation expands more quickly. The concept behind i-Valley and i-CANADA is to encourage and support enough Canadian communities to win the international awards so that Canada's national economic and innovation measures rise more quickly.

Expanding on our two recommendations:

- 1. A national strategy is needed in which all players, telecom companies, municipal agencies and provincial organizations work together to create an exemplary network through stable, long-term funding for broadband infrastructure to connect non-urban users who fall below the national broadband standard.**

While the recent **Connect to Innovate** program has been a good start – and one in which i-Valley is pleased to have enjoyed a winning application - it is a competition, and has all the flaws of a competition. Those communities with the most resources to pour into the application, are more likely to win. The places that need a decent network the most, are more likely to lose. The competition, while welcome, is not a substitute for a Strategy.

We need a national strategy because we certainly are not living up to our potential -- and “we” is the operative word. This is not a complaint against incumbent carriers, governments or other players. Our future prosperity depends on our collective ability to transform our communications ecosystem to leadership in cost and performance standards while still recognizing everyone’s present capabilities and historic investments.

We wish to help facilitate a national plan in which all players will contribute to a revitalized “New National Dream”. We are not suggesting federal funding along the lines of the Australian model or other expensive initiatives because we already have facilities on which we can collectively leverage the creation of a new ecosystem. But creating a new national framework does require the federal government to help facilitate and participate in our return to global greatness.

The investment would be equal to building a national road, electrical or water system. The network today is the “fourth utility” and requires resourcing in order to succeed. Two years’ worth of Interent testing by i-Valley using the Canadian Internet Registration Authority’s Internet Performance Test have shown that 80% of the areas surveyed are at 3 Mbps or less. These people cannot be said to be participating in the Digital Economy in a significant way...and every day, the need to be a digital citizen increases.

i-Valley and i-CANADA would be willing to set up a framework for pulling the players together to form the national strategy, if there were to be an indication from the Government that adequate national resources would be made available after the alliances and agreements have been created.

## 2. The national strategy should be founded on three principles that should underpin Internet delivery in rural regions: Municipal Control, Open Access and full regional coverage.

**Community-controlled networks** are the only means by which rural communities will obtain competitive Internet service, and they should be promoted in a national strategy.

A recent study from Harvard University showed that municipally-controlled networks are faster, less expensive and more future-proof than networks built for shareholders' return on investment.

There has been a surge in community-controlled networks recently, with more than 750 in the United States and a commensurate proportion in Canada. The largest network development underway today - SWIFT in Southwestern Ontario - is a municipally-controlled network.

It is noteworthy that *all* of the global winners over the past 25 years in the Intelligent Community Forum's "Most Intelligent Community Award" competition, have *all* been community – not telco – networks.

**Open Access networks** have these beneficial traits:

- They are neutral and independent with transparent pricing to ISPs
- They never compete with the ISPs:
  - A telco that both owned the network and offered ISP service on that network, is not operating an "Open Access" model regardless of whether other ISPs were allowed on the network.
  - Vendors can't classify their networks as Open Access because they are susceptible to policy changes or ownership changes that could terminate network sharing at their convenience.
  - Experience has shown that the vendors use time-delays and pricing differentiation to eliminate effective Open Access capability.

**Full regional coverage** is needed in order to avoid the situation that is common in areas served by "marketplace" rules, where the lucrative customers are served and the rest are ignored. Pricing policies should be put in place that provide for coverage for hard-to-reach or disadvantaged locations and people.

We encourage your support of Canada's resurgence to global communications leadership as the foundation increased consumer choice. My colleagues and I will be delighted to discuss this at any time with you or your designated representatives.

Yours sincerely,

Terry Dalton  
President, i-Valley

Bill Hutchison  
Chair, i-CANADA

## About i-Valley

i-Valley is a not-for-profit movement to create Smart Regions and Communities in the Annapolis Valley and elsewhere in Nova Scotia. Smart Communities mobilize citizens to achieve faster economic growth, better health care and greater sustainability, through the use of advanced enabling technologies.

i-Valley partners with communities to act as their Middleman in arranging high-speed networks and smart applications of technology. It is made up of leaders from the business, social, university and technological sectors of the Annapolis Valley region. It draws on these contacts to put the world's best practices at the service of communities – especially communities in remote or rural areas that might otherwise be unaware lack champions to help them enter the Internet Age.

<https://www.i-valley.ca/>

## About i-CANADA

i-CANADA is a not-for-profit movement of concerned Premiers, Mayors, and business, technology and research leaders, who want to build social ecosystems where:

- Global companies locate here thanks to the unparalleled quality of place and advanced low cost open access ultra broadband communications;
- Canada will have reclaimed her crown as one of the world's leaders in telecommunications.
- Canadians living in the north, or in aboriginal communities, and throughout Canada will have access to our best interactive and diagnostic health services, learning and training services, and business development services ..... all available without leaving home.
- Open access ultra broadband will allow our new health caregiver support systems to dramatically expand their support for patients with cancer, diabetes and other debilitating ailments.

<http://icanada150.ca/smart-150/>

For more information about this submission please contact:

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