



CCSA

**Canadian Communication
Systems Alliance**

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REGULATORY

CANADIAN COMMUNICATION SYSTEMS ALLIANCE INC.

**Comments for Consideration
in the
Standing Committee on Industry, Science and Technology’s
Study on the Subject Matter of
Accessibility and Affordability of Telecommunications Services**



CCSA Member Company Systems

March 11, 2021



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The Canadian Communication Systems Alliance (CCSA) is pleased to submit these written comments in respect of the Committee's study regarding the Accessibility and Affordability of Telecommunications Services.

CCSA appreciates the opportunity we had to appear before the Committee on December 8, 2020.

CCSA's members are small and mid-sized companies providing bundled communications services to mostly rural parts of Canada. Our members are helping the government achieve its universal broadband goals by delivering speeds to their communities which meet and even exceed the 50/10 objective. Our members would also like to bring the benefits of mobile competition to their communities but, in most cases, the incumbents are preventing them from doing so.

It is an economic reality in this country that government help is needed to extend broadband to Canadians who remain unserved or underserved. And government help is also needed so more Canadians can have access to affordable, competitive mobile telephone services.

Providing Affordable Telecommunications Services in Rural Canada

Central to government funding programs is the goal of affordability. Generally, affordability is assessed by comparing prices to be charged in a rural setting to urban prices. We are aware of situations where Canadians are paying more than \$200 only to receive extremely poor service. Those situations certainly do not seem affordable to us.

That said, CCSA cautions against strictly using urban prices as the benchmark for affordability in rural Canada. As Committee members from rural ridings know, the time and cost to visit every constituent's door increases proportionate to the geography served. The same applies to CCSA members. While urban internet service providers (ISPs) contemplate "doors served per kilometre", in rural areas it's "kilometres per door". On a per customer basis, it simply costs more to build and maintain broadband services in rural areas. That means that absent government funding to offset those extra costs, rural prices must often be higher than urban prices, even with the one-time capital injections available from current broadband funding programs. And that means that, unless the government is willing to subsidize rural operating costs, funding programs should not penalize rural providers who must charge higher prices to serve their rural customers.



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Coordinating Canada's Broadband Strategy

CCSA shares the view of other Committee witnesses that Canada needs a coordinated broadband strategy. Currently, Canada has a myriad of municipal, provincial and federal funding programs. While they all have similar goals and strong support, those programs are not aligned on their timing, objectives, focus or commitment to execution. As a result, they compete for potential applicants' limited time and resources. For that reason, we fear that, in terms of solving the rural broadband problem, these various programs will actually end up accomplishing less than the sum of their parts.

Look to the Future

Given that consumer consumption always increases, and it takes time to build out advanced broadband networks, government programs need to invest not to meet today's needs but those of 2030 and beyond. To that end, we submit that fibre should always be the first choice, where possible. It is the only hundred percent proven technology to provide reliable high-speed internet to Canadians in all parts of the country. All other technologies will require constant reinvestment and technology breakthroughs. Fibre, however, will serve Canadians well for generations to come.

Again, CCSA thanks the Committee for this opportunity to provide our written comments regarding its important study.

Sincerely,

Jay Thomson, LL.B, LL.M
CEO