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**Speaking Notes for**  
**FCM President Raymond Louie**  
**and FCM Rural Forum Chair Ray Orb**  
**for the**  
**Public Hearing on the CRTC's Review of Basic**  
**Telecommunications Services**

**April 15, 2016**

**Gatineau, Quebec**

**CHECK AGAINST DELIVERY**



Good afternoon.

I'd like to begin by thanking the Commission for the invitation to discuss a historic opportunity to transform rural and northern Canada. I am joined today by my colleague, Ray Orb, the President of the Saskatchewan Association of Rural Municipalities and the Chair of FCM's Rural Forum.

I am also joined by Daniel Rubinstein, Senior Manager of Policy and Research, and Marc LeBlanc, Policy Officer, who both lead FCM's telecommunications policy work.

I will be sharing my time today with President Orb.

The Federation of Canadian Municipalities is the national voice of municipal government.

Our member municipalities—nearly 2,000 of them—come from every corner of Canada and represent 90 per cent of Canada's population.

Members include Canada's largest cities, small urban and rural communities, as well as 20 provincial and territorial municipal associations. FCM works on behalf of local governments to shape the national agenda, help solve national challenges and empower communities of all sizes.

That's why FCM has long advocated for increased federal involvement in developing the telecommunications infrastructure that is critical to the social, cultural and economic vibrancy of Canada's rural, northern and remote communities.

We have actively participated in previous federal consultations on telecommunications services, including rural broadband spectrum allocation and the development of Industry Canada's *Connecting Canadians* program.

FCM has also worked closely with the CRTC on the development of a model Municipal Access Agreement for accessing municipal rights-of-way and participated in the first phase of this landmark consultation. On behalf of our members, we actively engage Minister Bains and Innovation, Science and Economic Development Canada's senior leadership on these critical issues.

As the national voice for municipalities, the availability of affordable broadband services is one of our major concerns.

Simply put: broadband Internet access has become fundamental to modern life, and has the power to transform rural and northern Canada.

Modern networks contribute to economic growth by improving productivity, providing new services, supporting innovation, and improving market access. They give Canadians the capacity to collaborate, work, share and learn.

Unfortunately, the "broadband gap" remains a reality in these communities.

Too many Canadians are without broadband coverage, while others remain underserved by insufficient bandwidth and network capacity to meet user demands.

Under Canada's current approach to broadband policy, there is a significant lag in terms of bringing broadband speeds and technologies widely available in urban areas to rural and remote regions.

The CRTC's annual communications monitoring report provides a clear picture of this lag: while 96 percent of Canadian households in large population centres have access to broadband at download speeds of 100 Mbps, only 25 percent of households in rural areas have access to broadband services at similar speeds.

Low connectivity rates like these are a significant barrier for those living in rural, remote and northern communities in attaining the kind of economic opportunities that we take for granted in other parts of the country.

In Canada's North, many communities simply cannot participate in Canada's digital economy due to a lack of service parity across these communities and high system vulnerability, highlighted by service outages, technical failures and lack of redundancy.

FCM's research on this issue has revealed the true cost of low connectivity in these communities: everything from resident outmigration to a difficulty in retaining employees.

Not only that, Canadians living in rural, remote and northern communities do not have equal access to government e-services and adequate speeds while others, in some cases, have no broadband access at all. Some parties have argued that the issue of adoption is an indication that some Canadians lack the technical expertise and interest to engage in the digital economy.

In our view, however, this simply isn't the case.

There is a much greater likelihood that the lack of adoption on the part of Canadians is the result of high cost and low broadband speeds.

Based on this assessment of the connectivity challenges facing rural and northern Canada, FCM's membership has come together to develop solutions to this critical issue.

I'd now like to turn it over to my colleague Ray Orb to tell you more about these solutions.

*[RAY ORB]*

Thank you, Raymond.

FCM believes that the Commission's current target speeds—a minimum of 5 Mbps download and 1 Mbps upload—are no longer sufficient to meet the minimum needs of Canadians.

FCM believes that the CRTC should continually re-evaluate its broadband speed targets to reflect technological advancements, changes in user needs, traffic, and network capacity.

Second, FCM believes that the Commission has a critical role to play not only in terms of setting broadband speed targets, but also in ensuring that basic telecommunications services are available to all Canadians regardless of the size or level of remoteness of their community.

In our submission, we recommended that the Commission expand the Basic Service Objective (BSO) to include universal access to affordable high-speed broadband Internet at speeds that guarantee long-term, reliable, connectivity.

This stance has been reaffirmed by a number of FCM's peers during these proceedings.

Finally, the Commission should adopt a comprehensive and long-term funding mechanism for basic broadband access, and the existing arrangement for basic telecommunications services is a good starting point.

This mechanism could work alongside the current mix of targeted government programs and public-private partnerships.

We also suggest the Commission develop a specific strategy for Canada's North that sets out a sustained funding commitment for developing communications networks as well as a regulatory environment that fosters competition in this area.

It is important the Commission ensure that investment strategies for Arctic communication networks include provisions for rapid technological change and that every Arctic community has a redundant connection to prevent gaps in essential communication services.

This consultation provides a historic opportunity to establish a comprehensive, long-term plan for universal access to high-speed broadband.

The Commission plays a critical role in ensuring basic telecommunications services, including broadband, are available to all Canadians, regardless of where in the country they reside.

To realize this vision, we believe that all orders of government must work together, in full partnership.

The Commission has a unique opportunity to turn this bold vision into meaningful action by laying the foundation for universal and high-speed broadband access for all Canadians.

On behalf of Canada's cities and communities, we thank the Commission for the opportunity to take part in this proceeding, as well as other parties' contributions and recommendations.

Thank you. Merci.