



**Calgary
Chamber**

RURAL CONNECTIVITY

**UNLOCKING THE
ALBERTA ADVANTAGE
FOR EVERYONE**

**Calgary Chamber of Commerce
September 2024**

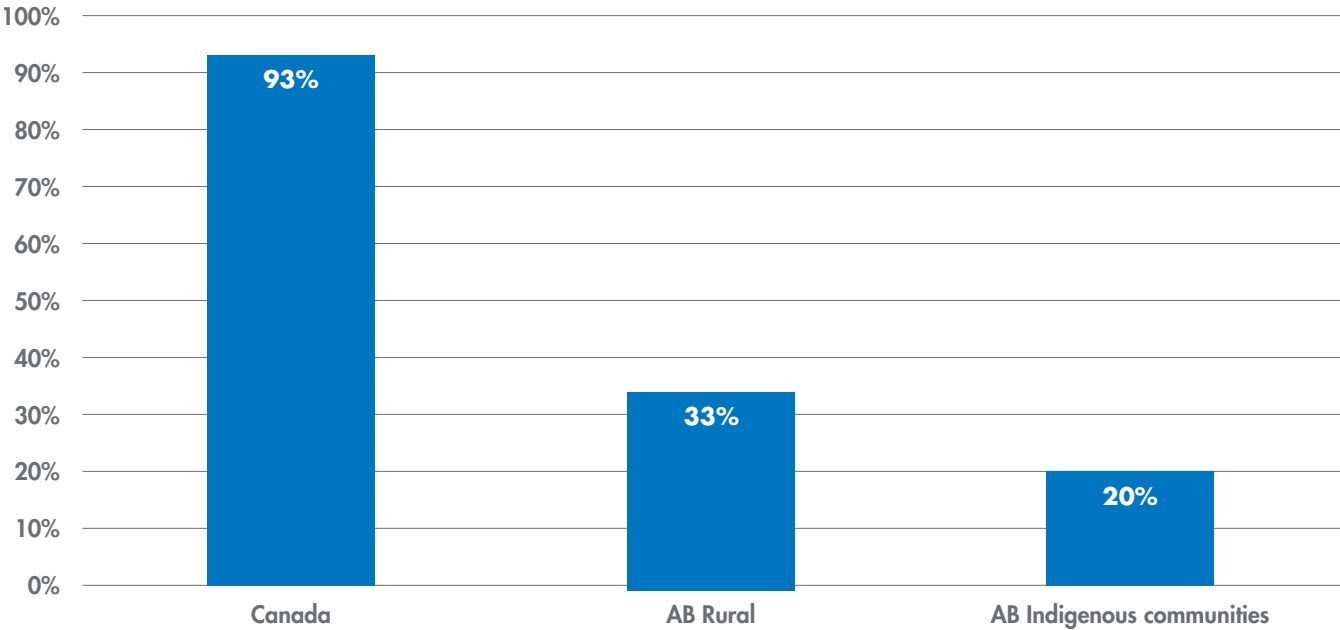
Our connectivity challenge

Connectivity is essential to everyday life – especially for commerce. In Canada, more than 93 per cent of Canadians have access to high-speed internet, yet rural, remote and Indigenous communities still face significant barriers. This digital divide is clear, and as reported in the 2022 Alberta Broadband Strategy, 67 per cent of Alberta’s rural population and 80 per cent of Indigenous communities still lack adequate access to reliable high-speed internet at the federal targeted speed of 50/10 Mbps. While we recognize the significant investments made since 2022, more work remains to achieve the goal of 100 per cent connectivity by the 2026/2027 fiscal year.

For businesses, the inability to access reliable internet means limiting the opportunities to grow, access additional markets, attract necessary talent and improve productivity. Further, people living in rural, remote and Indigenous communities have compromised access to the labour market, which is problematic in a constrained market – and troubling for economic reconciliation and equitable opportunity, particularly given so much of our economy has shifted online post-pandemic.



% of people with high-speed internet



Source: Alberta Broadband Strategy 2022

To address this challenge, both the federal and provincial governments have announced strategies aimed at improving rural connectivity and broadband through the development of Canada’s Connectivity Strategy and the Alberta Broadband Strategy. With goals of connecting all Canadians and Albertans by 2030 and 2027 respectively, the estimated cost to Alberta alone will be over \$1 billion. To help achieve these targets, in the spring of 2022, the federal and provincial governments announced a broadband partnership to commit \$780 million to provide high-speed access to Alberta’s rural, remote and Indigenous communities, and recently \$153 million in combined funding was allocated to bring high-speed internet to over 14,400 underserved Alberta households, including for First Nations communities.

While encouraging progress has been made, according to a national report by Canada’s Auditor General tabled last year, current government initiatives may still fall short of achieving their intended targets. As it stands, current spending rates and existing regulatory frameworks are leading to unmanageable costs to providers, constraining their ability to spend capital on new projects and infrastructure. According to industry, without a change in the regulatory environment, the costs associated with building infrastructure in remote locations will surpass the government’s estimated \$1 billion. As such, we call on governments to collaborate on delivering effective policies, data-driven solutions and a multifaceted approach to infrastructure that ensures equitable connectivity for all.

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Lack of reliable internet restricts business growth, talent attraction and productivity in rural, remote and Indigenous communities, hindering economic opportunities and reconciliation.



Enhancing rural connectivity enables businesses to access new markets and fully participate in the digital economy. This transformation could boost Alberta's annual GDP by an additional \$500 million to \$1.7 billion.

Connectivity as an economic driver

Connectivity is key for economic growth in rural and Indigenous communities and businesses. It enables rural businesses to access new markets, facilitating e-commerce and participation in the digital economy, which in turn can contribute an additional \$500 million to \$1.7 billion to Alberta's annual GDP. In the agriculture industry, connectivity significantly improves farming efficiency and productivity, leading to increased profitability across the sector. For example, the Government of Alberta estimates that with improved connectivity the sector's GDP could increase by up to five per cent.

Connectivity also delivers additional educational resources and distance learning programs, which enhances literacy rates, in-demand skills, and supports

preparation for entry into the workforce. If *Alberta's Broadband Strategy* is successful, more than 120,000 students will have improved access to remote education. Moreover, connectivity improves the health and well-being of remote communities by providing healthcare services, such as remote consultations, and can significantly reduce time away from home and work to travel to clinics, appointments and hospitals.

Finally, in emergencies and natural disasters, connectivity facilitates better coordination of relief efforts, communication with authorities, and dissemination of critical information to affected communities and businesses.



Recommendations

To address connectivity challenges in Alberta's rural, remote and Indigenous communities, we recommend enhancing the collaborative funding approach between governments and industry, adopting versatile technological solutions, bolstering data integrity and ensuring effective policies are in place to support infrastructure development.

Expand and continue government funding

Building fibre infrastructure in Alberta is extremely expensive due to the condensed building season caused by our long winters and the vastness of the province – and fibre is more often buried compared to other provinces which causes costs to increase. Additionally, wireless infrastructure can be significantly more expensive because of the density of towers needed to ensure adequate coverage and signal strength in rural and remote areas. Lastly, maintenance for cellular towers in Alberta's harsh climates is also more costly and time consuming.

Cost-sharing maintenance and operational agreements between governments and industry could significantly enhance the stability of wireless services in remote and rural communities. We encourage both levels of government to continue a collaborative funding approach to support connecting all rural, remote and Indigenous communities in Alberta.

Collaborate for connected economic corridors

Economic corridors are one of the most important routes for transportation and commerce. These highways must have reliable connectivity for safety and efficient transport. With minimal return on investment for towers only connected to remote highways, collaboration between governments and industry is needed to improve highway connectivity along key economic corridors. Alberta can draw on successful models from other regions, such as British Columbia and Quebec, to resolve this issue effectively.

Tackle copper theft

Thefts and vandalism of telecommunications sites have increased by more than 400 per cent since 2022, with the majority of incidents involving theft of copper cables. This impacts critical infrastructure in both rural and urban areas and costs millions in repairs. Telecommunications outages can have a serious impact on public safety, as it takes eight to 12 hours to restore critical services to customers. We encourage the federal government to work with industry to amend the criminal code to specifically call out theft and vandalism of critical telecommunications infrastructure.

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Promote versatile and technology-agnostic solutions

A one-size-fits-all approach to connectivity is not feasible in Alberta because of the complex topography of our province and the varying needs of rural communities. We therefore urge the government to enhance rural connectivity policies that blend technology infrastructure including satellite, cellular and fibre-optic cables. Lastly, better coordination between government infrastructure planning and the telecommunication sector could reduce construction costs and expedite connectivity in rural areas.

Bolster the availability and integrity of connectivity data

Data from the National Broadband Internet Service Availability Map is insufficiently detailed for business planning. We encourage the federal government to work with provinces to enhance a national framework that ensures robust validation of connectivity targets. This will lead to more accurate assessments and improved connectivity across the country.

Foster an efficient and effective policy environment

The Government of Canada should continue advancing its current initiatives, including the ongoing consultation on the supplemental use of mobile spectrum for satellite services in rural areas. We support Innovation, Science and Economic Development (ISED) Canada's efforts to implement the 'tier 1' licensing areas and to maintain its momentum in licensing Mobile Satellite Services to accelerate rural connectivity as these steps are crucial for improving rural connectivity. We encourage ISED to maintain its focus on setting firm and feasible deadlines for new infrastructure projects, ensuring policies are both effective and equitable, particularly for underserved rural communities.

Enhance resiliency and reliability

Major weather events have increasingly compromised the reliability of existing telecommunications infrastructure, particularly in rural and remote areas. To ensure all communities can thrive in the digital economy, it is essential to secure and strengthen their connectivity. We recommend supplementing Canadian Radio-television and Telecommunications Commission (CRTC) funding with additional programs aimed at improving the resiliency of both current and future infrastructure. We urge the federal government to introduce incentives, such as tax credits, to encourage investment in enhancing telecom networks. These measures will help ensure rural and remote businesses are better equipped to face the challenges posed by extreme weather so they can continue to grow in the e-commerce landscape.

To meet the goal of a fully connected province a multifaceted approach is needed. By enhancing data reliability, reforming spectrum policies, leveraging existing infrastructure and bolstering government supports, we can create a connected and prosperous Alberta. We call on the government to prioritize these initiatives and work collaboratively with stakeholders to develop and implement effective and fiscally responsible policies.

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Better Together.

The Calgary Chamber exists to help businesses reach their potential. As the convenor and catalyst for a vibrant, inclusive and prosperous business community, the Chamber works to build strength and resilience among its members and position Calgary as a magnet for talent, diversification and opportunity. As an independent, non-profit, non-partisan organization founded in 1891, we build on our history to serve and advocate for businesses of all sizes, in all sectors across the city.



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