

Building a Better Canada: Universal High-Speed Internet

In today's connected world, it is more important than ever that Canadians have fast and reliable access to the internet.

For small businesses looking to reach customers around the world, seniors who want to stay in touch with family and friends, or college students who want to move home for the summer but still need to be able to take online courses or apply for work, high-speed internet is a necessity, not a luxury.

With Budget 2019, the Government is announcing a new national target to deliver high-speed internet to every Canadian home and business, and a plan to make that happen.

Canada's Commitment: Universal High-Speed Internet for Every Canadian

In Budget 2019, the Government is announcing its commitment to set a national target, in which **95 per cent of Canadian homes and businesses will have access to internet speeds of at least 50/10 Mbps by 2026 and 100 per cent by 2030, no matter where they are located in the country.** This is in keeping with the broadband internet speed objective set by the Canadian Radio-television and Telecommunications Commission (CRTC) for Canadian households and businesses across Canada.

It is estimated that by the time all currently planned broadband programs are in place, by 2021, about 90 per cent of Canadians will have reliable access to internet speeds of 50 megabits per second (Mbps) for downloading data and 10 Mbps for uploading data (also known as 50/10 Mbps). These are the speeds identified by the CRTC to enable Canadians to take advantage of cloud-based software applications, multiple government services (e.g. telehealth services, business support), online learning resources and high definition streaming videos. However, even with 90 per cent of Canadians covered, about 1.5 million Canadian households will still be underserved.

Delivering high-speed internet to every Canadian, especially in more rural and remote areas, will help businesses grow, create new jobs and connect more people to the resources, services and information they need to build a better future.



Investing in Universal High-Speed Internet Access

To help every Canadian access high-speed internet at minimum speeds of 50/10 Mbps, Budget 2019 is proposing a new, coordinated plan that would deliver \$5 billion to \$6 billion in investments in rural broadband over the next 10 years to help build a fully connected Canada—including rural, remote and northern communities. This includes:

1. Support through the Accelerated Investment Incentive to encourage greater investments in rural high-speed internet from the private sector.
2. Greater coordination with provinces, territories and federal arm's-length institutions, such as the CRTC and its \$750 million rural and remote broadband fund.
3. \$1.7 billion in new investments in the successful Connect to Innovate program, and the launch of a new Universal Broadband Fund that will focus on extending “backbone” infrastructure to underserved communities. For the most difficult-to-reach communities, funding may also support “last-mile” connections to individual homes and businesses.
4. Included in the new Universal Broadband Fund, the Government will look to secure advanced, new low-latency Low Earth Orbit satellite capacity. A process will be launched in the spring of 2019 to bring reliable high-speed internet access to even the most challenging-to-reach rural and remote homes and communities in Canada.
5. New investments by the Canada Infrastructure Bank (CIB). The CIB will seek to invest up to \$1 billion over the next 10 years, and leverage at least \$2 billion in private capital, to increase broadband access for Canadians.

Since launching the Connect to Innovate program in Budget 2016, the Government has leveraged \$554 million from the private sector and other levels of government for approximately 180 projects so far.

These projects will help improve connectivity in more than 900 communities, including in 190 Indigenous communities, and connect up to 1,100 institutions like schools, hospitals and community centres—three times more than initially projected to benefit from the program.

Working together, industry and governments have been successful in bringing more Canadians online. Some initial steps are already beginning to show results:

- In the 2018 *Fall Economic Statement*, the Government introduced the Accelerated Investment Incentive—an accelerated capital cost allowance designed to encourage businesses to invest and create more good, well-paying jobs. The Incentive is available to businesses of all sizes and across all sectors, including telecommunications. Response to this new Incentive has been very favourable. To date, telecommunications companies have signalled more than \$1 billion worth of private sector activity, focused on providing better internet access to unserved or underserved communities. The Accelerated Investment Incentive is also expected to help deploy next-generation digital technologies, such as 5G connectivity, across the country.
- Provinces and territories have recently made important broadband investments. For example:
 - The Government of Nova Scotia established an internet funding trust to help connect more communities, homes and businesses across the province.
 - The Government of British Columbia announced in its 2019 Budget that it is expanding high-speed internet service to more than 200 communities in that province.
- The CRTC recently launched its own five-year \$750 million Broadband Fund to improve internet access in underserved areas. It will support projects to build infrastructure to provide fixed and mobile wireless broadband internet services to unserved rural, remote and northern communities.