



Rural Internet: One Step Forward, One Step Back

For several years, chambers of commerce across the region have repeatedly urged provincial and federal governments to deliver on the promise of connecting rural communities to high-speed internet and reliable cellphone services. It is obvious that the survival and growth of smaller distant communities is heavily influenced by the ability of residents to access the information, entertainment and trade opportunities available on the internet.

Government has responded, most recently in Nova Scotia with the [announcement](#) by the Internet for Nova Scotia Investment Trust Fund of more than \$100M in public and private funding for rural internet expansion. It is expected to provide connections to 42,000 homes and businesses. The initiative is one of several announcements across the region intended to increase high speed connections to all Canadians. Between federal funding announced in 2019 and private sector investment, Atlantic Canada is poised to see rural infrastructure investment totaling several hundred million dollars in the near future.

But while actively promoting and funding universal access to high-speed internet, the Canadian Radio and Television Commission (CRTC) has issued an order for the nation's internet service providers (ISP) to reduce their wholesale rates to internet re-sellers by up to 70%, ostensibly in the interest of promoting competition. Fair competition is a good thing, however the re-sellers benefiting from low-cost access to existing internet infrastructure are under no obligation to invest in and contribute to the required infrastructure to support rural internet access. And a recent study by the Competition Bureau recently assessed the Canadian wireless sector as highly competitive.

The order, currently being contested by the ISPs, is intended to alter free market forces in favour of creating low-cost providers, but at the expense of the ISPs who built and continue to invest in service provision in the less profitable rural communities.

In support of encouraging the most rapid expansion to under serviced communities, ACC submitted a letter to government calling for re-evaluation of the order to include consideration of its impact on infrastructure investment.