

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

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Standing Committee on Education and Economic Development

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MEETING STATUS: PUBLIC

LOCATION: COMMITTEE ROOM, J. ANGUS MACLEAN BUILDING, CHARLOTTETOWN

SUBJECT: BRIEFINGS ON HIGH-SPEED INTERNET SERVICES

COMMITTEE:

Bush Dumville, MLA West Royalty-Springvale [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party, MLA Kellys Cross-Cumberland
Richard Brown, MLA Charlottetown-Victoria Park (replaces Jordan Brown, MLA Charlottetown-Brighton)
Kathleen Casey, MLA Charlottetown-Lewis Point
Hon. Robert Mitchell, MLA Charlottetown-Sherwood
Steven Myers, MLA Georgetown-St. Peters
Chris Palmer, MLA, Summerside-Wilmot
Bradley Trivers, MLA Rustico-Emerald (replaces Matthew MacKay, MLA Kensington-Malpeque)

COMMITTEE MEMBERS ABSENT:

Jordan Brown, MLA Charlottetown-Brighton
Matthew MacKay, MLA Kensington-Malpeque

MEMBERS IN ATTENDANCE:

James Aylward, MLA Stratford-Kinlock
Darlene Compton, MLA Belfast-Murray River

GUESTS:

Air Tech Communications (Kent England, Ryan England, Alex Maine); EastLink (David Dunphy, Natalie MacDonald); PEI Monitoring (Wayne Phelan); Wicked EH? (Joelene Ferguson, Justin Ferguson, Alesia Napier)

STAFF:

Ryan Reddin, Clerk Assistant (Research, Committees and Visitor Services)
Edited by Parliamentary Publications and Services

The Committee met at 1:30 p.m.

Chair (Dumville): All right, we'll call the meeting to order. I'd like to thank everybody for being here today. We've got many guests and we've got quite a heavy agenda.

Just a slight change to the agenda on paragraph three: Xplornet Communications Inc. will not be presenting today. They have notified the clerk that they can't be here today, but they are going to put in a written submission.

What we'll do is we'll begin. We'll call Wicked EH? to the table. While they're coming to the table we have Brad Trivers that is subbing for Matt MacKay, and we have Richard Brown subbing for Jordan Brown.

Mr. R. Brown: You get one Brown for another.

Chair: We have James Aylward and Darlene Compton with us today, so welcome to the committee table today.

Just have a seat here.

Alesia Napier: May I stand?

Chair: You sure can. No, you sure can, if you can talk better –

Alesia Napier: (Indistinct) my posse.

Chair: Right. So, I'll just explain how we're going to proceed here, today. I'd like to give the floor to Chris Palmer just for a second. He has something he'd like to say.

Mr. Palmer: Just as part of full disclosure, I wanted to declare that I did worked for EastLink up until 2003 or 2004, so it was quite some time ago, but just so that everybody here knows that.

Chair: All right.

Alesia Napier: We won't hold it against you.

Mr. Palmer: Okay, thanks.

Chair: Thank you, Chris.

I'll ask for approval of the agenda as amended.

Mr. R. Brown: Approved.

Chair: Richard Brown.

Basically, these here are for Hansard. They're recording everything that goes on here today and you can get a copy of this later on. They're not to amplify anything. What we ask is that you speak clearly and present your name and the company that you're with before you speak so the Hansard people will know who is talking.

We have quite a number of presenters on our agenda today. You have 20 minutes for the formal part of your presentation, and 10 minutes for questions, so you can use the 30 minutes any way you wish, but the committee members would probably want to ask a few questions during that time.

It's just a few minutes after 1:30 p.m. so you'll have just about three minutes after 2:00 p.m.

Whenever you're ready we would love to hear your presentation.

Alesia Napier: Great, thanks a lot, Mr. Dumville.

My name is Alesia Napier and I'm one of the representatives of Wicked EH? and I have with me Justin Ferguson and Joeline Ferguson and the three of us make up four of the partners at Wicked EH? The fourth one is Rob Nelson, he's back home holding up the ship for us.

The first thing we want to say is, thanks, because this is a really important topic not only to us, but all the Islanders. We hear feedback from people every day so it's great that we're all talking about it.

Without further adieu, thanks Justin, we're going to start with – this is our current footprint. What we deliver, we call it the real Internet five. We're covering central PEI, Eastern Queens and Western Kings, and we need two additional towers to cover the rest of Kings County. When we put up a tower it gives us a 23-kilometre radius and it's a line-of-sight system so when we put a tower up we get to cover a lot of people all at once.

Our delivery plan: We're a wireless network. We've reviewed all the existing technology and the other delivery methods. We decided to go with a tower-based system that has data fed through it through a fibre optic line. The other thing that we wanted to do when we were setting up our network and designing it, is that we wanted to build a system that was ready for 2030 and beyond, not just a system that's available today and work in today's standards. We use hardware that is state-of-the-art. It's cutting edge, and we use a lot of our own software. We implement and design our own software and talk about the latest technology that's out there.

We're a young company. We're a start-up and I think that's – not to brag too much, but it's something that PEI should be proud of because we all live here. Some of us are Islanders by choice and some of us are Islanders. We're really proud of this. We're building it so it's scalable because we don't want to just do PEI. There are a lot of rural areas that can use this technology and right now we're at 23 kilometres, but we can really see in the future being able to go much further than that and to deploy to more people more readily.

Our pricing, this is often something that we're asked about. We charge \$98.75 per month and there's an additional \$5 per month equipment fee. Without tax, that's \$103.75. With that 15% tax that gets it to \$119.31. Our contracts with our customers are basically unlimited data. There are no contracts. There's a one-time installation fee of \$150 and this is our motto in our company: We don't want to make anybody signing a contract that feels punitive from us. We want to earn your business every single month. People aren't happy, then we can go out there and take our equipment down. If we're not happy with the signal that we get to somebody, because that's happened to us a couple of times, we think that's it good – we go out there, we set it up and find that, for whatever reason, we can't get a good signal to them. We know that we might be able to have them on our next tower or our next appointment, but we don't want to give people bad Internet. We'll uninstall a customer to make sure that they're not unhappy and frustrated. We want happy customers. We want happy Internet.

All right, so the formatting got screwed up between my Mac and the PC so I apologize for that. Again, right now we're delivering five megabits per second, upload and download, but we know that we have upward mobility for that. We want to make sure that we deliver what we promise. When we deploy a five megabits per second, when our customers do speed tests they often send us screenshots of their speed tests where they get beyond five megabits per second. It's, we still say, up to five megabits per second because that's really important because it is the Internet and there are variables that can make that be a little bit less than that too.

We feature near-zero latency and this is something that we like talking about because it's critically important for the Internet today. The speed in which you hit return and that request goes from your laptop to Google and gets back, the faster that happens the happier you're going to be.

In days of old, what we used to do, like even seven or eight years ago, you would download a file and you would then play it off of your hard drive over and over again like a movie, but now what everybody does is streaming. If you have a long request time between the time you hit return and it goes out and comes back, that's when you get the buffering, right? People don't like buffering; they want to be able to stream things like Netflix, YouTube and those sort of things. Again, as we design our system and write our software, we want to make sure that we're ready, for not only what's happening today, but what we anticipate is going to happen in 10, 15 years from now because this is going to be more and more important as time goes on.

The last thing is we're a line-of-sight system. The higher our tower is, the more people we can (Indistinct) see. If you're sitting on top of a hill, that's a good place to be. If you're on the opposite side of the hill and we can't see you, that's a bad place to be if you're wanting Wicked EH? But, as we get more infrastructure built up we'll be able to see most houses on the Island and we've got a business plan in place and we've got a methodology in place to make sure that we hit all the houses in the areas that we cover.

Service: We're 100% in-house. One of the things that we do with our system is that we design software that we can monitor 24/7 and then it alerts us when there's a problem, plus we're always keeping our eyes on it. If we don't catch it; obviously the customers can call in to our tech support line and get us. A lot of the software is written also so that we can manipulate it straight from our laptops on the go so we don't have to always go to the customer's house to, quote on quote, fix things.

The next thing that we wanted to get to is 24/7 coverage on support, because right now the four partners split up the call and the more customers we get the more grueling that's becoming. It's just one of those things that entrepreneurs like to do is kill themselves.

One of the things that we heard that you might want to hear about is a request. If there's one request that we have it would be to get a fibre optic map of the fibre lines and nodes that are in existence on the Island. Our partner, Justin, has a deep experience in construction and when he was building new subdivisions or something, they would just literally call, they would ask for the map of the lines and the nodes so that they could understand what their cost was going to be as they built the infrastructure.

I'll tell you how we got it because we need it. We get in a truck and we get coffees from Tims and we sit there and we map it out. We use our phones and maps; we figure out where the lines are and we figure out where the nodes are. We have spent hours and tens of hours and hundreds of hours doing this. It's insane. We vest all over the place, everywhere that we can think of. We filed with freedom of information act and to date; nobody has come up with a map. It exists. It has to exist somewhere. Somebody has that information and it's critical for us as we continue to plan our network because knowing where that infrastructure is could dramatically reduce our costs and it certainly dramatically reduces the aches and the pain that it takes us to design our network. It's a simple request and it's not going to hurt anybody to give up the information, it's just not available.

As we move towards the future – again the fibre optic maps, we're going to need land.

We like land in high places, but I think that we kind of figured out how to get that done.

Regulatory support; one of the things that we would request is that the Internet that we all think about today or 10 years ago, what we need to think about now is how we're going to define Internet in the future and say: What is good quality Internet? The terms that we're using today – all of us – are antiquated and we really need to sit down and have a real mind node about how we want to discuss that in the future. Megabits per second doesn't define good Internet; that's just one small portion of what good quality Internet is. We don't have enough time here to discuss all the features of that but it's something that PEI, as a community, would want to do to make sure that anything that we do in the future defines all the needs that we need, not only for today, but has a future vision in place. I think that's really important.

Our growth, it's time versus money. If we had all the money in the world right now we'd be growing a lot faster, but we're a start-up. I'd like to say that we're 100% self-funded, the four partners, put everything that we have into this and we take turns on which person gets to eat oatmeal the next week. That's out inside joke. We're really proud of that and it's something that we hold dear to our heart. We don't know if we're always going to be able to do it that way; that's our goal. Eastern PEI is where we're focusing on energy right now and we plan within the next 24 months to have 100% coverage there, if not a little bit sooner.

That's it. We're ready for questions. How'd did I do?

Chair: All right.

Alesia Napier: Took about 10 minutes.

Chair: Steven Myers.

Mr. Myers: Thank you very much.

I just have a couple of questions. The first one is about the fibre optic map. Whose fibre optic is it? Who built it? Where did it come from?

Alesia Napier: I'll let Justin take that one.

Justin Ferguson: Traditionally (Indistinct)

Chair: Your name first.

Justin Ferguson: Justin Ferguson with Wicked Eh?.

In my history doing construction, the infrastructure that's in place – the same as your water, the same as your power, that stuff is readily available to anybody that needs to use it to hook into to do whatever business that they're doing. But for some reason we're unable to get that same level of detail in the mapping that I could get other places. And I guess: Is it available and if it's not, why? It has to exist. You can't put it into the ground without a permitting process in place and that permitting process requires that to be laid out. Somewhere that has to be that documentation and if we can't get a hold of it for whatever reason, I'd like to know why because I've never been anywhere else where I'm not able to get that information, if that makes sense.

Mr. Myers: Does that lie in the hands of government? Or should government –

Justin Ferguson: Everything would go to the permitting office or to – I guess you would call like the town hall where we can go and find property ID numbers and stuff like that. It'd be in the exact same location, and we've tried and it's not there.

Mr. Myers: That might be something that this committee might be able to help find.

The other question is I see yesterday government announced they're going to have a speed test. They're going to do a speed test process and I'm not going to lie, I didn't read the press release so I don't really know what they're doing.

My question is more around government involvement because you see government meddling again, and I have to – thank you, Richard. I'll need that.

It appears, the reason that we're all here today was government meddled with the Bell contract for \$23 million, promised high-speed Internet for all of Prince Edward Island, weren't able to deliver on it. A lot of people where I come from and many people who represent districts that are outside of the

city have large pockets. You guys understand because you're in the business of it, you know who doesn't have good Internet in Kings County and who is about to in the next 24 months, have great Internet.

What involvement do you think government should have in this whole – I know it's a loaded question, so feel free to not answer it – but do you feel strongly one way or another in government's involvement, I guess, is my question?

Alesia Napier: (Indistinct)

I'm going to say that because of the way things were done in the past Wicked EH? is in existence. We're four entrepreneurs. We saw a need and we went after it. How it exists today was how it existed a couple of years ago when we started designing this and decided to jump into the market.

We're entrepreneurs by nature so we're competitive, we're nimble, we're small and we know Islanders because we live here, right? So, we're going to keep doing that. We're going to keep producing an amazing product. We're going to keep designing it and building it and making sure that it's deployable and easily scalable for the future. We're going to make sure that we do something extremely well and that's customer service. That's one of our main focuses. We spend a lot of money, effort and energy to make sure that we do that.

Whatever happens out there in the landscape of the Internet world we're going to have to be nimble, we're going to have to respond and we're going to have to do what we do best, which is build an amazing product and deliver fantastic customer service at any cost. If we do that, all day long, it doesn't matter what the noise is out there, our work, when we go back to our offices this afternoon is going to be exactly the same as it was yesterday, the day before, or even two years ago.

All of these forces are going to be at play. All of these forces are always going to be at play in this marketplace and it's government's job to do what they do well, which is to represent the people of PEI and to make sure they get what they pay for. It's our job to build a great company that

delivers a great product with amazing customer service.

Mr. Myers: Okay, thank you.

Chair: Chair recognizes Peter Bevan-Baker, then Chris Palmer, followed by Richard Brown.

Dr. Bevan-Baker: Thank you, Chair. Thank you, Alesia, Joelene and Justin.

One of your opening comments was that you have your eye with 2030 in mind, and we know that CRTC is saying that the new requirements are for 50 up 10 down by 2021. I know that good Internet is more than megabits per second; it's latency and it's a whole bunch of other things.

My first question to you is, 2030 – if we're four years from now, if the expectation from the CRTC is to reach 50 and we're currently here on PEI for places like where Steven and I live at 1.5 considered to be adequate Internet, what do you imagine will be – well, two questions: What do you think of the target of 50 up 10 down by 2021 and where do you think we will be by 2030?

Chair: Alesia, could you just move closer to the table so the mics can pick up you.

Alesia Napier: I'm actually going to turf this to my partner, Justin Ferguson, and have him answer this one.

Justin Ferguson: The question is kind of loaded as a guess and the best we can do is, kind of, see where the market is at and see what technology is doing right now. There are a couple of factors. We talk a lot about latency, which absolutely, as a factor, because at the end of the day the information is travelling at the speed of light and that is finite, so there's that.

The second part of it would be the compression ratio that's involved with the data being transmitted. Obviously, the tighter we can get a packet the more data in that packet we can send, which then takes less load off of the need for the megabits, quote on quote, per second.

All of those things being laid out there, 50, it's a – as a standard average, that's a pretty tall order. Doable? I think it's a good goal

for us to get to. That's a rough road to get it as an average because, again, you're going to have those people that are really remote, and a zero Internet drags the average way down really quickly. Yeah, I guess that's the best way I can answer that.

Alesia Napier: What I would add to that is, you have to set standards. Everybody has to have stretch goals and I think that's an amazing stretch goal and it's a good start. To say that everybody in Canada is going to have that by 2021, I think we can all say that that's probably not realistic. Doing it the way that we're doing it with wireless technology and what we know best, we know that we're on, what I would call, the bleeding edge of this technology. Every 18 months, it's Moore's Law; it's going to change significantly.

Where we are four or five years from now – I don't think, where we were seven or eight years with cell phones, versus where we are today. If you just think of that. In this sort of field you can't even predict what the future is going to hold because it changes so quickly. You have to be on it cutting edge and you've have got to be ready to deploy it. That's all I can say about that. As far as a standard I think it's a great standard and it's something to shoot for. As you pointed out, Peter, that just talking about Internet and megabits per second is not the conversation to have, we feel pretty strongly about that.

Chair: One more?

Dr. Bevan-Baker: Please, thank you.

Steven sort of asked this question and I'm going to ask it in a slightly different way. Part of the problem with the evolution of Internet on Prince Edward Island has been the uneven playing field, that people like you have had to deal with.

My question is: Do you think you can achieve CRTC standards on your own, or do you think that you require government support in order to get there? Or, to put it another way, do you think government should be supporting all ISPs or no ISPs going forward?

Alesia Napier: We're going to get to that standard and probably be beyond. I can't tell you when. I just know that our technology

will eventually get there. I'm not in business of government. I can't tell, you know, what government should or shouldn't be doing. I think that we all have to have discussion. I think that the more information that people have and the more knowledge they have and the more data they have they make really good choices, and that's government's job. Collecting data, setting standards, going after more information is a good thing and making that public and transparent is something that we all need, every one of us at this table.

Chair: Thank you.

Chris Palmer followed by Richard Brown and Brad Trivers.

Mr. Palmer: Thank you very much for your presentation.

Just so you know our committee is here to try to remove or make recommendations around some of the barriers that are perceived or are real around having high-speed Internet all over PEI. Ultimately, if there is anything that we can do to help, please let us know because we want to help you to drive deeper into PEI so that everybody can have a service level that we all expect. If there is anything, please let us know as we go through this.

My one question is around that fibre map. Just to make sure that I understand what you're looking for, is that the fibre that's deployed currently by all different, whoever it happens to be, it doesn't really matter who owns it, it's not the public fibre, if there is public fibre as opposed to private fibre, is it all fibre and what is – kind of what's the end goal? What do we need the map for?

Justin Ferguson: My answer to that would be: When we take and put utilities or construction of any type onto public land, i.e, right-of-ways, things like that, it's my expectation, not necessarily as a business owner, but as a private citizen, that if I need that information where it's at, or anything involved with that regardless of what I'm doing with it other than malicious, that should be available to me. It's one public land. It's on provincially-owned land, whatever the case may be. That's just my expectation is that I should have access to that\

The reasons why I want it are actually not the point. The point is that it should be available when it's not.

Mr. Palmer: Okay, yeah.

Justin Ferguson: What makes it easier for us is obviously when we plan a tower, there's a certain level of infrastructure that we have to put in from where a node location is so that we can jack into the Internet as a whole. For lack of a better term, backhaul and that's what – everyone across the world shares that backhaul. You pay transits to get data across to other peoples' networks and that's how it works.

We have to build our infrastructure from our tower to that node. We jack into the node. We pay transit to get to where we need to go and then it goes out to the Internet as a whole. If we have to go 100 feet, it costs X dollars. If we have to go 15 kilometres, it costs X dollars. We need to know that so that we can plan moving forward, and that's the reason that we want it in particular.

Mr. Palmer: Yes, that makes good sense. So that helps you with your infrastructure planning so you know where your nodes go and you can get a cost –

Justin Ferguson: Cost (Indistinct) budgeting –

Mr. Palmer: – effective backhaul to a provider that can give you the Internet part of it.

Justin Ferguson: Yes.

Mr. Palmer: Okay. No, that makes good sense to me.

Justin Ferguson: Thank you.

Mr. Palmer: Thank you.

Chair: The Chair recognized Richard Brown.

Mr. R. Brown: Thank you, Mr. Chairman.

This is a great day, Mr. Chairman, listening to local businesses providing local products. I believe in local, it's the way to go. I really think we get better service local because people live in the communities and we live

together and we can get to know your name and know – we don't have to call somebody in India to get a hold of you, so it's important that we continue to keep local content as much as possible. I have come from the environment when I used to set up in access from 300 bits per second and when it went to 1,200, I thought it was the end of the world and that was going to be it. I think we should have the network available, the network map, because it is – bandwidth is a public domain and it should be available to everyone to see where that network is.

I guess my question is: Who is your back-end? Who do you purchase from? Or is that confidential?

Justin Ferguson: That's okay.

Alesia Napier: What I would say is that we have a provider and that we used all of our skill sets and negotiating powers to get a contract together for ourselves that we're extremely pleased with and we have multiple providers.

Mr. R. Brown: Good, okay.

Thank you.

Chair: Thank you, Richard.

Brad Trivers followed by James Aylward.

Mr. Myers: Should have gotten them to negotiate your Bell bill for you.

Mr. Trivers: Thank you, Chair.

First of all, thank you so much for coming in. This is a really unique situation we have today where we have these Internet service providers who are competitors coming together to a standing committee to share information openly with us, so thank you so much to everybody. I thank all.

I'm really disappointed that Xplornet Communications Inc. is not here and I hope we do get them in at some point in the future because I think they are an important service provider on the Island because they have won federal dollars. I can't help but wonder if our provincial government is waiting to see where they go in order to not have to spend any provincial money. Thank you.

I guess my question to you is – you mentioned your two challenges are knowing where the trunk lines, the fibre trunk lines, are and getting land. If you were able to solve those two problems – I mean there's the time versus money as well and I suppose that's (Indistinct). But if you had those things how long would it take you to build infrastructure and allow your high-speed Internet access to the entire Island?

Alesia Napier: If I answer that question, around 24 months. Justin does all network so he's going to tell you 36.

Mr. Trivers: Okay.

Alesia Napier: So 24 to 36 months (Indistinct)

Justin Ferguson: I would put the (Indistinct) on there that the dollars do make a direct correlation in that, too. If we say: Land is not an option, we have a fibre map and money is no – then yes, 24 months we can do that all day, it'll probably be faster.

Mr. Trivers: Okay.

Justin Ferguson: But that's not the case. Money is absolutely a factor involved in the answer to that question.

Alesia Napier: One other caveat to that is training. We hire from the Island and we train within and we invest heavily in training. Part of that is, if you grow too fast, you're going to put out a bad product and I don't care who you are or what you're selling. We can only grow as fast as our training allows us to go. We write our policies and procedures as we go and like I said, we want to make sure that we're scalable for the future so that we can deploy this really quickly because we want to nail PEI. We know if we can do it here, we can pretty much do it anywhere. As soon as we're done here, finishing up with PEI, we're going to start marching west and we're really confident that that training program has to be pristine because it's the core of what we do.

Chair: Just for your information, Mr. Trivers, is that the flight was delayed out of Quebec City on Xplornet.

Mr. Trivers: Oh, is that what happened?

Chair: Yes, that's what happened, they were stormed in. So, that's why they had to cancel, but we will bring them in at another date.

Mr. Trivers: Chair, I do have one question as well.

Chair: Okay, go ahead.

Mr. Trivers: You talk about knowing that having that map of the fibre networks and we did – I know Bell Aliant is not here today, but we did have them into the standing committee before. They actually – I thought, when looking at the transcript, that they actually committed to providing us with a map of at least their fibre –

Unidentified Voice: (Indistinct)

Mr. Trivers: I was wondering if we followed up on that with them or if we need to. I wanted to bring that up to –

Chair: I'll have the clerk check before we leave.

Mr. Trivers: – our clerk. But thank you. That's all I had. That's not really a question for you (Indistinct)

Chair: We have three more and we only got about three minutes so it's James Aylward, Peter Bevan-Baker and Robert Mitchell.

Mr. Aylward: Thank you very much, Chair. Thanks very much for coming in today. I'm proud to say I knew you when.

I'm quite astonished as well that you haven't received that map because I know back in the day, Rob had reached out to me and requested that map and I put some requests into government, and I'm astonished that it still isn't accessible to you so anyway, hopefully we can get that rectified.

There have been several questions asked in different ways here around the table today about what government could do to help you, as a business, move forward. I guess I would like to bring it back to the other side. Besides the map that you're talking about, what barriers are currently in place that maybe the government could remove to help you, as a company, move forward?

I know you already said you're not looking, necessarily, for government money and handouts and things like that, that you're very proud. You're self reliant. You're moving forward and you should be proud of that. I applaud you for that. It would be nice if many more companies took that style of approach in business, but are there specific things that government could get out of the way to help you grow your business?

Alesia Napier: No.

Mr. Aylward: Okay.

Alesia Napier: Not that comes to mind. Seriously – (Indistinct)

Mr. Aylward: All right, perfect.

Alesia Napier: – to be perfectly honest about, but no.

Again I'll repeat: We jumped into this very competitive, marketplace with all the existing factors in place. We're nimble. We work hard. We're willing to work hard in the future and we're going to win at this all day long because we have an amazing product and we have amazing customer service. If we keep our nose to the grindstone and we do those things, all the noise out there isn't going to matter one iota to the work that we do on a daily basis. There are bumps in the road and we have to – again, if something happens, we have to respond to it in the marketplace, but that's what it is and it's going to be that way. There's nothing that we can say or do to change that.

Mr. Aylward: Okay perfect. Thank you very much.

Chair: Peter.

Dr. Bevan-Baker: Thank you, Chair.

Two questions; one is related to your FOIPP request for the fibre optic map and many around this table were present yesterday when the Information and Privacy Commissioner, Karen Rose, was here who explained in great detail of what the process and the expected outcomes of FOIPP requests are. I'm wondering if you ever got a reply for that and if you did, what was contained.

Alesia Napier: Yes. They replied right away and said our request was too large and said that they needed a lot of time and effort, and they said it was unfair that they had a small office, and I'm sorry, I don't know off the top of my head the person's name and the department that I was dealing with. It's back in my office.

Chair: What year was this?

Alesia Napier: It was –

Justin Ferguson: 2016

Alesia Napier: It was like summer, June of –

Justin Ferguson: Yeah, last August (Indistinct) last August.

Alesia Napier: Yes, so I think they have an X number of days to respond. At the very end of that timeframe, they asked for three more months and we've never heard from them again, and I haven't followed up with them because it's an exercise in futility to be honest with you. It's just frustrating.

Chair: Go ahead, Peter.

Dr. Bevan-Baker: Thank you, Chair.

Some Hon. Members: (Indistinct)

Ms. Compton: Agreed.

Dr. Bevan-Baker: We know that the CRTC standards four years from now are for 50 up and 10 down, that's what they're aiming for. Again, I know there's latency and there's compression and there are other aspects to that. I mean, the gold standard today is hard-wired fibre optic link to every household.

Do you imagine – and I know that we're also looking in a crystal ball here, but do you see the potential for wireless by 2030 to provide, let's say, one gigabyte which is – I don't think that's an unreasonable standard to imagine existing by 2030. Can wireless provide that kind of service, in your opinion?

Justin Ferguson: We can do that right now.

Dr. Bevan-Baker: Great.

Thank you, Chair.

Mr. Myers: I'll have one of them.

Some Hon. Members: (Indistinct)

Chair: All right, our last (Indistinct)

Justin Ferguson: I didn't say it was cheap, I said we could do it.

Unidentified Voice: Yes.

Chair: Our last question is from Robert Mitchell.

Mr. Mitchell: My question, I'll tell you (Indistinct) wrapped up in short.

There's been a lot of talk about the mapping process. In my previous life I had a lot of experience and time with a utility on Prince Edward Island. Justin, when you mentioned you're getting maps when you would be going into subdivisions. I think if you were dealing with a municipality that owned their own infrastructure regarding water and sewer they might have that map, but as far as an electrical utility or in this case, fibre optic there would be no onus a municipality. There is no permitting process for that on Prince Edward Island. There certainly isn't in rural PEI for subdivisions because it comes under the department that I'm in.

It would be very difficult for municipalities to have that information, and in particular, unless the municipality owned that infrastructure they may be provide that, but if it was the utility, the utility might, or might not have a map of it. They'd be going by the installers, who remember where they put something in some cases. Or, in the case of other utilities they might have it, but I guess that would be property of those companies.

Do you collectively see – when you put your FOIPP request in, I'm a little confused to exactly who would have been able to provide that information except for the companies of the utilities that may or may not have it and may not be able to provide that it's accurate from years ago, either, just based on my experience in the work field.

Justin Ferguson: I'm actually glad you asked that question, for a couple of reasons.

Not all of our infrastructure on PEI is on poles above ground that can be seen; there is a lot of it that's buried. It would be remiss of us as a populous to not know where that stuff is at. If we had an emergency and we had to dig to hole – there has to be a centralized location that we know where that's at. If there was, for some reason, something had to be dug for whatever reason that we're not going to cut some – a private enterprise's utility.

Mr. Mitchell: Yeah. I guess if you go to the power utility somebody comes and check for you and verifies that there's –

Justin Ferguson: Right.

Mr. Mitchell: – nothing –

Justin Ferguson: – I have never been anywhere –

Mr. Mitchell: – on that (Indistinct)

Justin Ferguson: – in North America except PEI, that's in Colorado, BC, Alberta, there is a centralized number you call. You get someone from every company that's in that area that comes out and marks where it's at and you can call and get that information.

Mr. Mitchell: That's a good process, but –

Justin Ferguson: Yeah –

Mr. Mitchell: – to the best of my knowledge, anyway. But I mean your point is well taken. We're perhaps riding a little bit behind than in other regions or other jurisdictions on how it's –

Justin Ferguson: That's understandable. As well, that privately-owned infrastructure, again, is put on public land, which is also a part that – a private company shouldn't have access to government land without at least saying what we're doing with it. As a taxpayer I want to know that information.

Chair: I have to cut it off.

We'll have to cut it off there because we're just at our time limit.

On behalf of the committee I want to thank you, Alesia, Justin, and Joeline, is it?

Mr. R. Brown: Great job.

Chair: Thank you very much for being with us here today and I want to give you a compliment. I'm a great believer in branding and I think your logo and your name is wicked, so it really stands out and I compliment you for that and all the good work and the hard work that you put in. It's all symbolized by your logo.

Alesia Napier: Thank you so much.

Chair: Thank you.

All right –

Mr. Trivers: Just a quick comment –

Chair: A quick comment from Brad Trivers.

Mr. Trivers: Yes, so I just, Minister Mitchell, so when we had Bell Aliant come in and talk to us we asked them: Could you provide a map of your fibre ops? They said: Yes, we can. Their only reluctance to do it was they didn't want to show where fibre op was running where homes didn't have access to it because they were worried that people would get upset.

Mr. Mitchell: What I'm –

Mr. Trivers: So they know where it is.

Mr. Mitchell: I'm just referencing a central location that would know water, sewer, electric, phone, cable, that doesn't exist.

Mr. Trivers: You make that happen in your department (Indistinct)

Mr. Mitchell: Well, I mean, you know, that's something –

Chair: All right. We'll cut her off.

Thank you very much for appearing before us, today.

Mr. R. Brown: Great job.

Chair: Now, next on our list is Air Tech Communications, Kent England and company.

Chair: Welcome Kent.

You can introduce your two gentlemen with you and ask them to speak into the mics as they give their presentations. It's 20 minutes and 10 minutes for questions and the floor is all yours, sir.

Kent England: Okay, thanks very much. I'm just going to bring up my

While he's doing that I'll introduce. To my left and your right is my son, Ryan, a partner in my business. To my right, your left is Alex Maine, who is my network administrator. He has come onboard in the last year or so and he's doing a wonderful job. Ryan has moved back from Alberta and he's been in the telecommunications business out there working for large corporations, Shell, Shaw, ABB and so on. He wants to be like every other person on Prince Edward Island that goes away; he wants to come back.

Chair: We want him back.

Kent England: Yeah, we do.

In my former life I was a high school teacher and prior to that a junior high teacher and I used to do an exercise in June where I'd ask my students where they wanted to be in five years, 10 years, 20 years. Without exception in most, many cases, not on PEI. I'm out of here. I'm leaving. I'm going: You'll be back. And over the years, five, 10, 15 years later you run into them, sometimes at the PEI Liquor Control Commission outlet and they're walking out, they're legal, I know they are and: You are home on holidays. No, moved back. Told you so; anyway, here we are.

Just a quick little background, I've given you a handout, I don't know if it got all around the table. I don't know if I have enough copies. I think –

Chair: Yeah.

Kent England: – we've got more people here.

Mr. Aylward: I don't think it makes (Indistinct)

Chair: Did everybody get one?

Alex Maine: We have this here, so –

Mr. Aylward: (Indistinct) Chair (Indistinct)

Mr. R. Brown: Pass them down.

Alex Maine: Okay, there we go.

Some Hon. Members: (Indistinct)

Chair: Everyone got a copy?

Kent England: In all due respect, folks, I used to have that problem in junior high; passing handouts around the classroom. It would stop usually about the second student.

Chair: You may begin.

Kent England: I would like to thank this committee for inviting us in and ourselves individually.

I will open up my remarks by saying: I'm somewhat, in fact, I'm extremely disappointed that Xplornet is not amongst us. I think that is key to where we're going as individual entrepreneurs, providers in this province that have invested quite a bit of time and we'll start.

My company, our company, I'm the owner. I'm the investor, officer of the company; extremely important, valuable employee of the company, established in 2003. We did it because I needed it. Then, I said: Okay. My son was working; Ryan was working in Alberta, for Shaw Communications. Calls me up one night and says: Dad, let's buy a bunch of equipment and hook up a bunch of people. I said: Nope, let's buy some equipment, hook up a few and let's test it. Because I live in a wooden house and I live in the neighbourhood and the fire department is about 15 minutes away, so I want to make sure it works before I deploy anything.

Over the years it has worked rather well. We were growing for a long time, 8-10% month over month while teaching school. I had people under contract that I would hire, evenings, weekends, it was busy. I loved it. I still do, want to keep it going.

All of a sudden, an activity happened several years ago and a promise was made that everybody on PEI would get high-speed Internet and it would be bundled and the prices were ridiculous. I knew it wouldn't

work. I went before a standing committee similar to this only in a different building, good digs, nice digs, liked both places. I suggested that that was not the way to do it. It was not going to work. I hate to stick my chest out and say: I guess I was proven right, unfortunately, because I believe everybody in this province has an entitlement to high-speed Internet.

CRTC deemed it as an essential service. You heard it from many; you'll hear it from more as we go on. We need to do it. We haven't seen anything yet, folks. The Internet of everything is what it's coined as. Everything will be attached to it. I hate to say a negative side. If the terrorists wanted to move in here and do something negative, that's where they would strike. It would affect our financial community. It would affect our utilities. It would affect everything. Everything, probably to the point where you wouldn't even be able to order your groceries out of your refrigerator that is going to be hooked up to the Internet.

Back to the roadmap here. We're an Island-owned and operated family business. We work hard. We're proudly serving hundreds of Island families. We do things in various areas. We do things across PEI in small pockets. Our primary location is in East and part of West Prince. That's like geographically from Summerside, Hamilton west to Poplar Grove and through the Evangeline district.

We have upwards of 35, closer to 40 access points that our customers hook up to. They arrange in many – there is our footprint right there. You'll see in the lower right around the Malpeque Bay, for those of you that are familiar with Prince County. Some people seem to think – I think it was Minister MacDonald pointed out somewhere in the media that we exist down in Kings County, but I think that was Wicked EH? that's down there. We're up in Prince County. Maximeville is down in that grey – orange zone down in the lower left-hand corner. We got presence over in West Cape and we have a future plan up above in the top there in the Mill River area.

We provide services to campgrounds, small cottage subdivisions, but the majority of our customers are in our footprint, the major one you saw there. We service individuals, no

question, residents. We also service corporations; large potato producers; exporters; fish plants. We do music festivals; community events; Rock the Boat in Tyne Valley or Green Park; the oyster festival in Tyne Valley, and the list goes on and on. We are part of the community.

I didn't get very far in life. I grew up in Ellerslie, that's about 15 minutes up the road from where I live. I made it 15 minutes down the road. But in the meantime over the course of events, I travelled the world. I did another form of business, became a school teacher when that business kind of evaporated and here I am in the Internet business. I have invested my heart, soul, time and money into it. We are very concerned of what the horizon looks like.

People are asking me, government suits are asking me in all due respect: What's your plan? And I'm going: What's your plan? I can't build a plan not knowing what your plan is because you're disrupting the marketplace. That's the way I see it. That's my perspective.

Moving back to what we do. We offer a state-of-the-art customer service system, support system, Alex looks after that. Live website reporting, and it reports at our towers. We know if one comes off-line the public sees it if they go to our website, if they can get there, it's mobile app supporting. They can get there even if they don't have Internet; if they have a data pack on their phone they're all set. SMS, email, telephone support, it's basically 24/7 365, we're sort of like L.L.Bean down in Freeport; we're open all the time. I was answering emails this morning at 3:00 a.m. That was after I went to bed at 1:30 a.m., and I was up this morning at 6:30 a.m., so do the math on that. That's fine. That's the way I roll. That's the way we roll.

The average response time is 18 point; we're right down to the seconds here, point 27 hours. Thank you, Alex. Thirty-six per cent of our customer requests are answered within 60 minutes. That's not bad. I think it was Mr. Brown that made the comment: You don't have to call India. Well, in our case you have to call Richmond, PEI.

Mr. R. Brown: That's a little closer.

Kent England: That's the way it is, you know, that's where I hang out, sort of like the branch manager.

What are we offering Islanders? We're offering high-speed rural Internet. We're offering it in places on our nickel, on our dime. I'm fully invested in it. No outside investors. No government investment, no nothing. I'm in it; the bank of England.

We're offering, at this point, five down and five up. No data limits. No contracts. We look at it; if you don't like us and we can't make up happy, then you need to go someplace else. I'm sorry to see you go and I'll do everything I can to keep you, but if I can't make it happen, I'm going to be honest with you and I'm going to be fair with you. I'm not going to string you on. We got to do what we have got to do. I'd rather have 100 happy campers than 150 that aren't. It's that simple. Again, it goes back to my wooden house.

That's what we're doing and in the near future we're upping that. We're moving up, we're negotiating a contract. We're shopping it around. We're negotiating for better prices on bandwidth and we're being given some very receptive prices. That will allow us – the question was asked earlier by Peter Bevan-Baker: Can I get a gigabyte? The answer was: Yes, you can right now, and I would make the same answer. You can right now. However, you're going to have to pay for it. The prices that we're paying for bandwidth in this province up until this point in time and even existing today are a little bit off the grid. No, I'll correct myself; quite a bit off the grid.

I just want to backup to the previous thing there.

Alex Maine: Sure.

Kent England: We're a home-based business. Okay, here's what we cover. We got over 1,200 users in Prince County. We're providing service to various industries, agriculture, fishing – I mentioned this before – educational, not the schools. I tried to get in there. It didn't happen. Hospitality and leisure, resort, campgrounds, government, it would be government campgrounds, some private campgrounds. Home-based businesses, that's the big thing.

It's surprising who is living out there in the backwoods of PEI and where they're from.

I service a magistrate from Florida, and she's living down the end of a road that I wouldn't live on, and she loves it. There are those types of people are out there and that's what we can attract. Those are the people we want. If we want to build our population, here in this province, let's get to it because most of them will have children. Those children will grow up and have children and they'll visit their grandparents and they'll fall in love with PEI and they'll move here and it's happening. We know that.

Local events and festivals, well, there you go; Rock the Boat and the oyster festival in Tyne Valley. That's near and dear to me because my father worked on that back in the 1960s as a supporter. Let's move to the next one.

We strongly believe in a controlled expansion. That's what we have done. That's been our game all the way through this. I jokingly used to say: I want to be 30 minutes left or right of my driveway in Richmond. We were moving left at a very good pace, as I mentioned earlier, 8 to 10% month over month growth. Then all of a sudden, the contract happened, or the agreement or the understanding with Bell. We lost 50% of our customers in a matter of six weeks. We got them all back. It has taken several years; a lot of work; a lot of patience; a lot of frustration. We got them all back. Many of them have said to me: Kent, I'm really sorry I left. You're always welcome back. We are a family; forgiven.

Often, not often, almost every time I get a phone call, it's like: Hi, I'm a customer of the rural ISP, DSL business, I'm not naming names here, and for the next 15 seconds I'm not going to repeat what I hear, and then I get past that, it's basically the same format; a lot of words that are not nice, and I'm going: Okay, so let's get to the bottom line, what can we do? Well we hear, got a recommendation that you can help us out. Well, let's go have a look. We go and have a look. I've said, in some cases, I've said: No we can't make it happen. Well, what is it? Well, it's you got high-speed, it's better than what you have got, but it's not as good as what I want. Well, give it to us anyway. No. I've actually refused people because I don't

want them complaining because I know this thing is going to grow. It's not growing in a straight line. It's going in a curve.

It's the same thing with bandwidth prices. It's not going down in a straight line. It's going down in a logarithmic curve, dropping dramatically, spiraling down. We just don't know that here, but if you do a little research off-Island you'll find that out. It sounds to me like some other people have done that and are doing it, and good for them.

We're currently negotiating substantial bandwidth increases. We have fibre optic connections with a – is it Telco or Cableco, I can't remember, one or the other. That's fine. As far as the fibre map throughout PEI, everybody does it a different way. I go find a high spot, get a civic address, call up one of the providers and say, okay, here's the address. Somebody has fibre going by here within 30 or 40 or 50 feet. There looks to be two of those cables, so I'm assuming there are two providers and I give them the address and they call me back, and say: Yes, we can, no, we can't, and here's the price. Sometimes, I say: No, we can't.

We're increasing our infrastructure capacities, our backhauls. We do that all the time. We're always increasing our capacity between our tower sites. We have many tower sites throughout the area. In fact, too many, I'd like to put in a few more robust towers and reach out because the capacity is there to reach out. I'm not going to say 23 kilometres. I'm going to say, maybe – I don't know where I got that number – but I'm going to say a good 15 kilometres in our case with what we do would be comfortable, beyond that. Because of the structure of Prince Edward Island, we're shaped like a crescent; some people refer to it as a banana. I hope we're not a republic, yet.

We know the terrain. Even though, because he has lived out in Western Canada, he knows the terrain here. I drove him around most of West Prince and East Prince and other parts of PEI through his childhood, made a couple of trips down to Cape Cod. Alex has moved here, if you haven't caught his accent, yet, from the UK. I lost my accent back in 1822, I think it was when my ancestors moved here. My British accent disappeared. He's kept it, good for him.

We're extending our support services all the time. We're striving to improve quality of service.

Here is an interesting point; we have equipment on the ground, resources, materials, on the ground, in my yard that we can deploy tomorrow of seven 120-foot towers to service new communities. We've had that equipment there since last summer.

We went out, we sourced it, and I'm going to make a point here and I'm going to be proud of this: I have zero debt. My company has zero, zero debt. Well, that's not true. It owes the shareholder, me, a lot of money; but it owes no banks, it owes no investors. I might owe my wife 200 bucks. Anyway –

There's where we are, and to expand going down the road, and for you to ask if you were to ask me, and people have: What's your plan going forward? I don't know. It changes second by second. Yesterday I picked up – I get a phone call from a good friend of mine, then my son taps me on the shoulder and he goes: What's with this speed test site at Innovation PEI? And I'm going: What?

So I look at that, and then sure enough, there was a thing in the *The Guardian*, I don't know why CBC didn't pick up on it.

Unidentified Voice: (Indistinct)

Kent England: I'm sure they'll get there, you know. We all share this media stuff. That's where this open media comes into it. It travels like wildfire. Then on *Compass*; wonderful. I think it was 6:25 or 6:24, it was announced by Minister MacDonald. Fine, get the information out there. Seven minutes later, my bandwidth capacities on my fiber links went straight through the roof.

Is that a fair test? No, way beyond what it would normally happen at that point during the day. Would have been nice if somebody would have made a phone call. I got an email, in all due respect, from the DM over in Innovation, new guy in town. He's the new sheriff in town. Who mentioned that? Donald Trump. Anyway –

Got an email today saying: Just want to advise you, I knew it, I found that out on my own yesterday. It would have been real nice

if somebody would have taken the time to make a phone call because I keep hearing this.

It sounds like I'm being critical; and I'll be honest, I am being critical. I hear this: We're working with the ISPs. Well, working with the ISPs has been a one-way flow of information. There's nothing coming back. It's like: Come on in, let's have a meeting. Never even got donuts and coffee. That's okay. Come to my place, I'll supply you with donuts and coffee.

But I drove down on my nickel, gave my spiel, and all of a sudden an RFP shows up in my backyard. I said (Indistinct) – no, that's not exactly what I said, but anyway, I said: Bottom line, we'll do it.

Now we have a government – I'm sorry, folks, I'm pointing the finger here – trying to win some accolades from the populace because if they pushed Air Tech into expanding into an area under-served. I'm going to boldly step out here and say you badgered me. You pushed me into doing it by torturing me, because if I didn't get in there somebody else would and interfere with my signals.

As I said to one government suit: You may fix a problem that way this fall – meaning back in October, November, I wanted to do it in July when the weather was decent, but I was sort of led to believe there may be some support – but I said: If you do that and somebody else comes in, you'll be back fixing the other side of the highway in the spring. What do you mean? I said: Because my side of Highway 2 – not going to call it Route 2, Highway 2 – will be having a problem from all the interference. We've enough interference going on now in the public spectrum unless you have licensed spectrum, which, by way, I do, and will deploy.

I'm probably going to wrap it up there, but before I totally finish – I got one more thing I want to open up here, Alex.

Alex Maine: (Indistinct)

Kent England: Yeah, pass this out and around, will you?

Alex Maine: This one here?

Kent England: Yeah, that one there.

Before the questions start, I have a statement and a question. Oh, dear.

Unidentified Voices: (Indistinct)

Kent England: I have just presented a quick snapshot. I mean I know you guys can read and I'm going to read this off anyway because I'm starting to – the brain's starting to fail here a bit. I don't normally make an entrance in a wheelchair. It's an old war injury from varsity volleyball that's acting up. That's what happens when you hit 29.

“Air Tech Communications: its wireless capabilities, its existing footprint, and its ability to be part of future expansion to provide quick, efficient speeds to rural Islanders.

“As recently as last night (and in light of CRTC's recent announcement that high speed internet will be deemed an “essential service” in Canada), Minister MacDonald” – from PEI, Innovation PEI – “promised Islanders that a quality, high speed internet service will be available to ALL Islanders within a year.” Within 12 months. Let's stretch it out to 18. Maybe I misunderstood.

“This implies that a plan is formulating to achieve this outcome and over the next several months, this plan will be implemented. It is timely that this announcement was made last night and this gathering of existing internet providers” – well, some of them – “is today. I can only assume from this that we are here to input and provide services to implement your plan.

My question to the committee or anybody else that wants to answer: “Since this government values entrepreneurialism as stated publicly and has existing programs to encourage young folks to stay on the Island” – or move here from away – “my son would love to stay here to work, how is government going to recognize and utilize existing companies such as Air Tech Communications” – we've been in the game for 12-plus years – “in achieving your goal/promise as stated clearly on *Compass* last night?”

Then I'll go a little bit farther. I'm a little bit concerned as to that statement in terms of Connecting Canadians program in Ottawa – through Industry Canada or Innovation or whatever they term themselves these days – as to what will be the implication of that statement. A number of years ago that statement was made, and Ottawa said: You've got it, you don't need any support. Is that going to happen again? That's my question.

Thank you.

Chair: Okay. I'll open up the floor to committee members.

Peter Bevan-Baker, then Brad Trivers.

Dr. Bevan-Baker: Thank you, Chair. Thank you for the presentation.

I want to go back, Kent, to something you said (Indistinct) near the beginning of your presentation which was on the vulnerabilities of our system to attacks, whether we're talking about energy, systems transportation, in this case connectivity; the greater the centralization of that system, the greater its vulnerability to attack.

I'm interested in your thoughts on – and obviously you're working in a sort of half-blind situation here, and I absolutely sympathize with that, and like you I share your frustration, although I'm not an ISP.

Kent England: Would you like to be?

Dr. Bevan-Baker: Not really, no. I'm busy enough, thank you.

Kent England: (Indistinct)

Dr. Bevan-Baker: Thank you very much.

Closing the gap plan from CRTC where they use some of the monies they collect from the big ISPs and provide it to people like you – you're going to need a partner to do that; you need a provincial partner and you need a private partner such as yourself.

How do you feel about a sort of net (Indistinct) – let me put it this way: How do you imagine – we don't know what government's plan is other than what they have told us – how do you imagine a system

rolling out on Prince Edward Island which is resilient to the vulnerabilities of attack, firstly, but also will provide in a sort of diversified manner the types of service that Islanders need and deserve?

Kent England: That's a very good question, Peter.

I've considered that a lot, a great deal. One of the biggest concerns I have is the present satellite Internet system is reporting to a Hughes' Satellite. Now correct me if I'm wrong, and if Xplornet were here they would maybe inform me and educate me and I would appreciate that. But my understanding is it reports back to a Hughes' Satellite which is based out of the United States. So all our data from satellite internet is reporting back to servers out of the country.

How the fixed wireless system will work, I don't know; and are they going to tell me? Probably not. Will they tell you? Maybe. I think we're in a unique situation here in this province.

I'm going to go back several years ago to a previous standing committee where I suggested that we encourage local participation and have them work around the same table. Everybody needs everybody. The big guys need the little guys.

I need fiber. I don't have a pipe. I'm not a Hurricane Electric. I'm not a – whatever, big pipe provider. I have to buy from them. They need little guys like me to sell to. Are they in the business of doing the last mile? No. That's what I do. So we all could work together very well, but we've got to get around the table.

Government's role would be to marshal that and orchestrate it and maybe put down some criteria and say: Here's the parameters you have to work within. And basically walk away from the sand pile and say: Now get along, kids. I think we can do it.

We're in a small enough geographic area here that if we can't do it: God help the rest of – in all due respect – God help the rest of the world. Because four hours, four and a half tip to tip, we're 145 to 150,000 people. If we can't make that work and the health system work and the education system work,

how do they do it in New York City? And that's only ten hours away, driving.

The vulnerabilities of attack – I think if we work within the confines and base our services within this province, we have a better chance of protecting it than having it go offshore. Speaking of offshore, and I didn't include this, but all the revenues – and I dearly wish Xplornet was here to defend their case – all the revenues given to them are being exported out of PEI, exported.

When I was in the export business back in the 1980s shipping live animals to Scandinavia and Poland, I was exporting out of Canada and collecting US dollars. In fact, I've even got some Polish Zloty. That was, in my mind, was export. Now we export from PEI. Next year we'll be exporting from Summerside and the year after that from a tool shed in Richmond. The economy doesn't work that way. Let's build our economy. Let's be sustainable.

Chair: Brad Trivers, followed by James Aylward and then Chris Palmer.

Mr. Trivers: Thank you, Chair.

I wanted to echo my thanks as well to you, again, because I can't emphasize enough how important it is that entrepreneurs like you come and share so openly with us so thanks again.

I, too, was confused by some of the recent announcements coming out from Minister MacDonald in the press releases, and we're going to have high-speed Internet across the Island in a year, but we're still developing an Internet strategy and we want to identify the grey areas and the timelines just don't make sense to me either.

I wanted to find out from you – you had mentioned how government disruption was an issue. I was wondering if you would care to expand on that again. If you want to refuse, I –

Kent England: Well, I mean you should never ask me my opinion on something because you'll probably get it.

I think government's role is to facilitate things. I don't think they should dictate.

Maybe they have to push the envelope a bit, but I am shocked about what happened yesterday. Some people, some of my close confidants, are saying: Why should you be, let the information get out? Well, that's fine. I just wanted to feel that I had some ownership to it, that I was invited in. I was called up. Maybe I wasn't going to get it shut down, but not that I wanted to. I wanted to know what was going on: It's all going to be posted up. Fine, I'm not going to make an issue out of it: Go ahead, fill your boots.

I just want to be treated as part of the gang, that's all. Entrepreneurism is near and dear to me. I have lived it. I have loved it. I have taught it. I'm in it. It's the way I roll. My son wants to come into it. Alex has been a great support. Here we are. I don't know if I answered your question.

Mr. Trivers: Yes.

Alex Maine: Could I possibly – could I add to that?

Chair: Yes.

Alex Maine: It really comes down to, without trying to be as polite as possible; it comes down to communication – a lack of communication. We went to – let me see. When was it? (Indistinct)

Kent England: October.

Alex Maine: It was October, and that was discuss Maximeville. I think it was not even several months later there was an RFP looking – they were looking for an ISP to go into Maximeville. If I bring up the map, which I think is extremely relevant to the point. For those who are not familiar, Maximeville is in the orange tip there kind of towards Cape Egmont. They were looking for proposals for an ISP to go into that region after we had sat and met with them when they were looking for people in these rural regions. I'm sure anyone with half a brain cell can see why that would be a concern to us, because there is nothing around there apart from Air Tech Communications.

I think when Kent said that we were forced into it; I think a better word would probably say that we were bullied into it, because if we didn't act, quite possibly we could have

lost a portion of our network due to interference. I think that would be a fair statement. It comes down to communication. If we have been informed of facts as time has gone on, then we could probably work with the government to fulfill the needs of Islanders. But, the problem is nobody tells us anything. They just go ahead and do it and we have to pick up the pieces.

Chair: James Aylward.

Mr. Aylward: Thanks very much, Chair. Thank you, gentlemen, for coming in and for your presentation today.

Kent, I have had the opportunity to sit with you in your home and I drank your coffee, but unfortunately I don't remember any donuts being offered at that time.

Ryan England: I ate them.

Mr. Aylward: There you go, Ryan.

Part of my question was already answered with regards to the disruption within the industry when this untendered contract was awarded. I'll move past that. You had also made a statement that buying bandwidth here on the Island is completely off the grid. I was wondering if you could elaborate on that a little bit.

Kent England: Yes, I can. There is a connecting point in Moncton now called the Fibre Centre and they have the big boys in there. They have TGG, they have Hurricane Electric and they have another company that is one of the big pipes. You can connect to that –

Ryan England: (Indistinct)

Kent England: No. You can connect to that. The difficulty is getting the transport from Moncton to PEI.

I'm glad you brought this up because we gave away a piece of infrastructure that we dearly need today and that's that 300 or 400 kilometres of fibre that was transferred over to one of the bigger players. If we had that today – and that was, in my opinion, put in an idea of maybe Pat Binns to what they did in Saskatoon or Saskatchewan, they put in points of presence – the government put the

infrastructure in the fibre backbone and then local providers could get it out from there.

I think that have been it. I don't know that for a fact, but I think that could have been what the plan was here but then it got taken away. It would have been really nice to have that. To answer your question, James, to get a connection over here and get into a grid on the province, that the province would own or own and have access to, would certainly answer a lot of questions including: Where is it? Because that would be public knowledge and we would be able to attach to it and it goes right up the spine of PEI.

Pricing, I'll keep that close to my chest. I've got some very good prices on it, extremely good prices, and we will make it happen.

Mr. Aylward: Thank you.

Kent England: It will benefit the customers because they will get more and more, and that's where it's going and we will continue to add more and more infrastructure to support the transfer of that through our network.

Chair: We're at time now but we have three more questioners and then we'll close it off at that.

Chris Palmer, Steve Myers and Brad Trivers.

Mr. Palmer: Thanks, Chair. Thanks, Kent.

The presentation was really good. I have a question about that speed test that was announced yesterday. What value is that going to bring to your company? The data that comes from that how can that be used? Can it be used?

Kent England: How can I use it?

Mr. Palmer: Yes.

Kent England: I'd have to have access to it to use it.

Mr. Palmer: Yes.

Kent England: If everybody has access to it, I mean that could be a marketing – I could use that as a marketing ploy. I could look at all of the data if I would have privy

to it and I could say: Okay, down in somebody's backyard they're having really poor speeds and maybe there's an existing ISP there now that's doing their best to make it work and I can go in there and just move right in. I don't have to go sign anybody up. I don't have to hang around funeral parlors or rinks or anything else. I can gather that information very easily that way.

Mr. Palmer: So we need to make sure that data that's being collected is available to all

Kent England: All or none.

Mr. Palmer: – all?

Kent England: All or none.

Mr. Palmer: Well, I think it should be all. Why collect it if we're not going to share it?

Kent England: I guess so.

Mr. Palmer: I think that's good and that could be part of the recommendation that we make, is that that's shared with everyone.

Kent England: That's fair enough. I've got nothing (Indistinct). I'm bare bones to the world.

Mr. Palmer: Okay great, thank you.

Kent England: You're welcome.

Chair: Steve Myers.

Mr. Myers: Thanks, Chair. Thanks for the presentation, it was quite informative.

One of the questions that came up – and it has to do with the map there in Maximeville. What I don't really understand is what exactly happened in Maximeville because obviously there's a gap there and there was a need for Internet services, but Peter would have gaps as big as that in his district. I would have gaps as big as that. Darlene would. Brad would. Every rural MLA would have gaps that big in their district, so what was special about Maximeville that required an RFP versus the North Shore of my district or any countless number of places where people would be calling in?

Who is paying for that expansion?

Kent England: Excellent questions.

Several years ago I had coverage in that area and as a result of the announcement and the arranged deal with Bell, I started losing customers heavily in that area so I removed my equipment and deployed it someplace else. Why would I continue to leave it there and get no reward for it? I removed it. I was approached numerous times by a major seafood distributor in Maximeville, a near and dear friend of mine forever, to get him Internet. We talked about it two years ago. We talked about it a year ago and we talked about it last summer. Finally I said: Okay, kung fu, let's go do it. He does millions and millions of dollars worth of business. He's a great help to the economy. He's an entrepreneur that should be recognized. I have the greatest respect for him. We started down that path and then we thought: Okay, maybe there are other people. We know there are other people in the area so I approached, he approached and I supported government innovation.

Then there were some stories for a few weeks, a few months, that maybe there's help. Maybe there's this, maybe there's that. All of a sudden, we're invited in to a meeting, a consult. I bare my bones and low and behold, a few weeks later out comes an RFP and I'm going: Just shot myself in the foot. I gave away all of the information and it just went out there. Can I prove that? No.

Why are we back in there? Because the demand looks like it's there. I have accessed some very good real estate. Who's paying for it? Who's getting recognition for it? I am as well. My customers are saying: So you're getting a bunch of money from the government? No.

Mr. Myers: Well that's what it appears, right?

Kent England: Well, there you go. Okay, you don't even live in Prince County.

Mr. Myers: No, and I asked the question just form the map alone.

Kent England: There you go.

Mr. Myers: Yes.

Kent England: I have to defend that all the time.

Mr. Myers: (Indistinct) fair.

Kent England: That's not fair. I shouldn't have to do that. People that don't know me are going: Well, yeah, right, he's saying that, but he's getting a bucket load of money. No, he's not. Want to see my bank account? It's not there.

Mr. Myers: Just a quick follow-up. Why do an RFP and put all the responsibility on you? I don't understand what government play is on it.

Kent England: Do you ever play basketball?

Mr. Myers: Just a very little bit.

Kent England: Back in the day before, was it the 30-second limit –

Mr. Myers: (Indistinct) ago.

Kent England: – you could run the clock down, but now you can't. You got to turn over the ball. Well, in my opinion if you go back far enough in time we're running down the clock. We were doing everything we could do to get to this point in time.

Mr. Myers: Right.

Chair: Last question, Brad Trivers. Last but not least.

Mr. Trivers: Thank you.

You mentioned you had seven 120-foot towers ready to deploy. If there was a plan in place how long would it take you to deploy those towers and how big of an area could you cover, approximately?

Kent England: I can do Prince County.

Mr. Trivers: How long would it take?

Kent England: It just takes money. I had that conversation with the deputy minister, the former deputy minister, and he said: Hey, the money is over at Finance PEI. I get the forms. They want personal guarantee. I'm sorry, folks, but I would never sign a personal guarantee based on what's been

going on here in this market to borrow money from the Province of PEI. I'll do it from TD Canada Trust.

Mr. Trivers: Let's say the money was there, the plan was there. You could cover Prince County. Would it be a six-month deployment? A three-month, a year?

Kent England: Eight months.

Mr. Trivers: Eight months?

Thank you.

Kent England: Or less.

Mr. Trivers: Or less, okay.

Kent England: All I want is the same rewards as anybody else. If there is 50-cent dollars on the table that's what I want, if there are 75% dollars on the table that's what I want. If there are zero on the table that's what I want, but it has to be the same for everybody

I want somebody to explain to me how to run a business with competition that's getting 50 and 75-cent dollars, which we all know extrapolates into 100 or 120-cent dollars.

Chair: Kent, Ryan and Alex, I want to thank you very much for your –

Mr. R. Brown: Great job.

Chair: – great presentation, your candid presentation. We, as a committee, we greatly appreciate it. It was very informative. Not to be on the wrong side of you, you have got a great logo, too.

Kent England: Do you want to know the history behind that?

Chair: Yes.

Kent England: This is the logo of a company in Finland that I did business with in 1984. He had a Finn raccoon farm that had 24 kilometres of buildings lined up.

Chair: Yes.

Kent England: I did \$700,000 worth of business with him. The name of his

company was (Indistinct) export and his logo you trade logos on a little flag stick on a piece of marble when you do business with somebody.

Chair: Yes.

Kent England: It's north, south, east and west.

Chair: Sharp logo.

Kent England: So I swiped it.

Chair: You swiped it. Well, you did a good job of swiping it.

Kent England: Thank you.

Chair: Thank you very much for being here today.

Kent England: Next time you see me I'll be standing up (Indistinct)

Chair: We will have Xplornet in and –

Mr. Aylward: (Indistinct)

Chair: Okay.

Kent England: Can I ask a question?

Chair: Yes, go ahead before you go too far. Come back to the mic.

Kent England: (Indistinct) getting a motorized one.

Chair: We'll let everybody know when Xplornet is presenting.

Kent England: My question, ladies and gentlemen, would be: When is Xplornet coming in and I want to be part of that meeting because I can't build my plan, apparently there's a letter gone out to all MLAs in Canada corrected by Kal Whitnell, PEI, outlining Xplornet's plans for PEI. I'd like to have a copy of that because if I have to build a business plan I want a copy.

Mr. Aylward: I haven't seen it, yet.

Kent England: You haven't seen it. Check the Hansard minutes from the previous meeting to this on Internet, it's in there.

Chair: All right –

Ryan England: I'd also like to say one thing.

I think PEI is great. I left Prince Edward Island in 2005 after helping build an infrastructure for a wireless company. When it came time to do some installs after the infrastructure was in place there wasn't as many as we assumed.

Like a lot of my friends did, they went to Fort McMurray. I went out there and I don't regret it for one minute because I learned a lot of things out there working for huge companies; slicing fibre optics; climbing cell phone towers; running underground conduit; running underground fibre; aerial fibre; wireless devices; MOTOTRBO trunked radio systems; cable networks and wireless networks.

I actually built a wireless company out there and we had it running out there for what, eight years?

Kent England: Yeah.

Ryan England: Had the opportunity to come home for a couple of different reasons, help with the family business. Obviously, I have a vested interest in this. Some of Fort McMurray burnt down. It was time for me to go. I came home with my cat, and my vehicle and a suitcase and that was it. I'm working –

Mr. R. Brown: No truck?

Ryan England: – at this. Sorry?

Mr. R. Brown: No truck?

Ryan England: Truck? No.

Unidentified Voice: It all burnt.

Ryan England: Everything else I owned burnt.

Chair: Buy a new one when you're here.

Ryan England: Yeah.

Chair: Have a (Indistinct) new one.

Ryan England: Yeah.

What's going on here is, I'm going to put my hardest work into this, so any other company like this that I can work with, meaning my father's company, or how or who we can work towards and work with to help this project become successful. My knowledge is there, and for a lack of a better term there is a whole pack of me waiting to come home to PEI to do this type of work.

Chair: We'll let you know when Xplornet are presenting.

Ryan England: Thank you.

Chair: Okay, thank you gentlemen.

Ryan England: Thank you.

Chair: PEI Monitoring, represented by Wayne Phelan.

Wayne Phelan: Okay, I don't have a logo. I don't have a video presentation.

Chair: Thank you very much, Wayne.

Wayne Phelan: (Indistinct) PEI.

Chair: Sure. You know the drill. Just say your name, speak into the mic.

Wayne Phelan: My name is Wayne Phelan. I own and operate PEI Monitoring. I probably had more wireless Internet customers 10 years ago than exist in this whole province right now, and they are not here; no longer provided service partially because of some of the decisions that were made by people in this room.

I just want to give a little history of who I am. A little history as to what has happened in the past and what I hope happens in the future.

I got into the wireless business, the Internet business with a friend of mine when we founded a company called Ruranet over 13 years ago. The goal was to put high-speed Internet into areas of PEI where other companies were not going.

At the time I owned and operated a restaurant in southern Japan called the PEI Pub, and an English school called Anne's English School. Not capitalizing on the land of Anne there, I don't think. Anyway, I

came home for vacation with my wife, and one child at the time and I couldn't believe I couldn't see my bar from my rental property on PEI. I was as pissed off then as a lot of people are now trying to do their work. I was in Georgetown, actually, Steven.

A friend of mine from high school had been working a little bit on a wireless project and he blew me away. I'm not a techie. He blew me away with – he had me Internet before I left PEI temporarily set-up on a tripod in the back of the rental property shooting up the river somewhere to Brudenell. I said: If you want to get into that I'll put X number of dollars into it, and I'll move back to PEI and work with you. Here I am today.

In the early months of opening Ruranet, I guess the first year, year and a half, my wife and I financed most of the business on our own. We later got a couple of loans. One of them from the province, and both loans were guaranteed with my home, which stupid me, I thought that's the way business was done. It's not, in some cases, I guess.

It was a tough sell at that time as there was millions of dollars given to a company in Summerside to do the exact same thing I was doing a few years before I opened. I think at the time I met with Richard a few times and he was the techie for the province that I dealt with, a bit more technical than I was.

I approached the government and the banks for financing, say back in 2010, I guess, or no, sorry 2008. They said to me that they had no idea how my system was working and didn't understand why my customers were happy because wireless didn't work. That was decided on PEI: It didn't work. It was a tough sell.

After growing the business to hundreds of households and proving that it all worked, we approached the banks and government again regarding expansions and roll-out options. As they were continuously asking us, could you please go do this? They didn't realize that this is five communities away from this. So, yes, I can do it, but doing it that way is going to cost me half a million bucks. If I do this community first, and then this community and then this community, I can get there hooking up everyone along the way for \$150,000. That's the way to do it.

I can understand and respect the politicians that have somebody banging on their doors saying: We need the Internet. I understand where the pressure was coming from at the time and probably still coming, I have no idea.

After getting to several hundred customers and meeting with the province, the government of the day introduced me to a company called Exotel. Unbeknownst to me, they had already rolled the fibre network from Tignish to Murray Harbour. To simplify what happened there, we only got a few minutes – I spoke with Exotel and made a deal to merge their fibre maintenance contract, which by the way – I don't know how people don't understand this – the province owns it. Exotel never did. Exotel had a maintenance contract. It's yours. No one ever owned the (Indistinct). We put the maintenance contract of that fibre, which allowed us to connect to it, is what Bell bought back. They didn't buy the fibre. At least, they may have since, but not when I was involved.

We merged to open a company called ISN. Well, ISN is still open today. It's not my company and I want it known here today that I have nothing to do with them, nor Ruranet Wireless. It's still part of ISN. I have nothing to do with them either. Okay? Somebody else has re-registered the names.

In mid-2008, many months before the government's broadband announcement, I was contacted and met with a senior government official in the premier's office. This meeting was held when I was – and I was officially told for the first time that the province is going to enter into a deal with Bell Aliant to provide 100% coverage and that: It's going to close you down. Then it was not going to be tendered. It was quite a meeting. Try to explain that one to a Japanese wife.

I understand that we had several hundred customers and that, inevitably, competition was going to come someday and you were going to lose some customers. We had customers two and three minutes outside of Charlottetown. I didn't consider myself a rural Internet service provider. Stratford, to me, isn't rural and some of my children – I live in Stratford. Three minutes from my house, there's no high-speed. This is not a

Murray River problem or a Georgetown problem. It's all over the Island, okay? I lost where I was, but anyway.

I knew we were going to lose some companies and that's fine. You can say: Okay, I see 24 homes on this street. I see a business model for EastLink to roll fibre down the street or roll their infrastructure, or Bell, anybody. Potentially, some day I'm going to lose them. You can bank on that and you can budget for that. You can't budget for deals that are made that make no sense. You can't. It's impossible. Fair competition is what made Canada such a wonderful place. If everything was done above table and face to face, I believe PEI would have been covered seven or eight years ago and I appraise Wicked EH?. They're in the exact same area I was in. I know where there are some towers if you're interested.

There was, and still is, federal Internet infrastructure programs available to help with the costs of installing rural broadband. Now, the names have changed over the years, but they are still there. It seems to come about every few years. I don't know what the pattern is and never tried to figure out how things work. There have been numerous rounds and, to my knowledge, none of the wireless companies that were listed to speak here today ever received a penny in federal money. I may be wrong, but I don't think so. I know EastLink is speaking today. They don't have land-based wireless on PEI, so they also never got any money for wireless on PEI.

At the time of the government announcement where all Islanders were going to have high-speed Internet, it was, I don't know how long before the next round of what I call: Brand funding, the availability of money to spend in rural Canada. But, because the announcement was made publicly, PEI was deemed ineligible.

Not only were the companies that were already out there pounding the doors penalized by the announcement, their availability of borrowing money and getting money was gone. Rural Nova Scotia, for example, has received tens of millions of dollars since then from the federal government and they have a fairly decent network over there.

The basic premise of the federal money is that it can't be used to put existing people out of business. It only makes sense, because the money is coming from tax dollars collected from us. We're collecting money from the government. It's going into a fund. It shouldn't be used to close us down.

I have copies of minister Campbell's announcement back at the time. I don't know if anyone wants it. It doesn't really make a big deal. But, that announcement officially made us ineligible. That's right on the website: PEI can't apply.

This is my next big concern: Last night Minister MacDonald staged on *Compass* – or, he didn't stage, I take that back. That was a slip. He stated on *Compass* that: All Islanders will have access to up to 25 meg by 2018. He did the exact same thing Allan Campbell did on September 1st, 2010. From the federal government, rules written right on this application that's out there: PEI is no longer eligible for the money that is to be applied for next month. We're not. You cannot use money – the same as Allan Campbell. You cannot use money to put an existing – if there's already service in an area, the feds cannot subsidize it. He just announced last night: All of PEI will have it by 2018. Look at the fourth clause down: We're ineligible.

Wayne Phelan: Now, the difference is – Richard, I think you were involved back then.

Mr. R. Brown: Yes.

Wayne Phelan: You fought on PEI's behalf to get us eligible, unsuccessfully. The only difference is now is we have a different colour government in Ottawa. Hopefully it will work out better because we all want to see high-speed Internet to all Islanders out there.

I do have a couple of questions. You can answer them later, but I do have a couple of points to ponder. The new federal money can't be applied for until next month. The deadline was pushed back until a few weeks after. The deadline was supposed to be a while back. For some reason, it's next month. If it was awhile back then Xplornet, would had already received money, never

met their obligations. They wouldn't have been able to bid it again anyway. I'm hoping the deadline pushed back was a coincidence. I'm sure it was.

The new federal money can't be applied for until next month. Does this government already know who is going to get it before it was even put public? Because if you do, please advise. You'll save me about \$4,500 in legal and accounting fees. I won't bother bidding it. That's the first one.

My next question was directly to Xplornet, which they're not here so – and don't get me wrong. Xplornet has land-based wireless as well that works fine and I know a couple of the engineers and they're very competent and very good at what they do. But, my question is: If PEI is suddenly deemed ineligible because of what was said last night on t.v., which happened on September 1, 2010, will Xplornet still do all of PEI out of their own pocket? They're a venture capital farm out of the US.

I dare say there's a lot bigger populations elsewhere, but maybe they love our red soil and they're going to spend their own money, I don't know. I hope so because you may end up kicking a few more of the local players out and they won't be around if Xplornet does stop if they don't get the money. That's put aside. Xplornet is not here so I'm going to cancel my second part of that question.

When the government made the deal with Bell two terms ago, they began to act as a marketing arm for them and then that can be argued, but I was there. The MLAs were going door-to-door for the election saying: We got you high-speed, we'll get you high-speed. They were even promoting 1-800 numbers. You can't compete.

My question is: Was that announcement last night, what is the purpose of it? That is an incredibly powerful tool that the opposition parties should understand what it is. You have everybody that doesn't have access to high-speed Internet who is upset now putting their name and information into a list which is controlled by who? Given to whom? And they're going to know the day after that person finally is happy with their Internet. The possibilities of that database, I don't understand what it's there for. But

anyway, I'm sure it's going to be available for all.

The next I have here is: Way back when, and some people still have it now, but there was a MiFi stick with unlimited data for \$49.95 offered to anyone who couldn't get the government's – whatever, I don't know what the minimum level was, but you didn't get them through the stores that sell MiFis. You go to the store that sells MiFi and they looked at you with a blank stare and say: You got it through your MLA. I didn't know the MLAs were an ISP, but at that time they thought they were. In all fairness, there are a few people in here who came to me and apologized and I and my wife greatly appreciate it.

Some of these MiFis still exist today. They still exist. If you want, there's bills here for people who have \$2,500. I think it was \$2,053 for one month residence. They only had one child but that was what their bill would have been if they were paying the data rates. Magically off the bill, they paid \$49.95 plus taxes. Who paid? That's a question I would like brought back. If Bell paid, I'd like to know because they actually said at the CRTC meetings they didn't. It's just food for thought.

Mr. Myers: (Indistinct)

Wayne Phelan: Put that aside, I want to move on here. It's not all negative here because there was a lot of pressure 10 years ago for Internet. I understand where it came from. Technology has changed so fast that it didn't look like it was going to be obsolete as quick as it did, in all fairness to all those involved. Nobody could have fathomed how low quality of copper wiring we have on some of the poles on PEI, which 101 Queen St. may get seven meg and 102 may get one. Or, they may get 150 k. No one could have known until they deployed.

Well here we are today, March 15th, 2017, and the majority of PEI is worse off now than it was 10 years ago. My question to the folks here – not necessarily a question, a point – the big companies are good at providing what they provide, they're not designed to roll out into that one house at the end of the road, they just can't get them, there is no business model to do it. A new customer the last couple of years, a customer

of mine, Twin Shores Campground – one of the biggest employers in his part of the Island down in Darnley, he blew me away yesterday when he told me he has spent over a half a million dollars bringing Internet to his campground in the last 12 years. I couldn't believe it. Well this year's bill is going up because it wasn't to (Indistinct). I told him, I said: He said if you use that to increase my bill I'll shoot you, was his exact words. But anyway – it was before I got involved, that's (Indistinct).

Xplornet system will not be able to help them. It's what I call a one-off and it just wouldn't work. Somebody still has to be looking out for the rural businesses. You can get fibre op and you can get a cable modem in town here that will suffice for any business here. That's not the issue; the issue is for the folks that can't get it.

Island companies; basically my copy is – and I got it off the Internet. A cookie cut; one size fits all model, doesn't work for everybody. Island companies would have got the job done if people had of just either stayed out of it, or brought them into the consultations when doing it. Would have been done by now. We would have been saying: Okay, now how do we get them 10 meg? This is what the meeting would be today.

Last fall I spent \$40,000 – 30 of my own money – on getting back into the Internet business. Talk about stupid. But this is what I like to do. My wife thinks I'm nuts, but anyway, I like doing it. I have several areas of PEI already lit up and they're turned off. I will not turn them on and I'm not going to run seven days a week down east when there are interference issues. I'm not going to walk into somebody's house and say: You know what? You need \$600 worth of gear. To some of these people it is a big investment. I'll finance it for you but you need a three-year contract. I'm not going to put these people out there and not know what is coming down the pipe two weeks later, three weeks later, a month later. We can't get simple answers.

Turning them back on right now will cover a lot of areas that don't have Internet. They're already there; I've done the campgrounds in the areas for a few years now, so the

infrastructure is in place. It's just a matter of hooking up the homes around it.

I have never promised and then not deliver it and I am very proud of that. We need answers now or another tourism season is going to be missed. This is March, people don't understand it, but the infrastructure doesn't go in in a day. It needs to be done now. Or this summer, within a month it's gone, it's over. You're looking at 2018 (Indistinct), it may be too late anyway.

Government has a lot of existing infrastructure that can be used to light up rural PEI now. Why aren't we using it? That's my question. It's been there for years. This isn't a government issue; it isn't a political stripe, political colour problem. This has been there for a long time and we're not using it.

You guys just finished taking your two-way radio gear down. You had a network built to cover the entire province. I don't know if you knew that. No one really knows it because you don't use it. You switched over to a new system last year. You now have a system from Tignish to Murray River that you own not even plugged it. You call somebody and ask questions about it, it's like talking to that screen, they don't know. It's not their fault, they don't know.

A plan and a database has to be put together for the ISPs to access. Now, will that be good for long haul? Is it going to be temporary? Some of it will probably be temporary, but I don't think the homeowner will care if you can get them 10 megabits of Internet to their home while they're waiting for something else to come in at very little costs to the province, if any. My ultimate goal 13 years ago was for everyone to have access to high-speed in their home.

To quote Kelly Johnson, an engineer who worked for S71 spy planes, etc., and he made a lot of drones before they were called drones: Keep it simple, stupid. I think everyone has heard that before. Let's get it done. Keep it simple, and it'll be done. It's a matter of talking, communicating and working together. The small people are the most important part of this because the big companies have targets they have to hit before they deploy. It's that simple. They're in business to make money. They're not in

business to lose money, and running fibre down the road to get two or three homes – there's no business model to it.

That's about all I have to say and hopefully I didn't offend anybody. If anybody wants a copy of that, I don't think you can get it off Google, but I was told to bring 10 copies.

Chair: Thank you very much, Wayne.

We have about 10 minutes, maybe eight minutes for questions now so I'll open the floor.

Brad Trivers then Peter Bevan-Baker and then Richard Brown.

Mr. Trivers: Again, thank you for coming and being so candid.

Just like we asked the other service providers: What are your biggest obstacles right now, or what are the things that you need in order to roll out your services?

Wayne Phelan: Mine is different from the service providers because they have year-round customers.

Mr. Trivers: Right.

Wayne Phelan: I have a non-competition clause for five years after I left ISN, so I was done with the Internet. I never hooked up (Indistinct). I have a lot of people – like for example, it takes time, but Montague's side of the river has Internet, EastLink Internet. Lower Montague doesn't. We can go to somebody's house and shoot them a dedicated shot across. They would pay EastLink. They're not my customer. All I did was went and set them up. I wasn't allowed because I wasn't allowed to be a service provider based on my non-competition clause.

Twin Shores campground's Internet comes from, last year, from the water tower in Kensington and from another spot over in Richmond. My biggest, to get back into this, would be – my biggest help from the government would be to allow access to government infrastructure where it's not going to impede on anything you are already doing, with approval from IT Shared Services because I know they don't want people in their backyard, and lines

(Indistinct) to do it. Grants are (Indistinct). I don't know if I answered your question. I forget what it was.

Mr. Trivers: I just want to follow up on that.

Chair: Go ahead, Brad.

Mr. Trivers: I have tourism operators, for example, in Rustico area that they are saying: I've got a six megabit per second line that I'm trying to use to serve my 60-unit resort and I have to shut off my router so I can process my credit card transactions. They are saying: I can't wait. Because I got that email from Xplornet and I have a copy of it for you and they say: I can't wait until Xplornet comes in and provides wireless and the other Internet service providers aren't coming to my area any time soon. I need it now.

I guess that's my question to you: For people like that, are there any obstacles in your way for making that happen immediately for these sorts of people?

Wayne Phelan: I know what area you're from so, no, I already put a request into government for access to – and I don't know the name of the school, it's up in Hilltop in Rustico, that –

Mr. Trivers: Gulf Shore Consolidated.

Wayne Phelan: That would service a lot of the under-serviced people. Down in Rustico there is fibre in there so it's the – Anglo Rustico it's over by the golf course they have nothing. For five years now he's promised something every year so this year he's not letting me go. He said: Listen Wayne, do what you need to do.

Do you say to each person, you need to build a \$35,000 tower? Or do we just go to the rooftop of that school where there is already fibre to it? The contract was awarded years ago. There's fibre in there. There are three strands of fibre in the same school if that makes any sense. Different companies – we could light them up quickly.

Mr. Trivers: Again, like I have been asking the other providers: If you had that access how long would it take for you to set that up?

Wayne Phelan: I ask permission to get into these places during March break when the kids weren't there. To me it kind of made sense. Then, turn it on in May. It would be two-days' work at the school. You're done. Cost, a switch; you're done. The infrastructure is there. We don't know what we got. That's the biggest issue here.

Mr. Trivers: Thank you.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair. Thank you, Wayne.

You said something very powerful towards the end. You said: Island companies would have got the job done if we'd just been left alone.

Wayne Phelan: That's an opinion.

Dr. Bevan-Baker: Okay, but it's one that – it's hard to see how government could have bungled this worse than they did, entering in an agreement that costs taxpayers over \$20 million to end up with substandard service to large regions of Prince Edward Island killing off several small ISPs along the way. We've already heard from at least one of those today, and in the process losing ownership of some critical parts of the infrastructure. How could you bungle it worse than that?

Here we are faced with a problem where ISPs who have survived, or come since then, willing and able to create real high-speed service to Islanders and the uncertainty of the situation is preventing that expansion from happening.

My question: How do we remove the uncertainty from ISPs so that they can go ahead and provide the service that Islanders require and deserve?

Wayne Phelan: How do you remove the uncertainty? I don't know whether you can. There is definitely a distrust out there in the marketplace now, unfortunately.

The easiest way you could help is allowing access to infrastructure that doesn't impede on what you're already doing. Trying to gain back the trust; that's like a broken relationship, it's going to take a while. It just

won't happen overnight. When you are going to do something – like I heard about the Maximeville being tendered out or whatever way back when, and he said: Are you going to bid it? And I said: I live in Stratford. I said: I go in there and light something up I'm going to knock 50 of your customers off of the Internet. That's where communication has to take place.

Eventually, maybe there will only be one wireless company on PEI, but the best way to build it would be multiple little folks dealing together with compatible equipment and compatible thoughts and processes. Maybe if somebody wants out of the business they buy them up, and expand in. There is always saving in buying the smaller folks if they want out. That's what should happen. I hope I answered your question.

Dr. Bevan-Baker: Yeah.

One final one, please, Chair?

Chair: Sure.

Dr. Bevan-Baker: Thank you, Chair.

You mentioned access to the school fibre and as long as there are rural schools and, of course, that's another question yet to be answered. Access, all schools have access to 100 megabyte, megabit, excuse me, fibre. We know that.

In your opinion, again, assuming – these schools are fairly well distributed throughout Prince Edward Island –

Wayne Phelan: For now.

Dr. Bevan-Baker: For now. If we had access to that, do you think that has the potential for full coverage for true high-speed Internet for all Islanders?

Wayne Phelan: For all Islanders? You're not going to get them all off the roofs of the schools, but it has the basis for the infrastructure to do it. You go back a couple of hundred years they built the church, and they built the school and they lived around it. You step up on the roof of Bluefield School you'll see 100 homes, not that I was up there.

Mr. R. Brown: That's a good one.

Wayne Phelan: P.S. the cameras are –

Mr. R. Brown: (Indistinct)

Wayne Phelan: – are broken. I was advised the camera has been down for months, so.

Chair: Are you done, Peter?

Wayne Phelan: That was a right-handed person up on the roof.

Chair: Okay, here's our line-up; Richard Brown followed by Chris Palmer, James Aylward and then Steven Meyers.

Richard Brown.

Mr. R. Brown: Thanks.

I must say, over the years, you've done a tremendous job with your Internet access. You have a good plan now. I went over it with you and with the schools and I think the availability is there and if it is some bureaucratic problem that's holding you back, where is it holding you back?

We paid millions of dollars to put that infrastructure in and we spent millions of dollars of taxpayers' money putting that infrastructure in. A tonne of capacity is available and where is it, the hold up on opening that access to Islanders because that's what we're going to be doing; opening up Internet access through those pipes to Islanders.

Where is the problem right now?

Wayne Phelan: I believe there is a fear in allowing people into the provincial government's server rooms. We don't need in. We need one wire going to a – I think EastLink has the contract with the schools right now. We need a wire going from that to a box up on the roof. We never have to enter the server room again.

If the Internet goes down, the school's is down, as well so you're going to have somebody in there fixing it. When you fix yours, mine is back on. I do understand, there are – you shouldn't allow people in your server rooms. You have no idea. I had no idea up until recently what can be done in 30 seconds with a flip stick. There are reasons why IT Shared Services doesn't

want anybody in their server room, but we don't need in.

Mr. R. Brown: But could IT services put that wire up to the top and no one has to enter the room so the wire is through the building onto the tower and you –

Wayne Phelan: They could, you could just tender it out –

Mr. R. Brown: – wouldn't need a –

Wayne Phelan: – to a contractor that is already certified and whatnot to the province. They're already in there doing it anyway.

Mr. Trivers: IT Shared Services doesn't even have to do it. It could be his contractor that does it.

Wayne Phelan: Any contractor who the province –

Mr. R. Brown: If they're having a problem having access to the room – So they do it, you put the line up the pole –

Wayne Phelan: Their biggest fear is the Internet drops at 11:00 p.m. at night, Cabinet was done at 5:00 p.m. Kent England just mentioned if he was online at 1:00 a.m. or 2:00 a.m. or 3:00 a.m. in the morning, who do you call at 3:00 a.m.? I don't need in the server room at 3:00 a.m. in the morning. I potentially need up on the roof, but I'm not going up on the roof at 3:00 a.m. in the morning anyway. It's going to happen the next day.

I understand their concerns, but they can be overcome simply by moving the gear out of the room.

Mr. R. Brown: Good.

Wayne Phelan: It doesn't even need to be in the school it can be outside.

Chair: Okay, are you done, Rich?

Mr. R. Brown: Yeah, sure.

Chair: Chris Palmer.

Mr. Palmer: Thank you. Thanks for the presentation.

I think that's terrific. Just so I'm clear around that school infrastructure. Is it a strand of fibre that you want access to that you can connect to it, or is it the existing strand of fibre that has Internet on it already that you piggyback on the back of that?

Wayne Phelan: No, I'd be a new EastLink customer. I wouldn't be touching the government's network.

Mr. Palmer: Right, so there's –

Wayne Phelan: To simplify –

Mr. Palmer: – no reason –

Wayne Phelan: – you take the 1-port switch out, put a 2-port switch in. Take the government out, put it on the left, me on the right. We're different networks.

Mr. Palmer: So, there's no reason for IT Shared Services or anybody in government to say: Hey, this is going to be connected to our school or our existing infrastructure –

Wayne Phelan: No.

Mr. Palmer: – because it's going to be separate.

Wayne Phelan: (Indistinct) going to be: If you want to pay the bill, geez that would be great, too.

Mr. Palmer: Yeah.

Wayne Phelan: Our bill is going to be a separate bill. We'd have to get approval from Atelco's – we'd have to get a quote from Atelco's right?

Mr. Palmer: Sure, yeah.

In theory it could be a – in the server room it could be caged off. There are lots of companies that do that; will have co-location allowed and everybody cages off so that it's secure and safe. But if we didn't want to do that, we could, as you suggest, run the wire out somewhere else to another demarked point and connect to it from there.

Wayne Phelan: For myself; I don't want to be going into a school when there are hundreds of children walking around either.

Mr. Palmer: Right.

Wayne Phelan: I don't want my guy going into the school. We'd do the work when the kids are gone. It should be outside the school; it doesn't need to be in the server room.

Mr. Palmer: Right.

Wayne Phelan: It is an additional cost for the company doing the work, but you also don't want somebody with the big boots and the trench coat and everything else walking through an elementary school, especially with one arm.

Mr. Palmer: Point well taken. There are ways to make this work. I think that's the part that really, we need to emphasize, is let's find reasons that you can get in there, as opposed to reasons why we can't, because we need to do this.

Wayne Phelan: We presented it to government and they've already – they're looking at it. They said: Unfortunately it has to go to policy board. About 20 minutes after the phone call I was told: Policy board can take up to a year.

Mr. R. Brown: No.

Chair: No.

Wayne Phelan: I said: Well –

Unidentified Voices: (Indistinct)

Mr. Palmer: Right. So again –

Wayne Phelan: – private company –

Mr. Palmer: Exactly, so let's find ways to make this work as opposed to get a great big long list of reasons why we can't. Let's try to figure out a way to do that.

Chair: You done?

Mr. Palmer: I'm done.

Thank you.

Chair: We have two last questioners, James Aylward and then Steve Myers.

Mr. Aylward: Thanks very much, Chair and Wayne, great to see you here today. Thanks very much for your presentation.

I guess, two-pronged question. The first question would be: What was the reason you ended up getting out of the business initially, shutting down your business?

Wayne Phelan: Obviously it was right after the announcement of the government. I had loans in place guaranteed with my house. I had one to the province, obviously. I also had \$10,000 shares sold to different local business people.

Why did I get out? Six months after Aliant was done, government was telling people: Wayne's already been bought out by Bell; they're working together. We weren't working together, and I was never bought out. I think that's already been put out there. We were never bought out by Bell and we never asked to be bought out by Bell.

But when I have somebody in a mini-home on the 48 Road saying: I'm hooked up with bell now. And I said: Well, you know what, legally; I can send you to collections for \$1,400, which is what's remaining on your contract.

My kids got to go to school with these people. She did not pay her bill, she took advice from her MLA, there's a difference. So my wife was present at the time. I had used 48 Road. It wasn't 48 Road, but anyway. My wife was pregnant at the time. We sat down and the biggest reason why was stress and what-not on her. We have four kids and we didn't want to go there.

Mr. Aylward: Okay, thank you.

I guess my next question then would be –

Wayne Phelan: (Indistinct) by the way with zero dollars so we're out about 600,000.

Mr. Aylward: Wow, big hit.

Wayne Phelan: (Indistinct) now, even with pesos.

Mr. Aylward: My understanding is that at one point in time back – and I want to say it was around 2008-2009, in that range – you were scheduled to appear before a Public

Accounts Committee and my understanding is you were going to be there that day, but then for some particular reason you didn't appear. Is there a reason?

Wayne Phelan: Basically the same reason I just told you. It was a lot. We couldn't leave the house without people – and I had people calling, saying they wanted to come down here and picket outside of the building here and say: I know what my lawyer told me. Let's do this. Let's do this.

My wife was, at the time, still learning English. She was from Japan. We were over there; that's we met. She had no idea what was going on and she was slowly going downhill. We decided it was best to walk away, to simplify it.

Pressure? There was no direct pressure from one particular person, but yes, there was pressure coming from everywhere. If I didn't have a wife and four kids, I'd have been there with a pink (Indistinct) and a muscle shirt, but I had other people I needed to think about.

Mr. Aylward: Okay, thank you.

Chair: All right.

Mr. Aylward: Thanks, Chair.

Chair: We have Steve Myers then Robert Mitchell is coming on.

Mr. Myers: All right thanks a lot, Wayne, for your presentation.

I'm just looking for some clarity around the, I'll call it the Gulf Shore issue, but it will apply to wherever it is that you try to tap into government infrastructure.

Wayne Phelan: (Indistinct) one in your backyard, we're looking for Georgetown, as well to do Steve Jamieson in Lower Montague.

Mr. Myers: Okay, so in –

Wayne Phelan: School has to stay open, though.

Mr. Myers: I'm pretty sure that's going to happen, that's a – I don't think – we've got

one vote here for us. We're just picking away at the votes.

Mr. R. Brown: – (Indistinct) presentation, Internet going through the school.

Mr. Myers: Well, there you go.

I guess the question is: You put the request in and it's going to go to policy board, what happened in between then? Who is it you're dealing with in the province?

Wayne Phelan: Kal Whitnell and Steve Thain are the two people I have always dealt with. I don't know who the decision-makers are. And they're quick to get back to you. They're good. It's just they don't make the decision. They say: Listen, Wayne, it's going to have to go to policy. I said: How long does that take? I want to do it during March break. And then they – Oh, it just takes time. I'm just am not used to waiting I guess.

Mr. Myers: I guess it's the unfortunate part when you deal with government. They don't work at anybody else's speed. They work at their own.

Mr. R. Brown: Three hundred bond.

Mr. Myers: Yes, 300 bond. They're definitely a 300 bond.

Do you think this is something, from the conversation I guess that you've had with them; do you feel that this is something that government is going to be willing to move forward on?

Wayne Phelan: The Premier mentioned, I think it was the fall sitting last year: What can we do? There's the easiest that doesn't cost taxpayers a penny. It's the easiest. It's already there. Somebody has a list of what the province owns; it's just a matter of finding the right one and throwing the old ones out. There's a lot of stuff out there the province owns.

Mr. Myers: Thank you.

Chair: Thank you, Steven.

Last, Robert Mitchell; you've got a minute.

Mr. Mitchell: Okay, I'll keep it short. Thanks, Wayne, for your presentation.

You and I have had conversations in the past about your situation as well and how things were working for you before. My question kind of flashed into me based on your comment about going to policy board and I sit on policy board as well, so I'll look to see if something comes up in the near future there.

I go back to where Peter earlier mentioned something one of the earlier presenters about: What is it that you want government to do? Do you want us to take it over or do you want us to get out of the way?

I guess if, to answer that question and that's one that sticks in my mind too: What do you want us to do? I ask that in everything in my department too: What do you want me to do? Get in or stay out?

But, when I think about it coming to policy board and it comes in as: Wayne Phelan's company (Indistinct), or whatever you're going to call it, should the policy be that Wayne Phelan gets to go on top of the schools or six providers, I think four of them are sitting behind me, should everybody get to go in the schools?

That's what I want to ask you. It's your idea, but when it gets to policy and a policy gets established that everybody is in, what does that do to Wayne Phelan who has already done some work? But, others have work that would probably be similar to Wayne Phelan.

Wayne Phelan: Well, you know what? People need high-speed Internet at their house. I made a proposal to a community just outside of Charlottetown. Their Internet was going to be coming off the roof of two schools; one for their main feed and one for redundancy. If another company wanted up on that school, they're a private business. There needs to be a business model for them. If I've got all the homes hooked up, Wicked EH? is not going to go spend money where they can spend it in Kings County and spend their time and effort – there's only so much time, effort and money available.

If I'm spending my money right here, I don't think I have to worry about them

wanting to put an antenna a foot underneath mine.

Mr. Mitchell: Then you answered my question 100%.

Thank you for that.

Wayne Phelan: If you leave it alone, competition will work things out on their own. That's my opinion.

Mr. Trivers: So March break (Indistinct)

Chair: Wayne, all right, you done, Robert?

Mr. Mitchell: I'm done.

Thanks, Wayne. I appreciate it.

Chair: Wayne, just a quick question from me then. It seems like Wicked EH?, really their area is in the east. It seems that we have another area in the west here. Do you think there should be a little bit of control over – I mean there is free enterprise and anybody can kind of hook up, but just to kind of setting the stakes out or the regions out.

Wayne Phelan: I ask you one question: If you walk into a Murphy's restaurant or a Murphy's coffee shop, can you look out the window and see another coffee shop? Free enterprise is free enterprise – you let people go. Free enterprise if – take their crap that goes underneath the table that's being passed down out of the way, and it will work itself out.

If I was going to do something down in where they're doing – and I'm not sure where they're doing the work – but if I was going to go down there I'd go see them first.

Chair: Yes, check us out.

Wayne Phelan: Listen, I've got 16 people that need Internet and I'm going to need 13 more to make a business model, do you have anything near? All kinds of things that potentially could be worked out down the road.

If they say: Well, we've already got a tower there. I'll say: Well, here are 16 people looking for Internet. I'm not going to waste another 50 hours on this.

Chair: Business people just want to be told straight up.

Wayne Phelan: Yes.

Chair: Okay, listen. I guess we have to move on Wayne.

Thank you very much.

Wayne Phelan: (Indistinct)

Chair: It was a wonderful presentation, Wayne.

Mr. Aylward: I have to tell you, Wayne: My dog is missing the skidoo.

Wayne Phelan: That dog scared the crap out of me when (Indistinct) – dog chasing me on a skidoo (Indistinct) –

Chair: I will call EastLink to the table, please.

EastLink representatives: Natalie MacDonald, Jeff Gillham and David Dunphy. Welcome to the table.

Natalie MacDonald: Thank you. (Indistinct)

Chair: We're down one. Does anybody want to refill their water glasses or grab a cup of coffee?

[Recess]

Chair: I'll call the meeting back to order.

I'd like to welcome, well, the Mayor of Stratford, David Dunphy, here today and Natalie MacDonald. It's a pleasure to have both of you. I'll turn the floor over to you just as soon as – just mention your names when you first speak. These do not amplify. They're for recording purposes only.

Natalie MacDonald: Okay.

Chair: We'll just go along the same procedure as we have with the other presenters.

Natalie MacDonald: To clarify, do I mention my name every time I speak or just like –

Clerk Assistant (Reddin): Just the first time you speak.

Chair: Just the first time is fine.

Natalie MacDonald: Okay, great.

Good afternoon. As noted, I'm Natalie MacDonald. I'm the VP of regulatory at EastLink and I'm here with David Dunphy. We appreciate the opportunity to present and attend to the committee here today. I did prepare a bit of a presentation. It's really just an opening remark to give some context for EastLink for those who may be less familiar with the company and what we've been doing here on the Island.

EastLink is a family-owned company with deep roots as a service provider in Prince Edward Island. We've been providing our services to Islanders for over 40 years, with PEI and Nova Scotia being the first provinces in Canada where we started our business and began our expansion efforts.

With a philosophy of investing 100% of our profits back into our business, and a culture of innovation and competition, we are proud to offer our state-of-the-art communication services to approximately 1,800 communities throughout seven provinces in Canada, with most of our serving areas being smaller communities, towns and villages. In fact, 64% of our Internet-served homes in Canada are rural addresses.

EastLink's roots in the Atlantic Provinces means that PEI has benefited by being one of the first provinces in Canada to offer its residents competitive, local wire-lined telephone competition. We were the first to bring service bundles to the Canadian market and to Islanders, and our ongoing expansion of our networks has resulted in top quality, high-definition t.v. services and hundreds of channels, video on-demand and video streaming apps.

On the Internet side, we provide some of the fastest Internet speeds offered in Canada. Our broadband networks are built to provide our customers with speeds of up to one gigabit and at a quality unsurpassed by some of the largest communication companies in the country.

In PEI alone, EastLink has invested over \$128 million into our networks since we began expansion into the local telephone market; and our investment continues, noting in 2013 we launched and continue to expand our wireless services on PEI, the only 100% LTE wireless network in Canada.

EastLink employs 93 fulltime employees, which is a combination of EastLink staff and full-time contractors. As to call centres, they are comprised of a combination of an EastLink call centre in Nova Scotia, at home agents located in Nova Scotia and Prince Edward Island, and we also outsource work to our only contracted call centre which is located on PEI and is a locally owned and operated PEI company. We had great success working with our PEI call centre, and our working relationship continues to flourish. In fact, this local PEI call centre supplies our entire Canadian-based operations across seven provinces.

We also have two retail stores on PEI, and our community channel EastLink TV, has enabled local Islanders to share their stories, learn through volunteer opportunities, and come together to experience local sporting events, university convocations, the PEI legislative proceedings and political and holiday specials.

Through our channel, EastLink has helped support and raise funds for dozens of Island charities, including the QEH Foundation, Kin Family Christmas Appeal, Grassroots and Cowboy Boots for the Prince County Hospital. Seventy-seven percent of EastLink's Internet service areas have access to up to the one gigabit service, and 20% have access to up to 400 megabit speeds, with the remaining 3% having access to 20 megabits per second service. We are proud of the advancements we are making to Internet services. In our experience, customers' Internet usage has been increasing upwards of 50% year-over-year, which requires ongoing investments to stay ahead of capacity demands.

We understand that this committee's focus is on Internet service and how the future looks in terms of bringing higher speed services to Islanders, who are either under-served or who may not have access to high-speed

Internet. EastLink also wants to ensure that our customers continue to experience some of the best Internet services available in Canada. We have connected schools on PEI to our fiber optic network, as well as hundreds of PEI business customers, some of which include government at all levels, Island universities, hotels, hospitals, long-term care facilities, agricultural companies and many more.

As a rural-based provider, we understand the challenges of building networks in hard-to-reach areas, and where we can overcome those challenges we continue to do so. In fact, EastLink has recently expanded our high-speed Internet services into communities including Kinkora, Harrington, High Point Road, Route 19 area, Upper Meadowbank Road, Trans-Canada Highway area and the Blue Shank Road.

We continue to work with governments at all levels, including municipalities and small under-served communities. We are pleased to be here today and welcome your questions.

Chair: Our first question is Richard Brown.

Mr. R. Brown: Would you provide your network map to the public?

Natalie MacDonald: We did hear that there were requests for the maps, and we had some discussions. First of all, from what I've heard, it sounds as if there's some interest in the fibre route maps. We actually do have a business sales division and we do provide wholesale services to all kinds of different companies on a wholesale basis, including other ISPs. Our fibre route map is actually available on our business website online, so it's publicly available.

When you get into very detailed maps of our networks, there may be some concerns around the sensitive information, and in those cases, we don't make those publicly available.

Mr. R. Brown: I think the request is just your main trunks. I don't think the request is right down to the last line.

The network that heads to the schools was built by contracts through the province, so what would it take to allow those access

points to be open to other ISP providers? Could you put your box outside the school and put it into the school and then – there's no connection to the school then – and then the tower is available to other ISP providers.

Because I think EastLink does work with providers. I think you do a job there, and it's more business for you. If you can get independent providers helping you out to expand your network, it's better for EastLink.

Natalie MacDonald: And I would say, I guess in response to that, that yes, we do provide services on a wholesale basis to other providers, so other ISPs. As to exactly how the technical interconnection would occur whether it's inside or outside and what the perimeters of that would be, that would probably be something that we'd have to address in the sales group with the engineering group as to what the norm is and what the circumstances would be.

My initial reaction to the question is that it would be definitely a potential discussion to have. We certainly do provide wholesale services for fibre.

Mr. R. Brown: So you will sit down with the school and the government and see if this can be done?

Natalie MacDonald: I don't see why we wouldn't.

Mr. R. Brown: Thank you.

Chair: Brad Trivers, then Steve Myers.

Mr. Trivers: Thank you, Chair. And thank you for coming in and being candid, as well.

Like I've been asking the other service providers, we know there's this under-served areas of PEI. What are the main things that are stopping EastLink from expanding your services into these areas?

Natalie MacDonald: I guess as we described in the opening, I mean, EastLink does offer services across – basically throughout the Island there are areas that, of course, might be represented by – as we know and we've heard the Island is – there's houses spread quite a distance. By kilometres you might have a handful of

houses across many kilometres before you get to a small town or a community. Those do certainly represent some of the challenging areas.

But we've continued, even over the years, I mean, what 10-years ago might not have been possible, even within the last year as you build your network, and then as things change you can justify further expansions, whether it's because of just changes in improvements in the technology or maybe there is another expansion that happened recently that can justify interconnecting and expanding the network a little bit out further. Those things continue to occur. We continue to review our network and where there are those opportunities.

In terms of challenges, obviously, from our perspective, our priority is to build, for us, the robust wire-line network. There are significant costs into doing that, but it's the kind of network we want to build because we want to have a future proofed network given the increased use that consumers are making of the Internet.

When we look at the business case we need to look at the costs and the demographics of the area in terms of the number of homes. Also, there are costs associated with building, aside from just the fibre costs, but also the cost of pole attachments and the cost of make-ready associated with the poles. When we're talking about more poles per home versus – in some of the more densely populated areas where you might have many homes per pole – the cost starts to change. We keep looking at that and that's why we've been able to build out some other areas, which maybe, many years ago, we wouldn't have been able to justify. That continues, as well.

Chair: Chair recognizes, Steve Myers.

Mr. Myers: Thank you. Thank you for your presentation.

Just back to the topic of schools that Richard had. EastLink has a contract for all of the schools on Prince Edward Island?

Natalie MacDonald: Yes.

Mayor David Dunphy: Yeah, 100% now.

Mr. Myers: What is the size, the bandwidth size, of the service that goes into each, or does it vary?

Mayor David Dunphy: It's a minimum –

Natalie MacDonald: Yeah, I believe it's 100 meg connection.

Mr. Myers: It's a minimum.

Natalie MacDonald: But I'd want to confirm that then, so if I have misstated it, I would certainly correct for that.

Mr. Myers: Okay. Was that an RFP process that that came through?

Natalie MacDonald: It was, as I understand it, it was not a formalized RFP, but there was a letter that had gone out notifying other participants of the opportunity and for any call for interest, but I don't know if it was a formal RFP, perse, but there was an opportunity made available to –

Mr. Myers: So what was the value of that?

Natalie MacDonald: I would have to check on that. I don't have that number.

Mr. Myers: Just on that, because a lot of the presentations that came before keyed in on, not being able to connect the far-reaching places; one of the areas that I represent, but I also have a background in IT, it was an application to development. But I remember the early years of trying to do systems for highway safety and going out and doing presentations at highway safety something I wrote and not being to pull up data. I'm old enough that I worked in a time when you couldn't bring the simplest things across Charlottetown, let alone all of Prince Edward Island.

Mr. R. Brown: Canada Post could deliver a page faster.

Mr. Myers: Much faster, they could. They could much faster.

I appreciate where we have come from. I've seen the bad side of it. Kind of on that same scene where Richard is on, if any other business – if government agrees that they don't mind a business coming and putting an antenna on their roof or whatever it is that

they have to do to gear up equipment, there's really no issue from your perspective of doing business with any of the other providers that may do those far-reaching communities?

Natalie MacDonald: I would be inclined to say I don't think there is. I mean, I'm not the person who sells the services and I'm not on the engineering group, but I certainly can say that we make available wholesale services and access to fibre. Obviously, there would be a discussion and whenever the normal parameters of those kinds of arrangements would occur, that's what I can't speak to the details of. But certainly, I would expect that that conversation could take place with the folks who do have those discussions.

Mr. Myers: I just have one more question.

One more question, and it has to do with the \$23 million contract because I know you guys were upset at the time. You remember. The question has to do with your total growth on Prince Edward Island. How much do you think that not being given an opportunity to participate in that limited your total growth, not just in Internet, because you guys are in a much broader ranged business than Internet, to bring your full packages of services right across Prince Edward Island. How much did that limit you from being able to do that?

Natalie MacDonald: That's a very tough question to answer, but I can I guess, say a few things around it.

First of all, we do believe in an open process, and an open and competitive process. As a company, we're very pro-competitive. We've entered so many areas across the country as a small competitive provider, so we fought a lot of those battles for the first time in a lot of these communities.

I say that in context, to bring context, because we do believe that a pro-competitive open process really does create the best opportunities for the government, for the taxpayers. Also, it keeps everyone in line. Coming from that perspective, we believe also in investing where there's a business case. We are serious about investing and expanding. As I said, 100%, of

our profits go back into the business and we believe that when there is funding to be made available our interest is that it would be well served in places where someone cannot make a business case.

If there is a business case, and if someone is going to build anyway, that is where we would say: Well, that doesn't really help anything because when we make an investment, we certainly wouldn't want someone else to come in and compete on a subsidized basis. It's a different situation then when everyone is making an investment into an area where they would plan to invest anyway.

I guess what I would say is: While we can't quantify those things, we're very pro-competitive and we do, even in other forums, we would say: If there is a funding model it should be very carefully implemented in a way where it's not funding an overbuild of competition where someone else has already made the investment.

Mr. Myers: Thank you.

Natalie MacDonald: I hope that answered (Indistinct)

Chair: Peter Bevan-Baker and then Chris Palmer.

Dr. Bevan-Baker: Thank you, Chair.

Wayne Phelan said something interesting earlier about government's pronouncement that providing 100% high-speed access will prevent us from accessing funds in the future. I'm not sure, and I need to do a little bit of background on that because I can't verify whether that is indeed the case. But government claimed, with their contract with Bell, the untendered exclusive contract with Bell, that 100% of Islanders would have access.

In the press release issued either yesterday or the day before, we find out that 20% of Islanders cannot, and I'll quote: 20% of Islanders cannot access adequate Internet services. These are all rural Islanders, of course; 53% of the population lives in rural PEI. So that represents almost half of rural Islanders do not have access to adequate Internet services.

My question was – Steven kind of got ahead of me. I was going to ask about whether the Bell contract impeded your expansion and I understand that's a difficult question to answer. But, do you have any knowledge on whether this claim – and the claim that was repeated just last night on *Compass* by Minister MacDonald – that government will provide 100% access to all Islanders for high-speed services.

Is that going to impede our access to funds as far as you're aware?

Natalie MacDonald: First of all, I need to qualify because the announcement did just come out yesterday and I'm not extremely familiar. We haven't had any real discussions from the company perspective on it. It's very recent news. I wasn't sure what the reference in terms of impeding was. Was it with regard to the funds that were being proposed by Industry Canada, now called ISED, the \$500 million that's going to be used to build out?

I know that they do have certain specifications as to what will qualify. I can't say that I'm familiar enough with the very specific details as to whether that would disqualify. But, what I will say is that I am very familiar, also, with the CRTC decision and under the CRTC model, because I was participating in that process. The CRTC recognized the importance of not creating a funding model through – and I'm speaking for my interpretation of their decision, I don't want to speak for the CRTC. But it seemed that they recognized that there were various levels of government across the country that might, in different ways, participate in funding broadband and Internet services.

They haven't fine tuned the model because they are going to be issuing another process to get into the details of: What is this fund going to look like? How is it going to be funded? But, what they did say is that in order to qualify for the fund that the CRTC creates, which is really coming from telecom revenue, that fund – anyone applying for it would have to come to them with their own commitment of investment along with the commitment of investment from government of some sort, and government agencies etc.

That implies to me that in order to get that funding, you really need to meet whatever test the CRTC is going to decide and that includes funding from both. That tells me, at least, that as far as funding for CRTC, when that comes, may actually come with government funding. It doesn't preclude you from being able to expand. But as to Connect to Innovate program, I don't know for sure if that would prevent someone from being able to get funds from the Connect to Innovate. I think that we'd need to look at that one a little more closely.

Dr. Bevan-Baker: (Indistinct)

Chair: Thank you. Thank you, Peter.

The Chair recognizes Chris Palmer followed by James Aylward.

Mr. Palmer: Thank you, Chair.

I think my question may have already been answered. I think it was similar to what Steven had asked around your wholesale side, or is this an engineering question? Is there dark fibre going in all the schools already?

Natalie MacDonald: That is something I would have to confirm because you made the distinction between dark fibre and I really don't know the answer to that.

Mr. Palmer: Right.

Natalie MacDonald: I would have to check on that.

Mr. Palmer: But that is something that we could easily find out from the wholesale side of your business, your request on those?

Natalie MacDonald: I would expect, yes. Certainly, if they don't know, it would just root through the company and yes.

Mr. Palmer: Okay great, thank you. I'm good.

Chair: That's it?

James Aylward.

Mr. Aylward: Thanks very much, Chair and thank you very much for your presentation.

I'm just wondering: Can you tell us here today what the average bandwidth costs are per meg here on PEI?

Natalie MacDonald: Goodness. I don't know that I could do that. I'm not sure. I think that would require someone from our engineering group who is more familiar with the build-out costs, etc. Unfortunately, I'm not able to –

Mr. Aylward: David, is that something –

Natalie MacDonald: – answer that.

Mr. Aylward: Is that something that you would know?

Mayor David Dunphy: Define cost.

Mr. R. Brown: Money.

Mayor David Dunphy: Define cost, bandwidth. Bandwidth is a big word.

Natalie MacDonald: Yes.

Unidentified Voice: (Indistinct)

Mayor David Dunphy: Cable modem or what are we talking about? If you're talking about to a residence, then okay, a 200-meg connection or 100-meg connection? What are we talking about?

Mr. Aylward: Well just say a meg. If you're negotiating with a company that's buying per meg, is there an average cost per meg?

Mayor David Dunphy: It would depend on the case. It would depend, in a wholesale situation it would depend on what the cost we would have to incur to get to the customer. Sometimes we have to run fibre down the road a kilometre or less. It's those kinds of things that would depend on what our cost is up stream for Internet bandwidth, so they all factor into the equation. Quantity, there's many variables.

Mr. Aylward: Okay, thank you.

Mayor David Dunphy: It's like buying water. The more you buy, the cheaper it is.

Mr. Aylward: You shouldn't have to buy water.

Chair: Okay, our last –

Unidentified Voices: (Indistinct)

Chair: I'll call on Richard Brown.

Mr. R. Brown: Thank you very much for coming today.

I'm encouraged by your statements today that willing to work with the small providers on Prince Edward Island. I know you have small contractors all over Prince Edward Island assisting your company to grow and assisting your company to provide services to Islanders. You have a model there of working with small companies so I'm encouraged by it and I'm encouraged to maybe you take your map, the province to take you map, overlay it with Bell's map and whoever's other map out there and to provide this and start the dialogue with our small providers in order to make sure that we do have 100% capacity across Prince Edward Island.

Thank you.

Chair: Okay, so David and Natalie thank you very much for coming here today and presenting before the committee. On behalf of the committee it's great to have you here.

Natalie MacDonald: Thank you.

Mayor David Dunphy: My pleasure.

Chair: Thank you.

Committee, we're on item number four; it's on communication from other Internet service providers and I'll just have the clerk bring us up to date.

Clerk Assistant: Committee, the invitations to appear today also went out to Island Telecom and TekSavvy, and they both were unable to appear today, but expressed interest in coming. In fact, there is an email response in the memo that is put in front of you from Island Telecom.

Mr. R. Brown: Is that Bell?

Clerk Assistant: No, that's not Bell. Island Telecom, their representative is Daniel Mullen. Anyway, he indicates he would

possibly be able to appear, if the committee so desires, on March 29th. He also requests 20-minutes presentation time and a second 20-minutes in camera. That would be a committee decision to grant that or not.

Also, as I mentioned, TekSavvy could not be here, today, but expressed a desire to appear before the committee if there was some future date. As you've all discussed today, Xplornet was scheduled, but unable to attend at the last minute. Essentially, I'm looking for direction from the committee whether you would like me to attempt to schedule another meeting on this subject, or how to proceed.

An Hon. Member: Yes.

Chair: Okay.

Dr. Bevan-Baker: Yes, I think I may have an issue with a request from a witness for us to go in camera.

Mr. Palmer: Yeah, I have a problem with that, too.

Dr. Bevan-Baker: Yeah, I mean they can –

Chair: That's our prerogative.

Dr. Bevan-Baker: Yeah.

Clerk Assistant: I can communicate that to the witness that –

Dr. Bevan-Baker: Maybe they could tailor their –

Clerk Assistant: – (Indistinct) an in camera session.

Chair: Their session is public.

Mr. Palmer: Right.

Chair: All right, how about then the clerk and the Chair, we'll try and put those two together. Get them done in the same –

Mr. Myers: (Indistinct) private meeting.

Chair: No, it won't be a private meeting, but we'll see if we can line those two up.

Mr. Myers: Perfect.

Chair: Is everybody okay, the March break is coming up, and then we're going in the Legislature. Anybody got a preference how soon we want to do this?

Mr. R. Brown: I'll be working next week.

Clerk Assistant: I might add, if I may, Mr. Chair –

Chair: Yes, the clerk is –

An Hon. Member: (Indistinct)

Chair: - let's hear from the clerk.

Clerk Assistant: Also, some additional items on your agenda there, scheduling additional meetings; we really have about two weeks before you go back into the Legislature. Some previous committee decisions involved inviting Minister Roach in to appear on the Internet services issue, and Minister MacDonald to appear on the Mill River Resort transaction. Minister Roach is available next week, March 22nd. I don't have word yet from Minister MacDonald on his availability.

To put that out there in terms of scheduling in the next couple of weeks.

Mr. Myers: Can I suggest to the committee if we can't get Heath in before the House opens to talk about the Mill River deal that we make ourselves available some morning. We don't sit until 2:00 p.m. So, there would be no reason why we couldn't meet at 10:00 a.m., right?

Mr. R. Brown: So you could get questions for 2:00 p.m.?

Mr. Myers: I have questions for 2:00 p.m. Yes. You know, you used to do it.

Chair: All right. So is the committee okay with myself and the clerk getting that set-up?

Mr. Trivers: You do want Roach to come in next week, Minister Roach?

An Hon. Member: (Indistinct)

Chair: Item number five; there is a request from MLA Sidney MacEwen re: wait times

for children's hospital psychological assessments.

Ryan.

Clerk Assistant: That's also in your memos. The second item in your memo there, it's a letter from Sidney MacEwen. It was actually on the agenda at the last meeting, but that meeting went long and the committee wanted to defer dealing with it.

Essentially, he's asking for the committee to invite representatives; the department of education and Public Schools Branch to appear before it and provide an update on the progress to date on reducing the wait times for children's psychological assessments by Public Schools Branch psychologists in our province.

What would the committee like to do with that?

Chair: Keep it on the agenda and fit it in as we can?

An Hon. Member: (Indistinct)

Chair: Okay.

Mr. Myers: Important issue.

Chair: We've already talked about scheduling of additional meetings so you have left it up to myself and the clerk to put that together.

Any new business?

Mr. R. Brown: Just one comment.

Chair: Go ahead.

Mr. R. Brown: When we have Exetel and the other groups in, can we communicate back to the people that made presentations today that – We do have their emails and that, do we?

Chair: Yeah.

Ms. Casey: Good, that's a great idea.

Chair: We said that we would.

Mr. R. Brown: Oh, okay, thank you, Chair.

Mr. Palmer: You mean Xplornet, though not Exetel.

Mr. R. Brown: Oh, yeah Xplornet. Yeah, that was before Xplornet.

Mr. Myers: I just said (Indistinct) he was in sole business.

A while back at one of our committee meetings we had asked the Public Schools Branch to provide us with information on when they're going to make their decision, like a date. It's a really big issue for me right now. It probably is for Peter; it is for Darlene. It's a really big issue where people really, they're stressed out and they want to know.

I see they cancelled their March meeting. Has there been any communication back to us?

Clerk Assistant: Yes.

Mr. Myers: But all they said was: As soon as we have our decision made we'll let you know. It wasn't what we asked for at all. We've asked for a date.

Clerk Assistant: There was a letter from Parker Grimmer which was distributed to the committee.

Mr. Myers: I read it.

Clerk Assistant: Yeah. That's the extent of the communication to me.

Mr. Myers: It basically said: When we know, you'll know.

Chair: I guess nobody knows.

Mr. Myers: No, that's –

Mr. Aylward: Somebody knows.

Ms. Compton: Somebody knows.

Mr. Mitchell: (Indistinct)

Mr. Myers: I know. I guess then, I'd just like to express my frustration because I'm getting a lot of calls from people who just want to know when the date is so that they can have a decision and kind of move on

with their lives one way or another or whatever happens next, happens next.

Personally, I'm frustrated by the Public Schools Branch refusal to be open and honest with the parents of Prince Edward Island.

Chair: Well, we can send a letter expressing that.

Mr. Myers: The date would be awesome.

Chair: If the committee's in agreement.

An Hon. Member: Yeah.

Chair: Go ahead, James.

Mr. Aylward: Sorry, I have an item I just wanted to bring up, as well, under new business. I know you're getting close to adjourning.

Chair: Yes.

Mr. Aylward: My understanding is that Bell has a list of homes that essentially they deemed that would never be able to receive Internet under their model. I'm wondering if we could request, or if I could request, that this committee write to Bell and ask for that list?

Mr. R. Brown: Pretty hard to do a speed test without any Internet access.

Mr. Palmer: Zero.

Chair: Yeah. What's the committee's feeling?

Mr. Palmer: (Indistinct) Chair, (Indistinct)

An Hon. Member: (Indistinct)

Chair: Do we want it moved? Do you want a –

Mr. Aylward: I'm not a regular sitting member, so

Chair: I don't know if we need it moved it's just –

An Hon. Member: (Indistinct)

Chair: – all agree.

Mr. Aylward: (Indistinct) request for a
(Indistinct)

Chair: Committee agreement that we write
the letter?

Mr. Aylward: – committee members. I
appreciate the co-operation.

Chair: Okay, all right. So –

Mr. Trivers: This isn't public.

Chair: Ryan, do you need Jim's help

Some Hon. Members: (Indistinct)

Clerk Assistant: No, I'll use the transcript.

Chair: Jim, Ryan is going to use the
transcript and put that letter off, okay?

Mr. Aylward: Thank you very much, Chair.

Chair: You're very welcome.

Okay, do I have any new other business, or
can I adjourn?

Mr. R. Brown: Great job.

Call for adjournment.

Chair: Okay, Richard Brown (Indistinct)

The Committee adjourned