

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Francis (Buck) Watts

Published by Order of the Legislature

Standing Committee on Education and Economic Development

DATE OF HEARING: 29 MARCH 2017

MEETING STATUS: PUBLIC

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

SUBJECT: BRIEFINGS ON HIGH-SPEED INTERNET

COMMITTEE:

Bush Dumville, MLA West Royalty-Springvale [Chair]
Dr. Peter Bevan-Baker, Leader of the Third Party
Jordan Brown, MLA Charlottetown-Brighton (replaced by Richard Brown, MLA Charlottetown-Victoria
Park: 2:45-3:50)
Richard Brown, MLA, Charlottetown-Victoria Park
Kathleen Casey, MLA Charlottetown-Lewis Point
Matthew MacKay, MLA Kensington-Malpeque
Hon. Robert Mitchell (Minister of Communities, Land and Environment)
Steven Myers, MLA Georgetown-St. Peters
Chris Palmer, MLA Summerside-Wilmot

COMMITTEE MEMBERS ABSENT:

none

MEMBERS IN ATTENDANCE:

Richard Brown MLA Charlottetown-Victoria Park
Bradley Trivers, MLA Rustico-Emerald

GUESTS:

Air Tech Communications (Kent England, Ryan England, Alex Maine); Department of Finance (Hon. Allen Roach, Kal Whitnell); PEI Monitoring (Wayne Phelan); Wicked EH? (Joelene Ferguson, Justin Ferguson, Alesia Napier); Xplornet Communications (Charles Beaudet, Troy Bertram)

STAFF:

Marian Johnston (Clerk Assistant and Clerk of Committees)

Edited by Parliamentary Publications and Services

The Committee met at 1:30 p.m.

Chair (Dumville): Call the meeting to order.

I'd like to welcome all committee members here today, and I'd also like to recognize the minister, Minister Roach, welcome, and Kal. Good to have you here with us today.

I'd also like to welcome all our presenters that will be presenting with us today. We have people from XplorNet that are from out of the province. We also have some other presenters that have presented with us before, and I welcome you all: Air Tech Communications, Kent England; PEI Monitoring, Wayne Phelan, welcome; and Wicked EH?, Joelene Ferguson and Justin Ferguson.

Welcome to you all and all community members. I see some community members that represent their communities in the audience today. Welcome to you, too.

Before we start, I'd just like to get the consensus of the committee. We have two new presenters, and we've allowed presenters half an hour: Twenty minutes for a presentation, 10 minutes for questions. But, your half hour, you can use it any which way you wish.

I'm suggesting to the committee that we do that. Then, we have three other presenters that presented to us before. We'll allow them each 15 minutes, because I know there's certain members around the table that have other meetings, that they have to go to later on today. With new business, I'd like to be able to finish up about 3:30 p.m. That will give us two hours.

So, if that's the committee's wish, I'll ask the committee: Is the committee okay with that timing?

Unidentified Voice: (Indistinct).

Chair: Okay, thank you very much.

So, with that, I'll ask for the adoption of the agenda.

Ms. Casey: So moved.

Chair: Thank you, Kathleen Casey.

Our first briefing will be from the department, from the minister. You know the procedure before, but I'll just mention it for others here that these do not amplify; they are for recording purposes. Before you speak into them just say your name so Hansard can pick it up; we greatly appreciate it. If anybody has got any BlackBerrys or anything on the table, they do pick that up, so I'd ask that you not leave your electronic devices on the table, and put them on silent before we begin our meeting.

With that, I'll turn the floor over to Minister Roach for opening remarks.

Mr. Roach: Thanks very much, Chair.

I guess, first of all, I'd like to thank the Standing Committee on Education and Economic Development for the invitation to appear here today. I'm pleased to be here. I'd also like to acknowledge all the other presenters that are here in the room today. It's good to be here before the committee.

As presentations have been made, I think, by the department of innovation, Minister Heath MacDonald, I haven't put together a formal presentation, other than to say that I'm here to answer any questions that you may have.

Chair: Minister Roach, if I could just interrupt you for a minute. I've neglected to mention that Jordan Brown has another appointment. He'll be leaving probably half way through the meeting and Richard Brown will be taking his place officially at the table.

Mr. R. Brown: So, you're going to swap Browns.

Chair: Anyway, sorry for the interruption, Minister.

Mr. Roach: No, that's fine.

So, I'm here to answer any questions that you may have of me. I'll leave it to the committee.

Chair: All right.

Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair. Thank you, minister, nice to see you.

We know, of course, the original agreement was signed by minister Brown (Indistinct). And then, the first addendum was signed by Alan Campbell. The second addendum, however, was signed by yourself, and since you signed this deal, in retrospect, do you still feel that that was a good deal that you signed on behalf of Islanders?

Mr. Roach: Well, I think that the extension – and I signed, I believe it was, on February of 2013 – extended the Centrex contract for Bell for an additional three years out to 2019 –

Unidentified Voice: Yes.

Mr. Roach: - and I believe, when we looked at the numbers at the time, prior to that I think it was costing roughly \$2.8 million a year, and this agreement, I think, reduced that to \$1.7 million a year.

The agreement that – the extension of the Centrex contract saw Bell further expand its DSL network, I believe, to an additional 600 homes. But, the key that I saw in that agreement was it also brought fiber optic services to seven additional Island communities, all rural communities: Souris, Georgetown, Montague, Kensington, Miscouche, O’Leary, and Alberton.

The work that was done to improve the Internet services, it was already well underway, so I felt that the contract that I signed essentially kept that work going. I think it was important to – I felt at the time and still do believe – it was important to get that fiber services into some of our larger rural community centers; that that would continue to improve the online service available to rural Islanders and to small businesses.

I felt that that contract extension did just that.

Chair: Go ahead.

Dr. Bevan-Baker: Thank you, Chair.

We had a little chat before the meeting got going here and I think it’s fair to assume

you’re not, yourself, an expert in broadband or IT. Is that fair to say, minister?

Mr. Roach: No, and I certainly do not profess to be.

Dr. Bevan-Baker: No.

Mr. Roach: No.

Dr. Bevan-Baker: I’m interested in who advised you to sign this second addendum and whether those people were in any way connected to Bell Aliant?

Mr. Myers: Good question.

Mr. Roach: I’ll be honest with you; there are so many things that go across your desk. I don’t recall exactly who I sat down with other than – my guess; it probably would have been the deputy minister of the day and perhaps one of another member of staff, a director or CEO.

Chair: Go ahead.

Dr. Bevan-Baker: I’m assuming there are records of those meetings so I’d like to ask that the records of those meetings be brought –

Mr. Roach: I think in fact, what happened was this went to Treasury Board.

Dr. Bevan-Baker: Or wherever those meetings occurred, I like –

Mr. Roach: Yeah, sure.

Dr. Bevan-Baker: – to know who made those decisions.

Chair: The Chair recognizes Steven Myers.

Dr. Bevan-Baker: (Indistinct)

Chair: I’ll be right back to you.

Mr. Myers: Thanks.

I guess we all know where we’ve been with this and it didn’t – I know the reasons and I know your explanation, and it obviously didn’t work because there are numerous people who don’t have proper high-speed Internet services. On the government’s Twitter account on March 26th, they said:

Minister MacDonald wants a competitive, open market to provide Islanders with the best Internet service at the best price.

Are you planning on ending the Bell deal?

Mr. Roach: Which Bell? Anything specific?

Mr. Myers: Well, any of the deals that you have with them that kept competition from being able to compete at the same level that Bell was, because they were being supplemented by \$23 million.

Mr. Roach: I guess I'll have a couple of comments. First of all, I don't think that anybody was being supplemented. I think government was paying for a service and I think that contract with Centrex and that contract provided a Centrex service for over 6,900 phone lines for over a period of – government phone lines – for over a period of 11 years. A lot of those government phone lines include phone services at our hospitals, at our emergency response centres, at schools, and for quite a few other essential services. I think that was important for sure.

In terms of what the minister of innovation is doing, I can't answer for him, but I know that in my area of responsibility we're just about ready to go to RFP, for example, on Bell Mobility services on all mobile services. I expect that that should be out in the very near future.

Chair: Go ahead.

Mr. Myers: Internet and telecommunications and broadcasting falls under you now, according to the Executive Council memo that came out on February 15th. Is that internal or internal and external?

Mr. Roach: That's internal.

Mr. Myers: Internal only? So the external part still falls under Minister MacDonald?

Mr. Roach: That's correct.

Mr. Myers: Okay.

I seen recently he's been talking about a speed test for Islanders and I know there was an internal communication that came from

him, I have it here, that points out where it is. It talks about it in detail. It was an internal email. When I go to the speed test site, it is being administered by ITSS; I noticed you're collecting the name, phone number, street address, city, postal code – a lot of intimate information about the people who are doing the speed test.

Have you talked to the privacy commissioner about this collection of data?

Mr. Roach: Kal?

Kal Whitnell: Yeah, so the speed test – the email that you would receive would have been for a beta test to actually test. It was for internal purposes only.

Mr. Myers: Yes.

Kal Whitnell: It will be run out of the ATC and all of the data will be collected out of the ATC. Obviously, there is no obligation to complete the survey when it is sent out to all Islanders. The information that would be made public is simply going to be a map showing where Internet speeds are at, download and upload speeds. It will just be a flag showing different clusters across the 452, or so, civic community addresses, communities across PEI showing where there might be higher speeds or download speeds that might be, what I'd call, underserved or less than five megabit per second.

Mr. Myers: Okay.

Chair: I can go back to Peter, if you want?

Mr. Myers: I just had a follow-up on that.

Chair: Oh, go ahead.

Mr. Myers: I still have concerns about the form, I guess. I don't have concerns about finding out where the weak spots are. Matt MacKay did it this time last year. If you ask him, he might give you the information and save you a whole bunch of work. But regardless, why are you collecting people's names and phone numbers and those types of personal details? In this day and age, privacy – you should be concerned and Islanders should be concerned if government is collecting that type of information about them.

Kal Whitnell: Just to – civic address information is publicly available. The individuals' names, phone numbers is not a required field and they do not have to submit that information as part of the survey. They have the option to do so and when they do, the comment says: If you want government or if you want government to potentially follow up with you following the survey, then they have the option to leave their name and number, but it's not a mandatory field.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

I'm going to follow up on a couple of things that Steven just mentioned, one being the minister's Tweet from earlier this month, that competition is the key to providing the best possible service in Prince Edward Island. I'm wondering why the Bell contract, which was the sole source agreement, was extended by yourself, signing the addendum, rather than being put out to public tender to see if other providers could provide a better deal to Islanders.

Mr. Roach: I think – in your first question, I think I pretty much answered that as best I could. Bell was doing the work already on the agreement that I signed, I extended. I didn't sign the original agreement. I just signed –

Dr. Bevan-Baker: The extension.

Mr. Roach: – addendum number two. Bell was doing the work across the Island already. They committed to expanding the fibre, I think, as well in Georgetown, Souris and Kensington, as I mentioned earlier. That was part of the contract extension. I felt that was pretty good to get that out to those communities where I know there are a number of small businesses, and it's something that wasn't there before and it didn't prevent any other provider from offering those services or, I suppose, at that time.

I was the minister of innovation and really which is economic development, and I felt it was necessary for economic development and for having the opportunity to very quickly do that rural development piece in each one of those small communities and towns, which really would benefit rural PEI,

I felt, in a great way. I felt that would also improve quality for the residents in those communities and the access that they would have. We moved ahead on the extension without putting the Centrex contract out for tender at that time. Moving forward, I support the minister who said that improving services, especially in rural PEI, continues to be and is a top priority for him going forward and that he is going to do everything he can to make sure that the best services are available to Islanders.

Dr. Bevan-Baker: The minister – Minister MacDonald, I'm talking about here, recently in a press release stated that 20% of Islanders have, what he described, as inadequate Internet service, and Kal described that as under five megabits per second; 20% of Islanders. Well, we know that 50% of Islanders live in rural districts so that's almost half. I'm assuming that all of these Islanders with inadequate services live in rural areas, so we're talking about almost half of rural Islanders who are served inadequately, despite what you've just said, minister.

My question is this: The original contract was penned in 2008. Your extension addendum was penned in 2013; enormous changes in this industry over those five years.

Why were there no increase bandwidth demands made in your addendum five years after the original was signed; 1.5 megabits is clearly inadequate. Your own minister admits that. Why did you not ask for increased bandwidths in your addendum?

Mr. Roach: What I saw – the addendum was an extension, well, it was the second, I suppose, extension of the contract.

To go to your point about how important this is to rural PEI, when I saw the opportunity to see us put FibreOP in Souris and Montague and Georgetown and O'Leary and Kensington, Miscouche, Alberton, O'Leary, I see that myself as rural PEI. It wasn't only just Internet, it was FibreOP. I thought that was a good move to make for those communities and those people that are even adjacent to it, who got FibreOP.

Chair: Can I come back to you?

Dr. Bevan-Baker: Yes, Chair.

Chair: Chair recognizes Steve Myers followed by Jordie Brown, and then Brad Trivers.

Steve Myers.

Mr. Myers: Let's start with – so we know that the Bell deal was an untendered deal. Has government, since 2007, had any other untendered Internet deals?

Kal Whitnell: You might be able – similar question to February 1st, when Minister MacDonald appeared and you had asked about untendered contracts in the 2008-2009 range to other potential companies, telephone companies, et cetera.

We did a search. We are going to be providing responses to a number of those questions from February 1st, in the coming days. We did a search for the period that you had identified in 2008 to 2010; two full years, and there were no untendered contracts to other telephone companies during that timeframe.

Mr. Myers: Why, then did Eastlink, when they presented to this committee two weeks ago, tell us that they had one?

Kal Whitnell: That clearly would have been outside of that timeframe, so I can't speak –

Mr. Myers: Again, my question was: Since 2007, today.

Kal Whitnell: And I can't speak to the Eastlink.

Mr. Roach: I can't either.

Mr. Myers: Okay.

Could you find out for this committee, why, on the heels of an untendered contract, you had another untendered contract for Internet services for Eastlink to connect all the schools?

The towers that government had, they were mentioned by several of the presenters here from the Internet companies on Prince Edward Island. The towers that government had were sold to Bell, or were they given to Bell? They're now in Bell's possession was

my understanding. Government had towers when they were building their own network, it may have been the radio network, I can't really recall, radio network.

Kal Whitnell: Government currently has a number of towers across the province so I'm not sure which towers you'd be able to (Indistinct) that they sold to Bell.

Mr. Myers: Well, did they sell any? Let's start there.

Kal Whitnell: I'd have to follow-up with ITSS on – to get that information.

Mr. Myers: Well, could you?

Kal Whitnell: (Indistinct)

Mr. Myers: Thank you.

Chair: Chair recognizes Jordan Brown then Brad Trivers.

Mr. J. Brown: Thank you, Chair.

I'm just following up, minister, on Peter's question there, earlier, about the extensions in the initial contract. My understanding was that the technology that was being offered by Bell, in particular, was a different technology than would be offered by the service providers that we would be hearing from here today. That it is really the premium technology, in other words, FibreOP, as you mentioned, going to all kinds of different communities.

Is that – what role would that have played in the decision to execute that contract and, in particular, in that timeframe? I think you said the contract was executed in 2013, I'm not sure.

My understanding is the technology that we have been discussing more recently is a more recent innovation. I'm not sure whether that was even available in 2013.

Mr. Roach: I guess my own personal recollection was that at that time FibreOP was the – that was kind of the ultimate back in 2013. I certainly can't speak on behalf of any providers with respect to that.

Chair: Chair recognizes Brad Trivers followed by Peter Bevan-Baker.

Mr. Trivers: Thank you, Chair. Thank you for that, minister, for coming in to answer these questions. I noticed that you're the current chair of Treasury Board right now. One of the things that Treasury Board does is review expenditure plans and programs and recommend priorities.

I was wondering where the provision of high-speed Internet to all Islanders stands in your list of priorities for Treasury Board, where is it? What have you recommended in terms of priority for that?

Mr. Roach: We wouldn't make the recommendations in terms of priorities for Internet; that would come from the department. What they would do is if it was a priority for them they would take it to the committee on priorities. If it involved a dollar value then that would come before Treasury Board for review to get approval for that expenditure.

Mr. Trivers: I'll put it another way; if there is competing dollars that come to Treasury Board, how high up on your priority list is high-speed Internet for Islanders?

Mr. Roach: It's not for Treasury Board to decide what the priority is, it's up to the department.

Mr. Trivers: Maybe I'm misunderstanding this, but understanding is it's Treasury Board who, at the end of the day, has the final say on, what projects are recommended for higher priorities and which ones are lower priorities based on the amount of money to be spent.

Mr. Roach: No, that's no correct. No, what would happen is, each department gets an envelope of money, X amount of dollars, and they would decide what their priorities are. They would then submit, as I said, too, to the committee on priorities. They would say: This is a priority for us. The committee would then make a decision whether or not to move that forward.

If they make the decision to make it forward, it would then come to Treasury Board; Treasury Board would look at it to see whether – what had to take place, and also to determine whether or not the department had the appropriate funding within their department to accomplish that.

We would not sit there with an envelope of money and make that decision for the department.

Each department, each year, gets X amount of dollars, they set their priorities. Then, because of rules within Treasury Board they have to come and get approval to spend that money.

Mr. Trivers: Just to be clear, have you discussed high-speed Internet at Treasury Board, at all, as possibly a request coming from another department, like the department of innovation?

Mr. Roach: Well, the department of innovation would have to make the decision on what it is that they wanted to spend the money on. That would then come to Treasury Board; we would review it to see that it fell within the guidelines and fell within their budget.

Mr. Trivers: Have you done any reviews on high-speed Internet requests this year?

Mr. Roach: I don't think I've seen any formal requests that I can recall right off of the top of my head. I'd have to go back and review.

Mr. Trivers: All right, thank you.

Also, I'm just looking at the description of what Treasury Board does here. One thing, it looks like, it's looking after sort of the money-side of things when it comes to managing facilities, rentals, licences, leases and disposition of property and this sort of thing, based on the webpage.

I was wondering, right now, are there people, third parties, private entities, that rent out our schools for use for various purposes?

Mr. Roach: Treasury Board; that would not have to come to Treasury Board.

Mr. Trivers: I'm very confused here. It seems like there is a disconnect about what Treasury Board –

Mr. Roach: I don't –

Mr. Trivers: – responsibilities –

Mr. Roach: – think there –

Mr. Trivers: – are.

Mr. Roach: – is a disconnect. I think it's interpretation.

Mr. Trivers: I'll ask this another way. One of the Internet service providers is looking at using the roof tops of schools to possibly provide high-speed Internet, not, you know, starting as soon as possible, beginning this summer. It's really important for me because I have tourism operators that really need high-speed Internet now. They don't want to wait until the fall, for example. Their season is coming up.

I guess I'm trying to figure out if there are normally fees charged for the use of schools for this sort of service. Is there anything that – in Treasury Board would prevent a company from using the roof top of a school to provide that sort of service?

Mr. Roach: (Indistinct) on the schools.

Kal Whitnell: We are aware of, there are being formal requests to have access of co-location on schools. We have to go through our due diligence. There are a number of implications and factors that have to be considered.

Mr. Trivers: Would you mind going into any details you might know of what those implications and factors might be?

Kal Whitnell: Sure. Well, I mean, if it's a school we have to make sure that government services continue onward. We don't want – if there's interference issues with someone putting their gear on the school. That's something that has to be determined, if there's going to be interference with other towers in the near area.

There's going to be – okay, when there's maintenance or repairs that have to be done, are they going to have access into the schools? Are they going to have – or regular maintenance plans? Is there going to be a report back of when the company's going to show up on the premise? Are they going to have to house their equipment inside or outside of that facility?

There's a number of factors that have to be considered, so we're still going down that path. We've looked at some other models that are happening in other provinces, as well, and so we are getting very close to a recommendation policy board on what a tower co-location agreement would look like.

Mr. Trivers: Do you have an estimated timeframe? Like, when we say very close, is that in the next couple of days, the next couple of weeks, the next couple of months?

Kal Whitnell: I mean, I don't want to put a specific time on it, but I'm hoping within a month.

Mr. Trivers: Thank you, Chair.

Chair: You're welcome.

Peter Bevan-Baker, then Jordan Brown.

Dr. Bevan-Baker: Thank you, Chair.

In response to my last question, minister, you mentioned that when you signed the extension on the February 1st, 2013, you thought that it was a good thing. So, when you hear a fellow minister in March, 2017, telling Islanders that almost half of rural Islanders are served by inadequate Internet, are you surprised to hear that? Are you disappointed? Do you think that we got value for money?

Mr. Roach: You know, I made the decision I'd had of made at the time, and I felt I made that decision with respect, in particular, to FibreOP and I felt that was a good decision at that time for Islanders.

Dr. Bevan-Baker: Are you surprised or disappointed at the results?

Mr. Roach: Well, I think that – certainly, I think that this is a technology that changes – I'm told – that changes very quickly. So, I'm sure that as better things come along, I think Islanders would like to get the better things that come along. So, I'm sure that when FibreOP came to O'Leary and somebody three miles down the road who was on a less system would feel: I should have got that, or why couldn't I have gotten that.

Chair: Okay. Are you done?

Dr. Bevan-Baker: No. Clause 2.0 a. (iv) states that there are no restrictions – this is in the addendum that you signed in February, 2013: There are no restrictions on downgrading the system at the end of the contract. What do you think of that?

The last sentence in that clause: 2.0 a. (iv).

Mr. Roach: You know, I'd really have to sit down and look at the entire clause and analyze it before I can make a decision on what the last sentence says.

Dr. Bevan-Baker: Okay.

Chair: I'm going to have to move on soon, Peter. We only have two minutes left.

Dr. Bevan-Baker: Do you have other –

Chair: I've got three others in two minutes.

Dr. Bevan-Baker: All right

Chair: Are you okay?

Dr. Bevan-Baker: I'm fine.

Chair: All right, thank you sir.

We'll go Jordan Brown, Steven Myers, and then Brad Trivers, and we're going to end it there.

Mr. J. Brown: Thank you, Chair.

Minister, I'm wondering if you can delineate for me the areas of responsibility as between the federal and the provincial government for the provision of high-speed Internet, in this case, on Prince Edward Island, but across the country.

And, when I ask that question, it strikes me that the federal government regulates the provision of high-speed Internet, and they also, as I recall it, anyway, when the announcement was made, I think, in relation to Xplornet last fall in the House and overall in relation to Internet services across the country, it was the federal government that was providing funding to do that. Can you explain kind of who does what?

Kal Whitnell: Sure. Telecom policy is under the jurisdiction of the federal government. You're alluding to the federal

program which is issued through, formerly, Industry Canada, now, Innovation Science and Economic Development, that Xplornet had received some funding to provide Internet service across PEI. So, that was a federal program only and (Indistinct) decision-making authority on those proposals, and that was under federal jurisdiction.

You're seeing now, more so I guess, in terms of provinces getting involved in this space. It's more just, everyone needs to ensure that if rural communities across Canada, for that matter, have high-speed Internet services. So, I think you're starting to see more involvement.

But, in terms of legislation or jurisdiction, it's still under federal jurisdiction.

Chair: All right, well we have two more questioners: Steven Myers and Brad Trivers. I'd ask you – we're out of time, but could you make it quick?

Mr. Myers: I'll be brief.

Chair: Okay.

Mr. Myers: Just a follow-up to Jordan. I won't ask you to delineate anything, because government has promised this several times. The most recent one was: I heard Wade MacLauchlan with my own ears in the Legislature tell us we're going to have the fastest Internet on the Island, so I look forward to that –

Unidentified Voice: In the country.

Mr. Myers: Or, in the country, sorry. We're going to have the best, fastest Internet in the country, is what he said.

In your opinion, was the Bell deal a good deal for Islanders?

Mr. Roach: I can only speak to the addendum that I signed, and I saw it, myself, as a continuation of an existing agreement, and I felt that when we advanced the FibreOP, in particular, to those rural communities of Souris, Georgetown, Montague, Kensington, Miscouche, Alberton, and O'Leary, I felt that that was a bonus, I think, that we were able to get that good of an Internet system to those rural

communities. I thought it was important for rural PEI to do that.

Mr. Myers: So, technically, you didn't get anything anywhere, as Bell did it. You just paid them an exorbitant amount for phone services, what you already told us. It didn't cost us anything, so you didn't put it there. What you did was you paid them too much for landlines; it's what you told the committee at the first. So, you didn't do anything; Bell did. But, it was because you were paying them an exorbitant amount of money to provide a service that was worth a lot less.

So, you were paying them a Ferrari wage for a horse and cart, is what you were doing. Again, do you think that that Bell deal was a good deal for Islanders?

Mr. Roach: Well, that's rather difficult, because you've made a statement, and I didn't say that there was an expensive car over a (Indistinct) –

Mr. Myers: You did, you said (Indistinct) –

Mr. Roach: What I said was (Indistinct) –

Mr. Myers: (Indistinct).

Mr. Roach: Don't put words in my mouth. What I said was –

Mr. Myers: The Hansard put them in your mouth.

Mr. Roach: What I said was, Mr. Chair –

Chair: Yes.

Mr. Roach: – was that there was a contract that was currently in place, and prior to that it was costing the government \$2.8 million a year for Centrex. The Centrex serviced 6,900 phones, including hospitals, schools, emergency services across the Island.

Within that, we were able to reduce that cost from 2.8 million to 1.7 million, and on top of that, we got this FibreOP service. That's my answer. That was my answer initially, still is.

Mr. Myers: Can I get a clarification, just a final –

Chair: (Indistinct).

Mr. Myers: No, I just want to clarify who paid for FibreOP in those communities.

Chair: Can you answer that quickly? Did government pay for it, or did Bell pay for it?

Kal Whitnell: It was Bell investments.

Mr. Myers: Thank you.

Chair: All right, Brad Trivers, quick as you can.

Mr. Trivers: Thank you, Chair.

It's my understanding that there's a set of 200-foot towers that were originally installed by the province for shortwave radio use for the fire and police services, and I was wondering if you can confirm that those exist and whether or not the province still owns them.

Kal Whitnell: Is this alluding to the previous question as well, in terms of the towers that would have been sold off to Bell? We can go back and take a look at that information. That's not under my area of responsibility, so we'll have to go back to ITSS.

Mr. Trivers: Whose area is it under?

Kal Whitnell: (Indistinct) either have to speak with ITSS or public safety.

Mr. Trivers: Okay. Thank you, Chair.

Chair: Thank you, everybody.

I'm going to call this part of the meeting to (Indistinct).

Thank you, minister. Thank you, Kal.

I appreciate you coming, and we'll just take a two minute break just to bring in our new presenters. Our next presenters are Xplornet, and I welcome Charles Beaudet and Troy Bertram to the table.

Gentlemen, if you have anybody else that's travelling with you that you wish to bring to the table, please feel free to do so.

[Recess]

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

On behalf of the committee, I'd like to welcome you gentlemen here today and thank you very much for travelling a long distance to come and see us and give us some information in regards to our topic here today.

You've heard the preamble before in regards to speaking your names before you speak for the benefit of Hansard. Everything is recorded for the record and with that, you have half an hour. You can either give a 20-minute presentation and have 10 minutes for questions or you can just dice that hour up any which way you want. If you want mostly questions, that's fine also. If you do have a presentation and you wish us to ask questions as you go along or wait until the end of your presentation, that would also be fine.

With that gentlemen; the floor is all yours.

Charles Beaudet: Thank you, Chair, and members of the committee. Thank you for having us.

My name is Charles Beaudet. I'm vice president of Xplornet for Eastern Canada. I am accompanied by Corey Hallett. He is our Atlantic regional manager, and Troy Bertram. He is owner/operator of Central Satellite Sales & Service, who is an authorized dealer of Xplornet here on the Island.

It's a pleasure to be here today on behalf of Canada's leading rural broadband service provider. I'm just going to do a 10 minute brief and then I would be happy to answer any questions you would be having.

The Standing Committee on Education and Economic Development is responsible for matters concerning advance in early learning, tourism and other industries, heritage and culture, immigration, multiculturalism and rural development. Recently, the committee has undertaken a study on high-speed Internet services in the province hearing from Internet service providers on the services they provide to Islanders. Given Xplornet's recent investment to connect Island residents to

high-speed Internet services, I appreciate the invitation today to brief you on our plans.

First very briefly, a little bit about ourselves. We were founded in 2004 and we are still proudly based in Woodstock, New Brunswick. Our company's mission is simple. It is to connect Canadians, regardless of where they live, with fast, affordable Internet and to bridge the gap that exists between rural and urban high-speed.

We know that there's a lot of work still to be done to complete this mission. We look forward to continuing to work hard to deliver in the months ahead. Xplornet employs over 800 Canadians, over 500 of which are based in Atlantic Canada. In four of the last five years, we have been recognized as a top employer in Atlantic Canada. This year, Forbes ranked Xplornet as the top-ranked employer in Atlantic Canada and the top-ranked company in Canada's telecommunications sector. We are very proud to be based in Atlantic Canada, and we are also proud to have customers in every province and territory in Canada.

To service our customers we operate three call centres, all based in Canada. Over half of our employees service our customer base providing support 24 hours a day, seven days a week. At Xplornet, we operate a dual-technology network which leverages both fixed wireless towers and next generation satellites.

In Prince Edward Island, this began in 2006, when we launched a satellite service covering the entire Island. Today, Xplornet is serving over 1,000 households in rural Prince Edward Island with satellite Internet services, with speeds up to 10 megabytes per second. Until recently, Xplornet did not own any terrestrial infrastructure to provide the fixed wireless, but this is about the change, thanks to our partnership with the federal government.

This committee will be aware that Xplornet received federal funding from the Government of Canada through the Connecting Canadians program, to improve the state of rural broadband in Prince Edward Island.

As a result, in the next year – I should say in the next six months – Xplornet will deliver high-speed coverage to all previously underserved households in the province. The intent of the Connecting Canadians program was to ensure that all Canadian households received Internet access of speeds of at least five megabits per second. However, we intend to go much beyond this, offering Islanders speed packages of up to 25 megabits per second.

This service will allow Islanders to stream video on multiple devices simultaneously. It will allow rural and remote residents to connect to everything the Internet has to offer. We have already started building our new network, 22 separate sites in total; that will connect most of the province with this new high-speed service. The service is fixed wireless LTE and it is a fibre-to-the-node type of service with wireless being the last-mile to the home. The construction has already begun, and the network will be completed by the end of Q3 2017. Our first live site is scheduled to be in the month of May.

To provide a robust fixed-wireless network, there are three important components required: Technology, spectrum and towers. For technology, we use the most advanced type in the world called LTE. LTE means long-term evolution and there are over 200,000 engineers worldwide who are continuously improving LTE. Most large telecom providers use LTE.

The second is spectrum license. Broadcasting on a licensed network is essential in providing a high-speed Internet service that can scale and follow customer demand, which is constantly rising, let me tell you. Licenses are obtained through Industry Canada through an auction process and can be very costly. Xplornet has invested millions of dollars to purchase spectrum in PEI to offer a superior service to Islanders free of interference.

Finally, to provide network quality, good towers are essential. Fixed wireless requires line of sight between the access point and the customer premise equipment. Tower height and tower placement are important to extend the coverage as much as possible. Xplornet builds carrier-grade towers that are a minimum of 45 metres. We also have

agreements with other telecommunication companies, which helps us to limit the number of additional towers in the landscape.

On top of the LTE network, we will overlay a new, faster satellite called ViaSat-2. This satellite will be launched on April 28th and will be commercially available by Q4 2017. It is the most powerful communication satellite ever built. With these two types of network, the combination of fixed wireless and satellite, Xplornet will be in the position to connect every household in PEI to the Internet with speeds up to 25 megs per second. The cost of this service will vary depending on the size of your plan, speed and capacity. Our rates start at \$49 and go up to \$100. We also provide a home phone service fully featured at \$19.99.

Although we are a national company, we do have local presence. All of our installations are performed by our local dealer network which are now staffing up to be in the position to satisfy rising demand. Xplornet is proud to have been selected to offer high-speed service to all Islanders. We believe that our service will contribute to the economic growth of PEI, as well as helping everyone to connect to what matters.

Chair and members of the committee, thank you for allowing me to be here today; with that, I'm ready to answer any questions you have.

Chair: Thank you for your presentation.

Our first questioner will be Richard Brown.

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

So you're covering 100%, you have no excluded areas on Prince Edward Island.

Charles Beaudet: No.

Mr. R. Brown: Okay. And your rates are going from what rate to what rate?

Charles Beaudet: It starts at 49. The higher package goes up to around \$100 a month.

Mr. R. Brown: I notice other providers, Rogers Communications, for example, and other big ones across the country, provide

low-income Internet programs to reach people that can't afford the Internet.

I have one here in front of me: Rogers, \$10 low-income Internet program reaches a milestone. I understand other providers provide that.

Will you be providing a same type of program as Rogers and other telecoms to low-income Islanders that can't afford \$49 or \$99?

Charles Beaudet: I'm not aware of the plans from other companies.

Mr. R. Brown: Okay.

Charles Beaudet: Our service at \$49 includes other elements in the package which has data, certain speed, so we'd have to analyze the price. But for now, we're sticking to our pricing.

Mr. R. Brown: The federal government has committed \$13.2 million to affordable Internet.

Will you be applying to that program to help low-cost or low-income Islanders access the Internet?

Because CRTC has ruled that the Internet is a basic service and should be provided to everybody. There is a \$750 million fund set up.

Will you be looking at those funds and those programs to help low-income Islanders access – I also see here: TELUS aims to bridge the digital divide with a \$9.99 low cost Internet for families in Alberta.

Will you be applying to those programs to help low-income Islanders access the Internet?

Charles Beaudet: The programs that have been put forth so far are really to build infrastructure, which is backbone or last-mile.

In the program that we've proposed to the Canadian government, there is a package that has been proposed, they call the CCP package. We've proposed a re-plan that met the demands of the federal government, which begins at 49.

Mr. R. Brown: So, and now, there is a new program coming up, the \$500 million program.

Charles Beaudet: Yes.

Mr. R. Brown: Will you be applying for that program in order to improve access to Islanders on Prince Edward Island? Or, can we piggyback – there has been some comment that now that we've introduced Internet access to all Islanders that we may not have access to that \$500 million program by the feds.

Charles Beaudet: I would say my answer to that would be yes and no. So the program that they've put forth, Connect to Innovate, there are two objectives to the program. The first one is to renew or build new infrastructure.

This, from what I gather, there are Islanders, that identified the areas where – or the municipalities where the funds would be available to Islanders. On the last-mile there are no areas on PEI that are eligible to have new funding because it's considered with our program that the entire Island will have speeds of a minimum of 5 megabits per second before the end of the year.

Mr. R. Brown: The groups that said that this wouldn't be available to us because of this program is correct?

Charles Beaudet: Yes. There is backbone – there is money for backbone, but for last-mile unless you can prove to the government that with surveys –

Mr. R. Brown: Okay.

Charles Beaudet: – you need surveys you need some engineering work to be done. You can prove that certain areas won't have speeds available at a minimum of five megabits. There would be no funding available for last-mile.

Mr. R. Brown: Thank you.

Chair: Committee members, our order is; Matt MacKay, Peter Bevan-Baker, Chris Palmer and Brad Trivers.

We'll start with Matt MacKay.

Mr. MacKay: Thank you, Chair. Thank you gentlemen for coming in and presenting to the committee.

I just have a couple of quick questions here. You mentioned you've got a 1,000 households on PEI that currently have your service. Is that Island-wide from tip to tip right now?

Charles Beudet: Pardon me?

Mr. MacKay: That's Island-wide, it's not –

Charles Beudet: Island-wide, yes.

Mr. MacKay: It's Island-wide. Has there been any roadblocks or obstacles delivering high-speed Internet to them 1,000 household, as of yet?

Troy Bertram: Trees.

Unidentified Voice: Minus (Indistinct)

Troy Bertram: (Indistinct) satellite, it's line of sight.

Mr. MacKay: Okay. A cost – so we've heard numerous numbers over, I guess, the last six months of what the cost would be Island-wide to provide high-speed Internet for all Islanders.

Do you have a cost amount that it would cost to provide that service?

Charles Beudet: You mean –

Mr. MacKay: An overall cost of infrastructure?

Charles Beudet: This is a figure I'm not at liberty to say –

Mr. MacKay: Okay.

Charles Beudet: – but what I can do, I can tell you that part of the funding is funded by us and another portion is funded by ISED.

Mr. MacKay: Okay, final question. The five megabytes per second are all 1,000 households currently getting a minimum of five megabytes per second?

Charles Beudet: Yes.

Mr. MacKay: Okay.

Charles Beudet: Up to – yes.

Mr. MacKay: Thank you.

Charles Beudet: Up to 10 actually.

Mr. MacKay: Up to –

Charles Beudet: But some choose a smaller package with five megabits –

Mr. MacKay: But a minimum of five?

Charles Beudet: Yes.

Mr. MacKay: Okay, thank you.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you, Chair.

Thank you, Charles for the presentation, and I'm glad you made it here, today. Although, you may not get away from here today, but (Indistinct) I'm glad to hear that within this calendar year you will be providing service to the whole Island.

I heard you say that you have 22 sites at which you've already started to build your terrestrial network, but I also heard you say that you were going to use a combination of satellite and fixed- Internet.

What percentage of Islanders will be served by a satellite network at the end of your plans?

Charles Beudet: That's a good question. It's difficult for me to say. The way that we've planned it, I would figure that 75 to 80% of Islanders would be served by LTE versus satellite. Again, a fixed wireless has its limitation because it requires direct line of sight. Within a covered area there is a possibility that because the home is obstructed by large trees or a hill or something like that, then we would need to turn to satellite. The satellite points higher in the sky. Regardless, we will connect everyone to the Internet because we have the dual technology we can connect everybody. I think that's the important message here.

Dr. Bevan-Baker: You mentioned that there are many components to good Internet

and I absolutely agree with you; speed, megabits per second is only one of those. Latency is another issue. You've just said that, perhaps, 25% more of Islanders will be served by satellite.

What would the latency be for those Islanders, who are served by the satellite?

Charles Beudet: The latency? Well, it's physics, right? So that the satellite is located at around 35,000 kilometres from earth so there's – the signal travels at light speed. We've been able, in the past, to improve latency using better ground stations, but you'll never go below point 6 seconds. I would say that would be the best that we would do.

I think there is a lot of discussion on latency. I think latency is a component that really affects certain types of users. Most users are not really impacted by latency. But, you know, especially I would say there's a certain category of users, like gamers, are more influenced by it. Streaming video, doing phone conversations, that has to incidence on the customer experience.

Chair: Go ahead.

Dr. Bevan-Baker: I'm surprised to hear that because on your own websites for New Brunswick and Nova Scotia and Newfoundland where you currently have service, you don't recommend Skype, for example, over your satellite system.

Can you explain the discrepancy there?

Charles Beudet: Yeah. Skype is not – is not a phone service, it's a different type of service. It would influence, a little bit, but with the new satellites we're taking down latency so much I think the issue will be minimal.

Chair: Okay.

Dr. Bevan-Baker: You mentioned the various plans that you are going to have available for Islanders, but you did not mention whether there would be any data caps applied to those plans. I'm very interested whether you are planning to have unlimited data on these plans or whether there will be data caps?

Charles Beudet: So, technically our plans are unlimited because you can purchase extra gigs after you've expired your cap. Right now, our biggest package includes 500 gigs. The average household of four people now uses around 100 gigs, so we go up to 500.

Chair: Okay, one more?

Dr. Bevan-Baker: I'll try and make it one question.

Any research I've done is that the average is much, much higher than that – two to three times higher than that. Your highest plan, you just said, is 500 gigs, which I think is a reasonable amount. Particularly, as you said yourself, as internet usage and the amount of bandwidth that we're going to require is ever increasing. But can you tell me the data caps on your lower-priced plans and how much do you charge per gig over those data caps?

Charles Beudet: The reason why we're having a 500 gig limit is – like Internet is a shared network. At the end of the day, independently of the technology you use, you've got to go through one pipe. Everybody – it's a shared network. What we've experienced in the past, is there are certain people who use – and they almost do it on purpose – they use such a high amount of bandwidth that they make a nuisance to other users. We're protecting our customer base when we do that, so that everybody has a fair share of using the bandwidth.

This being said, our rate packages are evolving with how our customers behave. So, we know that, like four years ago, the average household use was like 40 gigs a month. Now, the 100 gigs that I've quoted come from the CRTC. It's 104, actually. And then so we will evolve our packages to follow customer demand.

But we do have a really small percentage of our customer base – we have a name for them, they're called bad actors. They try to take so much bandwidth that it's contributing to have a less of a good experience to other customers.

Chair: Can I move it around and come back to you?

Dr. Bevan-Baker: I just – I didn't get an answer to my question, Chair, and I think it's really critical that we –

Chair: Okay, go ahead.

Dr. Bevan-Baker: So, my question was: What are the data caps that you have on the plans –

Charles Beaudet: So, it depends –

Dr. Bevan-Baker: – and how much you charge per gig beyond that?

Charles Beaudet: Sorry, I missed that part.

So we have, as I said, rates from 49 to around 100, and we have smaller packages with 50 gigs that goes up to 500 gigs, depending on the package that you choose. And the extra amount per gig is \$2.

Dr. Bevan-Baker: So, if I'm a family and I have the 50 gig package and I have to use 200 gigs on that month, that's \$300 on top of my regular bill that I'll be paying. Is that correct?

Charles Beaudet: No, it's not. Well, it is technically, but I'll tell what we'll do.

First, you have on your – on our packages you have alerts that tell you where you are with your consumption. So if you're at 75%, for instance, you get an alert. If you go up to 90%, you get an alert. So then we propose you to change service package to go to higher package so that you would not pay a fee per gig. And you can change rate plans any time you want during the month and it's free of charge. We would suggest you to adjust your package, depending on your consumption.

Dr. Bevan-Baker: Okay. Thank you.

Chair: Chris Palmer, Brad Trivers and then Steve Myers and we'll begin with Chris.

Mr. Palmer: Thank you, Chair.

Charles Beaudet: If I'm just (Indistinct), just one more thing before –

We also have limited state. So, when you have your rate plan, you have the choice of having limited state or out of bundle,

chargeable gigs. So, if you choose – you're on a budget and you never want to pay over, we'll never charge you extra amount for the gigs that you – but we're just going (Indistinct) your speed. But you can be sure that you will never pay more than the rate plan. So, you have the choice of the two.

Chair: Go ahead, Chris.

Mr. Palmer: Thanks, Chair.

Thanks for the presentation. I have a question about the federal tender that you won. Was that technology-specific, or was it geography specific?

You said that in PEI you'll be offering tower-based and satellite-based, so does the tender requirement suggest that it needs to be one kind of technology or another, or was it geography and it doesn't really matter how you deliver it?

Charles Beaudet: Well, the intent of the program was really to provide a certain speed. It was not on technology. It was to provide extended coverage with a certain speed. In this case, the government doesn't fund any of the satellite programs that we have. This is – we have received no funding for satellite across the country. It's really for the fixed wireless network. Satellite is just on top of it.

Mr. Palmer: Is the tower service different than the satellite service as far as an end consumer?

If I had too many trees around my house and I couldn't do tower-based, and I could do satellite, am I going to have a similar experience as a customer?

Charles Beaudet: The speed, the performance of the – should be similar. The price points are a little bit different. And then, you've got the latency, which you would not have with fixed wireless.

Mr. Palmer: Did the tender have any – it included delivery. Was there a cost associated with it that you win a tender to provide high-speed Internet across PEI, was there a price point they wanted you to get to, or was it –

Charles Beaudet: For consumers?

Mr. Palmer: For consumers.

Charles Beaudet: I'm not certain, but I don't think it was part of the deal. I think what they require is for us to have one price point with certain criteria, to which we have done, but nothing specific.

Mr. Palmer: So, as long as you were meeting the five meg, is that what the threshold was?

Charles Beaudet: Five meg –

Mr. Palmer: As long as you're meeting the threshold of five meg, nothing else really mattered.

Charles Beaudet: Well, as I said, they require a certain rate plan with certain criteria, but they did not impose certain prices. They asked us to do a rate plan that would be satisfactory in their eyes, and this is what we've done, and (Indistinct).

Mr. Palmer: So, they didn't give you a dollar-amount threshold, they just – but you had presented that dollar-amount threshold to them, and they accepted it as part of the tender?

Charles Beaudet: Yes.

Mr. Palmer: Do you co-locate on any towers on PEI now?

Charles Beaudet: Our bill plan plans to – we will co-locate on, I would say, eight or nine existing towers.

Mr. Palmer: And are those provincially owned towers?

Charles Beaudet: No, they are not.

Mr. Palmer: Okay.

My last question is around: Does CRTC regulate the territory – for example, back to Peter's question: If your package's cap was 100 gig, let's say, and the customers in the area were paying exorbitant overages, there wouldn't be – would the CRTC stop competitors from coming in and trying to provide service in the same area? So, if your pricing wasn't competitive, that somebody else could come in, is there geographic areas?

Charles Beaudet: (Indistinct) the CRTC regulates competition. I think the role of the CRTC is to make sure that there's sufficient availability, but they would not start regulating pricing and asking companies to come in. I don't think that's their role.

Mr. Palmer: So there's no – I thought that there was specific geography for things like telephone service, and maybe I'm wrong, for telephone service and for cable service, and there's not for Internet, so anybody can go anywhere.

Charles Beaudet: Yes.

Mr. Palmer: Okay, all right, thank you.

Thanks, Chair.

Chair: The Chair recognizes Brad Trivers, then Steve Myers, and that'll pretty well tie us up.

Mr. Trivers: Thank you, Chair.

Thank you for coming in and making the big trip to come here. Most of my questions were asked and answered, but I did have a few here.

The first one is: I understand you do offer this wireless service in Ontario, for example, and probably other parts of Canada. Is the service you're going to be offering in PEI comparable to that in Ontario? Is it exactly the same technology?

Charles Beaudet: The technology is evolving all the time, so we've been – like, just since we've been doing fixed wireless, we've run through four different technologies.

Mr. Trivers: Okay.

Charles Beaudet: So, we had Canopy, then Canopy became Expedience, and then Expedience became WiMAX, and now we're LTE. And, even LTE, we've done a lot of improvement with the network.

So, it will be a minimum of that and probably better, because we're improving it all the time.

Mr. Trivers: The reason I ask is, you know, people are hearing about relatives and

friends that live off-Island that have the service and asking them how it is (Indistinct) in anticipation, so I want to make sure it's going to be similar.

The other thing was, we've heard before the up to 1.5 megabits per second, but there are tons of people who are out there getting point 7, point 8, not 1.5.

I'm just wondering if you can clarify: When you say up to five megabits per second, what does that really mean?

Charles Beaudet: What it means is, as I said before, the way the Internet functions, it's a shared network. I would compare Internet to a bridge; so, if everybody wants to cross the bridge at the same time, at 100 kilometers an hour, there's going to be congestion.

Mr. Trivers: Well, maybe I can ask this a different way, Chair.

So, if you connect everyone on PEI, and they all decide to watch Netflix at the same time, what will their Internet speed actually be?

Charles Beaudet: Okay, so what we're trying to do is we're trying to constantly adjust our capacity to be able to meet customer satisfaction.

Now, are we able to 100% of the time deliver, let's say, five megs all the time, or 25 megs all the time? No one can promise that.

But, our efforts are to provide a customer experience that will be constantly representing what the package they're planning on buying.

Mr. Trivers: Okay, thank you, and I understand it's in your best interests as a business, if you say up to five megabits per second, you'd better be providing close to that the vast majority of the time, so I would hope you would do that.

Charles Beaudet: Yes.

Mr. Trivers: Last question, Chair.

I just wanted to find out: Has the PEI government being providing you any help in

terms of funding, resources, sites, land, towers, anything so far?

Charles Beaudet: Well, they've been – I've been in contact with them. At first, the reason why I was in contact is I wanted to keep them in – at least to know what was happening and what we were doing, because we went through a federal program.

I did participate in committees with – and I think other ISP did the same. We were provided with a number of towers that could be potential – be useful, which finally we did not need.

We participated in all of the programs that were put together, the same as other ISPs. We have no funding from PEI, no.

Mr. Trivers: Okay, and this really is my last question, Chair.

Chair: We're out of time, so –

Mr. Trivers: It has to do with: You mentioned you're going to start rolling out in May, and I have tourism operators in my area who are really keen to start being able to offer better services to their customers.

What is your rollout plan geographically? Is that something you're going to publish? Is there a map that says: This is where we're going to be in May all the way through to the end of the year?

Charles Beaudet: Yes, once we do have a map now, but until the network is ready, the map is, like, maybe 80% accurate.

But, as we go along, as towers come live, we will keep the public informed of what's going on.

Mr. Trivers: So, we should just go to your website and take a look right now.

Charles Beaudet: Yes, you could.

Mr. Trivers: Okay. Thank you.

Chair: Last questioner, Steven Myers. We're basically out of time.

Mr. Myers: Okay, thank you. I'll be quick.

I was sitting here, listening and (Indistinct) have any questions until you brought up the data cap, so I'd be one person who wouldn't be a big fan of them.

The problem is, in my opinion, is if you have a family. So, in the case where (Indistinct) might have one child in a room – and I know that the world's not about videogames, but to them it is – so, there you've got one in one room playing videogames with their friends, and another in another room playing videogames with their friends, and somebody watching Netflix, you're going to pound through the data pretty quickly, and when you have teenagers at home that's your reality. I guess you could turn the power off in your house, but that's the only way you're stopping them. I don't know that that's a good deal for Islanders.

I think that, in my opinion, my understanding of it is, it's your network, it's not the Internet. It's your own network that's the issue. If you can't accommodate a bad actor, it's the problem of your net. It's the network you built. It's not my problem as a parent of teenagers. I'd have serious concerns about that.

On top of that, in the district I represent, I'd have several rural businesses that would be semi-home based and in order to be competitive they don't need their Internet either A, dialed down or have caps on it.

I guess my first question is: Given that you're building a network and you're able to access federal funds, is there no way you can see to not have data caps here in PEI?

Charles Beaudet: The way that we manage our network, is we do it in a way to provide the best service possible to all of our customers. The way we're doing it now, we're increasing the data caps to be able to meet demand. So far, we're able to do it. As I said, technically, it's uncapped because once you go over the 500 you can purchase extra gigs at \$2 each. Eventually, 500 will not suffice. We'll have to grow and we know that. It's already in the plan for the future, but now it is what it is.

Mr. Myers: Okay.

Chair: One more?

Mr. Myers: I just have one more question. You talked about – I think it was to one of Peter's questions, I can't remember, but, it was the wired versus un-wired Internet and you mentioned that latency would be the only difference between them two. What is your average latency on a satellite hookup?

Charles Beaudet: The satellite we presently have, I would say it's around point 800 milli-seconds and with the new ones – we've launched a new satellite on December 16th that will be commercially available in May, but it doesn't cover the Island here, but, we're testing it at around point 6.

Mr. Myers: Just a follow-up to that: Do you know what the average acceptable latency would be for, say, Xbox One?

Charles Beaudet: Well, it depends on the game you play. If you play chess then you don't have an issue. If you play –

Mr. Myers: If only they were playing chess.

Charles Beaudet: If you play a time-sensitive game then maybe you'll have some issues.

Mr. Myers: Thank you.

Chair: Thank you.

Gentlemen, on behalf of the committee and I, I thank you for your presentation, and thanks for coming to Prince Edward Island. We hope we don't – well, maybe we should storm you here so you can see the benefits of the Island.

Anyway, thank you for appearing before us today. There'll be a copy of our – on the Hansard. If you want a copy of your presentation here today, you'll be able to access it.

Charles Beaudet: Thank you very much, Chair.

Chair: Thank you very much for being with us today.

Charles Beaudet: Thank you.

[Recess]

Chair: Okay, we'll call the meeting back to order. I'd like to welcome Kent England and Air Tech Communications.

Some Hon. Members: (Indistinct)

Chair: Order!

Kent, you know the routine. You've been here before, so welcome, and you may begin.

Kent England: Kent England, Air Tech Communications. To my left, your right, my son Ryan. To my right, your left, Alex Maine, IT guy with Air Tech Communications.

Very good presentation from our new competitors. It's great. I think they've got a really good plan in place. My concern is – and this is a question to government and opposition and members around the table is: What assurance do we have as rural Islanders? I have a vested interest in this being that I'm an ISP, but I'm going to try and get out beyond that. I'm going to try and speak about rural Islanders to know what the competition is going to do to monitor what they get and to police what they get.

In any kind of a market condition, you have to have competition. We know that. It only keeps everybody in perspective. It gives the best deal to the consumer. Going forward – well, before we go forward I'd like to go backwards a little bit.

If you go back 15-20 years ago when there was only really one provider in the countryside in the rural areas all over, including PEI, along came some independence. We are one of them, and we tried to bring an option to the rural areas. We did that. We have lots of customers. We have people that have been with us for the long haul. We're still picking up customers. You can see out footprint up there in green with the red dots. The orange is being developed in a couple of different areas, a green dot over in the left-hand top corner. We're continuing to grow and we're going to keep doing that. We have done it without any government support, at federal or provincial levels. So here we are today, wondering what the future looks like. Will there be competition out there? Will a large organization come in? Which is fine; I'm

okay with that as long as the fields are level. That's all I want: Competition on a fair field; no worries at all. That's part of business.

If we have to compete against subsidized dollars, that's difficult. I, for one, want everybody in this province to have uniform, consistent, quality Internet. Whether they get it from me or somebody else, I just want to make sure they get it. If I were to sit back and say: I want it all. That would be a falsehood. I don't want it all; I want a piece of it. I think as an entrepreneur in this province, I think as somebody that's developed a system here when nobody else was interested, I think we need to be given that opportunity to stay in the game, at least for the short-term.

Sure, technology is evolving, there's no question about it. I've been around the technology field, both in education and in the ISP business for over 20 years. It evolves moment by moment. They call it the Internet of everything in this particular case. It's exponential. Bandwidth usage is going through the roof. The cost of bandwidth should be going down through the floor; it's not this province. It's staying at a – it's maybe tapering a little bit, but it should be dropping like that.

We have had infrastructure in this province that if we had our hands on it today, would resolve a lot of problems. I'm referring to a fibre backbone placed throughout the centre of this province a number of years ago. Where is it? Who gave it away? Why can't we have it back? Why was it put there in the first place? What were the objectives? The objectives were to build in a unique province, and we are unique, we're not that big. We can do it. I had mentioned this before two weeks ago: If we can't do it here, I'm not sure how they're going to do it anywhere else.

I've got a lot of concern going forward as to what happens, hypothetical situation. It can happen with me; it can happen with anybody in the competition field. What happens if the business model is not there? Do things get shut down? And then, when the independents are gone, what choice does the rural residents have?

We talk about fibre optic in communities; that's fine. They're fed by something. That

something is bandwidth coming into this province overpriced. Government is paying way too much for their bandwidth. Consumers are paying too much for their bandwidth, and we have no choice.

If we could develop a system to plug into the free market, which is less than 100 kilometres away from where I live – there happens to be a body of water between here and the mainland – but if we could plug into reasonably priced bandwidth that our residents can get more for less and get everything they want, whether we take it off a satellite, whether we take it off of LTE, or whether we take it off an organic system that was built here over the past 15 years, there is room here for everybody.

I can go on. I can talk about milliseconds. I can talk about latency. I can talk about call centres that are here. I can talk about 24/7. My question to government is: make sure you make the right decision. My suggestion would be to include everybody, at least in the beginning. Then from there, you'll see. The little bit of wiggling around to allow some of the independents to become involved here would not upset the apple cart.

I mean, we're talking a national organization, and I give them credit, I really do, I think they're going to do a fine job, but I also think they need us. We need them. They need us. There is no reason why it can't be a (Indistinct) effort here on PEI.

I don't have a whole lot more to say. I'd like to take questions.

Chair: Okay, all right. Matt, Peter, Richard –

Mr. R. Brown: No.

Chair: No, you're okay.

All right, Matt.

Mr. MacKay: Thank you, Chair. Thank you, gentlemen for coming in. I just got a couple of questions and I believe, probably, they were asked at the last committee meeting. I wasn't able to attend that one.

How many current customers do you have right now?

Kent England: We have over 1,000 users.

Mr. MacKay: Over 1,000.

What is the speed right now to those 1,000 customers?

Kent England: In our area we provide five down and five up. Within the next two weeks we'll be moving to eight down and five up and within three to four months 10 down and five up.

Mr. MacKay: Okay –

Alex Maine: Just to add onto that. Alex Maine with Air Tech Communications.

Of those 1,000 customers that we have, 1,000 users the – I wanted to bring this up because I heard it mentioned earlier about averages around 100 gigs, not even remotely close. An average customer with us uses between 200-300 per month. If you are to sit at home this evening watching Netflix, you are using three gigs an hour. If your kids are next door watching Netflix they're using three gigs an hour. So, if you are both watching, that's six gig an hour. If you do that for 10 nights for one hour you have just burnt through 60 gigs. On a current price plan for a competitor you could be looking at a \$1,000 bill per month, just a relevant point.

Chair: Go ahead.

Mr. MacKay: Thank you, Chair. Two more questions and I'll move on. Can your service be provided Island-wide? Are you in every location on Prince Edward Island?

Kent England: No. Our footprint is right up there in the green area.

Mr. MacKay: Okay.

Kent England: Mostly East Prince starting into West Prince.

Mr. MacKay: What is your Internet packages and the cost right now?

Kent England: The cost of Internet, \$64.95 plus tax, it's not capped; unlimited.

Mr. MacKay: It's unlimited, okay. That's great.

Thank you.

Chair: Peter Bevan-Baker.

Dr. Bevan-Baker: Thank you.

We just heard that the caps are there to protect customers. Why are you not protecting your customers with caps?

Kent England: I am. I buy more bandwidth.

Dr. Bevan-Baker: I'm being facetious.

Kent England: I know.

Dr. Bevan-Baker: Also, Alex, I have to thank you for backing up what I said in my line of questioning because nowhere in my research did I read that 100 gigs is an average amount for a family of four. That's just –

Alex Maine: I have two children. One is two. The other is one. My wife strongly relies on Netflix to keep the little tykes entertained for the day. If I had to use a cap service while streaming Netflix for, let's face it, the entire day in the background, I'd have to take out three more jobs to pay a bill if it was data capped. In my household alone, and being so close to the Internet industry, I can assure you that I use over 500 gigs very easily.

Dr. Bevan-Baker: I have one final question.

Chair: Sure.

Dr. Bevan-Baker: Chair. Thank you.

We heard right at the very end of the Xplornet presentation that the new satellite, which is going up, actually isn't going to cover PEI, so we're going to be covered by the existing satellite where the latency is point 8 of a second. Despite reassurances from the presenters, I'm concerned about that because it strikes me that a latency period of that length does not suit that system to the current, nor the future uses, of the Internet.

You're experts in this and I'm not, but could you explain, firstly, am I correct in that

assumption? If I am, why latency of point 8 of a second is a problem for streaming, for example?

Alex Maine: Absolutely. Latency, for example, if – I mean I'm not originally from PEI, which is pretty obvious by the accent, especially since I'm trying to pick up the PEI accent.

Unidentified Voice: (Indistinct)

Alex Maine: PEI truly – eh, exactly. PEI truly has some of the worst telephones lines I've ever seen. We do not have a phone line in Richmond. We don't use it. So, using something like Skype or a VoIP service is extremely important. If your latency is bad you might as well use a carrier pigeon because by the time the message has gotten there the pigeon would have been faster.

In answer to a question that, I think, came up earlier about Xbox One and the usage. You're looking at about five milliseconds for an FPS game. Our average users see a ping of somewhere between 10 and 15, which is a little bit slower than what they need, but still absolutely usable because I do it myself. If you were using satellite, VoIP service is not going to happen, nor is online gaming. Anything that requires almost an instant feedback it's a no-go. It's just not – the technology wasn't designed for that.

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

Chair: Brad Trivers.

Mr. Trivers: Thank you, Chair. Thanks for coming in again, guys.

A quick question: Do you have a business package that could be used for places, like hotels where they have guests that are jumping on? They may have a single-use line in but they're trying to share that between 100 people. What do you do in that case?

Kent England: Absolutely. We have a business service that looks after campgrounds and resorts and stuff. It's a managed service. We provide the bandwidth going in. We manage it from our back end and it's whatever they want. If they need more bandwidth we give it to them. If they

want to limit their customers, their residents or their campers, then we can do that.

Mr. Trivers: Okay, one more, Chair?

Chair: Okay.

Mr. Trivers: I'd ask just this whole idea of up to five megabits per second and I know that would be the statement in your contract, as well.

Do you have any idea what the average speed that's actually provided is, to your customers?

Kent England: In all fairness that will vary during the day because it says the description of everybody trying get across the bridge at the same time. We continuously, as all ISPs, locally or nationally, would continue to upgrade their systems and stuff to try to make those bridges wider to try to push more traffic through.

To answer your question, if we need more bandwidth we bring it in. If we can push more through a pipe we will by doubling links, whatever it takes to do it. Does it work 100% of the time? I have to be honest, no. I may as well be real about, but –

Mr. Trivers: No, I appreciate your honesty in that.

Kent England: It's the technology is, as has been stated before, it's continuously evolving. You know, what it looks like today will change tomorrow, next week, next month.

Mr. Trivers: But your target would be, what? Three megabits per second? Four megabits –

Kent England: Oh, no. Higher than that –

Alex Maine: (Indistinct) Even, I think by general terms, we always put our antennas to allow for more than that with the hope of at least offering them the five.

Mr. Trivers: Thank you.

Chair: Robert Mitchell.

Mr. Mitchell: Yeah, thanks. I just, basically, have one question, but we'll see where we get too, I guess, Kent.

Kent, you said, moving forward you'd like to see that everybody is included. I guess my question is: What's going on today that would exclude you? Obviously, when you hear the capping issue that's your competitive edge moving forward, probably, in some areas, to gain new customers. So, from here today forward, what would exclude you, I guess, would be my question.

Kent England: A sweep across my footprint of towers. Picking up customers, subsidized. I don't know what the prices are going to be. The prices are set –

Mr. Mitchell: Well, why would you say subsidized? I just heard the gentlemen say he didn't get any money from the province.

Kent England: No, I'm talking –

Mr. Mitchell: The federal –

Kent England: Federally.

Mr. Mitchell: I guess that's another bit of a fight moving forward, maybe. I guess, I just want to know what would exclude you, or any other company moving forward from provincial that I can be a good part of? That's what I need to know.

Kent England: I guess I'm trying to figure out, Robert, how do you compete against businesses that are subsidized by 50% and 75% dollars? My business plan doesn't allow for that, whether it comes from the provincial government – which it hasn't, so we've heard – or whether it comes from the federal government, which it has, we've heard that.

How do I develop a business plan? How do I take it to the bank? How do I invest my money based on the risk of government disrupting the marketplace?

Mr. Mitchell: I guess for me, it's really, like, I can't argue with or defend what the federal government does. I can only deal with what we do at this table, and I want to be part of whatever makes the level playing field.

But, obviously, it sounds like you've got an edge on the capping part, and I'm sure every ISP in this room has a particular edge that would keep them competitive and give them that opportunity to grow.

So, when you (Indistinct) I just wanted to know specifically what that meant when you said (Indistinct) that would exclude you.

Kent England: I think it would have an impact. We will work at great length to overcome that impact. We're not going to walk away from it. But, we have to ensure that when we invest our monies, our investments, that we're doing it in the right way and there's no surprises coming.

The rules seem to change. Two weeks ago, Minister MacDonald on CBC, on *Compass*, stated that by the end of this year we'll have 25 megs down; 97.6% of the province, or thereabouts. That's before the last round of federal funding has even been announced, or even closed.

So, what's happening there? Should I make an application for that? I don't know.

Mr. Mitchell: Is there anything that excludes you from –

Kent England: None, other than time, effort, and money to do it. But, if it's (Indistinct) why would I do it?

Mr. Mitchell: Okay, that's all –

Kent England: I'm just trying to get the rules here, that's all.

Mr. Mitchell: Me too.

Chair: The Chair recognizes Steven Myers, then Chris Palmer.

Mr. Myers: All right, thank you.

One of the questions I was going to ask was latency. I'm not a gamer; it may sound like I'm a gamer. My kids are, and I always use latency as an excuse why I'm so terrible, so that's why I wasn't sure what latency was.

You mentioned at the start that we're paying way too much for Internet that it should go way down. What do you think Islanders should be paying for Internet?

Kent England: Well, you have to break it down, Steven. It's what the ISP pays for, and then they have to distribute it. Even before the ISP gets it, they have to get it from the provider, so there's an infrastructure.

In my opinion – and my opinion is what it is – broadband is worth zero. It's the cost of the transport across the networks, the infrastructure. So, how you analyze that, and that's where CRTC has come into it – they look at the applications, my understanding at least, and they (Indistinct) it to see, okay, your numbers are correct in comparison, too. Or no, they're not, and you have to look at it again, and eventually they come up with a number.

So, when it gets to me, then the cost of my network, I have to prorate it through that, so I think we're paying double what we should be for broadband in this province to the ISPs.

Mr. Myers: Interesting. Okay, just one more –

Chair: One more, okay.

Mr. Myers: I just have one more.

Not saying that you're interested, but in your opinion, how much do you think it would cost for you to provide service for all of Prince Edward Island from where you're starting?

Kent England: You know, that's a good question. It's a tough one. About 12 years ago there was a company in Summerside funded by (Indistinct) the precursor to Industry Canada's recent program, and I think they received upwards of 8 to \$9 million, and it didn't work. It hasn't happened. So, it would have to be somewhere north of that.

Can it be done for less than that? To some degree, possibly, particularly if there's satellites in the sky, but now we have to start comparing apples to apples. If you're talking point 6 seconds latency or point 8 compared to 20 milliseconds or 15 milliseconds, that's a big difference. To some, it may make a difference. To others, it may not.

It's a varied menu, and that's where I think it would be in government's best interests to include everybody, at least around the planning stages and the developmental stages, and then see where it goes from there.

I've had the statement made many times over the last few months that the province of PEI is working with all the ISPs, working together. To some degree, that's true, but not 100%.

Chair: Okay, we're at time, but our last presenter – questioner will be Chris Palmer.

Mr. Palmer: Thank you, Chair. One is a comment, then the question.

The piece around no caps and reduced latency, I think, should be, as Robert said, a great competitive advantage to you, so that you may be able to pick up customers that have a different pricing structure than you may have. I think that's a great piece of business that you've identified that has a competitive advantage that can help you pick up new customers or keep the customers that you have.

My question is: The department of innovation, I believe, has launched a speed test site. Can you tell me how that's going to help you grow your business? Because I assume that that was done to help with growth – can you tell me how that's going to help?

Kent England: I'm not sure what the assumption was, Chris. I heard about it after it was already up. It's changed names a couple of times. Recently, it has disappeared. The word (Indistinct) was thrown out there for a while, so I'm not sure what's going on there.

We would be the only political jurisdiction that I'm aware of in North America that would have a speed test site up. Everybody else is an independent – which is fine. I'm not against collecting information. What can I use? How can I use it to benefit? I suppose if I were privy to the information, I could get the list. I got the civic addresses, I even got the phone numbers, I don't even have to look them up, and I could start making phone calls.

Mr. Palmer: Well, in my assumption, and I guess it's just an assumption, that that is what will be provided. I assume that's why it's being collected, so that you can identify customers that are under-served.

Alex Maine: It's worth recognizing that this speed test would be extremely inaccurate. It is not just a case of – okay, if you want to break it right down, you're set in your home, you're on your iPhone, so how far are you from your iPhone to your router? Is your router connected directly to your source of Internet, or is it going through a modem, or another router?

That has a huge effect on your speeds, your latency. So, the information received from the speed test, quite honestly in my opinion, is useless. It's worthless. It holds no bearing.

Also, to your point about how we have an edge by talking about how we have no caps, the problem is it's not really an edge for us, because most Islanders – and I mean no disrespect to Islanders – are not educated in what this means to have no cap. Actually, we're finding customers who had a cap service are returning to us after leaving, thinking that they would get faster speeds, only to find out that their speeds were fast, but they used it up within a very short period of time.

I'm not sure it would be an edge for us, because by the time everyone has jumped on the new bandwagon, they may end up coming back, but we possibly could not be there anymore.

Mr. Palmer: But that could be the opportunity, is to educate the customers –

Alex Maine: If the customers were educated.

Mr. Palmer: – so they understand what that means.

Alex Maine: We attended a community forum; I forget the name of the community.

Kent England: St. Louis.

Alex Maine: St. Louis. The majority of people there knew nothing about the latency, and knew very (Indistinct) knowledge.

Mr. Palmer: Right. So, that's a great opportunity. You could teach them that, because I think we all understand long-distance; if you make a bunch of calls, you have to pay for it, so I assume you could do the same kind of thing.

Alex Maine: (Indistinct) it all comes does to education.

Mr. Palmer: Yeah, which is a cost, too; I understand that.

Kent England: I tried the education and the Internet business at the same time; get a little busy.

Mr. Palmer: Yeah, yeah.

I guess I just wanted clarity around that speed test thing. So, you don't think it's really going to help you to grow your business?

Kent England: Well, it could. Who knows? I mean, Industry Canada – through whatever they call themselves now – they've already identified that on Google Maps. They've got all their (Indistinct) in there with what's available in each area, and the speeds they can overlay on all of Canada. The information's already been there. Surveys have been done over the last several years. How current they are, I don't know.

Mr. Palmer: Industry Canada has a current speed test site –

Chair: I'm going to have to cut you off.

Mr. Palmer: Just one second. So, Industry Canada has a speed test site?

Kent England: No, they don't have a speed test site. They have a map of Canada with all the speeds in the different areas.

Mr. Palmer: How do they collect that data? How do they know what it is?

Kent England: They have meetings across Canada, I guess, according to their website.

Mr. Palmer: Okay. Thanks, Chair.

Chair: Thank you.

All right, Kent, Ryan, (Indistinct), I'd like to thank you very much for coming here today and you're always very interesting.

Thank you for your presentation and being with us today.

Kent England: Thank you.

Ryan England: Thank you.

Chair: Okay, next up we have PEI Monitoring. We have Wayne Phelan representing his company.

Welcome, Wayne.

Thank you for your presence, Wayne. We have about 15 minutes. We ran over the last a little bit here, so we're kind of on a time crunch. Most people have to leave by 3:30 p.m.

Wayne Phelan: Richard asked some of my questions anyway, so.

Chair: Did they? Oh, okay.

Mr. R. Brown: (Indistinct).

Wayne Phelan: You didn't (Indistinct).

Chair: All right, thank you for being here, and the floor is all yours, Wayne.

Wayne Phelan: Well, I was here a few weeks ago, so I'm not going to go through everything I had last time, just a few things I'd like to take a snapshot on here. All my information is already on the Hansard from last time, so I won't bore you with it all again, but I will do a little – a brief little introduction here.

I got into the wireless world about 13 years ago by opening up a company called Ruranet. When I left the Internet business under the previous Liberal government after the Bell province phone contract fiasco there, we were servicing over about 1,000 homes. Customers, 6 or 7,000 I guess, if that's how you are figuring it out. Depending on how many people moved back to their parents' house, there could have been more, I don't know. That was mostly for the majority in rural PEI. We are not like the other company who received the

millions way back when; we were completely self-funded.

Wireless Internet, believe you me, was a very tough sell back then because of what was going on in other parts of the Island. I think I mentioned that last time. I'm going to try to run through these. I know you're in a hurry. Me and my partner, we grew the business to a point where it was go big or stay home and we were introduced to a company called Exotel. We merged their fibre network and my business together and opened up ISM. We had access to the provincial fibre; it wasn't Exotel's fibre. We had access to the provincial fibre. We had a maintenance contract on it, but we could also use it – pay a fee to use it at any spot we wanted to. I heard last time: It was the province's fibre and to my knowledge it still is unless it changed hands after I left.

Again, I wanted to make this one clear. Last time I was here I said it, I'll say it again: I do not have anything to do with the current ISM. Nothing, please stop calling me.

In mid-2008, now I think Richard answered this. (Indistinct) but 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 regarding the – I don't know. I didn't know it as the Centrex contract, but I guess it was. I don't know what Centrex is, actually. I was surprised at some of the things I heard here today so I'm going to deviate from what I have here because in 2013 you re-signed the Centrex deal and I'm going to ask a question based on what our minister said.

In 2013, it was reoffered or re-extended or something in exchange for fibre through Miscouche that's been there since the 1990s. Then he said that they helped with FibreOP. FibreOP to a wireless customer is the unit on the roof. FibreOP is not – it's a product. It's a piece of equipment, so could somebody please find out if the province paid for Bell's home equipment, as per what the minister said today?

He said: They helped with FibreOP in certain communities that already had fibres. They didn't help them run fibre. You had fibre right to Tignish in the 1990s, so you were going through Miscouche already.

EastLink had it as well, and so did the province. When he helped with FibreOP – FibreOP is to EastLink a cable modem. To a wireless Internet service provider, it's an antenna on the roof. If you helped with FibreOP, you bought the customer and equipment, or you paid for the strand to be swapped out from the pole to the house. That has to go to tender. I didn't even know you did that. I'm thinking it was probably a mistake in wording, but we hope. Anyway, I'm going to pass that on because Richard already asked that question.

It was inevitable competition that was eventually going to come and I'm now discussing Xplornet here. It could have been FibreOP. It could have been cable modems, because most of my customers were within five minutes of Charlottetown. We discussed the federal infrastructure money last time I was here, so if somebody wants to see it, you can just go to the Hansard. It's already there.

One thing that was confirmed today by Xplornet, and I thank you: Prince Edward Island does not qualify for last-mile usage anymore from the feds. That was Richard's question.

Unidentified Voice: Who said that?

Wayne Phelan: Well, I knew he mentioned it online three weeks ago so that brings up some new questions. Anyway, I had it in here. I had a plug-in for Richard that he worked hard on trying to get it back 10 years ago, but he couldn't get it but basically, we do not qualify for last-mile usage anymore. It was confirmed by Xplornet and confirmed by an email from Ottawa this morning, but it was also confirmed that if you could prove that an area didn't have up to five meg, and another condition: That you had approval or commitment from the community, you could apply for an area. I hope that's not what this speed test site was for.

Mr. R. Brown: Oh.

Wayne Phelan: I hope not. I hope it probably wasn't, but anyway.

My question will be more towards you folks to ask on behalf of your constituents. PEI doesn't have any more federal dollars, so Xplornet announced today that they are

putting up 22 towers. Route 2 had that many or more 15 years ago, so that won't cover PEI. They say 20% of Islanders will be serviced by satellite. Where are they? Is that 20% going to become 40% of the underserved? What does 20% mean? Does 20% mean of the underserved homes right now? Or does 20% mean 20% of rural PEI? Well, Main Street in O'Leary has EastLink and FibreOP, so what does that 20% mean? Twenty two towers are not going to cover PEI; won't come close.

Their gear is, the different frequency works great in its line of sight. So if you need to get up over the spruce trees, are you going to have a \$1,500 install fee? Nobody asked that question. Or, do you have to take the satellite? The very last thing that came out in less than 20 seconds before he was done was: PEI is not in the new satellite's coverage area. I noticed one person here that picked up on it quickly. So by all of the presentation explaining the benefits of a new system, those last few words of their presentation were: Oh, we're not in that area so forget everything I just said. We're using the old gear on PEI. Did anyone hear that? It's in the Hansard so you can go back and listen to it.

Mr. R. Brown: I think so.

Wayne Phelan: Good. Okay, you've already said this one here, Richard.

Last time we were here my request in at the meeting last October-November was for government just to stay out of it. I had a proposal submitted to a community called Miltonvale and, I was going to say Xplornet, but Wicked EH? did as well and Bell did, and EastLink did. We've all had different proposals in. I know that right after our meeting that night a couple of the folks from this room went there and put their two cents in, and I do agree now after talking to Mr. Palmer: I don't think it was done maliciously. I talked to Bush on the phone as well. I think it was MLAs looking out for the best interest of their constituents. But from my side, it was pure interference. They're going to miss it this year. They're going to miss this summer. But anyway, I don't – I honestly said it to Bush on the phone and I said it to Chris on the phone: I don't think it was intentional so I will leave it at that.

At the time, on the conversation with Mr. Palmer here on the phone, I was completely blown away that he knew nothing about what happened 10 years ago on PEI with the Bell deal, what happened to the providers in the market at the time, the pressures that came from government to keep your lips shut, everything. He knew nothing about it and I truly believe he knew nothing about it. I'm extending this to any newly elected – I was going to say Liberal and Conservative, but there's three now. Any new elected member that doesn't know what happened 10 years ago, give me a call. I'll have a coffee with you anytime.

I was considering putting stuff on the table here today, but after looking through my stuff a lot of it came from somebody who is no longer on this planet to defend himself and that's not right. I have a lot of respect for his wife and kids so if anybody wants to see it, you can see it. Or, you can ask your colleagues. They all have it, every one of them.

Now, I have done a lot of look into Xplornet over the last few days. Different people have sent me things and they have got a lot of network infrastructure right across the country. I can see why the province has decided to – well the feds, I guess, but the province and the feds have decided to working with him. I have a CBC news and technology and science article. It was also featured on the t.v. program *The National*. I don't know how to even say the satellite names and stuff so I'm just going to – whenever I get to the word satellite name I'm just going to say satellite. It doesn't matter to anybody here anyway what it's called.

Anyway, a new satellite, this is right off the announcement:

“A new satellite launched Wednesday is promising to provide access to higher broadband internet speeds in rural Canada. The satellite, “... launched aboard a Proton rocket in Kazakhstan on Wednesday afternoon, will be able to support “4G” download speeds of up to 25 megabits per second and provide broadband service to 1.5 million customers in North America, says Xplornet Communications Inc. The company says...” the satellite, “...has a

capacity greater than all other existing... satellites combined.”

That’s great news. One thing that is different is the *The National* says that the federal government paid \$28 million for it. They just said they didn’t get any money for it, but, I don’t know. I’m just taking what I got off of the Internet, there.

This is directly off the news release: The federal government kicked in \$28 million to help with the private company’s satellite costs.

Looking into how much money came from the feds I can’t track it down. I was well over a quarter of a billion. I have no idea what they got for all of their roll-out, but they have a big network so I have no idea what it would cost.

The satellite, “...will allow for previously unavailable speed and bandwidth economics, and will provide Canadians in its footprint, which includes many remote areas, the opportunity to get a broadband connection that is truly fast and affordable...” says, Xplornet.

“The company will also expand access with a second satellite that launches next year and build a series of new ground stations to bounce stronger signals to its customers across the country.”

Great news, a quote: "By the end of..." the year X, "...we're going to be in a position to say that a hundred per cent of Canada is covered with fast, reliable, high-quality broadband," said John Maduri, CEO of Xplornet.”

That’s great news. He also says that: After this the prices will probably come down and – I won’t bother going into it all. The main thing here, this was on *The National* and was published online, as well. I was blown away. The only thing is, the date on it is 2009 and 2010. This is the same announcement you are making now.

This was on *The National* seven years ago: 100% of Islanders are going to have 25 megabits. I’m sure you guys did your own due diligence so this was just a repetition of what you guys have already researched.

Anyway, last month – this is an article from our nation’s capital. It’s from a little area just outside of Ottawa. I lived there for a year before going overseas. I have a lot of friends there, who are willing to put a page in for me, too, if I need it.

I can send you a link if you want it, but here is the first paragraph of it. It’s too long to read it all:

“A number of residents of Appleton have had their internet service withdrawn due to the shutdown of Xplornet transmission towers. After months of poor internet service I was finally advised by Xplornet that they have discontinued transmission from their 4G LTE panels on towers in Carleton Place and Almonte.”

Don’t know if I’m saying the names right, but – Almonte.

“Xplornet technicians have advised me that none of their other services are reliable in my area and it is not certain that a new satellite service they are establishing will be...” able to cover you in this area. Blah, blah, blah.

The article goes on and on and comments about the property values now going down because all of the Wicked EH’s and the Kent Englands are gone. So every one of the customers got a letter saying: You have to switch to satellite by a certain date, we’re taking our towers out. You can confirm that yourself.

This is a few minutes from the Ottawa Senators hockey rink. This is not rural Canada. You wait until they see some of the back roads of PEI. You’ll find out what rural is. I think that 20% going off satellites is going to go through the roof.

I still remember that course in university where you can take the same set of numbers and make a hundred different conclusions. Twenty percent is 20% of what needs to be exactly written down and what repercussions are in place after we close everybody else down.

Okay. Good luck with this. I’m not going to go into anything else. If you have any questions feel free to ask.

Chair: Okay, we're right at the time –

Mr. MacKay: I just got one quick question.

Chair: Good, no problem.

Mr. MacKay: Thank you, Chair. Thanks for coming in.

I just got a question on the campground in my district, Twin Shores campground, which I talked to the owner and was told, you can provide high-speed Internet to that campground, you have got a solution for it.

Wayne Phelan: Their provider is Eastlink. I just create a link between Eastlink and the campground, yeah.

Mr. MacKay: Okay. My question is, and correct me if I'm wrong, that I believe this is what MLA Trivers was talking about, you providing towers on schools and you've –

Wayne Phelan: I put a request in for that campground. I put a request in to put a roof top tower on the school in Miscouche.

Mr. MacKay: Right.

Wayne Phelan: To bypass a jungle in Summerside.

Mr. MacKay: I guess my question, the minister, and his colleague, earlier had said, they had to go through a process and check some legal issues and so forth. When did you make that application, or bring this issue –

Wayne Phelan: I only put it in writing to – I think Kal was here, earlier, but I only put it in writing, I don't know, it wouldn't have been six weeks ago.

Mr. MacKay: Okay.

Wayne Phelan: It was requested before, but officially put in writing, it wasn't that long ago.

Mr. MacKay: Okay. Perfect, that's all I was wondering.

Thank you.

Chair: Brad Trivers.

Mr. Trivers: Thank you, Chair. Thanks for coming in again, Wayne.

My question is: If you do get approval to put your equipment on the roof of schools, is it still possible for you to make this summer tourist season to provide customers with your service?

Wayne Phelan: Twin Shores is their own network. He is going to shoot a signal right into his own campground. If he can't do it, he'll have to go somewhere. Last year, he had three different feeds shooting in because of interference.

We will do something, but he's penalized again \$10,000 for equipment that he shouldn't need.

Mr. Trivers: I'm kind of interested in Rustico, of course.

Wayne Phelan: I know who you were talking – you're talking about the golf course in Rustico (Indistinct)

Mr. R. Brown: There's a golf course in Rustico?

Wayne Phelan: Yeah, there's –

Mr. R. Brown: Must be a small one.

Wayne Phelan: – there's a broken 3-iron on the fourth hole, too.

Unidentified Voice: You wouldn't know (Indistinct) city.

Mr. Trivers: Rustico Resort.

Wayne Phelan: Rustico Resort was going to get –

Mr. R. Brown: (Indistinct)

Wayne Phelan: – their Internet off of the school in Rustico, up on the top of the hill there, again, I think I forgot the name.

In order for me, and I think Kent England, alluded to it earlier, in order for me to tap into that school that's only the first step. Then, I have to get Eastlink to sell me bandwidth at the school. Eastlink is going to come to me and say: Okay, we'll sell it to you for X dollars per megabit. I'm going to

be committing to \$3,000 a month, in a fee, a bill, to Eastlink, just to turn my Internet on.

Could I get Internet to the golf course before he opens? For a joke, it may cost me 30,000 out of my own pocket. My plan to get him Internet was to provide the entire area Internet, including Miltonvale. Then, I would have to keep that \$3,000 a month bill on to feed Miltonvale, as well.

Is there a plan there? I told him he's going to have to find another provider. There is no other provider. He's asked everybody. He has asked for years.

Could I get him? I could get him, but I'm not going to put my name on a law contract with Eastlink anymore, that's for sure.

Mr. Trivers: Thank you.

Chair: Okay, one techy more question.

Mr. Palmer: I'll be very fast.

Wayne, how's the speed test site that the department of innovation is putting up, how is it going to help you grow your business?

Wayne Phelan: I have never – all of my towers are shut off. I have towers all over Prince Edward Island and I don't let any connect to them except for summer businesses because I've seen what can happen in rooms like this and I wanted assurances that it wouldn't happen again before I turned them back on and then commit to contracts with Eastlink. They're not even on.

Last year, I think I put a cable modem off of one of the towers in Darnley and have an \$80 a month modem. Speed test, they're going to get 100 meg from EastLink, or whatever they're going to get, based on what's in the area. I didn't hook anyone up to the tower except for two or three to take care of the golf course and just to watch some cameras after some damage here a few months ago.

Speed test isn't going to affect me in any way, shape or form. If I get back into the Internet business, I'd want to know where the information is going, who it's getting – why it's even there in the first place. Is it a coincidence that it's the only way a

company can reapply for federal money is to have data like that? If it is, does everyone have access to the data?

It's not going to affect – I think some people's Internet is too slow, and we should be able to present it to whomever, in as fast a way as they possibly can. That site, if used properly, could that.

Mr. Palmer: Thanks.

Wayne Phelan: There are a hundred other sites out there. You don't need a provincial (Indistinct)

Chair: Okay.

Mr. Palmer: Thanks, Chair.

Chair: We have to end it there.

Wayne, thank you very much –

Mr. R. Brown: Thanks, Wayne.

Wayne Phelan: Thanks.

Chair: – for coming in and –

Wayne Phelan: Richard, you destroyed my presentation with your questions. You asked them all right –

Mr. R. Brown: And you never told me that before, did you?

Wayne Phelan: I didn't –

Mr. R. Brown: There you go. I know your (Indistinct).

Chair: We'll blame Richard.

Thanks, Wayne.

Our next presenters are Wicked EH? Joelene and Justin, Alesia.

Mr. Myers: Are we (Indistinct) a break?

Chair: No, we got to keep going.

An Hon. Member: (Indistinct)

Chair: Why, are you going to leave?

Mr. Myers: No, because it's fresh in my mind (Indistinct)

Chair: Write it down.

[Recess]

Chair: Welcome.

Unidentified Voice: Thank you.

Chair: Thanks for – you're last but not least, but thank you for your patience and waiting. We were trying to wrap the meeting up by 3:30 p.m. because we do have some people that have to leave, but I've talked to some of the people here, that we will go for the 15 minutes. If we can do it in 10, that's great. You know all of the routine here, so –

Mr. R. Brown: You did a great job the last time.

Unidentified Voice: Thank you.

Unidentified Voice: Thank you so much.

Chair: The floor is all yours.

Alesia Napier: We're going to knock it out of the ballpark again today. This is how fast it's going to be.

My name is Alesia Napier and I'm one of the representatives and one of the partners of Wicked EH? To my right and your left is Joelene Ferguson. To my left and your right is Justin Ferguson, and pretty much everything we that we wanted to say has already been said so do you have any questions for us?

Chair: Oh my. How much do I have to pay you? My God, you're good to me. I'll have to compliment your logo more often. All right, we'll go to questions. Who was first?

An Hon. Member: You go ahead (Indistinct)

Chair: Now they're fighting over it.

Some Hon. Members: (Indistinct)

Chair: All right. You? Chris?

An Hon. Member: His name is Matt.

Chair: Anybody else here?

Mr MacKay: Thank you, Chair. Basically, I've got the same questions I have asked everybody: How many Internet households are you in right now?

Alesia Napier: Alesia from Wicked Eh?

What was asked and answered before is how many households and what was answered was how many users. We'd like to go by how many households that we have, and by August 1st, our game plan is to have over 500 households connected.

Mr. MacKay: Five hundred, and that's Island wide?

Alesia Napier: No. Our coverage is right now in Central Queens and within a month to six weeks we're going to have a tower in Summerville, PEI, area which will have a 23 kilometres radius of households that we can service.

Mr. MacKay: How is your Internet packages priced compared to the other companies?

Alesia Napier: It's difficult to compare apples to apples. As you know, some people have data caps and some people don't. We have one service package right now, it's five megabits down and five megabits up, unlimited data, near zero latency, no contracts and people seem to like it.

Mr. MacKay: What's the cost of that?

Alesia Napier: Oh I'm sorry, \$98.75 per month.

Mr. MacKay: Okay, and that's good for me, Chair.

Thank you.

Chair: Okay. Peter.

Dr. Bevan-Baker: Thank you, Chair.

I'll tell you what I'm concerned about here, is that as we go through the process of improving Internet access and making it better for all Islanders, that it will be easy for government to say any time this is brought up in the House or things are not

going as well as they should be: Well, Xplornet is going to take care of that. Don't worry, we've got this covered. The whole Island is going to have great Internet very soon.

I'm concerned that government will be allowed to create the impression that with the arrival of Xplornet, all of our problems have disappeared.

I have a couple of questions on that. It was stated that 23 towers is not going to be enough to cover the whole Island. I'm assuming all towers are created equal and perhaps 23 would be sufficient. Can I ask that, first of all?

Alesia Napier: I'm going to deter that to Justin because that's his –

Dr. Bevan-Baker: Yes.

Justin Ferguson: Justin Ferguson with Wicked EH?

Very astute observation. A 100 metre tower does not have the same capability as –

Alesia Napier: Three hundred.

Justin Ferguson: – 300. It's line of sight, so the higher you are the higher your angle to get – trees mean less – your approach angle on your dishes mean less. There are so many factors involved with it. The higher your broadcast point – satellite is great because it's so high in the air. It's so high in the air it takes – light only travels so fast. That's the finite number that we are all aware of. The higher you go, the further it is (Indistinct).

I hope that answers the question.

Dr. Bevan-Baker: No, that's great.

Alesia Napier: Which then, therefore increases latency.

Dr. Bevan-Baker: Sure.

Can you tell the committee what we heard from Alex, what their average Internet use is? Can you tell the committee what the – maybe you don't want to reveal that, but would you be prepared to tell us what your average use per household is?

Alesia Napier: Average gigabyte use? Is that (Indistinct) –

Dr. Bevan-Baker: Yeah, per month.

Alesia Napier: Yeah. We've actually been analyzing that quite a bit and again, I'm going to let Justin answer this because this is –

Justin Ferguson: The average user is 250 gigs a month and what we call our super users, which are the people that basically turn their Internet on and leave it on, upwards of four gig – or sorry, correction, four terabyte per month on their data usage.

Alesia Napier: Terabytes. We call them super users. We don't call them bad character.

Dr. Bevan-Baker: Okay.

Mr. R. Brown: That would be bradtrivers.com.

Alesia Napier: Yes.

Mr. R. Brown: (Indistinct)

Mr. Trivers: It's all (Indistinct)

Dr. Bevan-Baker: That's all I have for now, Chair.

Chair: Chris Palmer.

Mr. Palmer: Thank you. Thank you, Chair.

I had asked questions before about the department of innovation's speed test site. Can you tell me how you're going to use that to help grow your business?

Alesia Napier: Justin is begging to answer this question.

Mr. Palmer: Okay, all right.

Unidentified Voice: (Indistinct)

Justin Ferguson: I fall in line with what Kent England, his IT guy had said. Without knowing where and how the data is collected, it's completely useless. There are so many factors involved with your performance. To us, I mean it's a sideboard note and really nothing more than that.

Alesia Napier: I'd like to add a little bit – a piece on it.

We started our residential Internet service about almost a year ago and since then we have literally (Indistinct) in thousands and thousands of phone calls across – tip to tip, shore to shore, and we've collected all that data. We've worked really hard and paid a lot of money to collect that data. So to have – and we were unaware that this collection was going to take place, but to have the government collecting names and phone numbers and whether or not it's mandatory or not to fill in that field, I wonder how many Islanders would just volunteer that thinking that it might help them in the end.

Not knowing what's going to happen with that data leaves big questions in my mind. It would be nice to know what the intent of the collection was, why it's being collected and what's going to happen with the data.

Mr. Palmer: That wasn't provided to you through the –

Justin Ferguson: We didn't –

Mr. Palmer: – working group that you had?

Justin Ferguson: You guys knew about it before we did.

Alesia Napier: Yeah, we didn't know.

Mr. Palmer: Okay. Thank you, Chair.

Chair: Bradtrivers.com.

Mr. Trivers: Thank you, Chair.

Some Hon. Members: (Indistinct)

Mr. Trivers: I can just feel the (Indistinct) explaining of (Indistinct) there.

Mr. R. Brown: (Indistinct)

Mr. Trivers: I was just going to ask you about the average speed that you guys sort of aim for for yours. I mean you had talked before about the up to five megabits per second so I wanted to give you the chance to weigh in on that. We heard that some providers actually can provide higher than that, but they expected with higher uses go

lower. What would your average speed – or can you quantify that?

Justin Ferguson: I absolutely can. It's a little more complicated question than just: What do you do? Within our network, from where we start to where we jack into the Internet as a whole, the greater Internet, it's five meg all day long. We can control that. That's within our control. We'll give you five meg. Once it leaves our network and goes out into the greater Internet as a whole, it depends on the traffic where you're going. Obviously from Europe to here, it depends on how many people are on that, whatever infrastructure is available there. There's also a multitude of different highways, I guess, that can be used to get the information from point A to point B, so it depends on which highway that is, what the traffic is.

In general, we see in the average of about – we offer a five meg package, five meg up five meg down. Our download speeds average somewhere between three and 5.5 meg and our upload speeds sit at about 5.2 on average.

Mr. Trivers: Thank you very much.

Another quick question, Chair: I also asked about a business package type deal for businesses that are trying to share Internet with a bunch of people like a resort, for example, that has 100 people staying there. I know you guys have a bit of a unique sort of a business plan and I was wondering if you could share to me how your business package works.

Alesia Napier: We have a product that we've not yet talked to the standing committee about it and we call it wicked WiFi. What we do is we basically take our network and through a series of – a set of hardware that we set up, and with a very secret, special sauce software that we've developed that nobody else in the world has, we allow those devices to communicate and we can provide almost like a home network across – and we started doing that in Charlottetown.

Each user that gets on has, on our free network because we provide 10 minutes of free at a time, they can get one and a half megabits of data up and down, unlimited

data, and they can sign into that unlimited times per day.

On that network, you can also pay us a dollar and you get 24 hours of access, and that's five megabits down and five megabits up. And, you can pay us \$25 for a monthly plan; again, that's five megabits down and five megabits up, and those are single device access plans. So, think one laptop, one tablet, one cell phone.

And, to our shock, when we started that, that is absolutely the largest demand product that we have. It's also the most expensive part of our network to set up, but people are screaming for the one device, \$25 a month.

If you think, you know, all the college kids, with single people – like, everybody does everything through their laptop anymore. It's their phone. You can Skype, you can FaceTime, you can stream video, you can Netflix, you can search the world over through Google on one device now, and that's unlimited data and there are no contracts. You pay us the \$25, you get thirty days of unlimited access.

That is indefinitely in our business plan to continue to grow that network. It's just, when you're a startup and you've got a lot of fish to fry all at once, but you'll see that expanding all at once. We're going to be doing a lot of work on that, expanding that network this summer.

And, we'd like to say, too, is once you pay us that dollar a day or the \$25 a month, wherever we have one of those zones set up, like, we've gotten out at the Point Prim Chowder House and other areas – out at the Island Hill Farm. You pay the dollar there and you can come into Charlottetown; it's the same network, it's the same dollar. You don't have to repay us another dollar.

So, as we expand that network, we feel like that's going to be an amazing service for Islanders.

Justin Ferguson: I would like to add a note to that, as well.

Because the way that our technology works, that also provides a very safe and secure – equally secure as what you could have in your own home. Because we use the Mac

address of every individual device, sorry, to authenticate the user and to transmit that data through 128 bit encryption, that doesn't allow anybody else to do or see what's happening on that, as well.

Alesia Napier: Yeah, so most public networks, like, you know, if you go to a Tims or Starbucks and you use their network that you're sharing that space with a lot of other people, and your data's not secure. They recommend that you not do certain things, like banking or things like that. When you're on our network, as Justin said, you have an individual pipeline into the – and then, nobody else can, quote unquote, see your traffic.

Mr. Trivers: One last question, Chair.

So, if I'm a business, and let's say I want to, as part of my competitive advantage, say: When you stay here, we offer you free Internet. Is there some – there's the 1.5 megabits per second free Internet that you offer, but is there something that you work with the business so they can offer something above that?

Alesia Napier: Yeah, so what we're doing right now, Brad, is that we have a site that we'd prefer not to be named at this time, but what we've done is: They had seven individual lines trying to set up a patchwork of network on their campground from another Internet service provider. Each one of those lines was \$120 a month.

We've come in and provided for them is a one-and-done cost. So they're going to pay to set up our hardware on their campground, and it's that network that we were just talking about, and so their campground users are either going to be accessing the free, or they can pay a dollar a day or \$25 a month if they're seasonal users. They now – the campground is out of the Internet service business. We'll provide all the data. We're going to provide all the maintenance. And, again, where we're going to see our revenues is either off the (Indistinct) add space before people get on – log onto the free, you have to watch our 30-second commercial, or from the dollar a day or \$25 a month.

We can only set up that network where we can currently provide our signal. So, like,

once we put up a tower we can set up one of those Wi-Fi networks anywhere in that 23-kilometre radius.

Our intent is to cover the majority of Charlottetown with that service, and we're looking seriously at covering Montague as soon as we get our Summersville tower up, and we've got a lot of feelers on fielding a lot of phone calls from different businesses, apartment buildings for people. Like you know, landlords are really interested in it. There's a bunch of people that it's going to service really well.

Mr. Trivers: Thank you.

Chair: All right, Peter, then Kathleen Casey.

Dr. Bevan-Baker: Thank you.

I just have one, and it's a technical thing that I haven't quite got my head around now, and it's to do with the heavy users, whether they're malevolent or (Indistinct) is up to us to decide. But can you explain why some technologies have no problem supplying unlimited Internet, while other technologies have some pretty apparently severe limitations in doing that, and therefore the caps are necessary?

Justin Ferguson: I can really only speak, educated-wise, on how wireless technology works, because that's what we do.

Fiber-optic backbone, which is what the Internet is made of throughout the world, that's its own beast, and its capabilities are in the petabytes, and it's different, but where the real limitations come into is what the amount of data that you're getting on a static IP address that can come into a certain port, like in your equipment, is going to be limiting what the amount of data that you can transit, as well as the way that it's managed is in the packets themselves being transmitted and received.

So, if you have, obviously, a bigger highway, you can fit more cars on it. But, sometimes, you don't want a highway that's running with one car on it all the time, but you also don't want a one-lane highway that's got a million cars trying to run on it. So, trying to find a balance between the amount of data you can transit at any one

given time without overpaying for the amount of data that you have available to spend, that's where that balance comes in, and that's the office of statistics in regards to what general Internet usage is, as well as it's managed by our industry itself, making rules, rules that we put out there. Use your cell phone after this time and it's free. You can use as much as you want because those are the times that the Internet traffic's not used, right? Data caps: We use data caps in the industry to manage and drive traffic.

I hope that answers the question.

Dr. Bevan-Baker: Yeah, thank you.

Chair: All right, last question, Kathleen Casey.

Ms. Casey: Thank you, Mr. Chair.

I'd just like to follow up on something that Peter had said earlier, and I quote: "If this comes to the floor of the House, we all know government's going to say with Xplornet, everything is going to be all right."

But, just for the record, I just want to say that Xplornet stated in their presentation that they have not received any money from Prince Edward Island government. I just wanted that on the record.

Alesia Napier: Okay, may I –

Chair: Yes.

Alesia Napier: They may not have, Ms. Casey, but clearly they also stated that they had been (Indistinct) access to tower maps and the capability of infrastructure of co-locating, which Wicked EH? has been asking for for months, and has not yet received an answer.

Ms. Casey: Great, thank you.

Chair: Well, we're 15 minutes over our time, but we've given you the full 15 minutes, so I thank you very much for presenting here today. It's all useful information. It's all recorded information and all this – we'll be making a report to the Legislative Assembly, and the government will be privy to all this information, so your time is valuable and well received.

Alesia Napier: (Indistinct).

Ms. Casey: Thank you for staying late for us (Indistinct) 15 minutes –

Chair: All right, thank you so much, guys. We really appreciate it.

Alesia Napier: Thanks.

Well, okay, members, if we can just hang around a few minutes. I've just checked with the clerk, under new business, there's nothing in our files in regards to new business, so we can either deal with new business if there's any now, or if there's not we can put it off until next week.

Mr. Myers: I just have a quick (Indistinct) motion.

Chair: Okay, yeah.

Mr. Myers: Just based on what we heard about the speed test, and we heard it from several of the people that they weren't necessarily sure what was going to be done with the information, I'd like to make a motion that we send a letter to Minister MacDonald outlining the concerns of the presenters here, and ask that, if the data is made available to anyone, that it be made available to everyone.

Unidentified Voice: Sure.

Chair: Everybody in favour?

Dr. Bevan-Baker: Absolutely.

Mr. Myers: And, I have one other one.

Clerk Assistant and Clerk of Committees: I'll just write that down.

Mr. Myers: Oh, sorry.

Clerk Assistant and Clerk of Committees: Sorry.

Chair: That's just consensus?

Clerk Assistant and Clerk of Committees: And it is going to – thank you so much – I'm sorry about that, go ahead.

Mr. Myers: So, the second one is: I'd like to send – based on what we heard from the

presenters here today about the speed test, none of them seemed to have had any prior knowledge, nor were consulted. We heard from Minister MacDonald that he was consulting with the Internet service providers, so I'm wondering if this committee would be interested in sending the letter asking him to outline who initiated this speed test project, with the supporting documentation?

Chair: All in favour?

Mr. R. Brown: Peter asked that. He said he's got the information. Peter asked that question, and they said they were going to get the information.

Unidentified Voice: (Indistinct).

Mr. Myers: Who said that?

Mr. R. Brown: Peter, didn't you?

Dr. Bevan-Baker: Did I?

Mr. Myers: Who said they were giving the information?

Mr. R. Brown: Yeah, today. Didn't you ask Allen Roach that?

Dr. Bevan-Baker: No, that was something else.

Mr. R. Brown: Oh, okay.

Dr. Bevan-Baker: It was a different topic.

Mr. Trivers: (Indistinct) why they (Indistinct).

Mr. Myers: Yeah, so who initiated it, and the supporting documents, we should outline why. If they don't, then I guess we can ask more questions later.

Clerk Assistant and Clerk of Committees: Is that agreeable?

Unidentified Voices: Yeah.

Chair: We have consensus?

Clerk Assistant and Clerk of Committees: Thank you.

Chair: Is there any new formal new business?

An Hon. Member: None.

Chair: Everybody done?
I'll call for adjournment.

Well, listen, thank you very much for your patience. We're 20 minutes over the hour, but the presenters were great to us so I thank you, the committee members, for your patience.

Call for adjournment.

Ms. Casey: (Indistinct)

Chair: Kathleen Casey.

The Committee adjourned