

## WireE: “Closing the Digital Divide”

An Interview with Robert Barlow, President and C.E.O., WireE

Since its creation, WireE’s mission has been to enable its diverse clients to transform their telecommunications infrastructure to deliver a limitless network experience.

As specialists in designing and managing Next Generation **networks**, the company is actively engaged in Canada and the Caribbean with public and private sector leaders who recognize the importance of modern communications networks to drive innovation and prosperity.

Over the past two years, WireE has strengthened its focus and investment in Canada’s rural regions that are experiencing increased demand for sophisticated networks to meet rising community expectations for technology solutions equivalent to those available in major urban centres.

Closing the ‘digital divide’ is fast becoming a central concern for rural governments who understand that developing vibrant and sustainable communities is dependent upon equal access to the **internet and the full scope of its capabilities**.

Recently, Rob Barlow, WireE’s President and CEO shared his point of view on closing the ‘digital divide’ and its importance as a pre-requisite for fulfilling the potential of Canada’s rural economy and enhancing the quality of life of its citizens.

### **Why is the issue of the ‘digital divide’ now so important?**

The quality of telecommunications infrastructure is a pressing issue because it is directly tied to our gross domestic product. Rural communities who do not have equal access to high-performance, carrier grade, infrastructure are at a profound competitive disadvantage in terms of serving the evolving needs of government, business and citizens.

Our country will not recognize its full economic and creative potential if we allow rural communities to be ‘second-class citizens’ in terms of access to this vital infrastructure requirement. It is that important.

Unfortunately, we find that in many rural communities - some less than 90 minutes by car from the city - citizens are restricted to ‘dial-up’ connectivity and larger enterprises are dependent upon ‘legacy’ equipment that cannot serve the needs of contemporary organizations to continuously boost productivity.



Robert Barlow, President and C.E.O., WireE

**Historically, Canada has enjoyed a global reputation for excellence in telecommunications. Many people would be surprised to learn that our rural communities are so underserved? What has held up the process?**

We should not underestimate the challenges and high level of investment required to extend networks to smaller population regions.

Historically, we have had a situation where the investment cost was very high but the return on investment was a longer-term proposition. In the past, for example, the cost to build out a fiber network was based on approximately \$24,000 a kilometer.

As well, technology can depreciate quickly - often in as little as two years. Companies were understandably reluctant to risk having their investment diminished by new technologies that emerged suddenly and obsoleted the status quo. Finally, it has been very expensive to date to attain wireless spectrum, as we have seen from the last auctions for these assets.

**Not surprisingly**, the business model of the traditional Telco industry has been “Don’t build it until they come.” In other words, companies wanted sufficient customer demand and a reasonable payback period - as little as five years - to justify their investment. It was difficult to support the expense of building out new, networks if there were only a limited number of clients to pay for it.

**As a result, although rural communities have long enjoyed quality voice services, many locations are still woefully underserved in terms of access to the full internet user experience.**

Today, increased demand from rural communities and more cost-effective technologies are contributing to a more favourable business model for investment in **modern network** infrastructure.

### **What's driving the need for advanced networks in rural Canada?**

Competition for new investment and a more creative workforce are driving rural communities to close the **digital divide**.

Over the past two decades we have seen a significant change in the demographics of rural regions as the Boomer generation chooses to relocate to smaller communities to pursue new careers and lifestyles.

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At the same time, many communities are witnessing a decline in traditional manufacturing and resource industries and are losing younger members of the workforce to cities where employment opportunities are more plentiful.

Increasingly, rural regions are facing tougher competition from other jurisdictions to attract business investment, diversify their economies, and attract talent. As a result we are seeing a much greater emphasis on economic development as community leaders recognize the importance of planning their future and finding new ways to add vitality to their overall community experience.

### **How are rural communities addressing these challenges?**

There is growing recognition among regional governments that sustainable economic growth cannot be achieved without an advanced telecommunications infrastructure on par with cities.

The most successful rural communities are working hard to complement traditional agricultural and resource-based industries with creative enterprises that attract entrepreneurs of all ages and contribute to growth.

Developing the potential of 'the creative rural economy' is a priority among a growing number of economic development officers. They understand that it is easier to compete for the brains and creativity of entrepreneurs than to attract large organizations that require massive investment in traditional infrastructure associated with industrial parks.

However, when potential small business operators consider the transition from the city to rural communities they bring their technology expectations with them. Limited Internet access, slow connect times or the inability to utilize more sophisticated services and solutions can be a major impediment to relocation and investment.

### **Is the small businesses community the primary victim of the digital divide?**

No. The challenge cuts across all sectors and impacts the entire community. Closing the digital divide means unleashing the potential of technologies we have available today to build better businesses of all sizes and enable government to deliver more services more effectively.

With true connectivity in the home, citizens are able to create dynamic small businesses that can procure products and services effortlessly, access sophisticated productivity tools and, by doing so, compete on a more level playing field with other enterprises.

The ability to access video conferencing or customer relationship management (CRM) services for example can significantly help a small business engage the broader marketplace.

For larger businesses and industry, the challenge is also competitiveness and productivity. No major enterprise can afford to be left behind in terms of accessing the potential of technologies that enable them to compete with other global jurisdictions. That means sophisticated collaborative tools to connect employees, customers and partners wherever they are located.

And for government, the need is driven by the economic necessity to deliver more services and information to more citizens, more effectively, for less tax dollars. That means more robust and flexible information systems to run hospitals, schools and other municipal services.

Providing access to advanced networks is a tangible way that regional and local governments of all sizes can add value to their constituents and the communities they serve.

### **Have you noticed a change in expectations of rural clients over the past two years?**

Yes. **Carrier grade network** infrastructure is high on the agenda of virtually every progressive rural community in the country. Government leaders are demanding more solutions and more effective use of financial resources to invest in their futures.

It is all about using brains and technology to create wealth. They realize that they can attract new citizens and increase revenues through a more reasonable investment in advanced networks. It's good for the economy. It attracts the arts. It makes communities more vibrant. It contributes to a healthier tax base.

Above all, they are not willing to be 'second class citizens' when it comes to providing their stakeholders with the tools they need to be productive and grow.

### **What is required for Canada to close the digital divide?**

Political leadership and the continued efforts of forward-looking, local government and business leaders to keep the issue on the economic agenda.

A report from Harvard University last year confirmed just how underserved Canada is in terms of the requirements of the contemporary digital economy. It was a vivid reminder of the need to invest in this valuable infrastructure as a means to ensure our competitiveness.

The report prompted a great deal of discussion and a renewed commitment by government and industry to advance a Canadian digital strategy to support the growth of the country.

As well, more and more regions are actively promoting the merits of their economic development strategies and the contribution of advanced networks to their growth. Local success stories about small businesses thriving in the emerging 'creative rural economy' are gaining attention and supporting thoughtful investment in this critically important resource.

### **What is the role of WireE in the economic development process?**

Our expertise is in creating, building and operating the most advanced networks available for rural communities. Partnering is in our DNA. We work with Tier One telecommunications companies, local telecoms and local government and business leaders to deliver the highest level of network performance required to drive sustainable growth.

**It is all about using brains and technology to create wealth.**

We add value through our experience and shared desire to contribute to Canada's economic prosperity. We understand the challenges and constraints faced by rural governments. We can add value to their economic development process by helping them understand the risks and how to optimize the opportunities inherent in the networks they are investing in.

Our focus is to help our partners and our clients address the compelling need for cost-effective networks that drive economic development, innovation and prosperity. Our value is the expertise of our team, our partnership philosophy and our ability to provide strategy, solutions and stewardship for their investments.