

Pre-Budget Consultations in Advance of the 2017 Budget
TELUS Brief regarding Interference with Critical Infrastructure



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TELUS: 2017 PRE-BUDGET SUBMISSION TO THE HOUSE OF COMMONS FINANCE COMMITTEE

OUR ASK: The Government of Canada include as part of the 2017 Budget legislation to protect critical infrastructure, including sensitive communications lines, fibre optic networks and wireless infrastructure. Damage done (usually in the process of theft) results in downtime for emergency 911 services and outages in hospital networks, costs tens of millions of dollars and puts Canadians at risk.

New legislation is required to give law enforcement the tools needed to prosecute these offences separately and help to protect critical infrastructure.

WHY SHOULD THE GOVERNMENT OF CANADA TAKE ACTION?

Millions of Canadian citizens and thousands of organizations depend on TELUS infrastructure for reliable connectivity to emergency services, for education, commerce, health care and other Government and community services.

Infrastructure damage has serious impacts on communities in which we work and serve. Currently, at a time when TELUS is accelerating a historic, multi-billion dollar infrastructure and fibre investment program connecting millions of Canadians to essential communications services, citizens are suffering disruptive impacts to these services due to metal theft and malicious tampering.

TELUS is not alone in its advocacy for averting these impacts; corporations, utilities and governments across Canada are working to mitigate the impacts – but we need to do more.

To protect Canadian citizens, businesses, communities and governments, TELUS is seeking consistent legislation provincially and nationally that recognizes, defines, and protects critical infrastructure through more serious criminal sentences and heightened civil remedies for theft and construction negligence.

On behalf of Canadian communities, TELUS intends to more aggressively pursue civil remedies and restitution in the courts to ensure the reliability of its service across the country. TELUS incurs tens of millions of dollars in costs associated with infrastructure protection annually but it is the cost to citizens, businesses, and communities that is highest and most important.

TELUS is has been taking every action available to us, but government support and action are needed to make amendments to the criminal code to give law enforcement and prosecutors new tools to reduce these incidents and protect critical infrastructure for Canadians. We think Budget 2017 is an excellent opportunity to address this.

WHY NOW?

Cable and wire protection continues to be a serious problem in Canada. Each year, TELUS invests over \$3 billion in infrastructure expansion and sustainment, which is at an increasing risk due to metal theft and illegal tampering.

18,000 citizens were impacted by over 130 incidents in 2015, costing more than \$20 million in damages and associated costs.

Metal theft (cutting cables) is a major cause of customer outages. Despite a recent decrease in the price of copper and aluminum, theft continues, likely due in part to the perception that it is a “victimless crime” where the costs are borne by large utility companies and government

Since 2011, over 250K citizens have suffered over 1,000 separate incidents of cable theft damages to the TELUS network. In 2015 alone, cable thefts accounted for one third (32 per cent, 138 of 429) of all reported cable damage incidents, robbing 18 thousand citizens and first responders access to lifeline services like 9-1-1, health care and essential services as well as impeding commerce for businesses.

The Canadian Electricity Association (CEA) joins TELUS in their concern for public safety and also estimates that copper theft costs the Canadian electricity sector approximately \$40 million each year in labour and materials.

WHAT KIND OF IMPACT HAS THIS HAD ON CANADIANS?

In 2015, residents were left without access to lifeline services like 9-1-1, for a total of 22.8 million minutes as a result of 138 separate incidents of metal theft.

An estimated 71,000 citizens were impacted by cable related damage (construction and theft) in 2015.

A typical incident affects up to 300 citizens and takes anywhere from 12 to 48 hours to repair.

The significant costs associated with security, prevention and recovery inevitably impact the prices of our services for customers while also depriving them of access to essential services.

Specific cases:

- A cable theft incident in Surrey left more than 3,600 residents without access to 9-1-1 services for 14 hours, including both landline and wireless services
- Over 2,000 customers in Aldergrove were without access to lifeline services for over 18 hours when three cables were stolen. Incredibly, drivers heading down Highway 1 escaped harm when thieves cut a heavy 150 metre overhead cable, letting it fall onto the busy highway below
- Spans of cable cut in Camrose impacted two rural hospitals and left 4,700 customers without any means of communication for over 11 hours
- There have been several deaths in the U.S. related to copper theft, including multiple cases of individuals being electrocuted and killed while attempting to remove electrical cables, and instances where people have died because they could not reach lifeline services in time due to the lack of phone service¹. Telecommunications infrastructure is near power lines and is also under high tension that releases with dramatic and dangerous results when cut – sometimes causing large sections of telephone poles to be hurled through the air and onto roadways.

WHY SHOULD THIS BE PART OF THE GOVERNMENT OF CANADA'S 2017 BUDGET?

Protecting Canada's critical infrastructure requires new legislation and changes to the criminal code, and Budget 2017 offers a very efficient way of ensuring that this legislation receives high priority and fair scrutiny from Parliamentarians.

Giving law enforcement and the crown the ability to investigate and prosecute these crimes ensures that Canadians remain safe, but also gives Canadians more reliable access to services and communications that are becoming essential to productivity.

¹ <http://www.pbs.org/newshour/bb/costly-copper-dangerous-scrap-metal-thefts-rise/>

APPENDIX – DRAFT LEGISLATION FOR THE CRIMINAL CODE OF CANADA**Interference with critical infrastructure**

443.1 (1) Every person commits an offence who, willfully and without lawful excuse

- (a) interferes with, destroys or damages any part of a critical infrastructure;
- (b) renders any part of a critical infrastructure dangerous, useless, inoperative or ineffective; or
- (c) obstructs, interrupts or interferes with the lawful use, enjoyment or operation of any part of a critical infrastructure,

(2) No person commits an offence under this section by reason only that:

- (a) he stops work as a result of the failure of his employer and himself to agree on any matter relating to his employment;
- (b) he stops work as a result of the failure of his employer and a bargaining agent acting on his behalf to agree on any matter relating to his employment;
- (c) he stops work as a result of his taking part in a combination of workmen or employees for their own reasonable protection as workmen or employees; or
- (d) he obstructs, interrupts or interferes with the lawful use, enjoyment or operation of a telecommunications facility as a result of advocacy, protest, or dissent that is not intended to result in the conduct or harm referred to in paragraphs 443.1(1)(a) to (c).

Punishment

(3) Every person who commits an offence under subsection (1) is guilty of

- (a) an indictable offence and liable to a minimum fine of \$1,000, imprisonment for a term not exceeding ten years or both; or
- (b) of an offence punishable on summary conviction, to imprisonment for a term not exceeding two years less a day or to a maximum fine of \$10,000, or both

Punishment

(4) Every person who commits an offence under subsection (1) that causes actual danger to life is guilty of an indictable offence and liable to imprisonment for life.

Consecutive Sentences

(5) Any sentence imposed on a person for an offence under subsection (1) must be served consecutively to any other punishment imposed on the person for an offence arising out of the same event or series of events.

Definition of “critical infrastructure”

(6) In this section, “critical infrastructure” means any facility, technology, network, asset or system, or any part of these, located within Canada and that is essential to vital societal functions, or to the health, safety, security, or economic or social well-being of any person or persons, and the disruption or destruction of which would have a significant impact on the public or any segment of the public as a result of the failure to maintain those functions.



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ABOUT TELUS

TELUS (TSX: T, NYSE: TU) is Canada's fastest-growing national telecommunications company, with \$12.6 billion of annual revenue and 12.4 million subscriber connections, including 8.4 million wireless subscribers, 1.4 million residential network access lines, 1.6 million high-speed Internet subscribers and 1 million TELUS TV customers. TELUS provides a wide range of communications products and services, including wireless, data, Internet protocol (IP), voice, television, entertainment and video, and is Canada's largest healthcare IT provider.