

File No. 1011-NOC2019-0057

May 29, 2020

Mr. Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

RE: Telecom Notice of Consultation CRTC 2019-57/2019-57-1, *Review of Mobile Wireless Services* – Response to RFI Letter dated May 15, 2020

Dear Mr. Doucet:

Further to your request for information set forth in your letter dated May 15, 2020, the Canadian Wireless Telecommunications Association (“CWTA”) provides the following response.

Q. Does the ongoing situation with respect to the COVID-19 pandemic change the views you have previously put forward on any of the issues being examined in this proceeding? Explain why or why not with supporting rationale and evidence, as necessary.

1. The COVID-19 pandemic does not change the views that CWTA has previously put forward on the issues being examined in this proceeding. Rather, the current health crisis has provided further evidence in support of our position that the interests of consumers are best served by policies that support facilities-based competition.
2. In setting out the scope of this proceeding, the Commission stated that its focus “is to ensure that its mobile wireless service regulatory framework facilitates sustainable competition that provides reasonable prices and innovative services, as well as continued investment in high-quality mobile wireless networks in all regions in the country”¹ (emphasis added). Facilities-based competition has not only fostered sustainable competition and a steady decrease in price; it is responsible for stimulating investment in expanding and enhancing Canada’s world-class wireless network infrastructure.
3. We are still in the early days of the COVID-19 outbreak and there remains much uncertainty regarding its full impact and duration. However, COVID-19 clearly highlights how policies that encourage investment in telecommunications services, including wireless services, are vital to protecting the health and safety of Canadians, and to sustaining economic and social activity. Now is certainly not the time to reverse course and put these investments at risk.

¹ Telecom Notice of Consultation CRTC 2019-57 at paragraph 22.

4. As a result of the COVID-19 outbreak, businesses, government offices, health care providers, and schools have been forced to close or substantially restrict physical access, and to move most of their services online. That Canada's network infrastructure could withstand this accelerated digitization of Canadian society was not a given.
5. Thankfully, years of investment in network infrastructure and operations, supported by policies that encouraged such investment, have resulted in networks that are incredibly resilient in the face of intensified network traffic and altered usage patterns. This resiliency has been acknowledged by Minister Bains:

“Clearly network capacity is something that has been a challenge but I’m very proud of the fact that we have some of the best networks in the world and we’re seeing that on full display right now, where people are working from homes, where students are doing their homework online, where people are on Netflix and the networks are able to maintain despite the network usage.”²

6. Just as today's network performance is the result of past years' planning, investment, and regulatory policies, continued resilience and expansion of Canada's network infrastructure requires similar foresight and policies that encourage significant levels of additional private sector investment.
7. Canada's mobile wireless services have long been regarded as world class, with download speeds now ranked fastest in the world and more than twice as fast as countries such as the United States, U.K., Germany, France, and Italy.³ But the network performance of today will not be enough to support the future needs of Canadians. As the pandemic recedes, demand for mobile data will continue to increase. Wireless networks will need to provide more capacity and adopt new innovations, such as 5G, which will be a catalyst for new jobs, economic growth⁴, and improving the way Canadians work and live⁵.
8. The pandemic has also put a spotlight on the need for new and improved broadband capabilities in rural Canada and other remote and underserved areas. Facilities-based network operators are a fundamental part of solving this important public policy challenge.
9. Meeting these needs will require significant capital expenditures by facilities-based network operators. Not only are these expenditures needed to expand and upgrade network infrastructure, billions of dollars in additional investments will be required to secure rights to mid-band and high-band spectrum to be auctioned in the next three years (3500MHz, mmWave, C-band) and build out the networks to use this spectrum.
10. The negative impact of mandated MVNO access on investment in network infrastructure is well-documented. Just as resellers are not responsible for the investments which built Canada's world-class telecommunications networks, MVNOs will not be making the future investments necessary to expand and enhance Canada's wireless networks. On the contrary, they will detract from facilities-based network operators' capacity to invest, not only in wireless but also in expanding other forms of broadband connectivity to rural and underserved areas. With the full impact of COVID-19 on facilities-based wireless providers' investment capacity unknown, introducing such a policy now would be especially ill-advised.

² <https://thewirereport.ca/2020/04/08/bains-says-hes-in-constant-contact-with-telecoms-over-network-capacity>

³ <https://www.opensignal.com/reports/2020/05/global-state-of-the-mobile-network>

⁴ <https://www.5gcc.ca/wp-content/uploads/2018/06/CWTA-Accenture-Whitepaper-5G-Economic-Impact-Updates-WEB-06-19-2018.pdf>

⁵ <https://www.cwta.ca/wp-content/uploads/2019/11/Accelerating-5G-in-Canada-V11-Web.pdf>

11. Under policies that encourage facilities-based competition, consumers have seen positive outcomes across all key metrics, including world-class network quality and coverage, declining prices, and increasing wireless adoption and data usage. These same policies have help deliver continued momentum toward the Commission's objectives of sustainable competition, reasonable prices, and continued investment in high-quality mobile wireless networks in all regions in the country.
12. The COVID-19 outbreak and its impacts have highlighted the importance of ongoing investment in network infrastructure; something that MVNOs will not contribute to in any material way. In light of these positive trends and the additional recognition of the importance of investment, there is simply no basis for a deviation from policies that recognize facilities-based competition as the best way to protect the interests of consumers. In particular, there is no credible evidence on the record that mandated MVNO wholesale access will result in any benefits, and certainly none that outweigh its costs.

Yours truly,

[Original signed by Eric Smith]

Eric Smith
Senior Vice President

c.c.: Philippe Kent, CRTC
Distribution List as per CRTC letter dated 15 May 2020

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