



December 4, 2020

Michael Macpherson
Clerk
Standing Committee on Industry, Science and Technology
Sixth Floor, 131 Queen Street
House of Commons
Ottawa, ON K1A 0A6

VIA Email: INDU@parl.gc.ca

Dear Mr. Macpherson:

Re: Accessibility and Affordability of Telecommunication Services

1. The Canadian Wireless Telecommunications Association (“CWTA”) is the recognized authority on wireless issues, developments and trends in Canada. Its membership is comprised of companies that provide services and products across the wireless industry, including facilities-based wireless carriers and manufacturers of wireless equipment. CWTA appreciates the opportunity to provide its view on the important issues of accessibility and affordability in telecommunication services.

Introduction

2. The COVID-19 pandemic has altered the lives of Canadians. It has changed the way we work, interact, and access critical services. It has also highlighted how vital telecommunications services are to our health and safety, and to sustaining economic and social activity.
3. During the current crisis, Canada’s facilities-based carriers remain focused on ensuring Canadians can continue to rely on the high-quality networks and services to which they are accustomed. Years of investment by carriers in network infrastructure and operations have resulted in networks that are incredibly resilient in the face of intensified traffic and altered use patterns.
4. While the vast majority of Canadians have access to reliable advanced telecommunication services, the impact of COVID-19 has also highlighted the fact that some communities remain without connectivity. Closing this gap in connectivity is imperative, as the future of many communities and their citizens depends on having internet access and being able to participate in the digital economy. That is why, working in partnership with governments at all levels, Canada’s facilities-based carriers are continuing to expand telecommunication infrastructure into hard-to-serve communities.
5. Just as the resilient networks of today are the result of government policies that fostered private sector investment, ensuring access to high-quality and affordable telecommunications services for all Canadians requires the right regulatory framework; one that balances the three key objectives of quality, coverage and affordable prices.

6. Canada's telecommunications policy has long-recognized facilities-based competition as the best way to drive competition while also encourage the level of private sector investment needed to build world-class networks. Yet at a time when investing in expanding and upgrading Canada's digital infrastructure is more important than ever, regulatory measures are being considered that, if they proceed, will discourage private sector investment.
7. With respect to mobile wireless services, the CRTC is currently deliberating over whether to require wireless network providers to give resellers, also known as mobile virtual network operators ("MVNOs"), access to their networks at regulated rates. The Government of Canada has also referred to mandated wholesale MVNO access as a future policy option.
8. Mandated MVNO access has rarely been used in other jurisdictions. When used it is typically employed in mergers between competing carriers in an effort to address market consolidation. There is no conclusive evidence that mandated MVNO access increases competition or results in lower prices. What is clear is that a mandated MVNO access regime will negatively impact network operators' capacity to invest in digital infrastructure. It would also make the business case for building networks in hard-to-serve communities even less viable, and increase the digital divide. Finally, such a regime would also disproportionately harm the regional facilities-based new entrant mobile carriers who have been credited with increasing the level of competition in the wireless market and helping drive the decline in prices.
9. Rather than deviate from facilities-based competition, the Government should maintain a stable regulatory environment that encourages the level of private sector investment that is needed to connect all Canadians and at the same time introduce the next generation of wireless technology, 5G.
10. Government should also seek to remove barriers to the deployment of digital infrastructure. In particular, unnecessarily limiting the types of public infrastructure on which service providers can attach wireless equipment will frustrate the goal of providing advanced wireless telecommunications to Canadians. To address this, Section 43 of the *Telecommunications Act*, including the meaning of the term "transmission lines" in Section 43(2), should be clarified and, if necessary, expanded to give the CRTC authority to set rates and settle disputes regarding access and attachment rights for wireless equipment when it is placed on all types of public infrastructure, including light posts, bus shelters, and sides of buildings.
11. Finally, the Federal Government should continue to seek ways to better coordinate its own funding programs and those of other levels of government. Better coordination and streamlined application and review processes will allow for faster network deployment.

Quality, Coverage and Affordable Prices

12. The needs of Canadians as they relate to mobile wireless services are well-articulated by the Government of Canada in its *Spectrum Outlook 2018 to 2022*¹. In noting that Canada has "a world-class telecommunications infrastructure", the Government stated that it will ensure "Canadian consumers, businesses and public institutions continue to benefit from advanced wireless telecommunications services and applications."² To facilitate this outcome, the Government identified three key desired outcomes³:
 - a. Quality: faster and higher quality networks to do what Canadians need them to do;

¹ ISED, <https://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf11403.html>

² Ibid

³ Ibid

- b. Coverage: better coverage and reliable services available to Canadians no matter where they live and work; and
 - c. Prices: affordable and more choice in services.
13. These objectives are not controversial. They reflect the policy objectives in the *Telecommunications Act*, are consistent with the CRTC's stated focus in its recent review of the mobile wireless industry⁴, and are shared by CWTA and its members. As discussed below, these objectives can be best achieved by way of policies that support facilities-based competition.

Quality and Coverage

14. Canada's telecommunication policy has long recognized the importance of investment in wireless network infrastructure and facilities-based competition as the best way to encourage such investment. Only through significant investment by Canada's facilities-based wireless providers can Canadians be assured robust, secure, world-class wireless networks that satisfy their increasing demands for wireless connectivity and allow them to maximize their participation in the digital economy. Canada's facilities-based wireless providers have embraced the challenge of building, and continuing to expand and upgrade, such networks, consistent with the government's policy.
15. To date, Canada's facilities-based wireless providers have invested over \$50B in capital to build Canada's wireless networks; with spending in recent years averaging close to \$3B per year⁵. When combined with capital investment in wireline infrastructure, Canada's facilities-based carriers have invested over \$10B annually in telecommunications infrastructure in recent years. Canadian carrier investment in telecommunications infrastructure has outpaced its global peers with respect to investment per capita ranking 1st in the G7 and sixty-three percent higher than the average of OECD nations.⁶
16. Facilities-based wireless providers not only invest in network infrastructure, they also spent over \$20B to acquire the right to use radio spectrum and annual spectrum license fees.
17. As a result of these investments, Canadians enjoy world-class networks which consistently rank among the best performing and most expansive networks in the world. For example, independent network analyst, OpenSignal, ranks Canada's networks as having the fastest average download speed in the world.⁷ Even in rural areas, Canada's networks perform better than the overall networks in most other countries, including all but one of the G7 countries and Australia.⁸ In fact, OpenSignal states that if rural Canada were its own country it would have the 12th fastest mobile wireless networks in the world.
18. With respect to coverage, the CRTC reports that 4G/LTE coverage is accessible to 99.3% of Canadians where they live as of the end of 2018.⁹ CRTC data also shows rural 4G/LTE coverage has expanded

⁴ Telecom Notice of Consultation CRTC 2019-57 at paragraph 22 - "The Commission's focus in this proceeding is to ensure that its mobile wireless 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 of the country."
<https://crtc.gc.ca/eng/archive/2019/2019-57.htm>

⁵ Nordicity, The Benefits of the Wireless Telecommunications Industry to the Canadian Economy (December 2019), plus review of publicly available wireless operator financial statements - <https://bit.ly/37wvhn4>

⁶ BCG, In the Balance: Future-proofing Canada's digital infrastructure to unlock benefits for all, December 2019 - <https://on.bcg.com/36CkKaz>

⁷ <https://www.opensignal.com/2019/09/25/the-state-of-rural-canadas-mobile-network-experience>

⁸ Ibid.

⁹ CRTC Communications Monitoring Report 2019, Figure 10.27.

rapidly over the last few years, increasing from 35% in 2013 to reaching 96.5% of Canadians living in rural communities in 2018.¹⁰

19. While these are great achievements, there is more work to be done. Meeting the increasing demand for mobile wireless services, expanding coverage to underserved areas, and introducing the next generation of wireless services, 5G, will require ongoing massive private sector investments and government policies that encourage such levels of investment.
20. For example, while it is estimated that the initial phase of 5G will generate an additional \$40B in GDP for Canada's economy by 2026 and support 250,000 new full-time jobs in that same period, it is also estimated that realizing these benefits will require \$26B in investment by facilities-based carriers between 2020-2026. This does not include what is expected to be billions of dollars more that will be spent in upcoming spectrum auctions.

Choice, Affordability and Value

21. In addition to the three national wireless network providers ("National Providers"), the wireless retail market includes the regional facilities-based new entrants ("Regional Providers") who, encouraged by Government policies that recognize the importance of facilities-based competition, have made, and continue to make, significant investments in acquiring spectrum and building and expanding their wireless networks. By investing in their own independent wireless networks, Regional Providers are positioning themselves to compete not only on price, but also quality of service and network coverage.
22. As a result, Canadians in each provincial market are now served by at least four facilities-based carriers. When one includes flanker brands and resellers¹¹, there are approximately 20 wireless brands in Canada, each striving to differentiate themselves from one another by offering a wide variety of mobile wireless plans at different price points. Canadians in major cities have a choice of at least 10 service providers and brands. In non-urban areas there are typically three National Providers, plus flanker/reseller brands and one or more Regional Provider.
23. Wireless providers compete vigorously with one another and continue to introduce new and innovative service offerings, including bonus data promotions, rollover data allowances, and device financing. Providers have also launched new brands, such as Lucky Mobile (Bell), Fizz (Videotron), and Shaw Mobile (Shaw), while Xplornet has launched new LTE wireless services under the brand Xplore Mobile.
24. This increasing competition has resulted in a steady decline in prices. For example, according to the CRTC, the price per GB of mobile data declined by 56% from 2015-2018¹². This is in line with a recent report from one of the national carriers reported what customers pay per GB of data across all of their brands has declined 50% in the last five years and 70% since 2013.¹³
25. Starting in mid-2019, following Freedom Mobile's earlier introduction of its BigGig plans, the National Providers introduced unlimited data plans that provide a large allotment of high-speed data and no overage charges if that data allotment is exceeded. The entry-level unlimited data plans with 10GB of high-speed data were initially made available from \$50 to \$75 per month. Today, similar plans can be found at lower prices or with twice as much high-speed data. This represents a huge increase in value

¹⁰ Ibid.

¹¹ Resellers refers to non-MNO brands such as 7-Eleven Speak Out, PC Mobile, Petro-Canada Mobility, Zoomer, DCI Wireless and Good2Go Mobile, who have entered into commercial arrangements with a mobile network operator to sell wireless services.

¹² CRTC Communications Monitoring Report 2019 and preceding years.

¹³ Rogers – "Canadian wireless prices are declining – the facts nobody is telling you." <https://roge.rs/39rMTTx>

when compared to Innovation, Science and Economic Development Canada’s (ISED) 2018 pricing study which stated that as of mid-2018, on average, a \$75 plan only provided 2GB of data.¹⁴ PwC has also estimated that the introduction of unlimited data plans is expected to reduce the cost per GB of data by 50% from 2018 levels by the end of 2020.¹⁵

26. For subscribers who do not need large data allowances, the 2019 Wall Report, commissioned by ISED, shows that prices for low and mid-range mobile data plans had dramatic price reductions between May 2019 and September 2019 with average price reductions in the 1GB, 2GB and 5GB service baskets falling 42%, 29% and 25% over a four month period.¹⁶ Similarly, the StatCan Cellular Price Index shows a decline of 17% from June 2019 to October 2020.¹⁷
27. Despite the overwhelming evidence of a steady reduction in prices and more value per dollar, there remain some who allege that Canadians are still paying “too much” for mobile wireless services. Most of these claims are based on various international price comparison studies that provide a distorted view of prices and are based on faulty methodology and/or a reliance on limited or outdated data.
28. A recent example of such a study is a publication¹⁸ by the Finnish consultancy, Rewheel. The publication paints Canadian prices in a negative light using a methodology that lumps together arbitrarily chosen service plans in a misguided attempt to establish a ranking of countries. The quality of its report has come under scathing criticism in an article co-authored by over twenty academics and experts which suggests that the Rewheel study should come with a misinformation warning label and concludes that it “bases its rankings on a meaningless concept that offers no economic market insights.”¹⁹
29. As one of the co-authors points out in a separate article, Rewheel assumes “a utopian world in which all providers face the same costs when comparing Canadian prices directly with Finnish ones, ‘even though Finland has a population one-sixth the size of Canada and a landmass one twenty-ninth the size,’ and ‘Finnish mobile wireless providers also pay about 90 percent less for radio spectrum relative to their Canadian peers.’”²⁰
30. This is not the first time Rewheel reports have come under criticism. The International Center for Law and Economics has referred to previous Rewheel studies as a “careless mish-mash of data points from which no reliable conclusions can be drawn.”²¹
31. While Rewheel may be the most egregious example, the problem with most price comparison studies is that they are one-dimensional and consist of “apples-to-oranges” comparisons. They assume that every plan is identical so long as they share one attribute in common (e.g. data allotment). They also assume that consumers do not shop around for the best available plan or for promotions, and often also ignore the wireless plans offered by non-national service providers or flanker brands.

¹⁴ <https://www.ic.gc.ca/eic/site/693.nsf/eng/00169.html> - uses data collected in June/July 2018.

¹⁵ PwC. *Addendum, Impact of Unlimited Data Plans on Affordability*, January 2020 at p.4 and 9, and page 8. <https://pwc.to/3lyOVnt>

¹⁶ <https://www.ic.gc.ca/eic/site/693.nsf/eng/00182.html>, Section 3.5. See also Bell Mobility Response to Undertaking – Bell Mobility (CRTC) 19Feb20-2 TNC 2019-57

¹⁷ The CCPI is unpublished but can be obtained upon request from Statistics Canada, Consumer Price Division.

¹⁸ See Rewheel/research, “4G&5G connectivity competitiveness 2020,” Digital Fuel Monitor, Rewheel research PRO study (Public Version), November 2020.

¹⁹ Dr. Christian Dippon et al. Adding a Warning Label to Rewheel’s International Price Comparison and Competitiveness Rankings. https://www.nera.com/content/dam/nera/publications/2020/Rewheel_Review_Final_R1.pdf

²⁰ <https://www.aei.org/technology-and-innovation/should-traditional-or-social-media-content-include-warnings-about-misinformation/>

²¹ https://laweconcenter.org/wp-content/uploads/2019/09/ICLE-Telco_Merger_Lit_Review_Jud_Rpt_FINAL.pdf - discussion of Rewheel starting at page 24.

32. Price comparisons also usually ignore the differences in quality and coverage, as well as the differences between countries in size, population density, climate, and in the cost of delivering wireless services. For example, a recent study by Christensen Associates shows that Canadian network operators incur 83 percent higher costs for network building than the average for operators in benchmark countries, and 34.1 percent higher costs than operators in the U.S.²² As cost of delivering a service is a key factor in price, this is a remarkable oversight.
33. To be useful, a price comparison study must not only use current and representative pricing information, it must also consider external factors that have an impact on price. Such an approach, referred to as a hedonic or regressive study is the more reliable methodology. Fortunately, there is a recent and robust hedonic study available.
34. The study, titled *A Comparison of Mobile Wireless Value Proposition*²³, was commissioned by U.S. industry association, CTIA, and conducted by NERA Economic Consulting. It was designed to show how the U.S. compares against international peers when it comes to the value mobile wireless users receive upon purchase and use of wireless services. It examined a total of 1,544 rate plans of 213 mobile operators in 36 countries of the Organization for Economic Co-operation and Development (OECD) and, in addition to price, took into consideration network quality and country attributes such as size, rate of urbanization, and labour rates, all of which affect the cost of delivering wireless services.
35. Based on all of those factors, the study shows that Canadians get “*more bang for the buck*” with prices in Canada being approximately 4.7% lower than the average price that other G7 countries and Australia would charge for the same value proposition.²⁴ The study also ranked Canada as having the highest value proposition among “Leading Democracies”, identified as Canada, U.S., Germany, Austria, New Zealand, United Kingdom, Ireland, Netherlands and Australia.²⁵

Ensuring Canada’s Leadership in High-Quality and Affordable Mobile Wireless Services

36. Under policies that support facilities-based competition, Canada’s mobile carriers have built some of the best and farthest reaching wireless networks in the world, while at the same time delivering increasing value at a lower cost to consumers. Now is not the time to deviate from a regulatory framework that has, and is continuing, to deliver on the key objectives of quality, coverage, and affordable prices.
37. More work and billions of dollars of additional private sector investments are required to expand carrier networks and to introduce 5G technology. Yet at a time when investing in expanding and upgrading Canada’s digital infrastructure is more important than ever, regulatory measures are being considered that, if they proceed, will discourage private sector investment.
38. With respect to the wireless industry, the CRTC is currently deliberating over whether to require wireless network operators to give resellers, also known as MVNOs, access to their networks at regulated rates. The federal government has also indicated that mandating wholesale MVNO access remains a policy option.
39. Most discussion around mandating MVNO access is based on fundamental misunderstandings about the role and impact of MVNOs. First, there is a popular myth that MVNOs are not “allowed” in Canada.

²² Key Cost Drivers of Mobile Wireless Services in Canada: Implications for Pricing – Benchmark countries are Japan, Germany, France, U.K., Italy and Australia - <https://bit.ly/3IBSYz7>

²³ <https://www.nera.com/content/dam/nera/publications/2020/CTIA%20Final%20Study.pdf>.

²⁴ *Ibid.* p.20

²⁵ *Ibid.* p.25. See also Dr. Dippon, NERA Economic Consulting, *An Accurate Price Comparison of Communications Services in Canada and Select Foreign Jurisdictions* – Exhibit B to TELUS intervention May 15, 2019.

MVNOs are not only allowed in Canada, they exist today. 7-Eleven Speak Out, PC Mobile, Petro-Canada Mobility, Zoomer, DCI Wireless, and Good2Go Mobile Canada are examples of MVNOs in Canada.

40. A second false claim is that mandating MVNO access is common policy around the world. In fact, mandated MVNO access has been used sparingly by regulators around the world and with uneven results. In Europe, there is only one country that currently has an MVNO wholesale access obligation as a result of a finding of significant market power. That is Norway, which found that the mobile market was dominated by a single mobile carrier, Telenor. There have also been a small number of cases where some form of MVNO access was a condition to mergers between carriers. In these later cases the access obligations were voluntarily adopted and did not mandate access rates.
41. The market concentration levels that these cases were trying to address are not present in Canada. The retail wireless market in Canada is less concentrated than the wireless markets in all but two developed countries; Denmark and Sweden.²⁶ While increasing market concentration is occurring in countries like the U.S.,²⁷ the reverse is occurring in Canada. The growth of regional facilities-based providers and increasing number of flanker brands continue to provide Canadians with increasing levels of competition and choice.
42. Nor is there compelling evidence that MVNOs result in less market concentration or lower prices in the few countries where a mandated MVNO regime has been tried. In its submission to the CRTC's recent mobile wireless industry review, the Competition Bureau concluded that the results of mandated MVNOs have been mixed with some countries experiencing increased competition while others did not.²⁸ Where there was an increase in competition, other market events, such as new facilities-based carrier entry and changes in the market share among existing mobile carriers was just as likely to be the reason.
43. The reality is that the number of MVNOs in a country reveals little about the health of its wireless retail market or its ability to generate the desired outcomes of quality, coverage and affordable prices. For example, the U.S. and Japan, ranked 1st and 3rd respectively in terms of the number of independent MVNOs in OECD countries are shown by most international price comparison studies to have higher average wireless service prices than countries with much fewer MVNOs.
44. Advocates of MVNOs also typically misrepresent the role of MVNOs in most countries. Except in rare cases, MVNOs are not competitors to mobile carriers, they are business partners. They do not come together by regulatory fiat, but as a result of identifying mutually beneficial opportunities. This happens when an MVNO is able to identify a niche market that is not being fully addressed by the mobile carrier and the carrier and MVNO think that the MVNO can target that market segment in a way that adds to the carrier's network subscriber base and is profitable for both parties. This is worth repeating: the objective of an MVNO is not to lower prices, it is to generate profits for both itself and the underlying mobile carrier.
45. However, in many countries (including the U.S. and Australia) the markets targeted by mobile carriers are reaching saturation, and mobile carriers have turned their attention to these previously ignored niche

²⁶ CRTC 2019-57 - Transcript, Hearing February 20, 2020, testimony of Dr. Crandall at para. 3636. The expert witness for the Manitoba Coalition also acknowledged that the Canadian wireless industry is not an outlier in terms of concentration – at Transcript, Hearing February 24, 2020 para. 6836.

²⁷ T-Mobile and Sprint recently merged, leaving the U.S. with 3 main wireless carriers.

²⁸ Competition Bureau, Telecom Notice of Consultation CRTC 2019-57: Further Comments of the Competition Bureau, November 22, 2019 (hereinafter referred to as "Further Comments Competition Bureau") – see section VIII.

markets. As a result, a number of carriers have acquired MVNOs²⁹ or have launched (or are in the process of launching) their own flanker brands to address these markets.³⁰

46. Because of Canada's small population, Canada's mobile carriers were ahead of the game and used the flanker brand strategy to address segments of the market that their counterparts in other countries might have ignored or left to MVNOs. As a result, when you look at the combined market share of independent MVNOs and flanker brands, as of 2018, Canada was ranked as the 4th largest in the OECD countries, ahead of countries such as the U.S., Japan, Australia, Germany and Australia.³¹ In addition, Canada has regional facilities-based wireless providers whose combined market share is comparable to the market share of MVNOs in many countries, such as Australia.
47. While there is no conclusive evidence that MVNOs increase competition or lower prices, the negative impact of mandated wholesale MVNO access is very clear. When looking at expanding a network, network operators will examine whether the forecasted revenues provide an adequate return to justify the capital investment. Mandated MVNO access requires the mobile carrier to bear all of the potential downside risk of making a large investment in expanding or upgrading their network, but share any upside with MVNOs who have taken no such risk and made no network investment. The reduction in forecasted revenues negatively impacts the capacity to invest.
48. PwC has estimated that the short-term impact of a broad MVNO mandate in Canada would be annual cuts of \$5B and \$3B in operating and capital expenditures respectively.³² The communities that would be disproportionately impacted by these cuts are those that are the hardest to serve and where an MVNO mandate would make the business case for investment even less viable.
49. While other developed countries are implementing policies and strategies to accelerate the roll-out of 5G, it is estimated that mandating MVNO access in Canada would reduce the effective coverage of 5G in Canada by 2030 from 95% to 75%.³³ This delay would result in an estimated cumulative loss of at least \$57B in GDP, with manufacturing, natural resources, and public administration sectors being most impacted. As the Competition Bureau's expert in the CRTC's wireless review attested: "[t]his kind of erosion of investment incentives would be particularly harmful on the eve of 5G, where incumbents are poised to make significant infrastructure investments."³⁴
50. A broad-based MVNO mandate would not only harm investment, it would disproportionately hurt the regional facilities-based carriers who have been credited with increasing the competitive intensity in the wireless market. According to the Competition Bureau, in order to have the same positive impact on competition as the regional carriers, an MVNO would have to achieve a 20% market share. A quick survey of MVNO markets around the world shows that such an achievement is highly unlikely, if not impossible. To the extent an MVNO is able to gain market share, the Competition Bureau anticipates that it will do so at the cost of the regional carriers as they are more likely to share the same target

²⁹ For example, Verizon recently announced an agreement to acquire the Tracphone, the U.S. largest MNVO.

³⁰ See also, <https://bit.ly/3qoWS23> - "MVNOs are disappearing because they have surpassed their MVNO role and have either consolidated, made network acquisitions, or been acquired by traditional operators who seeks to increase their market share."

³¹ NERA Economic Consulting, *Competitive effects of MVNOs and assessment of regulated MVNO access*, 26 October 2018, page 7, figure 4 - <https://bit.ly/3qpzNfA>

³² <https://www.pwc.com/ca/en/communications/publications/761378-understanding-the-impacts-of-mvnos-in-canada-part-1.pdf>

³³ <https://www.pwc.com/ca/en/communications/publications/761378-understanding-the-impacts-of-mvnos-in-canada-part-2.pdf>

³⁴ Matrix Economics, Report Studying the State of Competition in the Retail Wireless Marketplace and the Benefits of Additional Competition among Wireless Service Providers, November 22, 2019 – filed as part of Competition Bureau submission to CRTC 2019-57, at page 7.

market. It is for these reasons that the Competition Bureau concluded “the risks associated with [a broad-based MVNO policy] are too high for it to be warranted”.

51. It is clear that mandating MVNO access would have a detrimental impact on the goal of expanding Canada’s wireless networks and introducing 5G networks. There is also no compelling evidence that such a regime would significantly lower prices to an extent greater than is already happening in the market as result of facilities-based competition. The Government should confirm its continued support for facilities-based competition. This will provide the private sector with the confidence required to make the significant long-term investments that are necessary to deliver increasing quality, coverage and affordable prices.

Government Funding Removing Barriers to Deployment of Digital Infrastructure

52. While private sector investment is the main driver for the expansion and upgrading of digital infrastructure, there are areas of Canada where, due to the cost of building and/or low population density, it is not economically viable to build and operate network facilities without additional sources of funding. In these cases, facilities-based carriers continue to work with governments at all levels to share the cost of network deployment. CWTA welcomes recent Government announcements such as the launch of the Universal Broadband Fund and the increase in amounts allocated to broadband financing by the Canada Infrastructure Bank.
53. In addition to the aforementioned funding programs, there exist other programs at the federal level, such as the CRTC Broadband Fund which is financed by the telecommunications industry, as well as funding programs at the provincial, territorial and local levels. With each program having its own criteria and application and review process, we encourage the Federal Government to continue to develop greater coordination between its own funding programs and those of other jurisdictions with a view to streamlining the process and funding worthwhile projects as quickly as possible. Given Canada’s harsh climate, the season for building is short and unnecessary delays set projects back by a considerable amount of time.

Removing Barriers to Accessing Public Infrastructure

54. Access to public infrastructure is important to the deployment of digital infrastructure. In the case of wireless networks, such access is becoming even more important with respect to the installation of wireless equipment. Ensuring the benefits of 5G are fully realized will require: (i) fair and reasonable access to public land, buildings, streetlights and other street furniture; (ii) the streamlining of municipal administrative processes, including shorter timelines, appropriate exemptions, and the use of objective standards; and (iii) reasonable and non-discriminatory fees for the use of the foregoing.
55. Provisions in the *Telecommunications Act* and principles set out by the CRTC have guided the telecommunications industry and municipalities in negotiating access agreements regarding the installation of wireline networks. However, some argue that the *Act* and CRTC principles do not apply to wireless equipment and/or to access to all types of passive public infrastructure such as light poles, bus shelters, and sides of buildings. The lack of clarity and resultant disparity will result in increased delays and costs in the deployment of wireless equipment, which will adversely affect Canadians’ access to the latest wireless products and services.
56. Unnecessarily limiting the types of public infrastructure on which service providers can attach small cell equipment will frustrate the goal of providing advanced wireless telecommunications to Canadians. To address this, Section 43 of the *Telecommunications Act*, including the meaning of the term “transmission

lines” in Section 43(2), should be clarified and, if necessary, expanded by Parliament to give the CRTC authority to set rates and settle disputes regarding access and attachment rights for wireless equipment when it is placed on all types of public infrastructure, including light posts, bus shelters, and sides of buildings.

Conclusion

57. Telecommunications policy should be based on evidence. The facts show that the Government’s long-standing policy of favouring facilities-based competition as the best form of competition for delivering the three key policy objectives of quality, coverage and affordable prices remains sound. As such, the Government should confirm its continued support for facilities-based competition. This will provide the private sector with the confidence required to make the significant long-term investments that are necessary for continuing to expand Canada’s digital infrastructure and introducing the latest advanced technologies. As Canada begins its recovery from the COVID crisis, Canada’s digital infrastructure will play an even more important role in driving economic growth and supporting hundreds of thousands of Canadian jobs.

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