In the matter of
Bill 257, Supporting Broadband Infrastructure Expansion Act, 2021

Comments of

Canadian Wireless Telecommunications Association

March 26, 2021

INTRODUCTION

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 wireless carriers and manufacturers of wireless equipment. To the extent that there is any inconsistency between CWTA's submission and that of a CWTA member in this proceeding, in regards to the position of such CWTA member, the member's submission shall prevail.

2. CWTA appreciates the opportunity to comment on Bill 257, *Supporting Broadband infrastructure Expansion Act, 2021* (the "Bill"). CWTA members are committed to ensuring that Canadians have access to advanced telecommunications services. In this regard, Canadian facilities-based telecommunication companies have invested at least $54.3B in wireless CAPEX since 1987 and $150.3B in wireline CAPEX since 1996,[1] as well as over $18B in spectrum auction fees. Relative to their global peers, Canadian telecommunication operators have cumulatively invested 181% more CAPEX, excluding spectrum costs, per wireless subscriber between 2014 and 2019.[2]

3. These investments have made the telecommunications industry a cornerstone of the national and provincial economies. In 2019, it is estimated that the telecommunications industry directly contributed $74.5B in GDP to Canada's economy through the telecommunications value chain ($23.5B in direct GDP) and through enablement of sales in other industries as a result of increased connectivity ($51.0B in direct GDP).[3]

4. The total direct, indirect and induced GDP contribution from the telecommunications industry value chain[4] in 2019 is estimated to be $43.0B[5] with

[1] Accenture, *Investing in Canada's Digital Infrastructure: The Economic Impact of Wireless/Wireline Broadband and the Post-COVID Recovery*, December 2020, at p10. See https://www.cwta.ca/wp-content/uploads/2020/12/EN_Investing_in_Canadas_Digital_Infrastructure.pdf . Significant wireline investments were made pre-1996, but 1996 is the first year of reliable public records being available for such spending.
[2] PwC, *COVID-19's impact on connectivity: Canada's post-COVID-19 connectivity needs.* (March 2021) see https://www.pwc.com/ca/en/communications/publications/covid-19-impact-on-connectivity-en.pdf
[3] Accenture, *Investing in Canada's Digital Infrastructure*, p.6.
[4] The value chain is comprised of communications service providers (driving direct impact), the suppliers of CSPs (driving indirect economic impact), and the labour employed in the supply chain (driving induced economic impact). See Accenture, *Investing in Canada's Digital Infrastructure*, p.4.
[5] Ibid, p.7.

almost half, or $20.0B, going to the Ontario economy.[6] The telecommunications industry also supported 143,000 jobs in the province in that same period.[7]

5. Notwithstanding these important contributions, more work needs to be done. While the vast majority of Ontarians have access to world-leading wireline and wireless broadband services, there remain many communities that are underserved.

6. Connecting these communities will enable individuals to effectively and efficiently work from home and local businesses to participate in the digital economy. Studies show that a 10% increase in broadband penetration can achieve a 0.9% to 1.5% percent increase in GDP growth for a given region.[8] Increasing connectivity also contributes to the standard of living in underserved communities, enabling access to virtual healthcare services, online learning, and reducing social isolation.

7. In addition to expanding Canada's digital infrastructure, telecommunication network operators must continually invest significant amounts in upgrading digital infrastructure to meet the increasing demand for advanced telecommunications services. For example, to support the introduction of next-generation wireless technologies, it is estimated that wireless network operators will need to invest $26B in capital from 2020 to 2026 in 5G wireless deployment, not including spectrum costs.[9]

8. These investments will provide greater network capacity, increased performance, and provide advanced capabilities that will fuel the next-generation of innovations across industry sectors and government services. Serving as the platform for innovation and increased productivity, 5G will help Ontario and the rest of Canada recover from the economic downturn caused by the COVID-19 pandemic. It is estimated that by 2026 5G will generate an additional $40B in GDP for Canada's economy and generate 250,000 new full-time jobs over the same period.[10]

9. Whether expanding or upgrading digital infrastructure, regulatory and operational barriers can result in digital infrastructure projects being delayed and/or costing more. Two key barriers are the lack of timely and cost-effective access to electrical utility poles, as well as the lack of timely and cost-effective access to

[6] Ibid. p.10.
[7] Ibid.
[8] Ibid, p.11.
[9] Accenture, *Fuel for Innovation: Canada's Path in the Race to 5G* (2018), p2
[10] Ibid.

municipal rights of way and other public infrastructure. Reducing these barriers will help speed the deployment and reduce the costs of both private and publically funded digital infrastructure projects.

Supporting Broadband Infrastructure Expansion Act, 2021

10. CWTA supports the Government's stated intent for the Bill of reducing costs associated with "attaching broadband wirelines to hydro utility poles"[11] and providing "timely access to poles and to municipal rights of way to install broadband on municipal land".[12] However, the effectiveness of the Bill will largely depend on the yet-to-be created regulations. As such, we encourage the Government to consult with our members and other broadband providers during the regulation making process to ensure that the proposed legislation has the desired effect.

11. In addition, while the stated purpose focuses on "broadband wirelines" and "municipal land", it is important that the proposed legislation is broad enough to address other forms of telecommunications equipment, as well as other instances where access is required. These include small cell and wireless equipment access to electrical utility poles, as well municipally-owned or controlled passive infrastructure, such as lamp posts, traffic lights, transportation shelters and other street furniture. Similarly, access to electrical utility infrastructure should not be limited to poles, but also include access to underground ducts.

12. CWTA is pleased that the Government is addressing these important issues and considers the draft legislation a step in the right direction. Further refinement to address the matters mentioned above will help ensure that the proposed legislation achieves the Government's desired outcomes of removing barriers to broadband infrastructure expansion.

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[11] See https://news.ontario.ca/en/backgrounder/60546/supporting-broadband-and-infrastructure-expansion-act-2021
[12] Ibid.