

Appendix 1: Guiding Principles for the Telecommunications Recommendations

To assist with the development of its recommendations regarding telecommunications legislation, TELUS relied on a series of **11 guiding principles**. Those principles are as follows:

- Principle 1: The key premise underlying Canada's approach to telecommunications regulation should be that market forces should be relied upon to the greatest extent possible to achieve Canada's policy goals for the telecommunications policy sector.
- Principle 2: The presumption should be that market forces are capable of providing the requisite level of discipline and regulation should only be applied when it is credibly demonstrated that market forces alone cannot be relied upon to achieve the stated policy goals, and that regulation can be expected to deliver a superior outcome.
- Principle 3 Economic regulation should only be applied to essential services and then only where providers of those services possess non-transitory market power.
- Principle 4 Economic regulation, where required, should neither exclude efficient competitive entry nor promote competitive entry artificially.
- Principle 5 Where economic regulation is deemed necessary, the regulated companies must be provided a reasonable opportunity to recover their not imprudently incurred costs of providing the regulated services.
- Principle 6 Social regulation and technical regulation, where required, should be applied symmetrically and should be applied through laws of general application, as distinct from sector-specific regulation, whenever possible.
- Principle 7 Where economic regulation is required, it should be applied symmetrically so as not to distort the efficient choice of either service provider or technological platform.
- Principle 8 Regulation, where applied, should be both justified, in the sense that the benefits of regulation outweigh the cost of regulation and proportionate, in the sense that it is the least-intrusive form of regulation consistent with achieving the stated policy objectives.
- Principle 9 Once it is credibly demonstrated that regulation is required, some form of *ex post* regulation should be adopted as a default. If and only if it is credibly

demonstrated that *ex post* regulation fails to achieve the stated objectives should some form of *ex ante* regulation be considered.

Principle 10 Regulatory decisions are reviewable by the courts to ensure compliance with the statute.

Principle 11 The optimal regulatory policy should recognize the trade-off between static and dynamic efficiency and its implications for consumer welfare.