



September 16, 2021

Via e-mail: [telecomsubmission-soumissiontelecom@ised-isde.gc.ca](mailto:telecomsubmission-soumissiontelecom@ised-isde.gc.ca)

Director General  
Telecommunications and Internet Policy Branch  
Innovation, Science and Economic Development Canada  
235 Queen Street, 10th Floor  
Ottawa, Ontario K1A 0H5

**Re: Competitive Network Operators of Canada petition to the Governor in Council**

*Canada Gazette, Part I, Vol. 155, No. 30, July 24, 2021, Notice No. TIPB-002-2021 — Petitions to the Governor in Council concerning Telecom Decision CRTC 2021-181*

Dear Mr. Arbour:

1. We write this letter **in full support** for the above-referenced petition to Cabinet submitted by the Competitive Network Operators of Canada (“CNOC”).

#### **About EBOX Inc**

2. We are a member of CNOC, the voice of competitive Internet and telecommunications service providers that own/operate telecommunications networks in regions across Canada.
3. We are Quebec’s largest independent internet service providers with near 100 000 clients across Quebec and Ontario. We serve urban, semi-urban and rural areas such as Abitibi-Témiscamingue as the only alternative to larger telecom operators. We have been in business since 1997 and did employ near 500 people at our peak to serve Canadians. As one of the oldest independent providers, we have seen many phases of challenges as we battle against large operators. This chapter, however, ring the death knell on competition.

#### **How Telecom Decision CRTC 2021-181 harms EBOX Inc.**

4. 2021-181 decision and the stalling tactics prior to that order has been one difficult challenge for EBOX. As we were navigating increased cost, we were also facing intensified competition from flanker brands of larger service providers specifically on low to medium-speed internet access where retail rates are often below wholesale cost making it impossible to compete on a level playing field. As for ultra-high-speed internet access, large providers are using similar predatory pricing directly with their main brand. The end result is that EBOX cannot compete whether it is low, medium of ultra-high-speed Internet.

To put it clearly, 2021-181 essentially put the nail in the coffin after fighting for years in order to obtain just and reasonable rates. Decision 2021-181 is not where it all started, rates were grossly inflated prior to that decision causing increased harm to smaller competitors as time passed by and as CRTC revision of wholesale rates initiated in 2015 was getting delayed.

In parallel, larger service providers were introducing retail offer in the marketplace that were impossible to match for smaller competitors. Those offers were introduced at different timing. For us at EBOX it all started decreasing around 2019 when large players introduced flanker brands in our local market.

Despite great efforts to lower our margins and cut on expenses that were not absolutely necessary, we are still decreasing. All smaller competitors who rely on unfair wholesale rates have the choice of either losing money or earning a profit but losing market share. One example of expenses cutback that did affect our retail clients directly is the possibility to pay by credit card. This immediate measure help us mitigate «temporarily» retail rate increases but it does not help us grow or maintain our hard earned clientele. It simply helps us slow down the drop in consumers returning to large players.

We say «temporarily» because internet traffic is increasing year over year and therefore some of our direct cost payable to large players is also increasing at a rate of 20 to 30%. To put it bluntly our measures will not be enough for the long run. Therefore we are in the process of analyzing rate increases in the retail market as we have exhausted all our options.

## Conclusion

5. In conclusion, it is time politicians put consumers first. We battle over the past decades to provide Canadians with choice and competition but if that very same competition is not welcome with orders from the CRTC that jeopardize the economic future of smaller players, consumers will lose with even higher retail prices in the market when we are gone. The process is taking too long to complete. That petition began with a process in 2015, smaller players obviously don't have the market share and economic resources of large players who use delays as a method to choke competition. If on top of it the CRTC is causing harm, competitors will simply exit this unfavourable market which is the ultimate game plan of large telecom operators.
6. Yours very truly,

Cc: The Honourable Minister of Innovation, Science and Industry  
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Andre Arbour, Acting Director General Telecommunications and Internet Policy Branch  
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