

September 22, 2021

Via e-mail: 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 (“CNOOC”).

About Multiboard Communications Inc. o/a Start.ca

2. We are a member of CNOOC, the voice of competitive Internet and telecommunications service providers that own/operate telecommunications networks in regions across Canada.
3. Start.ca provides friendly, affordable competitive services, including high-speed internet, television, phone services, along with business and enterprise fibre, to over 75,000 customers across Ontario, using a combination of essential mandated wholesale access and our own facilities.

How Telecom Decision CRTC 2021-181 harms Start.ca

4. When the final rates for aggregated wholesale high-speed access services were issued in Telecom Order CRTC 2019-288, we lowered our retail prices and/or increased speeds most of our customers, which resulted in a savings for our customers more than \$3 million a year and doubling-speeds for many plans.
5. As the appeals progressed, we continued to honour these prices and speeds, on the expectation that the appeals would ultimately fail, particularly after the Federal Court of Appeals ruled in favour of the competitors and stated that many of the incumbents’ claims were of dubious merit.
6. The unexplainable complete about-face on CRTC 2021-181 was a decision that no one, including the incumbents, had expected. In fact, one of the cable carriers went so far as to tell its investors that the 2019 decision had no material impact on a go-forward basis.
7. In addition to the millions lost when passing on savings to our customers, the reversal also brought back different rate bands, and as such, our cost for procuring the higher-speed services delivered to customers were no longer recoverable through the retroactive adjustment to the date of the stay and increased our costs by millions more.
8. Worse, some of these original speed tiers no longer exist, such as the 100 Mbps speed tier on Rogers, and as such, we continue to be impacted by rates that are three times higher than the 2019 final rates, as we are no longer able to revert these services back to the speeds available prior to the 2021 reversal.

9. As a result, the reversal in CRTC 2021-181 has cost us \$6 million dollars in just the period between the final 2019 rate decision and the time in which it was reversed.
10. Additionally, the ongoing financial impact continues indefinitely as we are no longer able to revert customers plans back to the available speeds prior to the CRTC 2019-288 decision, as the incumbents have withdrawn some of those original speeds.
11. As a result of this decision, we were forced to cease offering many speed tiers that were no longer financially viable; increase the service pricing to our customers; significantly scale back investment plans for our fibre facilities and infrastructure; and exit the recent ISED 3500MHz spectrum auction early.

Conclusion

12. To say that this decision severely impacts competition in Canada is a gross understatement.
13. Not only does this decision fail to address the 2019 Policy Directive of fostering affordability and competition of all forms, but it also dismantles independent investment by competitors.
14. At a time when internet is crucial and there is much talk about bridging the digital divide for rural Canadians, we urge you to not fall victim to the false narrative that lower wholesale rates for aggregated services will impact rural investment.
15. The aggregated services available through the CRTC 2019-288 order does not include fibre which is specifically excluded and will only be available through some future decision on 'disaggregated' services.
16. As such, the lower rates for aggregated access cannot impact investment for services that are not included in that decision. It would be the equivalent of arguing that incumbents could not invest in rural fibre unless they charge competitors more for long-distance telephone calls.
17. The reality is that the business case for rural internet cannot be made in many areas without government programs, regardless of what wholesale rates for other services are. Thankfully, the pandemic has shone a light on this disparity and many government programs have been made available to address the rural access gaps completely outside of these decisions.
18. When internet affordability is a key issue for millions of Canadians, restoring the CRTC 2019-288 decision is a ready-to-go solution to restore affordability and competition in Canada.

Yours very truly,

Peter Rocca
President & CEO
Start.ca

Cc: The Honourable Minister of Innovation, Science and Industry
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