THE CANADIAN CHAMBER OF COMMERCE
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May 1, 2009

Mr. Kevin Lynch
Clerk of the Privy Council and Secretary to the Cabinet
Langevin Block
80 Wellington Street
Ottawa, ON K1A 0A3

Subject: *Canada Gazette,* Part I, Vol. 143, No. 14 — April 4, 2009

Notice No. DGTP-004-09, Petitions to the Governor in Council concerning Telecom Decisions CRTC 2008-117 and CRTC 2008-118, Telecom Regulatory Policy CRTC 2009-34, and Telecom Order 2009-111

Dear Mr. Lynch:

The Canadian Chamber of Commerce is pleased to offer comments regarding these petitions for your consideration.

The Canadian Chamber of Commerce is Canada's largest and most representative business association. We speak for 175,000 businesses of all sizes and sectors through our 350 local chambers of commerce and boards of trade located in every province and territory.

Bell, Bell Aliant and Telus have invested heavily to ensure that Canadians and Canadian business have access to the best available next-generation communications networks (NGNs) to provide high-speed broadband services.

The CRTC, however, has made decisions which would inhibit investments in the next generation of Internet infrastructure, and potentially exacerbate the current digital divide – results which would be in stark contrast to the government's own policy priorities for the Canadian economy.

The CRTC decisions force telecommunications companies to provide competitors with mandatory wholesale access to next generation fibre infrastructure on non-commercial, regulated prices. In this way, the Commission is regulating who can sell the telcos' next-generation network services and how, and that effectively distorts competition.

These decisions mark another instance of the CRTC's backward approach to regulation, as noted by the Telecommunications Policy Review Panel in its final report in 2006: "While the CRTC has identified facilities-based competition as an

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objective of its regulatory framework, it has adopted mandated wholesale access policies that, in the Panel's view, seriously undermine, if not foreclose, the achievement of that objective."

The CRTC's decisions will:

- seriously dampen the incentives to invest in a sector crucial to all Canadians. Without these incentives, investment, innovation, competition and ultimately, productivity, would suffer
- significantly undermine the business case for investing in next generation networks and the connectivity that facilitates higher speed Internet access to Canadians, resulting in some urban communities being delayed and other communities not benefiting from next-generation networks at all
- exacerbate the urban/rural digital divide and create a new broadband gap in urban areas of Canada (i.e., an *urban digital divide*)

Significant capital investment is now at risk at a time when economic stimulation is critical for the Canadian economy. Bell, for example, is reconsidering $1 billion in capital investment and re-evaluating its roll-out plan for next-generation fibre in locales outside of Montreal and Toronto (where fibre rollouts are near completion).

Government needs to remove the unnecessary and inappropriate CRTC roadblock to major private capital investment.

The Chamber requests the federal cabinet to confirm that investment in next-generation communications networks (NGNs) be encouraged as a matter of policy by overturning two recent CRTC decisions that mandate wholesale access to NGNs at regulated prices

Sincerely,

Shirley A. George

Shirley Ann George,
Senior Vice-President, Policy

cc. Pamela Miller, Acting Director General, Telecommunications Policy Branch