

**DAVE COLES**

President / président

April 30, 2009

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

**RE: 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 Communications, Energy and Paperworkers Union of Canada is submitting the following comments in support of petitions filed by Bell Canada and Bell Aliant, as noted above.

The CEP is Canada's largest union in the telecommunications sector, with members occupying thousands of jobs in skilled technical, sales and support functions across a range of Canadian telecom companies.

These companies, including Bell and Bell Aliant, have invested heavily to ensure that Canadian consumers and Canadian businesses have access to the best available next-generation communications networks (NGNs) to provide high-speed broadband services. And as a direct result of these investments, Canada's telecommunications infrastructure has continued to successfully evolve in step with present and future requirements.

However, the CEP believes that the successful evolution of Canada's telecom infrastructure is now at risk because the Canadian Radio-television and Telecommunications Commission (CRTC) has made decisions which, if allowed to remain in effect, will inhibit investments in the next generation of Internet infrastructure.

The CRTC decisions at issue force telecommunications companies to provide competitors with mandatory wholesale access to next generation fibre infrastructure at non-commercial, regulated prices. In this way, the Commission is regulating who can benefit from the telcos' investments and how, and that will effectively distort competition.

In our view, this approach is not in the interests of Canadian consumers and businesses or, indeed, those employees in Canada's telecom sector who are required to help build, maintain and manage the infrastructure.

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 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.

Unfortunately, the CRTC is continuing to adopt wholesale access rules that do not support investment in new and much-needed network facilities. As a result of the decisions, for example, Bell is currently 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).

To jeopardize this investment is not only contrary to the government's own policy priorities with respect to broadband, it also negatively impacts one of the few major Canadian industries that is currently prepared to spend significant private capital on infrastructure.

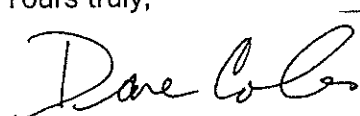
The CRTC's decisions must be overturned because they will seriously dampen the incentive to invest in a sector crucial to all Canadians. Without that incentive, investment, innovation, and ultimately competition will suffer in Canada – bad news for all Canadians, and bad news for the thousands of skilled employees working across Canada in this country's critical telecom sector.

The federal Cabinet should be extremely concerned that significant capital investment and related employment is now at risk at a time when economic stimulus is critical for the Canadian economy.

As a result, the CEP firmly believes that the Government of Canada must act quickly to remove the unnecessary and inappropriate CRTC roadblock to major private capital investment by these companies in the interests of their employees and their contribution to the economy.

The CEP requests the federal cabinet act swiftly to overturn the two recent CRTC decisions that mandate wholesale access to NGNs at regulated prices, and assert a policy of encouraging investments by the private sector in the Canada's internet infrastructure.

Yours truly,



Dave Coles  
President  
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cc: Pamela Miller, Acting Director General, Telecommunications Policy Branch  
via e-mail: telecom@ic.gc.ca