

May 8, 2009

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

Via email: klynch@pco-bcp.gc.ca

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 Ontario Chamber of Commerce (OCC) is pleased to comment in support of the petition to Cabinet filed by Bell and Bell Aliant regarding the CRTC decisions affecting next-generation networks, as referenced in the Gazette Notice, cited above.

The OCC represents some 60,000 businesses through a federation of 160 local Boards of Trade and Chambers of Commerce throughout Ontario. As the voice of business throughout the province, we champion all issues relating to economic renewal and business competitiveness.

At a time when economic stimulus is critical for the Canadian economy, the CRTC's recent decisions are undermining significant infrastructure investments in Ontario.

Bell, for example, is reconsidering \$1 billion in capital investment and to re-evaluate its deployment plan for next-generation fibre in locations other than Toronto (where fibre rollouts are already near completion). The OCC is concerned that, as a result, the province will suffer from less capital investment and that smaller urban centres and towns will not enjoy the benefits of next-generation networks and faster broadband.

The CRTC's 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 benefit from the telcos' investments and how, and that will effectively distort competition. In addition, we believe it will not foster the objective of facilities-based competition that is ostensibly one of the aims of the CRTC's regulatory framework.

These recent decisions are another example of the CRTC's recent approach that was noted when the Telecommunications Policy Review Panel reported in 2006 that, "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."

Ontario's businesses need a telecommunications industry with a regulatory and policy regime based upon market forces rather than managed or distorted competition. We need regulatory decisions which will foster investment and encourage facilities-based competition.

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

Yours truly,

Cc: Pamela Miller, Acting Director General, Telecommunications

Policy Branch (via e-mail: telecom@ic.gc.ca)