Ms. Janice Charette  
Clerk of the Privy Council and Secretary to the Cabinet  
Langevin Block, 80 Wellington Street  
Ottawa, ON K1A 0A3

RE: Telecom Regulatory Policy CRTC 2015-326

Dear Ms. Charette:

I am writing on behalf of the Canadian Chamber of Commerce regarding the anticipated negative impact of Telecom Regulatory Policy CRTC 2015-326 which puts significant investment in new digital infrastructure at risk. In its July 2015 review of wholesale wire line services and associated policies, the CRTC reversed a long standing practice of not mandating reseller access to new fibre to the premises (FTTP) broadband networks.

The decision of the CRTC to focus on the demands of a small number of reseller ISPs, in an attempt to ensure competition in the marketplace, ignores the impact on investment, innovation, and growth in the broader economy. Today, FTTP is but one alternative of bringing telecommunications services to the home. Wireless and wireline alternatives exist in virtually every community. The appropriate focus of government policy today should therefore be on maximizing investment in new technologies like FTTP so that as many Canadians as possible in as many communities as possible can reap the benefits into the future.

Unfortunately, the CRTC’s decision will have negative implications for the rapid deployment of FTTP. It costs more for the infrastructure to provide faster internet services. For Canada, digital infrastructure is a challenge because of many small markets across a large area and the high fixed cost of the necessary investments. Such investments will be very slow in coming if the decision to mandate wholesale access to FTTP stands. Imposing rules that will hinder private infrastructure investment when it is a government priority to make public infrastructure investments is a missed opportunity.

Each year at the Canadian Chamber of Commerce we identify the Top 10 Barriers to Competitiveness for the Canadian economy. In 2015, these included infrastructure deficiencies and barriers to the innovation required for the manufacturing sector to rebound. Investment in FTTP will directly contribute to reducing these barriers.

State of the art, effective and reliable infrastructure is a key component of economic competitiveness and modern economies rely on state-of-the art digital infrastructure. Just as pipelines, ports, roads, and railways are necessary to get our resources and traditional manufacturing products to market, advanced broadband networks like FTTP will become necessary to bring the products and services of a modern digital economy – from remote presence in healthcare to data analytics and connected devices – to market.
Indeed, every facet of the Canadian economy benefits from investment in digital infrastructure. Whether it is allowing employees to work productively from their home anywhere in the country or facilitating better communication and interaction with customers, the revolutionary speed and reliability of FTTP networks would deliver a much-needed boost to productivity in every sector.

Canada has not maintained a steady investment in public infrastructure by government and today we see an enormous bulge of public infrastructure requirements. While the $53 billion New Building Canada Plan specifically targets provincial, territorial and municipal infrastructure, it does little to address Canada’s digital infrastructure needs. With the CRTC’s decision, Canada is now at risk of falling behind competitor jurisdictions in investment in and deployment of high capacity fibre to the home infrastructure. It would be a mistake to allow a similar digital infrastructure deficit to emerge when some of Canada’s leading companies have already indicated that they are willing and eager to meet the need with private funds if the long-standing rules remain in place.

Policy makers around the world are increasingly recognizing that ultra fast broadband will be fundamental to creating jobs and competing in the new economy and they are calibrating their policies accordingly. Canada must do the same by reversing the CRTC’s decision and restoring the well-established rules that have led to billions of dollars in planned investment in advanced digital infrastructure in the next few years. The stakes for Canadian businesses and Canada’s prosperity are high.

Sincerely,

Perrin Beatty
President and Chief Executive Officer

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