December 21, 2015

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

Dear Ms. Charette,


1. The Canadian Wireless Telecommunications Association is the authority on wireless issues, developments and trends in Canada. It represents wireless service providers as well as companies that develop and produce products and services for the industry, including handset and equipment manufacturers, content and application creators and business-to-business service providers. CWTA is filing these comments on behalf of its Members with respect to the above-noted Petition to the Governor in Council filed by Bell Canada.

2. Specifically, CWTA strongly supports the principle submitted by Bell in this Petition that telecommunications policies must respect network infrastructure investment, regardless of technology, as a key policy objective. In this age of unprecedented innovation and unparalleled demand for digital services, direct infrastructure investment has never been more crucial. Whether investment takes the form of substantial or ongoing upgrades to existing technology or deployment of new technology, all such infrastructure benefits Canadians via competitive access to world class services. In fact, no telecommunications policy goals can be meaningfully met if the underlying networks are inadequate. Therefore no relevant objective is served by policies, such as the recent CRTC decision, that will deter and ultimately reduce infrastructure investment, subsequently restricting innovation and hampering economic development.

3. Innovation in wireless telecommunications, as with landline broadband service, begins with the network infrastructure. The data-based telecommunications products and services – smartphones, tablets, ultra-high-speed video streaming, 4K TVs, telehealth, distance learning and mobile apps – that increasingly enhance social, commercial and personal prosperity all require robust, modern telecommunications networks. Physical networks are the foundation of the digital economy, and telecommunications products and services deliver the greatest benefit to Canadian consumers and businesses when accessed over world-leading network infrastructure.

4. World-leading infrastructure – and world leading innovation – requires world-leading investment. Ideally, government policies would support infrastructure investment. But at the very least, they should not discourage or restrict it. The policy framework for wireless services has consistently supported facilities-based competition, including rules that make mandated wholesale access available only to facilities-based
service providers with network coverage deployment requirements in their conditions of spectrum licence. These policies have supported intense investment to deploy world-leading networks at a world-leading pace.

5. As Bell notes in its Petition, Canada has the third-highest investment per telecommunications access path in the OECD. Investment in wireless infrastructure contributes greatly to that total; Canada’s average wireless infrastructure capital expenditure per subscriber is the fourth highest amongst developed countries, and more than double the global average.\(^1\) Canadian wireless infrastructure investments since 1987 total more than $55 billion, including more than $8 billion in the past two years to acquire spectrum.

6. As a result, Canada is home to the second-most LTE networks in the world, and Canadians are projected to benefit from the fastest average smartphone connection speeds in the G7 – and third fastest in the world – for each of the next three years. Canadians have responded by being among the heaviest users of wireless data in the world, leading to a projected 700% increase in mobile data usage between 2014 and 2019.\(^2\) As such, Canadian consumers and businesses will depend on continued network investment and innovation so they can thrive in the digital economy.

7. Infrastructure investment has arguably never been a higher priority for Canada than it is today – this is certainly true regarding consumer access to competitive telecommunications networks. Government policies should support infrastructure deployment and enhancement, in a truly technologically neutral manner, to drive innovation and economic development across Canada. There is no greater policy objective with respect to telecommunications infrastructure than ensuring Canadians will continue to have access to the most advanced competitive networks possible. As such, no relevant objective is served by policies that will deter and ultimately reduce infrastructure investment.

8. CWTA therefore respectfully submits that the Governor in Council, in reviewing this Petition and any future telecommunications policy endeavours, should ensure that Canadians continue to benefit from the telecommunications infrastructure that only results from facilities-based competition. We appreciate the opportunity to participate in this important process.

Yours truly,

Bernard Lord
President and CEO

cc:
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\(^1\) CWTA analysis using the Bank of America Merrill Lynch Global Wireless Matrix.