18 December 2015

Ms. 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. GENBAND Canada ULC, a wholly owned subsidiary of GENBAND, is submitting this letter to provide comments on a recent decision by the CRTC regarding TRP 2015-326 and the requirement to implement disaggregated wholesale high-speed access (HSA) services including those available over fiber-access facilities.

2. GENBAND is a global leader in real time communications software solutions for service providers, enterprises, independent software vendors, systems integrators and developers in over 80 countries. Its market-leading Network Modernization, Unified Communications, Mobility and Embedded Communications solutions are sold to top enterprises and service providers around the globe. GENBAND is headquartered in Frisco, Texas and has operations, R&D and resources around the globe including Canada where one of our R&D centers of excellence is located in Ottawa. GENBAND is the largest provider of Carrier wireline IP Telephony technology in Canada to both cable companies and local carriers.

3. It is the opinion of GENBAND that the Commission’s decision to require incumbent carriers to introduce a disaggregate wholesale high-speed access service over fiber-access facilities, is one that is very likely to deter investment instead of promote it.

4. The impacts to infrastructure investment by the regulatory environment and the added risk to ROI for incumbent facilities based service providers is exemplified by the limited investment to date in migrating traditional voice services to VoIP. It has been 10 years since regulation was put in place in Canada for VoIP and penetration of residential voice is a mere 4% as compared to the USA where it is at over 34%. This has been largely due to the lack of availability of such services partly due to the lack of investment by facilities based service providers. Recently we have been seeing incumbents begin to invest in upgrading voice access in part driven by competition from alternative facilities based service providers. Wholesale services
have not any positive impact to driving increased investment in voice infrastructure. We see the same scenario similarly playing out with HSA.

5. As a provider of services and technology, both hardware and software, these delays in network investment have a direct negative impact to suppliers like GENBAND. Deferral or reductions in revenue impact the business case for investment in research and development and more specifically to the amount that is done in country. Decisions on the location of R&D and manufacturing investment in part tend to follow locations with largest sales.

6. The commission’s objective of encouraging competitive investment in FTTP through wholesale service availability is also counter intuitive and is not reflected in its own data from the Commission’s Communication Monitoring 2015 report which shows very limited investment in plant and equipment from Resellers in the wireline market.

7. Data from the Commission’s Communication Monitoring 2015 report demonstrates that competition in the wireline telecom market is being created by facilities-based carriers not by resellers. Sustainable competition is achieved with a facilities-based approach.

8. In summary, with our global experience and history in the wireline market, GENBAND believes that the Commission’s decision to mandate wholesale access to next generation access networks over fiber go against its goals of encouraging investment in alternative transport infrastructure and does little to improve the competitive environment in the market and meet the consumer needs.

Respectfully,

Dave Shier  
Sr. Vice President, Canadian Region, Sales  
office: +1.647.847.3291 | mobile: +1.647.523.6908

CC:  
Director General, Telecommunications Policy Branch  
Industry Canada  
235 Queen Street, 10th Floor  
Ottawa, ON K1A 0H5  
ic.telecomsubmission-soumissiontelecom.ic@canada.ca
The Hon. Navdeep Bains, PC, MP, Minister of Innovation, Science and Economic Development
House of Commons
Ottawa, Ontario
Canada
K1A 0A6
ised.minister-ministre.isde@canada.ca

The Hon. Amarjeet Sohi, PC, MP, Minister of Infrastructure and Communities
House of Commons
Ottawa, Ontario
Canada
K1A 0A6
Amarjeet.Sohi@parl.gc.ca