December 18, 2015

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


Dear Madame Clerk,

I am writing with regards to the CRTC’s July 2015 decision mandating access at a fixed price to the new fibre networks being built by Bell Canada in support of the above referenced petition.

The telecom sector is integral to Canadian life and to our economy. Incumbent telecommunications service providers have been investing billions of dollars annually installing the most advanced fibre networks across the country. These investments, which are among the highest cost in the world on a per capita basis, take many years to pay off. Consequently, telecom companies need to be confident that the regulatory environment will allow them to make a reasonable return over the full life cycle of the investment.

Unfortunately, the CRTC decision mandating Bell to provide access to its network to re-sellers at a fixed price undermines the economics of future network investments. When Bell makes the decision to build-out new infrastructure, the customer is not obligated to subscribe to their service. It is only right, however, that Bell be given a fighting chance to compete. By mandating access and fixing prices, re-sellers are able to cut margins so thinly that it is no longer worthwhile for firms like Bell to invest in many parts of the country. This means that over time, our internet economy will run on aging networks that become ever more starved for investments.
The most evident impact of discouraging investment in these system improvements, as we are convinced the CRTC decision will do, is that many smaller cities and towns in Ontario and Quebec will no longer be attractive to firms whose businesses rely on the latest infrastructure. Without ultra-high-speed internet, the economies and quality of life in smaller centers in central Canada will suffer.

I urge the Governor-in-Council to overturn the July 2015 CRTC ruling in question and allow the market to determine if reseller access is needed to the networks of incumbent carriers and the price to be set for such access.

Thank you for your consideration.

Sincerely,

[Signature]

The Honourable John Manley, P.C., O.C.
President and Chief Executive Officer
Canadian Council of Chief Executives

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