

DATE: January 22, 2020

FILE: 0400-40

TO: Chair and Directors
Comox Valley Regional District Board

Supported by Russell Dyson
Chief Administrative Officer

FROM: Russell Dyson
Chief Administrative Officer

R. Dyson

RE: Rates for Aggregated Wholesale High-Speed Access Services

Purpose

To provide the board with information regarding a potential submission to the Governor in Council concerning Telecom Order CRTC 2019-288, which set lower rates for smaller internet service providers to purchase access on the network infrastructure owned by large cable and telephone service providers.

Recommendation from the Chief Administrative Officer:

None. This report is provided for information only.

Executive Summary

At the regular meeting on January 28, 2020, the Comox Valley Regional District (CVRD) Board is scheduled to receive a delegation from Shaw Communications Inc. regarding their petition to the Governor in Council with respect to a decision issued by the Canadian Radio-television and Telecommunications Commission (CRTC) concerning rates for aggregated wholesale high-speed access services. The decision of August 15, 2019 has resulted in reduced rates for smaller internet service providers to buy access on the network infrastructure owned by the large cable and telephone service providers.

The CRTC has publically stated that the revised wholesale rates will facilitate greater competition and promote innovative broadband services and affordable prices for consumers. Shaw Communications Inc. and other major telecom companies have advised that the new rates will reduce their ability to invest in expanding internet infrastructure, impacting rural, remote and indigenous communities. Further background information from Shaw Communications Inc. is provided with their delegation materials attached to the January 28, 2020 board agenda.

The federal government has issued a national target in which 95% of Canadian homes and businesses will have access to internet speeds of at least 50/10 Mbps by 2026 and 100% by 2030, regardless of location within the country. To achieve this target they have proposed approximately \$6 billion in investments in rural broadband over the next 10 years, including through the Accelerated Investment Incentive to encourage greater investments in rural high-speed internet from the private sector.

In addition to the petitioners represented by Shaw Communications, the primary stakeholders concerning this matter include the CRTC, the Ministry of Innovation, Science and Industry and the smaller competitor companies that connect to the large cable and telephone companies' networks.

The CVRD has consistently advocated for improved internet connectivity in rural and remote communities. In 2019, the CVRD supported a grant application to the Connecting BC program by the Hornby Island Community Economic Enhancement Corporation and Denman Works to

improve internet connectivity on Denman and Hornby Islands. In addition, in 2015 and 2018 the board wrote to the federal and provincial governments as well as TELUS Inc. and Shaw Communications, requesting that they continue in their efforts to provide high speed internet access to all rural and remote communities in the Comox Valley.

The deadline for submissions regarding this petition is February 14, 2020. All comments received will be posted on Innovation, Science and Economic Development Canada's Spectrum Management and Telecommunications Web site at www.ic.gc.ca/spectrum.

The CVRD Board Procedure Bylaw provides that no action shall be taken on a delegation request until the next regular meeting unless, under extraordinary circumstances, the board resolves by a two-thirds affirmative vote of the members present to consider the request immediately. If the board wishes to provide a submission concerning this matter, a resolution to consider the request immediately would be in order bearing in mind that smaller internet service providers that could benefit from the lower rates established by the CRTC have not provided input to the Board.

Prepared by:

J. Martens

Jake Martens
Manager of Legislative Services

Concurrence:

J. Warren

James Warren
General Manager of Corporate Services