

TELECOMMUNICATIONS POLICY QUESTIONNAIRE

In accordance with the principles set out in section 7 of the *Telecommunications Act*, telecommunications performs an essential role in the enhancement of Canada's efficiency and competitiveness and must respond to the economic and social requirements of Canadians.

Yet, many wireline telecom markets in Canada and, in particular, local and broadband services markets, continue to be dominated by a single incumbent telephone company (ILEC) or in the case of the residential market for high speed Internet services, a cable/ILEC duopoly.

The negative effects of the lack of competition in Canadian telecommunications markets have recently been quantified and documented by a number of international studies, which show that Canada's early lead in the broadband services segment of the telecom market has been squandered.¹

On the wireless side, Canada's mobile wireless market continues to be dominated by an oligopoly of three incumbent mobile wireless operators. The Big 3 continue to earn supra-competitive profits, rates of innovation are far slower than elsewhere in the world, wireless penetration rates in Canada continue to lag behind those of other OECD countries and Canadians pay some of the highest mobile wireless rates among western countries surveyed.

A coalition of consumer groups engaged in telecommunications issues on behalf of ordinary customers believes that it is important for Canadians to know what telecommunications policies the **[Conservative/Liberal/New Democratic/Green/Bloc Quebecois]** Party **[of Canada]** will pursue in the next Parliament. Specifically:

Question 1

Complaints about telecommunications services are on the rise. Three class action law suits are currently underway regarding system access fees, late payment charges, and the use of "traffic shaping" technologies

¹ For example, the OECD recently found that Canada ranks at the bottom of the top 10 in terms of access per 100 inhabitants. Only a few years ago, Canada was in second place. Canada has also dropped in terms of network readiness. According to the Economist Intelligence Unit's "E-Readiness ranking", Canada ranked 13th in 2006, whereas it ranked 4th in 2001. A further study conducted by the World Economic Forum shows that Canada dropped from 6th place in 2005, to 11th place in 2006 and 13th in 2008 in its "Networked Readiness Index". Finally, a recent study conducted by the Oxford Said Business School in London and the Universidad de Oviedo in Spain shows that that Canada ranks 27th out of the 42 countries surveyed in future broadband readiness.

to filter out and delay the delivery of certain types of broadband traffic. The Commissioner for Complaints for Telecommunications Services was recently created to handle complaints regarding deregulated services, but its mandate is extremely narrow and its powers to order redress are very limited.

Q1 – Is it fair to place on consumers of telecommunications services the responsibility and financial burden of policing and pursuing in the courts and elsewhere anti-competitive, price-gouging, and other unfair practices of telecommunications firms? If not, how does your party intend to reverse the current situation that places this onus on consumers?

Question 2

Last spring, Senator Oliver introduced Bill S-242, *An Act to Amend the Telecommunications Act*. This Bill would give the CRTC clear powers to establish and operate an independent agency to handle consumer complaints about telecom services. It would therefore resolve outstanding jurisdictional issues that have plagued the new agency, and would give the CRTC and the new agency the powers they need to handle consumer telecom complaints effectively.

Q2 – Will your party support Senator Oliver's bill if it is re-introduced?

Question 2

Under the policy direction from former Industry Minister Maxime Bernier, the CRTC has been directed to make deregulation a priority and puts the onus on stakeholders to prove that consumer protection is a priority. Would you support restoring consumer protection as the priority concern and make stakeholders prove that is not needed?

Q2 – What is your party's response to recent actions by the CRTC to further deregulate telecom markets? Is the CRTC doing enough to protect the interests of consumers?

Question 3

It has recently come to light that Bell Canada and several large cable companies are "throttling" peer-to-peer (P2P) traffic in order apparently to ease congestion on their networks. The U.S. Federal Communications Commission has found that similar "traffic shaping" practices of a U.S. ISP

were discriminatory, arbitrary and anticompetitive practices and do not constitute reasonable network management.”²

Q3a – Does your party stand behind the principle of net neutrality, namely that a telecommunications carrier must not discriminate against or interfere with the traffic traversing its network on the basis of the traffic's nature, content, origin or destination? What specific policy proposals would your party pursue to enforce and protect net neutrality?

Q3b – What is your party's position on traffic shaping practices of Canadian ISPs? If elected, what actions would your party take in response to these practices?

We thank you sincerely for taking the time to fill out the questionnaire, and we ask that the completed document be returned to the undersigned **no later than noon on Wednesday, October 8, 2008**. Responses from all five major parties, and the consumer groups' reaction, will be made public.

Michael Janigan
Executive Director/General Counsel
Public Interest Advocacy Centre (PIAC)
1201 – ONE Nicholas St.
Ottawa, ON
K1N 7B7

mjanigan@piac.ca

613-562-0007 via fax
613-562-4002 ext. 26

² *Formal Complaint of Free Press and Public Knowledge Against Comcast Corporation for Secretly Degrading Peer-to-Peer Applications*, File No. EB-08-IH-1518, Memorandum Opinion and Order, FCC 08-183 (rel. Aug. 20, 2008) at paragraph 1; available at: http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-08-183A1.doc