

Appendix A – Modifications to Proposed Direction

Direction and Key Objectives

Direction

1. In exercising its powers and performing its duties under the Telecommunications Act, the Commission must implement the Canadian telecommunications policy objectives set out in section 7 of that Act in accordance with this Order.

Key objectives

2. The Commission should consider how its decisions can promote competition, affordability, consumer interests and innovation, in particular the extent to which they
 - a. encourage all forms of competition and investment;
 - b. foster affordability and lower prices, particularly when telecommunications service providers exercise market power;
 - c. ensure that affordable access to high-quality telecommunications services is available in all regions of Canada, including rural areas;
 - d. enhance and protect the rights of consumers in their relationships with telecommunications service providers, including rights related to accessibility;
 - e. reduce barriers to entry into the market and to competition for telecommunications service providers that are new, regional or smaller than the incumbent national service providers;
 - f. enable innovation in telecommunications services, including new technologies and differentiated service offerings; and

- g. stimulate investment in research and development and in other intangible assets that support the offer and provision of telecommunications services.

Principles of Effective Regulation

Transparency, **impartiality**, predictability and coherence

3. The Commission should ensure that its proceedings and decisions are transparent, predictable and coherent.
4. To improve transparency and promote impartiality, the Commission should publish a set of ethics standards to which CRTC commissioners must adhere.

Efficiency and proportionality

5. The Commission should ensure that the measures that it imposes through its decisions are efficient and proportionate to their purpose.

Market monitoring, research and strategic foresight

6. The Commission should further develop strong and timely market monitoring, research and strategic foresight skills and use the results that it obtains from these activities in the exercise of its powers and the performance of its duties.

Decisions based on sound and recent evidence

7. The Commission should base its decisions on sound and recent evidence and should exercise its powers to obtain necessary evidence.

Timely proceedings and decisions

8. The Commission should conduct proceedings and issue decisions in a timely manner, in recognition of the need for market clarity. **The Commission should conclude proceedings within one year.** The Commission should consider whether adopting new processes or engaging external experts would help reach this objective.

Decisions of an economic nature

9. In making decisions of an economic nature, the Commission should balance the objectives of
 - a. fostering competition;
 - b. promoting investment in high-quality networks;
 - c. improving consumer choice;
 - d. supporting the provision of innovative services; and
 - e. encouraging the provision of services at reasonable prices for consumers.

Considerations for Fixed Internet Competition

Regulatory framework

10. In order to foster fixed Internet competition, the Commission must
 - a. maintain a regulatory framework mandating access to wholesale services for fixed Internet;
 - b. **complete a review to reduce the rates for access to wholesale services for fixed Internet, with a view towards effecting this Order's objectives, within one year of its issuance;**

- c. pending the outcome of its final review, set interim aggregated wholesale rates on a retail-minus basis within one month of the Order's issuance;
- d. monitor the effectiveness of the framework; and
- e. adjust the framework as necessary and in a timely manner, on at least an annual basis, including by making proactive adjustments.

Aggregated wholesale high-speed access service

- 11. The Commission must mandate the provision of an aggregated wholesale high-speed access service until it determines that broad, sustainable and meaningful competition will persist if the service is no longer mandated.

Disaggregated wholesale high-speed access service

- 12. Pending the outcome of the Commission's review of the disaggregated wholesale access regime, including the development of final rates for disaggregated access to wholesale services for fixed Internet, the Commission must uphold equitable speed-matching principles by:
 - a. setting interim disaggregated wholesale rates on a retail-minus basis within one month of the Order's issuance; and
 - b. mandating aggregated wholesale access to fibre-to-the-premises services within one month of the Order's issuance.

Variety of access speeds and costs

- 13. The Commission must mandate the provision of wholesale high-speed access services with a variety of speeds, including low-cost options in all regions, and should not allow the discontinuance of such services if this would eliminate affordable options for consumers.

Tariff setting

14. The Commission **must meet its statutory deadlines concerning tariffs and reform** the tariff-setting process, **including** considering external expertise or international best practices.

Equitable application of regulatory framework

15. The Commission should ensure that its regulatory framework mandating wholesale high-speed access services applies equitably to carriers that are subject to the framework.

Considerations for Mobile Wireless Competition

Mobile wireless competition

16. In order to foster mobile wireless competition, the Commission must
 - a. monitor and assess the effectiveness of its approach to a mandated wholesale facilities-based mobile virtual network operator access service **on at least an annual basis**, considering factors such as the specific characteristics of lower-density or remote regions and how these characteristics affect the time needed to deploy wireless networks; and
 - b. adjust the approach, including by extending the duration of the mandate to provide the service, if the Commission determines that it is necessary.

Revision to approach

17. The Commission should revise its approach to encourage broader service-based competition if the effectiveness of the approach in fostering mobile wireless competition is lessened

due to changes in the mobile wireless market structure or circumstances of competition.

Periodic review and adjustments

18. The Commission should
 - a. periodically review the effectiveness of its mobile wireless services regulatory framework in meeting its objectives and, in doing so, consider factors that could harm competition, such as coordinated conduct between carriers; and
 - b. make any necessary adjustments to the framework.

Approach to Consumer Matters

Consumer rights

19. The Commission must enhance and protect the rights of consumers in telecommunications markets by
 - a. strengthening the ability of the Commission for Complaints for Telecom-television Services to better fulfill its mandate, including by
 - i. increasing its operational capacity,
 - ii. ensuring that the perspectives of consumer and civil-society groups are better reflected in its governance,
 - iii. improving compliance with its rules, and
 - iv. increasing public awareness of its complaint-resolution process;
 - b. strengthening the position of consumers in their relationships with service providers, including by
 - i. taking additional measures to protect consumers from unacceptable sales practices, such as the measures identified in the Commission's Report on Misleading or Aggressive Communications Retail Sales Practices,

- ii. harmonizing the provisions of the Commission's codes if doing so would be advantageous to consumers,
 - iii. taking measures to promote clarity and transparency of pricing information and service plan characteristics in service providers' marketing materials, and
 - iv. taking measures to ensure that consumers can promptly, affordably and easily cancel, downgrade, transfer or otherwise change their services;
- c. proactively identifying, removing and preventing barriers relating to telecommunications services, in particular for persons with disabilities; and
- d. collecting, reporting publicly and making available to consumers information about services, including in relation to performance and mobile coverage, by
 - i. requiring that service providers regularly test the performance of their fixed Internet services, including services based on commonly used technologies in rural areas, and
 - ii. developing and implementing a standardized and robust approach for reporting mobile wireless coverage.

Measures Supporting Deployment and Universal Access

Universal access

20. The Commission should continue to take measures, in concert with other government measures, to support the objective of universal access to high-quality fixed Internet and mobile wireless services, including:
- a. continuing to administer a funding mechanism, making any adjustments that the Commission determines are necessary; and

- b. mandating improved access to support structures, such as telephone poles and conduits, as well as identifying and addressing other barriers to timely deployment of telecommunications networks.

Funding mechanism

21. When the Commission reviews its funding mechanism, it must consider whether to prioritize funding for mobile wireless services and operating costs of telecommunications networks in order to promote
- a. improved access to, and more affordable prices for, retail telecommunications services in underserved areas; and
 - b. better coordination of public funding.

Considerations

22. In considering measures to take under sections 20 and 21, the Commission must take into account evolving
- a. technologies;
 - b. service-performance needs; and
 - c. gaps in telecommunications network services.

Structural Separation

23. The Commission must examine the feasibility of implementing structural separation between companies that build and maintain telecommunications infrastructure, and those that provide telecommunications services.

Effect of Order

Effect

24. This Order is binding on the Commission beginning on the day on which it comes into force and applies in respect of matters pending before the Commission on that day.

Repeals

25. The following Orders are repealed:
- a. the Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives; and
 - b. the Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation.

Coming into Force

Registration

26. This Order comes into force on the day on which it is registered.