

Q1. Does the ongoing situation with respect to the Covid-19 pandemic change the views you have previously put forward on any of the issues being examined in this proceeding? Explain why or why not with supporting rationale and evidence, as necessary.

A1.

The ongoing covid19 pandemic does not change the views that TekSavvy Solutions Inc. (“TekSavvy”) previously put forward on the issues being examined in this proceeding. The arguments submitted by TekSavvy over the course of the 2019-57 Wireless Review remain true:

- Competition in the mobile telecommunication market is broken;
- Mandated Full MVNO as described in our earlier filings is required to create sustainable competition; and
- The Incumbent mobile network operators continue to hold significant market power and prioritize shareholders over consumers.

For years, civil society and industry stakeholders have identified that mobile wireless Internet is unaffordable and inaccessible for a significant segment of the public. The changes in Internet usage habits associated with covid19 have exacerbated and exposed to a broader audience those well-known shortcomings in the mobile market in Canada.

If anything, the circumstances of covid19 strengthen the need for a mandated wholesale MVNO regime. The current regime has allowed the incumbents to maintain their high levels of profitability while ignoring opportunities for innovation or competitive offerings. Working and attending school from home has brought new requirements for the networks that connect to. The Internet is no longer a luxury; the consequences of that fact have become a painful reality for many underserved communities and are an indictment of the regulatory history of relying exclusively on facilities-based competition to grow residential wireless connectivity in Canada.

As the covid19 pandemic has developed and progressed, TekSavvy has observed:

- While consumers in urban areas have needed to rely on mobile networks less during the covid19, frontline workers and rural users have needed them more than ever. Both categories of consumers have felt the sting of the lack of service competition in the industry with the Incumbents taking minimal steps and offering little innovation and few options to address these disparities.
- Despite the consistent recalcitrance of the incumbents, Internet purchased from wholesale wireline competitors has been an important competitive option during covid19. The networks built with the wholesale regime in place have largely stood up to the test of Canada’s rapidly changing work and school habits.
- There is an emerging consensus from various levels of government to address challenges associated with rural broadband and telecommunication investment, as well as a consensus about the important role of competition for telecommunications services.

The lack of service-based mobile competition has highlighted problems for both urban and rural mobile consumers

Inefficient overbuilding of networks in urban areas has left Canada with a massive rural/urban digital divide. The reliance on facilities-based competition has resulted in affordable ubiquitous Internet not being a reality when it was truly needed¹.

As Canadians have needed to shelter in their homes, the vast majority—in particular those in urban areas—have increased their reliance on residential wireline broadband networks.² These wireline networks have been successfully deployed under a mandated wholesale access regime. That simple fact belies any claims³ that wholesale access would inherently or automatically decrease the quality and availability of networks.

While residential Internet use increased during covid19, mobile network usage fell. The Canadian Wireless Telecommunication Association's own report on the topic indicates that some mobile providers saw network traffic drop as much as 36% in April.⁴ This trend highlights a lack of options and innovation present to Canadians in the current mobile telecommunications regime. A specific example, but one shared by many, is the experience of CBC comedian Steve Patterson.

In a blog post titled "Bell let's talk... about your lack of empathy" and a follow up "Open Letter to Bell CEO Mirko Bibic," Patterson documented his efforts to reduce the monthly charges of a mobile service that he was not using while self-isolating at home. After being told that his current rate is the most affordable option with all the associated features, Patterson questions why exactly he needs to pay for his current data allotment or roaming access while everyone is asked to remain at home.

The Full MVNO model would address this exact circumstance. Throughout this proceeding, many interested parties indicated that they intended to provide innovative services offering competitive choices.

In the subsequent open letter to Bibic, Patterson outlined how far this gap is felt: "The letter received hundreds of responses from people in similar situations echoing my sentiments, while thousands of other frustrated customers are quite likely too discouraged and depressed with the general state of things right now to even muster up the energy to ask for help."⁵

¹ CBC News, "Students lacking Wi-Fi access told to head to school parking lots as 'last resort'", April 07 2020, <https://www.cbc.ca/news/canada/ottawa/thousands-families-lack-technology-as-schools-move-e-learning-1.5523219>

² CTV News, "Canadian telecom companies say COVID-19 causing surge in demand for services" May 14 2020, <https://www.ctvnews.ca/business/canadian-telecom-companies-say-covid-19-causing-surge-in-demand-for-services-1.4940300>

³ The Wire Report, "Network performance supports light regulatory touch: Bibic", May 27 2020, <https://thewirereport.ca/2020/05/27/network-performance-supports-light-regulatory-touch-bibic/>

⁴ Canadian Wireless Technology Association, "Managing Networks in Unprecedented Times", May 25 2020 <https://www.cwta.ca/wp-content/uploads/2020/05/English-Managing-Networks-in-Unprecedented-Times-May-25.pdf>

⁵ Steve Patterson, "Open Letter to Bell CEO Mirko Bibic" April 23 2020 <https://stevepatterson.ca/blog/7147/>

The Canadian experience described by Steve Patterson stands in stark contrast to international jurisdictions. MVNOs in the United States⁶ and Australia⁷ stepped up to offer new, innovative plans with large or unlimited data caps at rates far below the equivalent offerings in Canada. Telecommunication experts have noted the lack of flexibility found in Canada's mobile market. For example, Carleton University Professor Dwayne Winseck told *Yahoo Finance Canada*, "In many countries, your leftover data is rolled over into the following month. That's the low-hanging fruit that should be implemented right now."⁸

Those who have increased need for mobile and wireless services, including rural residents, people without home wireline broadband connections, and frontline workers have also encountered challenges with their mobile services. To the credit of the large MNOs, measures were deployed that offered tangible relief to users of LTE hubs in areas without reliable wireline connections. However, users report that accessing programs like temporarily-free services for hospital workers was inconsistent, limited, and confusing.⁹

MVNOs offer flexibility as well as competitive pressure on pricing

An MVNO framework would allow—indeed it would incentivize—competitors to offer innovative services and features such as data roll-over, even in the absence of a pandemic or other crisis. Instead of relying on a small number of comfortably dominant Incumbents to engineer responses to the crisis of the day, a broader range of features would become available organically from both MVNOs and MNOs as a result of market demand and competitive innovation.

A mandated Full MVNO framework would offer the opportunity for smaller, creative service providers to respond to the needs of specific communities and users that large incumbents with their associated bureaucracies and multiple stakeholders have not shown an interest in serving.

TekSavvy has previously argued in this proceeding¹⁰ that mandated MVNO wholesale access will initiate an increase in telecom investment from smaller players. With the new attention covid19 has brought to the gaps in rural coverage, there has been a growing consensus that smaller providers have a key role to play in building new infrastructure with grants and subsidies. The federal government has also announced its intent to accelerate funding of

⁶ Engadget, "Mint Mobile is giving out free data for the next month amid COVID-19", 16 March 2020, <https://www.engadget.com/2020-03-16-mint-mobile-free-data-coronavirus.html>

⁷ Ausdroid, "Amaysim has launched a new mobile plan for the Covid-19 lockdown", 6 April 2020, <https://ausdroid.net/2020/04/06/amaysim-has-launched-a-new-mobile-plan-for-the-covid-19-lockdown/>

⁸ Yahoo Finance Canada, "Canada's telecom carriers should have provisions for unused monthly cellphone data: experts" 15 April 2020, <https://ca.finance.yahoo.com/news/canadas-telecom-carriers-should-have-provisions-for-unused-monthly-cellphone-data-experts-163144182.html>

⁹ Red Flag Deals, "[Rogers Wireless] Rogers offers 2 month free of wireless service (credit back for April and May) for front line workers" 22 May 2020, <https://forums.redflagdeals.com/rogers-wireless-rogers-offers-2-month-free-wireless-service-credit-back-april-may-front-line-workers-2377616/3/>

¹⁰ *Notice of Consultation CRTC 2019-57, Review of mobile wireless services*, 28 February 2019. Further comments of TekSavvy Solutions Inc., 15 November 2019, CRTC File 1011-NOC2019- 0057, at para 86.

telecommunication projects and to support smaller providers with advice concerning funding applications.¹¹

The covid19 pandemic has not only demonstrated the importance of accessible and affordable networks, but also the variety of ways that Canadians need and rely on those networks.

Families and small businesses as well as municipalities and religious organizations, all rely on access to the Internet but not necessarily in the same way. Some may only need services during the day or over the weekend, or perhaps want voice services during the week and Internet access over the weekend. The covid19 pandemic has demonstrated a varied and widespread need for reliable wireless services. However, large incumbents, requiring massive profit margins to sustain shareholder profitability, have not shown any interest in creating innovative products that would allow for more efficient and creative uses for wireless services but may only serve smaller communities. Instead, they have imposed nationwide plans with little variation, that have left the public with limited options that, as we have now seen, often do not accommodate their needs.

TekSavvy thanks the commission for the opportunity to provide these comments.

***** END OF DOCUMENT *****

¹¹ Globe and Mail, "Federal government plans to accelerate investments in high-speed internet for remote parts of Canada", 25 May 2020, <https://www.theglobeandmail.com/business/article-federal-government-plans-to-accelerate-investments-in-high-speed/>