



Business Council of
British Columbia

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August 6, 2013—Emailed, original in mail

Hon. James Moore, MP
Minister
Industry Canada
House of Commons
Ottawa ON K1A 0A8

Dear Minister:

A competitive and fair playing field within which to invest and pursue growth, while encouraging innovation, is fundamental to our Canadian approach to business and to the country's economic prosperity. The Business Council continues to support your Government's shared commitment to these principles and to ensuring that Canada reaches its full economic potential.

We are writing to you on behalf of the Business Council's membership on a matter of national significance, and of considerable importance to British Columbia, pertaining to telecommunications policy, and specifically the regulatory framework for the sector which recently has been under review by your Department.

The Federal Government has consistently signaled its commitment to encourage competition in the telecommunications sector, a policy we support. We believe it is important to establish a fair policy and regulatory regime that governs that competition, provides certainty and does not put existing Canadian companies at an economic disadvantage or favour large foreign telecommunications companies in unintended ways.

In our view, current federal policies unfairly and unintentionally give advantages to large foreign interests seeking entry into the Canadian regulated market, at the expense of existing telecommunications companies that have successfully invested and compete in the marketplace.

In particular, we believe that federal telecommunications policy should change to include the following key elements:

- Provide an equal opportunity for both Canadian and foreign companies to consider and pursue acquisitions of smaller telecommunications companies operating in Canada.
- Ensure that incumbent domestic and foreign companies have the same ability to bid on scarce wireless spectrum when it becomes available, including in the upcoming 700 MHz auction.
- Subject large foreign telecommunications companies that may wish to enter the Canadian market to the same obligations to invest in and develop infrastructure as incumbent Canadian firms, rather than letting them piggyback on existing networks that have been capitalized by resident carriers.

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In our view, it is not appropriate for federal policy or regulatory requirements to confer economic advantages on large foreign telecommunications companies that may choose to enter the Canadian marketplace, at the expense of resident companies competing in the same sector. Among other things, to do so would be unfair to existing Canadian suppliers which have made enormous investments to build, expand and improve telecommunications infrastructure and services across Canada.

The original intent of the policy was in part to support small entrants into the Canadian market, a goal that has been difficult to meet in the current market realities. It is regrettable that some advocates of retaining the current policy have seen fit, in their opposition to our perspective and the facts, to characterize the current rules as supporting protectionism in the telecommunications sector. This is false in the face of the issues we raise herein. Further, as strong advocates for open trading economies, we would be unwilling to advance our position if it entailed support of protectionism.

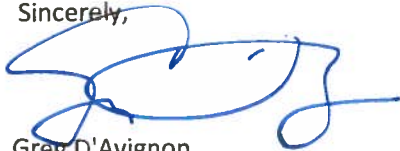
Research by the Organization for Economic Cooperation and Development (OECD) has pointed to the high quality of telecommunications networks in Canada – an outcome that's attributable to the large investments made by incumbent Canadian suppliers to service not just urban markets but the broad expanse of the Canadian geography, thereby servicing all Canadian consumers and businesses. Thanks to these investments, Canadians enjoy access to excellent telecommunications services and technology utilization, key elements that lead to improvements in our productivity and competitiveness.

In British Columbia, where one domestic carrier has its head office, current regulatory discrimination, if perpetuated, could have negative economic impacts on the region and its businesses, existing employees' earnings, and public and private sector retirement funds.

In telecommunications, as in other industry sectors, a healthy and competitive investment climate depends on the existence of fair and transparent rules that foster certainty and predictability for all enterprises operating in Canada. We believe the rules and regulations applying to incumbent Canadian suppliers should be the same as those that apply to large foreign companies that may wish to do business in Canada. This is a sound principle to guide public policy in all economic sectors, including telecommunications.

Thank you for considering the Business Council of British Columbia's views on this important matter.

Sincerely,



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cc Rt. Hon. Stephen Harper, Prime Minister of Canada
Hon. Christy Clark, Premier, British Columbia