

Telecommunications Policy Review Panel **2006**
Final Report



Telecommunications Policy Review Panel **2006**
Final Report



This publication is available upon request in accessible formats. Contact:

Multimedia and Editorial Services Section
Communications and Marketing Branch
Industry Canada
Room 264D, West Tower
235 Queen Street
Ottawa ON K1A 0H5

Tel.: (613) 948-1554
Fax: (613) 947-7155
Email: multimedia.production@ic.gc.ca

For additional copies of this publication, please contact:

Publishing and Depository Services
Public Works and Government Services Canada
Ottawa ON K1A 0S5

Tel. (toll-free): 1 800 635-7943 (Canada and U.S.)
Tel. (local): (613) 941-5995
TTY: 1 800 465-7735
Fax (toll-free): 1 800 565-7757 (Canada and U.S.)
Fax (local): (613) 954-5779
Email: publications@pwgsc.gc.ca

This publication is also available electronically on the World Wide Web at the following address:
www.telecomreview.ca

Permission to Reproduce

Except as otherwise specifically noted, the information in this publication may be reproduced, in part or in whole and by any means, without charge or further permission from Industry Canada, provided that due diligence is exercised in ensuring the accuracy of the information reproduced; that Industry Canada is identified as the source institution; and that the reproduction is not represented as an official version of the information reproduced, nor as having been made in affiliation with, or with the endorsement of, Industry Canada.

For permission to reproduce the information in this publication for commercial redistribution, please email: copyright.droitdauteur@pwgsc.gc.ca

Opinions and statements in this publication attributed to named authors do not necessarily reflect the policy of Industry Canada or the Government of Canada.

Cat. No. Iu4-77/2005E-PDF
ISBN 0-662-422078-0
54353E

Aussi offert en français sous le titre *Groupe d'étude sur le cadre réglementaire des télécommunications : Rapport final – 2006*

March 2006

The Honourable Maxime Bernier, P.C., M.P.
Minister of Industry
5th Floor, West Tower
235 Queen Street
Ottawa, Ontario K1A 0H5

Dear Minister,

In April 2005, our Panel was appointed to review Canada's telecommunications policy framework and recommend on how to modernize it to ensure that Canada has a strong, internationally competitive telecommunications industry that delivers world-class services for the economic and social benefit of all Canadians. In particular, the Panel was asked to recommend on:

1. how to implement an efficient, fair, functional and forward-looking regulatory framework that serves Canadian consumers and businesses, and that can adapt to a changing technological landscape
2. mechanisms to ensure that all Canadians continue to have an appropriate level of access to modern telecommunications services
3. measures to promote the development, adoption and expanded use of advanced telecommunications services across the economy.

The Panel drew on many sources of information and advice in conducting our review. We received almost 200 written submissions totalling many thousands of pages in response to our June 2005 Consultation Paper. These submissions provided valuable information, insights and proposals. We also benefited from presentations and discussions that took place at two policy fora in Whitehorse and Gatineau. Throughout the review, we consulted extensively with Canadian stakeholders and experts to seek their views, test ideas and explore options for our recommendations.

We were very encouraged by the high level of interest shown in the review by the telecommunications industry, consumer groups, community associations, research centres, other stakeholders and ordinary Canadians. Their contributions were very valuable, as were the contributions we received from departments and agencies of the federal government, the provinces and territories, and municipalities. We also found considerable international interest in the review, and we have drawn on the experience and advice of researchers, policy makers and regulators in other countries.

Thanks to the support our review received from all of these parties, we believe we have carried out our mandate as fully as possible within the ten months allotted — a relatively short period of time in which to conduct a fundamental review of such a broad set of issues.

Canadians have been leaders in telecommunications. As telecommunications and information and communications technologies generally become increasingly important contributors to productivity growth, economic competitiveness and social well-being, it is vital that we remain leaders. This will only be possible if Canada's telecommunications policy and regulatory framework is continuously reformed — so Canadians can reap the full economic and social benefits provided by the increasingly competitive telecommunications markets — while protecting the interests of consumers and contributing to the achievement of important Canadian social values.

In our report, we recommend means designed to better achieve these goals.



Gerri Sinclair



Hank Intven



André Tremblay

Acknowledgment

The Panel would like to acknowledge the many contributions made throughout its review process by the people and organizations who took an interest in our work.

First and foremost, we would like to thank those who made written submissions to the Panel. We received approximately 200 written submissions, totalling thousands of pages, many supported by useful studies and external data. Valuable submissions came from companies, industry and other associations, consumer groups and other non-government organizations, universities, academic experts and interested individuals. Others came from departments and agencies of the federal government, provinces, territories and municipalities. Many of the submissions were of very high quality — and all demonstrated that significant time, expertise, energy and resources were devoted to helping the Panel conduct its review. The ideas and analysis presented in the submissions provided solid input that was used in preparing our report and recommendations.

In addition to the written submissions, the Panel received very valuable input at two public policy fora. These events gave us an opportunity to listen to the views of experts from Canada and other countries on the issues set out in our terms of reference. The first forum on broadband access, which took place in Whitehorse, Yukon, on September 9, 2005, provided valuable assistance in understanding the issues faced in delivering broadband access across Canada — particularly “North of 60.” The second forum on telecommunications policy, held in Gatineau, Quebec, from October 24 to 26, 2005, assembled some of Canada and the world’s leading telecommunications and ICT experts. The high-quality presentations and lively debates at this event provided an excellent opportunity to explore and assess perspectives and international trends on the issues faced by the Panel.

As part of the review process, members of the Panel also met with policy makers, regulators and other telecommunications experts and stakeholders in Washington, D.C., London, U.K., Brussels, Dublin, Geneva, Paris, Tokyo and Seoul to obtain first-hand experience on the issues and concerns in other countries related to their telecommunications policy and regulatory frameworks. In addition, we received valuable information from the International Telecommunication Union, the Organisation for Economic Co-operation and Development, as well as policy makers and telecommunications stakeholders from a number of other countries. The assistance from Australia and New Zealand was particularly helpful. We are grateful to the government, regulatory, non-government and industry representatives who took time to meet with us and share their views on current telecommunications policy issues. In preparing our report and making our recommendations, we have drawn heavily on the experience of other countries, and wish to thank all of these friends of Canada for their generous contribution of time and insights.

The Panel also appreciated receiving information and advice from a wide range of Canadians during the course of its review, at a wide range of informal meetings and discussions during the ten months of our review. We learned from the valuable insights provided by consumers, First Nations organizations and other non-government organizations, government and regulatory officials, industry representatives and their professional advisors, and many other stakeholders in the future of telecommunications — and of Canada. We were repeatedly impressed with the importance that Canadians accord to the future of telecommunications policy and the role of information and communications technology in improving their lives.

The Panel was supported by a dedicated secretariat of government officials and consultants that included experts in telecommunications policy and regulation. The Panel would like to acknowledge the contributions made by all of the members of the secretariat and thank them for their dedication, patience, perseverance and unflagging support throughout the review process. Their work was essential in developing the Panel's report and its Consultation Paper, and in reviewing and assessing the numerous submissions we received, in organizing the Panel's policy forums, and arranging the meetings and briefings that took place throughout the review. We particularly appreciated their support throughout the lengthy working sessions and other discussions, extended conference calls, late-night meetings and multiple revisions to chapters and recommendations that were needed to produce our report.

This report would not have been possible without the hard work, insights and goodwill of a very large number of individuals. We apologize to those who have not been mentioned individually; we have avoided such mentions so as not to diminish the role of many other valuable contributors.

Gerri Sinclair
Hank Intven
André Tremblay

Ottawa

Contents

Letter of Transmittal	iii
Acknowledgment	v
Executive Summary	1
1. The Need for Change	1-1
2. Policy Objectives and Regulation	2-1
3. Economic Regulation	3-1
4. Telecommunications Competition Tribunal	4-1
5. Technical Regulation	5-1
6. Social Regulation	6-1
7. Information and Communications Technology Policy	7-1
8. Connectivity: Completing the Job	8-1
9. Policy-making and Regulatory Institutions	9-1
10. Implementation	10-1
Afterword	11-1
List of Recommendations	12-1
Annexes	
A. Market Analysis of Broadband Service in Rural and Remote Canada	13-3
B. List of Persons and Organizations Making Submissions	13-6
C. Telecommunications Policy Review Panel Secretariat	13-10
D. Glossary and List of Acronyms	13-11