



National  
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**FreeNet**

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**CRTC Hearing 2023-56**

**Review of the wholesale high-speed access service Framework**

1. Good morning Madame Chair, Vice Chair and Commissioners. We appreciate the opportunity to speak with you today to address longstanding structural inequities in the wholesale internet market and to help ensure that all Canadians have fast, affordable, and reliable access to the internet.
2. My name is Shelley Robinson, and I'm the Executive Director of National Capital FreeNet, also known as NCF. I am joined by my colleague Andrew Martey Asare, NCF's Business and Community Development Manager.

**About National Capital FreeNet**

3. Founded in 1992 as a not-for-profit dial-up community platform, NCF was the first internet provider in the region, peaking at more than 40,000 active members.
4. We believe everyone has a right to affordable, high-quality access to the internet that they understand how to use, while feeling safe online. We also work to advance digital equity, which includes the recognition that the digital divide mirrors and exacerbates other social inequities, disproportionately affecting marginalized groups, including those living on low incomes, Indigenous peoples and people of colour, seniors, and people with disabilities.
5. As a social enterprise, NCF has been a wholesale-based competitor since 2005. Our core services include selling DSL and cable internet, a lower-cost internet plan for Ottawa Community Housing tenants, an award-winning HelpDesk of staff and volunteers, free locally-hosted email, and digital skills workshops and online resources, especially for seniors and those on low incomes.
6. We currently serve more than 4800 members, more than half of whom subscribe to our DSL and cable services. We are well aware that our subscriber base is equivalent to a rounding error for big incumbents like Bell – even moreso given subscriber losses over

the last few years due to not being able to offer FTTP services and the shrinking of the FTTN footprint.

7. But we believe it is important to ensure there are meaningful alternatives to a few big players and that NCF serves as a working model of community ownership despite very challenging conditions.

### **The need for a diverse and competitive Canadian telecom system**

8. Just as the Canadian broadcasting industry is enhanced by having public, private and community broadcasters – ensuring local perspectives and services are still available even when private broadcasters like Bell decide to pull out of communities – we believe it is important to have locally-owned community internet providers and a range of for-profit providers.
9. A system with only a handful of incumbents trades the dividend returns of shareholders for the public interest and limits the opportunities for existing providers to grow and new kinds of providers to emerge. This imbalance enables incumbents to restrict access to FTTP networks even as they rip out the copper infrastructure that is left for their competition, and to threaten to leave Canadians in rural, remote, and Indigenous communities unconnected and under-connected when regulatory decisions don't go their way.
10. This is why we're currently building a free Community WiFi network to help those living on low incomes in Vanier, Overbrook and parts of Sandy Hill and Lowertown. We consider this to be the kind of innovation mentioned in the Policy Direction for competition, affordability, consumer rights and universal access. But our plans are also a response to the limitations of the current wholesale framework.
11. We hope this hearing also meaningfully addresses some of these limitations, resulting in higher quality connectivity without sacrificing affordability, particularly for those most affected by the digital divide.

## **FTTP, FTTN and affordability**

12. We appreciate that in the Notice of Consultation for this hearing, the Commission referenced how previous regulatory decisions have not had the expected outcomes: the promise of disaggregated access to FTTP and a focus on promoting facilities-based competition has in fact shrunk real competition and choice. This is in part because wholesale-based competitors have been limited in what services they can offer, and in part because so many independent providers have been acquired by incumbents. Our concern is not just about the current effects of this growing consolidation of the market, but the long-term consequences for affordability in a market dominated by a few incumbents.
13. Mandating affordable aggregated access to FTTP facilities will help address the imbalance between what Bell can offer and what wholesale-based competitors are limited to on FTTN. This is particularly crucial given the speed with which Bell has started decommissioning its copper network.
14. In terms of FTTP tariff rates, we ask the Commission to consider the submission of Vaxination that speaks to how fibre connectivity is cheaper to maintain than copper, and how proposed FTTP tariff line rates that are higher than many current retail FTTP rates suggest a distorted costing process. We also support the submissions of the Public Interest Advocacy Centre and Open Media related to predatory pricing.
15. As part of FTTP tariff rates and to ensure as many Canadians as possible are able to afford to meet the Commission's Universal Service Objective, we ask that the Commission add a tariff line rate for speeds at or below the Universal Service Objective which matches the FTTN rate for the same download speed.
16. In reviewing FTTN rates, we also ask that the Commission untie the knot created in the Telecom Order 2021-181 rate reversal that found "substantial doubt as to the correctness" of the lower FTTN rates determined through the Telecom Order 2019-288 process, yet also stated that committing significant resources to revising cost studies would "contribute to impeding the ultimate goal of transitioning to the adoption of disaggregated wholesale HSA service."

17. Determining the correctness of the current FTTN rates seems particularly important given both that the utility of a disaggregated FTTP structure is in question, and that Bell is asking for the FTTN rates to be frozen at their current level. They argue that FTTN has become a de facto legacy service. If this is the case, and to ensure expedient decision-making, we suggest FTTN line rates should be changed to match the current \$14.11 tariff rate of the 6/0.8Mbps copper legacy service.
18. Given that many if not most FTTP subscribers choose speeds higher than the current Universal Service Objective of 50/10Mbps, this would also encourage Bell to speed up the transition to wholesale FTTP access so it could receive higher tariff line rates.

### **Low income tariff**

19. Finally, we would like to mention two opportunities the Commission has to ensure affordability for those living on low incomes.
20. A low-income subsidy or low-income tariff rate set for subscribers that meet established means-tested criteria would enable all providers to offer lower-cost plans for those that need it most. This is similar to the longstanding Lifeline program and pandemic Affordable Connectivity Program in the US, which reduces the monthly cost of internet for those who qualify to \$30 per month and is portable between providers.
21. A lower cost tariff has precedence in the recent Telecom Order 2023-348 decision to enable Northwestel to participate in ISED's Connecting Families initiative. A broader low-income wholesale tariff rate would enable wholesale providers like NCF to voluntarily participate in the Connecting Families program on the same basis as the incumbents and facility-based providers or to offer their own lower-cost programs like those of Rogers and Telus. As it stands, wholesale providers would face significant losses by attempting to offer a \$10 per month rate when current FTTN rates for 10/1Mbps are \$23.79 per month.
22. NCF is committed to affordability regardless of the outcome of this hearing, but what could change is our ability to continue operations. Thank you for the opportunity to present today. We look forward to your questions.