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For Immediate Release

The Federal Government Stands up for Telecom Competition in Canada

Internet users in Canada will benefit from competitive, accessible and affordable home internet services

OTTAWA – The Competitive Network Operators of Canada (CNOc), the voice of competitive internet and telecommunications service providers across Canada, is encouraged after today's Federal Cabinet decision to step up and offer a road map to more competition and lower bills for internet users in Canada. By issuing a new policy direction which guides the Canadian Radio-television and Telecommunications Commission (CRTC) to fix the long-broken telecommunication regulatory system—marred by delays and tactics from the large incumbents—the Federal Government demonstrates it understands what it takes to benefit all Canadians: more service-based competition.

While CNOc is disappointed that the Federal Government has chosen to deny its July 2021 formal appeal to Cabinet, known as a “petition to the Governor in Council,” there remains reason to be hopeful that this new and targeted policy direction will make a difference. CNOc had asked Cabinet to overturn the CRTC's surprise, May 2021 decision to reverse its own 2019 decision. That decision would have drastically lowered the rates that smaller, independent internet service providers pay the large telephone and cable companies for network access to compete by offering affordable, innovative alternatives. In today's package of releases, although Cabinet declined CNOc's and two others' requests, the proposed policy direction, if executed properly by the next CRTC Chair, will ensure that smaller independent companies will make the home internet market more competitive.

“Smaller competitors have proven that with properly set wholesale rates they can make home internet services more affordable, innovative and accessible, and so we are very pleased to see that the Government recognizes the need for the CRTC to act quickly to repair and enhance the competitive framework,” said Matt Stein, President and Chairperson of CNOc. “With inflation hitting all Canadians hard, the Government has just given the CRTC a very clear set of marching orders to make home internet accessible and affordable for all.”

A June 2021 report by the House of Commons Standing Committee on Industry, Science and Technology on the subject of affordability and accessibility of telecommunications services concluded that the CRTC's handling of this matter and related files did not meet Canadians' expectations of affordability and expressed frustration with the CRTC. CNOc looks forward to partnering with the government and the regulator to enhance the competitive regulatory framework and bring its benefits to people in Canada who now rely extensively on equitable internet access.

“Unfortunately, today's announcement does not undo the 2021 mistake by the CRTC to flip-flop on the rates small competitors will pay going forward, and which has been forcing smaller competitors out of business,” said Geoff White, CNOc's Executive Director and General Counsel. “That said, we look forward to working with the Government and CRTC on this bold agenda for improving competition in Canada and restoring Canadians' trust in the CRTC.”

For more information, please contact:

Geoff White
Executive Director and General Counsel, CNOc
Geoff.white@cnoc.ca
613-612-1190
www.cnoc.ca