

**Remarks from Adam Scott
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**to the Ivey Business School
Comparative Perspectives on Broadband Regulation and Access**

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I would like to start with an expression of my gratitude. First, and most importantly, to the people on whose traditional land we find ourselves. The city of Toronto is located in the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples.

And I am grateful to Professor Erik. From time to time, I get invited to these academic events, and each time I feel a little bit like I've gotten away with something. Because the truth is that I was a mediocre university student at best. And I am lucky to even be allowed back in a classroom.

My experience in the public service has been better than my experience in academia.

I stumbled into telecommunications policy in 2001 at the Department now known as ISED, and I have been working in that domain, one way or another, ever since.

In January of 2023, I was appointed the Vice Chair of Telecommunications at the CRTC, Canada's broadcasting and telecommunications regulator.

Please forgive the fact that we have many files before the Commission, that I can't talk about in detail. So lots of metaphors and some generalities from me today.

But over the course of the afternoon, we will hear from speakers about high-speed networks, the investment required and the challenges faced. I hope we will hear about competition, since we know the presence of strong competition can deliver benefits to consumers that include, but are not limited to, better pricing. And I hope we can talk affordability too, because particularly for users that have low-incomes, or regions that have high costs, sometimes even robust competition can leave affordability challenges unresolved.

The CRTC has active proceedings touching on all these issues, maybe most prominently on wholesale Internet access. In both wireless and Internet markets, the CRTC's policy is to provide competitors with some form of wholesale access to the networks of Canada's large telecom providers. With this access, competitors can sell Internet or wireless services to consumers and businesses.

Wholesale Internet access is a massively contentious issue, and a challenging one to get right. We want to see strong competition that meets the needs of users, even as those needs evolve. And we want to see continued investment in high-quality, robust networks in all parts of the country, even as technology, market conditions and business cases continue to evolve. It turns out, not everyone agrees on how exactly to achieve those objectives. That's part of what makes this field challenging, but also what makes it interesting.

So my first goal today is to make sure I don't say anything that I shouldn't regarding the public proceedings where these issues are being debated and considered.

My second goal is to give you a survey of the Canadian landscape for broadband connectivity.

I chose the word landscape deliberately, because broadband policy is inextricable from geography. And also because broadband lends itself to a variety of geographic metaphors that make for easy speech writing.

Originally, the geography I was going to focus on was rivers and bridges. Because the CRTC and ISED, two of the key government players in broadband, are located on opposite sides of the Ottawa river. But there are many bridges connecting the two sides. And isn't that a nice metaphor?

But instead, my imagery will emphasize the diversity of Canada's geography. Because there is no singular view of the broadband policy landscape in Canada. Just like there is no singular view that defines Canada's geography. The landscape we see is determined by which window we look out of.

Don't overthink the metaphor, or it falls apart quickly. But let me present a few different views out of a few different windows, based on the various things I've heard and seen from various parties lately. Some of these parties are in the room today, and I invite them to correct me if I've gotten anything wrong.

If you are a large telecom provider, you look out the window and would probably say things look pretty good. The large players have strong positions in the market. Billions of dollars are being invested into networks. Fibre and 5G are being pushed out further and further. Customers are migrating to higher speeds. Usage is at an all time high, but so are customer expectations. Big providers are focussed on ensuring a return on those network investments. They worry about their competitors and they worry that government decisions may negatively impact their ability to make those important investments. The large players might tell their investors that while it's not a day at the beach, neither are they about to fall into a ravine.

A smaller telecom provider might look out their window and see a mountain. And like mountaineers, they may be looking for the route that will let them climb into a position where they can give Canadians more choice and competitive pricing. Competitors want cheaper, faster, and more complete wholesale access. And we have acknowledged, through our ongoing

consultation, that our existing wholesale framework was not bringing about the robust and sustainable competition that we desire. That proceeding will help us set a clearer path up the mountain towards healthy competition and the benefits it can deliver to Canadians.

The top floor of ISED headquarters is just high enough that you can see the national picture and appreciate the magnitude of the national challenge. Over the years, various Ministers of Industry or Innovation have, I think, looked out that window and seen the enormous breadth of Canada's geography and been impressed with how much of it is covered by world-class networks, but also how challenging it will be to serve the remaining unserved areas.

The Minister of Innovation has a lot of tools available to improve the landscape, and serves as the primary voice for telecom policy at the Cabinet table.

That voice was used to issue a policy direction from the Government to the CRTC earlier this year, that requires the CRTC to, among other things:

- Encourage all forms of competition and investment
- Foster affordability and lower prices
- Ensure availability in all parts of Canada
- Enhance and protect the rights of consumers

A stream of government programs funded out of general revenues, have leveraged investment from the industry and from other levels of government, to help connect rural and remote communities. These programs have been run primarily, but not exclusively through ISED.

ISED also has opportunities to use spectrum to promote connectivity objectives. The fact is that some areas are so remote that they may be more economically served through either terrestrial wireless or low-earth orbit satellites.

The CRTC's modest office tower is also tall enough to see the national landscape. The view is the same, but the tools we have for shaping it are different. We are a quasi-judicial tribunal, and our work is guided by the *Telecommunications Act* and the policy direction I just mentioned. We hold public proceedings to implement policy based on the evidentiary record before us.

The government sets out high-level objectives, while we develop the specific rules that fulfill those objectives. By design, and I would say by our nature, we are regulatory. We have heard loud and clear that we need to be a faster, more modern regulator, able to gather and use the best available evidence.

Like ISED, we also have a broadband investment program, and we are currently assessing its future. We have questions in our consultation that ask whether there are patches of particularly rough terrain - maybe some areas where other levels of government can't go, but a new, more nimble CRTC might be able to make some headway.

There are many other people in Ottawa and in provincial, territorial and municipal governments now looking out their windows and seeing prime development real estate.

There is an overwhelming recognition that investments in telecom infrastructure can transform the landscape for any number of social and economic policy objectives. Indigenous reconciliation, healthcare, education, innovation, job creation, service delivery, regional economic development, to name a few. These are all ripe for development using broadband connectivity.

There are also islands of funding available, including the Canadian Infrastructure Bank, the regional economic development agencies, Indigenous Services Canada and others. As the bridges between those islands get stronger, the path to national broadband coverage gets more clear.

Everyone in Ottawa, Cabinet Ministers, the auditor general, parliamentary committees, senators, sees the potential of this rich landscape. I spent the first half of my career trying to convince politicians that they needed to pay attention to connectivity issues, and the second half of my career trying to harness and focus the truly wonderful level of enthusiasm we see now.

So that's a very Ottawa-centric view of the broadband landscape.

But the view that really matters is what Canadians across the country see when they look out their own windows. 93 percent national broadband coverage is not a number that resonates with Canadians. You either have access to reliable, high-speed Internet, or you don't.

And if you don't have access to broadband, the fact that so many others do, isn't going to make you any happier. In fact, you probably feel further disadvantaged. Like you are falling further and further behind.

Because if you don't have access to broadband, it is much more likely that you live in a rural or remote location, and/or in an Indigenous community where you might also be lacking other services - hospitals, banks, higher education. The absence of those institutions could be significantly offset by online services, if there was access to high quality affordable broadband.

Or maybe you live in downtown Toronto and would have access to gigabit fibre, if you could afford it. I saw an offer for 1.5 gigabit per second service for \$65 dollars a month. That actually seemed like a pretty attractive deal to me. But if you don't have the \$65, it does you no good at all.

As we get closer to ubiquitous broadband coverage, it actually gets more frustrating for the people who don't have it. That's why despite all the progress made by the private sector and all the strategic investments made by the public sector, too many Canadians still need better networks.

I know world-class networks are expensive. I know the financial return alone doesn't always justify building out to remote areas. And I know that all the best efforts of governments and service providers have not yet delivered modern connectivity to everyone in Canada. I fully appreciate how daunting a task that is, but I also appreciate the importance of it.

Canadians are asking industry, policy makers, and regulators to move mountains. And we can, but let's not pretend it will be easy. We'll have to be smart about it. So maybe it's fitting, that we are back in the classroom today.

That brings my very high-level survey of the Canadian landscape to a close, and I think I have a minute for a question or two.