

TELUS Comments to the Standing Committee on International Trade
regarding the Priorities of Canadian Stakeholders in Bilateral and Trilateral
Trade in North America



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Summary of Position: The Government of Canada must ensure that telecommunications and broadcasting policy remain within the sovereign jurisdiction of Canada and that such policy is always in keeping with domestic needs and interests. The Government of Canada has announced that it will launch reviews of the *Telecommunications Act*, the *Broadcasting Act* and the *Copyright Act*. These domestic legislative reform processes should not be unduly fettered by trade agreements. To broaden NAFTA clauses on these items would create uncertainty for Canadians in light of parallel legislative processes.

Telecommunications, Broadcasting and Copyright policy should be established domestically, in keeping with national interests

TELUS is aware of the views expressed by various foreign and Canadian groups asking for various domestic policy changes to be made as part of these NAFTA negotiations. This is particularly true in regards to new, more rigorous enforcement regimes and for an end to important exceptions found in the Canadian *Copyright Act*. The Government of Canada should resist allowing this important aspect of domestic policy to be affected by trade agreements. NAFTA renegotiations are not an appropriate venue to discuss such important matters in the national interest.

While multilateral international agreements such as the Berne Convention on copyright create important common ground for domestic legislation so that copyright owners can expect similar treatment of their works around the world, some of the specific measures being sought by various parties in these NAFTA negotiations are not in keeping with Canadian national interests. On the domestic front, Canada complies with international copyright conventions and has addressed key domestic concerns about copyright through legislative revision including, most recently, the *Copyright Modernization Act*. A further parliamentary review of the *Copyright Act* is anticipated for 2017-2018.

There are many legislative, consultative and parliamentary processes in place to hear and address the needs of Canadians on telecommunications, cultural and intellectual property issues. To date the following processes have occurred, are expected, or are underway to address these matters:

- Expected changes to the *Telecommunications* and *Broadcasting Acts* as outlined in the federal Budget of April 2017
- Report by the Standing Committee on Canadian Heritage of Media and Local Communities in June 2017
- Review undertaken by Minister Melanie Joly of cultural policy in Canada which began in April 2016
- Anticipated parliamentary review of the *Copyright Act* in 2017-2018

All of these processes and consultations provide Canadians, corporations and interest groups with the ability to contribute to the shaping of Canadian policy that addresses issues of domestic importance in a manner consistent with Canadian interests and public policy goals.

There is simply no need to broaden the scope of bilateral and trilateral trade agreements to address concerns that are better left to be addressed through already existent multilateral processes, or in domestic policy where issues of national importance arise.

Further, engaging in the domestic policy process to create policy and legislative reforms ensures the transparency and predictability of Canadian law for all Canadians. This allows all interested groups and individuals to suggest and respond to one another in a manner that furthers greater engagement. Trade negotiations, with their necessary need for confidentiality, simply cannot engage the Canadian public in the same manner.

The affordability of communications services – a misunderstood domestic issue

TELUS has noted that the issue of affordability of communications was raised by members of the Standing Committee during its hearings. Clearly this issue is intrinsically linked to other domestic policy issues described above and for the same reasons should not be resolved through trade negotiations. However, a few additional thoughts are warranted on the topic of affordability because it is considered a priority for the Government of Canada and yet remains an issue which is vastly misunderstood and lacks complete data and sophisticated analysis. Government intervention based on incomplete data and flawed international analysis undermines sound public

policy and basic economics. In an industry as integral to society as telecommunications, it is imperative that public policy is based on accurate and complete data and sound analysis.

Affordability embraces more than just the price for any given service; factors such as network coverage and quality, technological innovation, value for money, and reliability need to factor in as well. No calculus of value is possible or meaningful absent a consideration of *all key dimensions* of the service being provided – not simply price. The Canadian wireless industry is one of the most competitive markets in the world resulting in the fastest LTE speeds in the G7, one of the most reliable wireless networks in the world, and competitive service pricing options available to Canadians of all economic situations.

Devices in Canada are heavily subsidized by providers – which is not a global phenomenon. Further, two players (Apple and Google) account for a very large proportion of the devices sold in Canada. Prices for these devices are set in USD and outside of the control of Canadian market participants. These factors influence the level of wireless prices in Canada.

The government's decades long commitment to public policy based on a facilities-based competition ecosystem reflects Canada having one of the highest levels of infrastructure investment undertaken by mobile carriers. Canadian carriers have invested an average of \$80 per connection per year over the past five years compared with just \$43 per connection per year in Europe.

Moreover, service plans and packages for those who are price sensitive are available from Canadian carriers. Canadians have access to many affordable plans, with low-price prepaid plans being offered by many different providers, including voice and text plans available for as low as \$20 per month.

A more fulsome and fact-based discussion on affordability should be had in the context of broader domestic policy making.

The future is friendly.