



CRTC reply and follow up to appearance by Scott Hutton (Chief, Consumer and Research); Ian Baggeley (Director General, Telecommunications) and Anthony McIntyre (General Counsel) appearance before the Standing Committee on Industry and Technology on February 26, 2024

Accessibility and Affordability of Wireless and Broadband Services in Canada

Exchange #1

Mr. Ryan Williams: [...] Essentially, if someone wants to start an MVNO in Canada, the barrier to entry is billions of dollars—not millions—to build out a network, and then build that network out to offer...and that's the only way you can become an MVNO. Is that correct?

Mr. Scott Hutton: We have trusted and we have mandated MVNO regime to the major incumbent players you mentioned through a regime where we have—certainly with recommendations and full public hearings—looked at the model and ensured that was the best ability for us to build out and maintain not just good prices, but maintain innovation and more choice through more competition on that front.

Those players are entering the market, have entered the market, and have already had an impact on pricing. I know you've highlighted certain pricing indications, but certainly our numbers, with respect to mobile, is over the last year that you've seen an actual decrease by 16% of the overall rates on the packages. In fact, prices have been decreasing since 2017.

Canadians do not feel like they are getting better prices because, at the same time, they are consuming more and more faster services and significantly more data consumption services, so—

Mr. Ryan Williams: ,That's what Canadians are consuming.
Does the CRTC have updated numbers of how much data Canadians are consuming per month at this point?

Mr. Scott Hutton: I wouldn't have it here, but we can provide it to the committee.

Mr. Ryan Williams: Can you submit that?

Answer

The CRTC shares data and trends about telecommunications services through its [Communications Market Reports \(CMRs\)](#). The CMRs are updated every three months, and the most recent include the

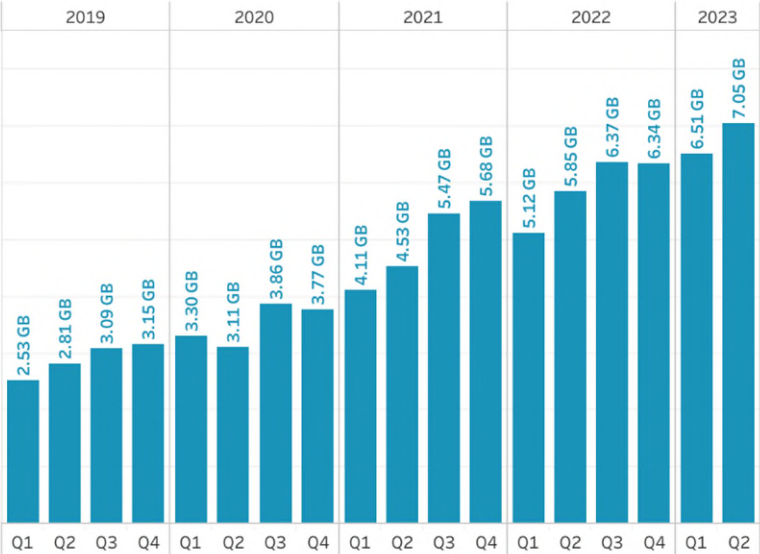
latest available data (April to June 2023). Specific information on the amount of data that Canadians are consuming is provided in the table below. In 2019, Canadians consumed an average of 2.53 gigabits (GB) of data per month, rising to 7.05 GB per month in 2023. The amount of data Canadians consumed increased by 178.7% between 2019 and 2023.

Mobile Phone Data Traffic

Source: joint CRTC-Statistics Canada Quarterly Survey
 Market: retail (i.e., residential and business)

Note: Mobile data traffic refers to data downloaded and uploaded on a monthly basis per data subscriber (i.e., from smart phones). Data from mobile broadband devices and machine-to-machine connections are excluded. Prior to 2021, data subscribers included mobile phone and mobile broadband subscribers, and machine to machine connections.

2023 Q2:
7.05 GB average
download/upload
traffic per data
subscriber per month
 8.3% (quarterly change)
 20.4% (12-month change)



Exchange #2

Mr. Brad Vis: This is for my constituents, because all of us hear a lot of comments like, “Man, I’m getting hosed on my cellphone bill.” A lot of people where I live go to the United States on a regular basis.

When can we expect a decision from the CRTC on reducing roaming costs?

Mr. Scott Hutton: I cannot forecast the exact date at this point in time. We are certainly looking at –

M. Brad Vis: Well, given the costs that people are faced with every day, can you please get back to our committee when you talk to your advisors, so we can have a specific date? Thank you.

Answer

The CRTC is concerned about increases in international roaming fees and the possible impacts on Canadians. In certain cases, the fees are higher than those paid by subscribers in other countries. Service providers compete with each other on roaming fees, and service offerings are coming into the market that are lower than what some customers currently pay.

The CRTC is currently studying the roaming fees that Canadians pay when travelling abroad. The results will help determine the best way forward to ensure that Canadians' fees are fair. As set out in the [2023 Fall Economic Statement](#), the CRTC will provide an update and concrete next steps this year.

The CRTC has also put in place measures to protect Canadians from unexpectedly high roaming fees. Under the [CRTC's Wireless Code](#), there is a cap on the amount that service providers can charge customers for domestic and international roaming fees within a month or per billing cycle, and service providers must also notify users when they are roaming internationally.

Canadians should contact their service provider if they see unexpected fees on their bill. If they are not able to resolve the issue, they can contact the [Commission for Complaints for Telecom-television Services](#).

Information on how to reduce or eliminate roaming fees is available on the [CRTC's website](#).

Exchange #3

Mr. Tony Van Bynen: [...] to what extent has the CRTC provided funding to municipalities so that they can fund municipal service corporations, effectively taking the profit motive out, and consider those as utilities? [...]

Mr. Scott Hutton: We have our broadband fund that we've been working with for a number of years. We're currently looking again at the policy to make sure that it's easy to apply, that we respond faster, and that we look at the remaining areas where access still needs to be completed to achieve the objective of 100%. With respect to municipalities actually participating, I can maybe ask Mr. Baggley to help with the criteria on that front.

Mr. Ian Baggley: The existing criteria are that municipalities can be applicants, but they have to be partnered, as part of a consortium, with an organization that can act as a telecommunications service provider so that we can in turn regulate the service that they're going to put in place.

Mr. Tony Van Bynen: How much of the funding that you've collected so far has actually gone to municipalities?

Mr. Ian Baggeley: I'd have to get back to you on that, but certainly regional governments have been recipients of our fund. I could get back to you with exactly how many specific municipalities there have been.

Answer

The CRTC funds projects in Indigenous, rural, and remote communities through its Broadband Fund. The Fund is part of a much broader effort to connect communities and represents approximately 3% of all federal, provincial, and territorial government support for these types of projects.

Local governments (including municipalities, regional and Indigenous governments) are eligible to apply for funding. Of the over \$300 million already awarded, the CRTC has funded seven projects submitted by local governments in the provinces of British Columbia, Ontario, Quebec and Nova Scotia, totalling \$92 million.

The CRTC is taking action to improve its Fund and has reduced the time it takes from receipt of applications to the issuance of decisions by over 40%. In addition, applicants now hear back from the CRTC about the status of their application. The CRTC also launched a broad public consultation on how to make the application process faster and easier; on creating a new funding stream for Indigenous communities; and on funding projects that would increase the reliability of rural and remote networks.