



January 9, 2007

Leonard St-Aubin  
Director General, Telecommunications Policy Branch  
Industry Canada  
300 Slater Street, 16<sup>th</sup> Floor  
Ottawa, Ontario K1A 0C8

Re: Proposed Order Varying Telecom Decision CRTC 2006-15

Dear Mr. St-Aubin:

I am writing to you on behalf of the Coalition for Competitive Telecommunications to provide the Coalition's full support for the Proposed Order Varying Telecom Decision CRTC 2006-15, which was published in the *Canada Gazette*, Part I, on December 16, 2006.

The Coalition was formed in 2003 with a mandate to advocate fundamental reform to the telecommunications regulatory framework. It is comprised of leading business associations and educational institutions that collectively represent more than 12,000 Canadian businesses and all school boards in the Province of Québec.

The Coalition is one of the parties that filed a petition with the Governor-in-Council regarding Decision 2006-15. The Decision contains numerous critical flaws. It fails to recognize the intense competition that business and institutional customers witness first hand in their dealings with telecommunications service providers. It largely ignores the evidence of the Competition Bureau – the experts within government on assessing the effectiveness of competition. It is also completely at odds with the recommendations for regulatory reform made by the Telecommunications Policy Review Panel.

Taken together, the many requirements set out in Decision 2006-15 that must be met before deregulation can take place create a hurdle so high that little or no deregulation is likely. Indeed, since the Decision was released last April, no deregulation has been granted under the terms of the Decision, nor do there appear to be any pending forbearance applications before the CRTC that meet all of the requirements of the Decision.

Decision 2006-15 must be varied for Canadian businesses and institutions to realize the innovation and productivity-enhancing benefits of a fully competitive telecommunications services market. The CRTC has demonstrated it is unwilling to

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change its approach to economic regulation of telecommunications carriers. Therefore the Coalition sees no merit in referring Decision 2006-15 back to the CRTC for reconsideration. Instead, the Government should take the necessary action to vary Decision 2006-15 directly, and ensure that the CRTC cannot frustrate the Government's objectives by misinterpreting the Order.

The Proposed Order Varying Telecom Decision 2006-15 is consistent with the evidence submitted by the Competition Bureau in the proceeding that led to Decision 2006-15. It is based on sound economic principles. It would put in place a framework for forbearance for local telecommunications services that would see competition quickly replace regulation in the areas where the large majority of businesses operate. As a result, businesses would benefit from improved responsiveness and greater innovation from their telecommunications suppliers, and from the elimination of the uncertainty that prevails when the CRTC must approve new service arrangements and changes to prices.

The proposal to eliminate the CRTC's winback and related prohibitions coincident with the enactment of the Order is an excellent initiative and will allow some of the benefits of a fully competitive market to flow to business and institutional customers immediately.

The Coalition strongly supports the Proposed Order and encourages the Government to put it into effect as soon as possible.

Yours sincerely,



Ian C.W. Russell, Chair