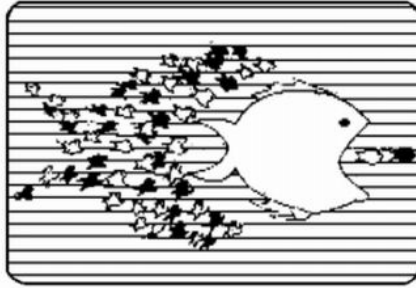


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August 16, 2006

Mr. Leonard St. Aubin  
Acting Director General  
Telecommunications Policy Branch  
Industry Canada  
300 Slater Street, 16th Floor  
Ottawa, ON K1A 0C8

Dear Mr. St. Aubin:

**Re: Order under Section 8 of the *Telecommunications Act* – Policy Direction to the Canadian Radio-television and Telecommunications Commission**

The BC Public Interest Advocacy Centre (“BCPIAC”) is a non-profit law firm that advances the interests of groups that are generally unrepresented or underrepresented in issues of major public concern. The largest part of BCPIAC’s practice involves representing the interests of low-income consumers in gas, electricity, insurance and telephone regulatory proceedings before the BC Utilities Commission and the Canadian Radio-television and Telecommunications Commission (“CRTC”) on behalf of a coalition of low-income client organizations.

We have reviewed the comments of the Public Interest Advocacy Centre dated August 16, 2006 and support its submissions. In addition, we set out brief comments below.

PIAC states in paragraph 9 of its Comments, “...[E]conomic regulation should continue in markets where a dominant firm exercises significant market power, such as the local services market, a market that directly affects millions of Canadian consumers”.

Evidence from the Price Cap Review in 2001 found that:

- Low income households were paying an increasing, and much higher than average, proportion of their incomes on telephone service;
- Affordability of basic phone service had been jeopardized by rate increases that had far outstripped inflation and income growth; and
- Many, possibly most, residential customers had not benefited from rate rebalancing and competition.<sup>1</sup>

The 2006 Price Cap Review is scheduled to take place this fall and these issues and others will be examined in more detail. The proposed Policy Direction is premature and in effect will jeopardize a fair hearing into these matters, by fettering the discretion of the CRTC to make decisions based on the evidence before it in the hearing.

For these reasons, we do not support the Governor in Council proposal to make the proposed Policy Direction to the CTRC.

Yours truly,

**BC PUBLIC INTEREST ADVOCACY CENTRE**

Original in file signed by

Patricia L. MacDonald  
Counsel for BCOAPO *et al*

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<sup>1</sup> CRTC Public Notice 2001-37: Price Cap Review and Related Issues, ARC *et al* and BCOAPO *et al* Final Argument dated October 22, 2001