

April 8th, 2019

Director General
Telecommunications and Internet Policy Branch,
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RE: Canada Gazette, Part I, Volume 153, Number 10 (POLICY DIRECTION): Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation

I am writing on behalf of Telecon Inc. and its Affiliates (the "**Telecon Group**") to offer our perspective as Canada's leader in the telecommunications networks infrastructure services industry on the above-mentioned subject.

The Telecon Group has been contributing to the evolution of Canada's telecommunications networks infrastructure for more than 50 years. Since 2003, we have significantly broadened our expertise and we now offer industry-leading design, infrastructure and connectivity services and turnkey solutions to major telecommunications and cable companies nationwide. We have the necessary expertise, skills, labour and cutting-edge equipment to carry out the work required for the construction and maintenance of all types of telecommunications infrastructure. Because of our unique national turnkey expertise, our customers have been providing us with an always increasing volume of work across different provinces.

Our scale, presence and revenue have grown impressively over the last 15 years. From 800 employees in 2013, the Telecon Group is now proud to employ more than 3,400 employees and 300 subcontractors deployed over 50 business locations across Canada. These highly skilled technicians, professionals and specialized workers are passionate about their work and are deeply committed to delighting customers while contributing to the deployment of Canada's telecommunications networks. We are projecting \$580 million in revenues 2019, up from \$80 million in revenues in 2013. Even more interesting, 80% of our revenues came from regions west of Ottawa in 2018, as compared to 80% originating from Quebec in 2013.

As the industry's national leader, we are currently involved in massive turnkey Fiber-to-the-home ("**FTTH**") deployments and large-scale network projects from coast to coast. We are an economic vector for the country, creating quality jobs, investing millions of dollars on equipment and materials each year and developing Canada's expertise in tomorrow's technologies.

We found it imperative to submit our view on the proposed POLICY DIRECTION, because time is of the essence for Canada. Major network owners' FTTH build-outs throughout Canada are far from complete. Large government and industry rural broadband investment programs such as the *Connect to Innovate* federal program and the CRTC's *Broadband Fund*, which are aimed at providing quality internet access to all Canadians, are just starting to bear fruits. Colossal investments will be required within the next five years to build the next generation (5G) wireless networks necessary to support the ever-increasing need for more bandwidth and enhanced connectivity for individuals and businesses in all provinces and territories. All of these investments intend to extend and improve the reach and capabilities of Canadian networks. However, they could be compromised if the POLICY DIRECTION is adopted as is. Over time, this hypothetical shift in federal government policy risks to significantly weaken the Canadian telecommunications backbone, decrease the quality of services offered to Canadians and affect our country's competitiveness in the global economy.

We understand the intent of this POLICY DIRECTION is to address important consumer outcomes in the telecommunications sector such as competition, affordability, choice, consumer protection, and innovation in service offerings. We recognize that these are important issues that the federal Government must address. However, given our unique understanding of the telecommunications infrastructure market, we are deeply concerned that these objectives will not be reached through the proposed POLICY DIRECTION as it has been worded on March 9th.

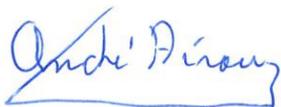
While this POLICY DIRECTION to the CRTC intends on promoting competition, it represents a fundamental game-changer for network builders. Today, more than ever before, service providers are making significant strategic capital investments to build and enhance their telecommunications networks. These investments aim at better serving their customers and competing with other service providers. This competition is what allows Canadians to benefit from first-class telecommunications infrastructures nationwide.

However, ROI remains fundamental for these capital investments to continue at their actual pace. If a regulation forces the network owners to make their infrastructure available to additional service providers, it will have a significant impact on their appetite to invest in any actual and future upgrades or expansions to their networks. It will also reduce much needed investments for people living in underserved and rural communities.

When telecommunications and cable companies invest in the construction or upgrading of their networks, our business grows. This POLICY DIRECTION, by discouraging investments in telecommunications infrastructure, will definitely have significant negative impacts on businesses like ours and our suppliers, directly affecting jobs, opportunities and economic prosperity nationwide.

This sums up our concerns with the POLICY DIRECTION and we strongly encourage the Government to rescind or amend it. Rather, we urge the Government to foster orientations that support investments in the expansion of Canada's broadband services outside the actual footprint in order to serve an increasing number of Canadian citizens and businesses and prepare them for the future of connectivity.

Yours truly,



André Héroux
President and Chief Executive Officer

c.c The Hon. Navdeep Bains, PC, MP, Minister of Innovation, Science and Economic Development
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