



CARL MACQUARRIE  
REGULATORY COUNSEL  
TELEPHONE: (613) 316-7776  
E-MAIL: [carl.macquarrie@corp.xplornet.com](mailto:carl.macquarrie@corp.xplornet.com)

April 8, 2019

Ms. Pamela Miller  
Director General  
Telecommunications and Internet Policy Branch  
Innovation, Science and Economic Development Canada  
235 Queen Street, 10<sup>th</sup> Floor  
Ottawa, Ontario K1A 0H5

By email: [ic.telecomsubmission-soumissiontelecom.ic@canada.ca](mailto:ic.telecomsubmission-soumissiontelecom.ic@canada.ca)

Dear Ms. Miller,

**Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation (“Order”) – Comments**

1. Xplornet Communications Inc. is pleased to file the present comments with respect to the above-noted Order, published in *Canada Gazette Part 1, Vol. 153, No. 10* on March 9, 2019.
2. Xplornet supports the present initiative to further promote a competitive marketplace that serves the interests of consumers and encourages the delivery of affordable, innovative services to Canadians.
3. These concepts are entirely aligned with our business. Xplornet was founded almost 15 years ago with a simple mission: to make fast, affordable, high-speed broadband services available to rural Canadians, wherever they choose to live. Since then, through investments of over \$1 billion, we have established ourselves as a facilities-based, competitive provider of broadband services in rural and remote areas across the country. We are proud to connect more than 350,000 rural and remote households and businesses across Canada every day.

4. We are constantly growing and expanding our competitive presence across Canada. Indeed, last fall, we launched Canada's newest mobile wireless service, Xplore Mobile, providing service throughout Manitoba.
5. We are committed to bringing high-quality, innovative services to rural Canadians. Since we began offering service in 2004, we have aggressively built and upgraded our network in order to deploy four generations of fixed-wireless technologies. Today, we are offering rural and remote Canadians home Internet packages with speeds of up to 50 Megabits per second ("Mbps") with a range of data plans, including unlimited usage. Xplornet has recently announced its plans to invest \$500 million over the next five years to bring 5G wireless services to rural Canadians, enabling speeds of 100 Mbps and higher.<sup>1</sup>
6. We are equally concerned with customer experience and affordability. Providing affordable service in rural Canada is not without challenges. For example, in order to connect a new fixed-wireless or satellite broadband Internet subscriber, we must visit the subscriber's home to set up and install the equipment (which involves complex antenna equipment as well as standard customer premise equipment). The travel costs associated with performing the installation alone can amount to hundreds or even thousands of dollars (for example, in areas without road access). Despite these extraordinary challenges, we have been able to effectively serve rural Canadians and at prices similar to those available to urban Canadians.
7. We thus support the proposed Order to the Canadian Radio-television and Telecommunications Commission ("CRTC"), as the objectives of the Order are our shared goals. However, we recommend that two changes be adopted.
8. First, we recommend that the Order recognize the need for continued investments in network infrastructure. As discussed above, keeping pace with technological development requires continuous and sustained private investment. Without this on-going investment, our networks will fall behind and rural Canadians will not be able to benefit from the new technologies and services that they require and deserve. Enabling investment in infrastructure by facilities-based providers must be part of the regulatory equation considered by the CRTC.
9. Secondly, we note that the proposed language of the Order contemplates hypothetical regulation based on potential outcomes. Paragraph 1(a)(ii) specifically states as follows:
  - “(a) the Commission, when relying on regulation, should consider how the measures used can promote competition, affordability, consumer interests and innovation, namely the extent to which they

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<sup>1</sup> <https://www.xplornet.com/about/news/xplornet-launches-bold-new-plan-to-improve-rural-broadband/>

- ...
- (ii) foster affordability and lower prices, particularly when **there is potential for** telecommunications service providers to exercise market power,” [Emphasis added]

10. Xplornet does not believe that it is appropriate for the Commission to regulate based on potential outcomes. Regulatory intervention should be undertaken to respond to situations where there is evidence of market failure. Accordingly, we recommend that paragraph 1(a)(ii) be modified to simply state “foster affordability and lower prices,”.

11. We appreciate the opportunity to make these comments.

Yours truly,



Carl MacQuarrie

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