

CNOC Confident CRTC Will Stand by Its Original Well-Thought-Out Decision to Decrease Internet Rates

Federal Cabinet Did Not Strike Down 2019 CRTC Ruling

OTTAWA – August 17, 2020: While the Competitive Network Operators of Canada (CNOC) is disappointed that the Federal Cabinet did not fully endorse the 2019 Canadian Radio-television and Telecommunications (CRTC) decision to lower wholesale high-speed aggregate internet rates, it acknowledges that it didn't rescind the decision either.

"We recognize the Federal Cabinet did not strike down the 2019 CRTC ruling, however its reference to 'striking a balance' is both concerning and confusing," says Matt Stein, CNOC Chair and CEO of Distributel. "The uncertainty around the government's support of the Commission's original decision on internet rates will cause further delays and likely result in price increases for Canadians in the imminent future."

Last August, after six years of detailed investigation, the CRTC, Canada's telecommunications costing expert, found that the inflated rates incumbents were charging wholesale competitors were not just or reasonable, and reduced them by up to 73 per cent – a decision that yielded immediate savings for consumers. It also calculated that independent internet service providers had overpaid the incumbents more than \$325 million since 2016.

"Canadian consumers have been robbed of millions -- approximately \$300,000 per day -- because competitive ISPs have been unable to return the well-deserved savings while the incumbents continue to charge exorbitant fees," says Stein. "Fees, which after six years of intense review by the Commission, were proven to be substantially inflated."

Unfortunately, the Cabinet order did not give reasons, or refer to any new evidence it may have considered leading it to question the CRTC's decision. As a result, Canadians continue to pay the highest internet rates in the industrialized world.

"We believe that the CRTC struck the right balance last August – a balance between an investment in Canadian consumers and service-based competition," explains Stein. "We fully support the CRTC's rate correction and look forward to the Commission upholding its original decision following its review. Affordability, consumer choice and a competitive industry hang in the balance, three elements that are essential to building a vibrant Canadian economy and a strong middle class."

About the Competitive Network Operators of Canada (CNOC)

CNOC is the voice of Canadian independent ISPs, representing more than 30 competitive telecommunications providers that operate wireline and/or wireless networks in many regions of

Canada. CNOC's mission is to increase the level of competitive choice, add more value and boost innovation in the delivery of communications services to Canadians. For further information, visit www.cnoc.tech.

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