



## Telecom Order CRTC 2020-325

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Ottawa, 4 September 2020

*Public record: Tariff Notice 32*

### **Shaw Cablesystems G.P. – Introduction of new wholesale high-speed access services**

*The Commission approves on an interim basis an application by Shaw to introduce new wholesale high-speed access services.*

#### **Application**

1. The Commission received an application from Shaw Cablesystems G.P. (Shaw), dated 27 May 2020, in which the company proposed to introduce new wholesale high-speed access (HSA) services to the company's Tariff for Third Party Internet Access Service (TPIA Tariff) [CRTC 26300].
2. Specifically, Shaw proposed new services and interim monthly access rates as shown in the table below:

<b>Speed Band</b>	<b>Service</b>	<b>Rate</b>
<b>1</b>	Internet 10: Speeds up to 10 megabits per second (Mbps) download and 1 Mbps upload	\$9.34
<b>6</b>	Internet 150: Speeds up to 150 Mbps download and 10 Mbps upload	\$41.36
<b>7</b>	Internet 300: Speeds up to 300 Mbps download and 15 Mbps upload	\$50.84
<b>8</b>	Internet 750: Speeds up to 750 Mbps download and 20 Mbps upload	\$50.84

3. Shaw submitted that no economic study report is necessary for the approval of the proposed services since they fall within the company's existing access service speed bands, which all have approved interim rates. However, Shaw raised concerns with respect to the proposed interim rate for the Internet 750 service and associated Speed Band 8, which it based on the rate for the Internet 300 service and associated Speed Band 7.

4. Shaw submitted that, in the proceeding that led to Telecom Order [2019-52](#), the Commission failed to consider the electronic cost model filed by the company to support its introduction of Internet 600 service under Speed Band 8. Accordingly, Shaw argued, the rate for that service is not just and reasonable. Shaw further submitted that, due to the competitive conditions in the retail market for Internet services, it must continue to offer higher speeds in spite of the current environment for wholesale HSA service rates.
5. The Commission received an intervention regarding Shaw's application from the Competitive Network Operators of Canada (CNOc).
6. CNOc submitted that, in the proceeding that led to Telecom Order [2019-52](#), Shaw had never filed the electronic version of its cost model with the Commission in support of its proposed rate for Speed Band 8. CNOc further submitted that Shaw's failure to adhere to the Commission's directives with respect to the filing of electronic versions of cost models means that it is not open for Shaw to now argue that the rate is not just and reasonable.
7. Shaw replied that on 4 March 2019, days after the issuance of Telecom Order [2019-52](#), it filed an electronic version of its cost model in support of its proposed rate for Speed Band 8.

### **Commission's analysis and determinations**

8. In Telecom Regulatory Policy [2010-632](#), the Commission determined that the incumbents must provide their wholesale HSA services to competitors at speeds that match all of the speed options the incumbents offer their retail Internet service customers (the speed-matching requirement). The Commission considers that Shaw's proposal is in compliance with the speed-matching requirement, as set out in Telecom Regulatory Policy [2010-632](#).
9. Further, the Commission notes that Shaw did not submit an economic study report with its present application, since each of the proposed new Internet services falls within the company's existing speed bands, which all have approved interim rates.
10. With respect to the Internet 600 service, the Commission notes that in Telecom Order [2019-52](#), it established an interim rate for the service and associated Speed Band 8. The Commission indicated that, since Shaw had not filed an electronic version of its cost model to support the proposed rate, the interim monthly access rate for Speed Band 8 had been set equal to the rate for existing Speed Band 7 (i.e. \$50.84).

11. In light of the above, the Commission **approves on an interim basis** Shaw's application, with the following monthly access rates:
- Internet 10 service: \$9.34
  - Internet 150 service: \$41.36
  - Internet 300 service: \$50.84
  - Internet 750 service: \$50.84
12. In addition, the Commission notes that the rates for Shaw's Speed Bands 1 to 8 are all currently approved on an interim basis.<sup>1</sup> The costs associated with Shaw's Speed Bands 1 to 7 are being reviewed as a part of the proceeding to review and vary Telecom Order [2019-288](#), and the rates will be determined on a final basis once the review and vary proceeding is completed. The rate associated with Speed Band 8 will be made final at later date.

## Policy Directions

13. The 2019 Policy Direction<sup>2</sup> states that the Commission should consider how its decisions can promote competition, affordability, consumer interests, and innovation.
14. The Commission has reviewed Shaw's application in light of the 2019 Policy Direction and has considered its aspects to the extent necessary, using measures that are efficient and proportionate to their purpose. The Commission considers that approval of the application is compliant with the 2019 Policy Direction since it will positively affect competition and consumers, because wholesale customers will have access to Internet 10, Internet 150, Internet 300, and Internet 750 services to offer to their end-users.
15. Further, in compliance with subparagraph 1(b)(i) of the 2006 Policy Direction,<sup>3</sup> approval of Shaw's application will advance paragraph 7(f) of the *Telecommunications Act*.<sup>4</sup>

Secretary General

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<sup>1</sup> The rates for Speed Bands 1 to 6 were approved in Telecom Order 2016-396, the rate for Speed Band 7 was approved in Telecom Order 2018-442, and the rate for Speed Band 8 – Internet 600 service was approved in Telecom Order 2019-52.

<sup>2</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

<sup>3</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

<sup>4</sup> The cited policy objective is 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective.

## Related documents

- *Follow-up to Telecom Orders 2016-396 and 2016-448 – Final rates for aggregated wholesale high-speed access services*, Telecom Order CRTC 2019-288, 15 August 2019
- *Shaw Cablesystems G.P. – Introduction of a new wholesale high-speed access band and the Internet 600 access speed tier*, Telecom Order CRTC 2019-52, 22 February 2019
- *Shaw Cablesystems G.P. – Introduction of a new third-party Internet access speed band and the Internet 300 access speed tier*, Telecom Order CRTC 2018-442, 29 November 2018
- *Tariff notice applications concerning aggregated wholesale high-speed access services – Revised interim rates*, Telecom Order CRTC 2016-396, 6 October 2016
- *Wholesale high-speed access services proceeding*, Telecom Regulatory Policy CRTC 2010-632, 30 August 2010