



Telecom Decision CRTC 2024-238

PDF version

References: 2023-48 and 2023-48-1

Ottawa, 9 Octobre 2024

Public records: 1011-NOC2023-0048; Bell Canada Tariff Notices 6, 6A and 6B; Rogers Communications Canada Inc. Tariff Notices 72, 72A, 72B and 72C; Saskatchewan Telecommunications Tariff Notices 372, 372A and 372B and TELUS Communications Inc. Tariff Notices 563 and 563A

Facilities-based wholesale mobile virtual network operator (MVNO) access tariffs – Expanding the scope to include enterprise and Internet of Things customers

Summary

Mobile wireless services are the largest and fastest-growing part of the telecommunications sector. As these services have grown in importance, the Commission has introduced several policies to enhance competition and offer consumers more choice.

In the spring of 2021, the Commission issued Telecom Regulatory Policy 2021-130, which required Bell Mobility Inc., Rogers Communications Canada Inc., Saskatchewan Telecommunications, and TELUS Communications Inc. (collectively, the incumbents) to provide regional wireless carriers with access to their networks for a period of seven years. During this time, regional wireless carriers can use the incumbents' networks to serve new customers while they build out their own networks. This wholesale arrangement is known as mobile virtual network operator (MVNO) access and is designed to promote competition and network investment.

To date, regional wireless carriers have been able to use wholesale MVNO access to offer more choice in mobile wireless services to Canadians. In this decision, the Commission is expanding the scope of the service by allowing regional wireless carriers to use wholesale MVNO access to serve enterprise and Internet of Things (IoT) customers. To that end, the Commission directs each of the incumbents to issue amended tariff pages to remove existing restrictions related to enterprise and IoT services by **8 November 2024**.

This decision does not affect existing wholesale MVNO access agreements and final offer arbitration decisions, which will remain in effect. Regional wireless carriers who wish to serve these additional market segments may seek to negotiate an amendment or a separate agreement (unless the existing agreement already provides such access). Parties may also choose to wait until their current agreements expire to renegotiate. Ultimately, while the incumbents must remove the existing restrictions from their tariffs, it will be

optional for regional wireless carriers to request access to this service if and when they wish to serve these market segments.

This decision will help foster sustainable competition, improve choice, reduce barriers to entry for new competitive services, and support innovation in market segments that play a key role in Canada's digital economy.

Background

1. In Telecom Regulatory Policy 2021-130, the Commission required Bell Mobility Inc. (Bell Mobility), Rogers Communications Canada Inc. (Rogers), Saskatchewan Telecommunications (SaskTel), and TELUS Communications Inc. (TELUS) [collectively, the incumbents] to provide a facilities-based wholesale mobile virtual network operator (MVNO) access service. This service allows regional wireless carriers to use the networks of the incumbents to serve new areas while they build out their own networks.
2. In Telecom Decision 2022-288, the Commission permitted the incumbents to include restrictions in their MVNO access tariffs prohibiting regional wireless carriers from using the service to serve enterprise,¹ Internet of Things (IoT),² and machine-to-machine (M2M) customers.³ The Commission approved these restrictions because the analysis in Telecom Regulatory Policy 2021-130 focused on individual consumers and small businesses and did not assess market conditions in other retail wireless market segments.
3. However, in Telecom Decision 2022-288, the Commission stated its preliminary view that it was highly likely that the market conditions in the enterprise and IoT/M2M retail market segments (enterprise and IoT/M2M markets) closely resemble those seen in the rest of the retail market: highly concentrated with the incumbents exercising market power. The Commission also indicated that the incumbents' restrictions raised concerns of undue preference and unjust discrimination under subsection 27(2) of the *Telecommunications Act* (the Act),⁴ and

¹ "Enterprise" refers to medium- to large-sized businesses, institutions, and other customers with 100 or more employees.

² The [Report on the Collection and Use of Canadians' Personal Information by Wireless Service Providers and Third Party Entities](#), prepared for the Commission by Deloitte, describes IoT as the growing network of objects (e.g., watches and cars) that feature an Internet Protocol address for Internet connectivity, and the communication that occurs between these objects and other wireless devices and systems. For example, a wireless service provider may sell connected car services to manufacturers and telematics devices to consumers.

³ The Commission's 2017 [Communications Monitoring Report](#) defines M2M as "networking of intelligent communications-enabled remote devices that permit information to be automatically collected or exchanged without human intervention. For example, vending machines reporting inventory levels."

⁴ The analysis ultimately considers whether an incumbent's conduct results in it unduly preferring itself or unduly disadvantaging a competitor or group of subscribers, contrary to subsection 27(2) of the Act. If so, the Commission considers whether specific regulatory measures could be applied as a remedy.

announced that it would launch a proceeding to consider including the enterprise and IoT/M2M markets in the wholesale MVNO access framework.

4. As a result, the Commission initiated this proceeding in Telecom Notice of Consultation 2023-48. Its goal is to reduce barriers to competition and increase the overall level of competition in the mobile wireless service market, to the benefit of Canadians.
5. The Commission received interventions from Bell Mobility; the Competitive Network Operators of Canada (CNOC); Cogeco Communications inc. (Cogeco); Bragg Communications Incorporated, carrying on business as Eastlink (Eastlink); Ecotel inc. (Ecotel); Iristel Inc., on its own behalf and on behalf of its affiliate Ice Wireless Inc. (collectively, Iristel/Ice Wireless), the Independent Telecommunications Providers Association (ITPA); the Public Interest Advocacy Centre (PIAC); the Public Safety Broadband Network Innovation Alliance (PSBN); Quebecor Media Inc., on behalf of Videotron Ltd. (Videotron); Rogers; SaskTel; Sogetel inc. (Sogetel); TELUS; Transatel; Vaxination Informatique; and one individual.

Structure and approach

6. In Telecom Regulatory Policy 2015-326, the Commission set out the framework it uses to determine whether to require the provision of a wholesale service. First, the Commission considers the state of competition in the retail market, using the market power assessment established in Telecom Decision 94-19. This test is based, in part, on the Competition Bureau's [Merger Enforcement Guidelines](#). The purpose of the market power assessment is to determine whether one or more market participants can sustainably raise prices above what would be seen in a competitive market.
7. The market power test begins by defining the relevant product and geographic markets, and then assessing market shares of the firm or group of firms with the largest share of the market. The Commission then considers demand conditions (i.e., the availability of substitutes and the costs of switching suppliers) and supply conditions (i.e., likelihood of entry and barriers to entry, evidence of rivalrous behaviour, and innovation and technological change). In addition, a key argument raised in this proceeding is that large retail customers have countervailing power due to their size and sophistication, which gives them the ability to negotiate from a stronger position when purchasing services in enterprise and IoT/M2M markets. As a result, the Commission has also examined countervailing power in its analysis. If the Commission finds that retail competition is insufficient, it then assesses whether it is necessary to intervene at the wholesale level, usually by requiring the provision of a wholesale service or requiring access to essential network facilities.
8. In this decision, the Commission has assessed the state of competition in the enterprise and IoT/M2M markets to determine whether to include them as part of the wholesale MVNO access framework.

Market power test: Relevant markets

Defining the relevant product market

Positions of parties

9. A number of parties, including Bell Mobility, Rogers, SaskTel, Sogetel, and TELUS, were of the view that mobile wireless services for the enterprise market are in a separate product market from those in the IoT/M2M market(s) and from the retail consumer market. Parties argued that these services are not substitutes for each other for various reasons, including the greater sophistication and size of enterprise customers, differences in how enterprise versus retail services are procured and priced, and the tailoring of enterprise services to the specific needs of each customer.
10. Parties proposed different ways to define the enterprise market, including businesses with more than 99 employees, more than 100 employees, or 100 or more lines. CNOC proposed that the Commission define a single product market for mobile wireless services offered to business customers, irrespective of their size.
11. Bell Mobility submitted that while most enterprise customers are unlikely to enter the mobile wireless market nationally themselves, they can self-supply on a local or regional basis through the deployment of private networks based on a combination of wireless, Wi-Fi, and satellite technologies. Videotron replied that instances of such types of market entry cases are rare.
12. Parties also provided several definitions for IoT/M2M services. For example, Rogers summarized several parties' proposed definitions as follows:

IoT/M2M Mobile Wireless Services support communications between machines, without human intervention, are customized and sometimes provided over unique network infrastructure (or LTE-M [long-term evolution machine type communication]), and compete with a broad range of wireline and wireless connectivity options in the IoT/M2M connectivity market.
13. Generally, most parties considered IoT and M2M services to be part of the same product market, with M2M services being a subset of IoT services. However, CNOC argued that they are not a unified market because IoT involves connecting a device to the Internet for enhanced functionality, while M2M specifically involves connecting devices to each other for data-sharing purposes.
14. There was disagreement as to whether other technologies should be considered substitutes for mobile wireless IoT/M2M services. For example, Rogers submitted that satellite services are expected to be a substitute for mobile wireless services as advancements in technology and new deployments of large numbers of low Earth orbit satellites inevitably offer competition.

15. Videotron argued that while there are some network technologies that can act as substitutes for a radio access network (RAN)⁵ in some cases, these technologies are not as pervasive or versatile and are limited to applications that require very low bandwidth. In its view, LTE, LTE-M, and fifth-generation (5G) technologies remain the preferred choice of customers. As a result, Videotron requested that the Commission clarify that the wholesale MVNO access framework includes LTE-M networks.

Commission's analysis

16. Defining the relevant product market involves an assessment of the group of products that consumers would consider to be sufficiently close substitutes for the services in question. The analysis is not focused only on whether two products offer the same end use, but whether enough customers would switch to an alternative product in response to changes in price. In Telecom Regulatory Policy 2021-130, the Commission found that mobile wireless services sold to enterprise and IoT/M2M customers⁶ are not substitutes for mobile wireless services offered to individuals and small businesses; therefore, they are in separate products markets.
17. The record shows that, consistent with the Commission's findings in Telecom Regulatory Policy 2021-130, mobile wireless services sold to enterprise customers are marketed differently and are not generally available to individuals or small businesses. For example, enterprise customers typically use requests for proposal to negotiate prices, with plans tailored to their specific business requirements. Consequently, the Commission maintains its view that enterprise services are in a separate product market from the retail mobile wireless service market.
18. The Commission further considers that enterprise services and IoT/M2M services are in different product markets. Plans offered to enterprise customers routinely include voice, text, and data services, as well as other customized services for company-specific mobile wireless devices. In contrast, IoT/M2M customers are more likely to only purchase data-only plans (which is more consistent with IoT device requirements) and it is unlikely that these plans would be effective substitutes for one another. In addition, enterprise customers typically use LTE networks, whereas IoT/M2M customers generally use LTE-M, which offers longer battery life and better signal penetration for IoT/M2M devices, and typically operates at lower power. For the same reasons, it is also unlikely that an IoT/M2M customer would find retail consumer plans to be an acceptable substitute.
19. Therefore, the Commission's assessment will consider the enterprise and IoT/M2M markets separately. With respect to IoT and M2M services, the Commission considers that these services are part of the same product market and that M2M is a

⁵ A RAN consists of mobile wireless spectrum, towers, sites, and related on-site facilities and equipment.

⁶ Specifically, customers who use mobile wireless services for IoT/M2M communications.

subset of IoT services. Accordingly, from this point forward in this decision, the term “IoT” encompasses both IoT and M2M.

20. For both enterprise and IoT customers, the Commission considers that there are no other retail telecommunications services or technologies that would be a practical substitute for mobile wireless voice, text, and data services. In terms of functionality, the key feature enterprise consumers seek is the ability to access voice, text, and data services on a mobile basis for a large number of employees. There is no feasible substitute available in the market in that regard. For example, fixed wireless or wireline services do not offer mobility and Wi-Fi has a limited footprint that is restricted to a specific area.
21. Similarly, although IoT services are often delivered through a mix of technologies to meet customers’ connectivity needs, there are currently no alternatives that would meet all of a mobile wireless customer’s needs. For example, although satellite may be appropriate for radio or Global Positioning System (GPS) services in a vehicle, applications for autonomous driving require ultra-reliable and low-latency communications throughout a wide geographic area. This requirement cannot currently be met by technologies other than mobile wireless connectivity. In addition, in Telecom Decision 2022-288, the Commission specified that MVNO access includes access to all Global System for Mobile communication (GSM)-based networks including 3G, 4G/LTE, and any future GSM-based generations, including LTE-M networks. As a result, the Commission considers that mobile wireless IoT services is its own product market.
22. Although Bell Mobility argued that enterprise customers could supply their own mobile wireless service, no evidence was provided of an enterprise customer having done so. The Commission is of the view that enterprise customers would be highly unlikely to do this given the cost and complexity associated with operating a mobile wireless network and that doing so would typically fall outside their core business.
23. With respect to how the Commission should define enterprise services, in Telecom Decision 2022-288 it directed the incumbents to define small businesses in their tariffs as those that have 1–99 paid employees. Therefore, it follows that enterprises should be defined as companies with 100 or more paid employees.

Defining the relevant geographic market

Positions of parties

24. Some parties, including Cogeco, CNOC, Eastlink, the PSBN, SaskTel, and Sogetel, proposed that the Commission define the geographic market for enterprise and/or IoT services at the provincial/territorial level, consistent with the broader geographic market determinations for retail services in Telecom Regulatory Policy 2021-130. They argued that this strikes an appropriate balance between a meaningful and practical definition and the administrative burden associated with gathering large amounts of data. In addition, they argued that regional wireless carriers’ services are

generally concentrated in specific provinces or regions and they compete for customers and influence market conditions on a provincial/regional basis.

25. Other parties, such as Ecotel, Rogers, TELUS, and Videotron suggested that the relevant geographic market is national. Videotron submitted that enterprise and IoT customers are more likely to have connectivity needs that cross provincial/territorial borders. Rogers argued that the market is national, or even global, for IoT because pricing and competitive conditions are generally similar across the country and customers often demand national or global pricing and coverage. Similarly, TELUS argued that the enterprise market is national and the IoT market is international.

Commission's analysis

26. Determining the relevant geographic market for a product or service involves assessing (i) the geographic area in which a customer purchases a service, and (ii) whether a customer would be willing to switch from a supplier in one area to a supplier in another area in response to changes in prices.
27. The Commission is of the view that the relevant geographic markets for mobile wireless enterprise and IoT services may vary from regional to national, depending on the customer's operational requirements. On balance, however, the Commission considers it more appropriate to define the geographic markets at the provincial/territorial level.
28. The record indicates that most enterprise customers are served by Bell Mobility, Rogers, or TELUS (collectively, the national wireless carriers) and that wireless carriers with less-than-national coverage are not as competitive as those with national coverage. For example, Videotron argued that an enterprise customer with nationwide coverage needs generally only does business with a single wireless service provider.
29. With respect to IoT, many customers may also require national coverage and are therefore only likely to switch between the national wireless carriers. For example, car manufacturers that offer smart car features such as autonomous driving or navigation assistance would likely require national coverage.
30. On the other hand, given that some enterprise and IoT customers do use regional wireless carriers, it follows that some customers have regional network needs or are using multiple service providers to meet their network coverage requirements. In the Commission's view, setting the geographic area as national would be too broad and would risk excluding regional differences in prices and other important regional market conditions (e.g., market share) from consideration.
31. Similarly, some IoT customers, such as those located at a single facility, mine, or agricultural site, may require only localized network coverage. Due to their requirements, these customers would have both regional and national wireless carriers as competitive options.

32. While the geographic market could potentially be defined as more local in nature, in Telecom Regulatory Policy 2015-326 the Commission indicated that some degree of aggregation may be appropriate for markets with similar competitive conditions. This helps to achieve a balance between (i) the use of meaningful and practical definitions for relevant product and geographic markets, and (ii) the administrative burden associated with gathering and processing large amounts of data.

Conclusion on relevant markets

33. In light of the above, the Commission finds that
- the relevant product market for enterprise services consists of retail mobile voice, text, and data services offered to business and institutional customers (public and private) with 100 or more paid employees;
 - the relevant product market for IoT services consists of text and data services provided over GSM-based mobile wireless networks (3G, 4G/LTE/LTE-M, 5G, and beyond) offered to retail customers that allow IoT devices to communicate with each other or with various applications in a fully or partially automated way; and
 - the relevant geographic market for both enterprise and IoT services is provincial/territorial.

Market power test: Applying the criteria

Market shares

Positions of parties

34. Cogeco, Eastlink, Iristel, the ITPA, PIAC, Sogetel, and Videotron supported the Commission's preliminary view that the enterprise and IoT markets are highly concentrated among the national wireless carriers.
35. With respect to market share for enterprise customers, Rogers noted that although regional wireless carriers could compete for regional accounts, historically only SaskTel has introduced a material level of competition.
36. Bell Mobility, Rogers, and TELUS argued that the IoT market is not highly concentrated since national and regional wireless carriers compete with global mobile network operators (MNOs), global aggregators (i.e., IoT MVNOs), regional MVNOs, global and regional solutions providers, pure-play IoT solutions providers, and each other.
37. Videotron submitted that global IoT providers offer connectivity in Canada through roaming agreements with the incumbents. Thus, the incumbents potentially hold additional market power because they can control upstream, or wholesale, prices and try to exclude competitors.

Commission's analysis

38. The record confirms the Commission's preliminary view that the enterprise and IoT markets are highly concentrated. In both markets, the national wireless carriers together hold the overwhelming market share across Canada, except in Saskatchewan.
39. The same data shows that the national wireless carriers' market concentration has remained relatively consistent over time, with no indication that regional wireless carriers are significantly increasing their market share in these segments. While high market share on its own does not establish market power, it does serve as a significant indicator of potential market power. As the Commission indicated in Telecom Decision 94-19, a high market concentration is a necessary, but not sufficient, condition to conclude that a firm or group of firms have market power. Consequently, the Commission is concerned that the level of market concentration among the national wireless carriers could be used to exercise market power.
40. With respect to the presence of various global service providers in the Canadian IoT market, the Commission does not consider this relevant to assessing the degree of market concentration or competitiveness. Ultimately, any competitor, global or domestic, must have access to a RAN and only the incumbents can provide that access with the coverage needed to compete effectively.
41. With respect to Saskatchewan, SaskTel owns most of the network facilities in the province and other carriers have a minimal presence in a limited number of areas. As a result, in Telecom Regulatory Policy 2021-130 the Commission considered that SaskTel exercised sole upstream market power over the RAN for the purpose of MVNO access in Saskatchewan. The Commission confirms that unlike other regions, SaskTel is the carrier with the largest market share in Saskatchewan in terms of revenues in both the enterprise and IoT markets, with the national wireless carriers holding the balance.
42. In the case of the territories, where Bell Mobility is one of the only options available to customers, there is no evidence on the record to suggest that there is any significant competition in the enterprise or IoT markets.

Demand conditions

Availability of economically feasible and practical substitutes

Positions of parties

43. Cogeco, CNOC, Eastlink, Iristel, Sogetel, and Videotron were of the view that there are no economically feasible and practical substitutes for the incumbents' enterprise and IoT services. Videotron submitted that there is no alternative option that replaces the mobile functionality, versatility, and ubiquity of each incumbent's RAN, especially for customers with nationwide connectivity needs.

44. Dr. Christian Dippon, on behalf of TELUS, argued that there are practical substitutes for enterprise services because enterprise customers are able to select regional wireless carriers.
45. Rogers argued that Videotron's acquisition of Freedom Mobile Inc. (Freedom Mobile) allows it to now compete for enterprise customers. Videotron replied that it still lacks the coverage needed to serve customers with national connectivity needs because it has no spectrum licences in Saskatchewan, Atlantic Canada, and the territories. PIAC and Sogetel were of the view that it was too early to draw conclusions with respect to how the acquisition of Freedom Mobile would impact the competitiveness of the market.
46. As discussed above, the incumbents argued that there are several different connectivity options available to end-users. Bell Mobility also indicated that customers can and do purchase IoT services from a range of service providers, including Canadian wireless carriers, non-Canadian wireless carriers, MVNOs, and other providers that partner with a Canadian or non-Canadian network operator to offer connectivity for IoT devices.
47. SaskTel submitted that the national wireless carriers' offerings, and those of their flanker brands, are feasible and practical substitutes to SaskTel's offerings. SaskTel added that many enterprise customers may prefer the national wireless carriers' offerings due to their national availability.

Commission's analysis

48. The Commission is of the view that enterprise and IoT customers would have limited access to economically feasible and practical substitutes if the incumbents chose to increase their prices.
49. First, there are no other retail telecommunications services that would constitute an acceptable substitute for mobile wireless voice, text, and data services for these markets. There are various technologies, both wireline and wireless, that can deliver these services to some extent. However, the Commission's view is that other wireline and wireless technologies would not be sufficient substitutes because they do not offer the combination of network coverage, mobility, reliability, throughput, and low latency that mobile wireless services provide to customers. Accordingly, the Commission considers that the only acceptable substitute for enterprise and IoT services of one wireless service provider would be the services of another wireless service provider.
50. Second, in the Commission's view, many enterprise and IoT customers are not likely to consider regional wireless carriers' services as reasonable and practical substitutes for the services offered by the national wireless carriers. Regional wireless carriers do not have the same level of network coverage, even in their home serving areas, as the national wireless carriers. They have confirmed that they have difficulty competing for some enterprise and IoT customers as a result. That said, the record shows that regional wireless carriers have nonetheless managed to gain a small share

of enterprise and IoT customers. This means that at least some enterprise and IoT customers, in certain circumstances, view regional wireless carriers as substitutes for the incumbents. However, these appear to be exceptions and those customers are likely either using regional wireless carriers' services in conjunction with those of other service providers or have needs that are more localized such that they do not require more extensive coverage.

51. With respect to Videotron, it is unclear to what extent the Freedom Mobile acquisition will affect its ability to compete in the enterprise and IoT markets. Videotron does not have RAN coverage to the same extent as the national wireless carriers, even after acquiring Freedom Mobile, and this may impede its ability to compete effectively for some enterprise and IoT customers.
52. Regarding arguments that there are hundreds of domestic and foreign IoT service providers in the Canadian market, these international MNOs rely on access to the RAN of a Canadian incumbent to offer mobile wireless services. They are, therefore, effectively resellers. Furthermore, many of these service providers are only able to operate in the Canadian market because they provide the incumbents with reciprocal roaming agreements or network access agreements in their home countries. By contrast, the national wireless carriers have no need for reciprocal agreements with regional wireless carriers and therefore lack the same incentive.
53. As previously noted, the market in Saskatchewan is highly concentrated, with SaskTel having the largest market share by revenue in the enterprise market. If any regional wireless carrier wanted to enter the market in Saskatchewan, it would not be able to do so unless it either built out its own RAN or entered into an agreement with SaskTel to use its mandated wholesale MVNO access service. Consequently, the Commission is of the view that enterprise and IoT customers would have limited access to economically feasible and practical substitutes if SaskTel were to increase its prices.

Costs to customers of switching suppliers

Positions of parties

54. CNOC, Eastlink, Ecotel, Sogetel, PSBN, and Videotron submitted that there are high costs to switching service providers for enterprise and IoT customers. They listed penalties for early cancellation of contracts, device configuration and integration, administrative costs and administrative burden, and various other fees and barriers. For example, having to swap subscriber identity module (SIM) cards, particularly for remote or difficult-to-reach IoT equipment, was highlighted as a barrier to switching.
55. Conversely, the incumbents were of the view that the costs associated with switching between suppliers for enterprise and IoT customers are low. They submitted that customers often negotiate for credits to counter the loss of existing loyalty credits or other switching costs (if any), and wireless carriers typically provide porting support at no cost to win the customer's business and facilitate SIM-card switching. The incumbents also argued that the emergence of electronic SIMs (eSIMs) is likely to

further reduce switching costs. In reply, Videotron countered that it can be more difficult for regional wireless carriers to assume these types of costs, putting them at a competitive disadvantage.

Commission's analysis

56. The Commission is of the view that there are costs that could be significant enough to prevent enterprise and IoT customers from readily switching to regional wireless carriers and that these costs result in a barrier to competition.
57. The national wireless carriers typically offer incentives to these customers to minimize switching costs by offsetting early cancellation charges or SIM card fees through activation credits.
58. However, the Commission is concerned that regional wireless carriers may not have the resources to offer the same level of incentives as the incumbents. Information on the record demonstrates that the incentives offered by the incumbents to reduce switching costs for potential customers are significant. In addition, certain costs that may not be fully offset could potentially affect a customer's decision to switch. For example, the coordination efforts to change and reconfigure an entire fleet of mobile devices may be considerable. Consequently, the cost of switching to a regional wireless carrier may be higher if the carrier does not fully offset the customer's switching costs.

Supply conditions

Likelihood of entry and barriers to entry

Positions of parties

59. Some parties identified several barriers to entry in the enterprise and IoT markets, including high connectivity costs, high capital costs, complex technology, intellectual property, legal and regulatory hurdles, integration challenges, and competition from existing players. CNOG, Eastlink, Iristel, and Videotron argued that the lack of national RAN coverage and the costs associated with building out their networks prevent regional wireless carriers from serving enterprise and IoT customers who are outside their service area. Ecotel submitted that the profit margins on IoT devices are low, so a customer would require a large volume of devices for a company to have sufficient incentive to consider market entry.
60. The incumbents argued that there are no significant barriers to entry in the enterprise and IoT markets. They also argued that if there are barriers, they are not being used to exclude rivals. TELUS argued that access to spectrum is not a barrier to entry since regional wireless carriers have significantly lower spectrum prices relative to the incumbents due to Innovation, Science and Economic Development Canada's (ISED) spectrum set-aside policy. Rogers and TELUS also pointed to the Commission's determinations in Telecom Regulatory Policy 2021-130 that RAN access (and, by extension, wholesale MVNO access) is duplicable.

Commission's analysis

61. The Commission is of the view that barriers to entry are high for regional wireless carriers and new entrants in the enterprise and IoT markets. In Telecom Regulatory Policy 2021-130, the Commission found that barriers to entry into the broader retail market relate mainly to the availability of spectrum, the capital-intensive nature of the industry, the time it takes to deploy mobile wireless networks and to generate positive cash flows, and the ability to access a wireless carrier's RAN. In the Commission's view, these same considerations apply to the enterprise and IoT markets.
62. The Commission considers that regional wireless carriers have more limited network coverage that impedes their ability to compete for many customers in the enterprise and IoT markets. Given that regional wireless carriers require a comparable level of coverage to compete at the same level as the incumbents, it is likely that barriers to entry are even more acute in the enterprise and IoT markets than were previously found to exist in the broader retail market. It is more likely that regional wireless carriers are limited to either serving customers who are located only within their network footprints or only serving a portion of an enterprise customer's total coverage needs.
63. Despite numerous regional wireless carriers having entered the market over the last decade, none have coverage comparable to that of the national wireless carriers. The only regional wireless carrier that is close to having national coverage is Videotron, and this is due mainly to the very rare circumstances related to its acquisition of Freedom Mobile. As a result, the Commission concludes that barriers to entry in the enterprise and IoT markets adversely affect expansion by regional wireless carriers, and that the likelihood of new entry at the scale required is low.

Evidence of rivalrous behaviour

Positions of parties

64. Regional wireless carriers and consumer groups generally submitted that there is little or no evidence of rivalrous behaviour between regional wireless carriers and the incumbents in the enterprise and IoT markets.
65. Iristel argued that there is less competition in the enterprise and IoT markets than in the retail consumer market since flanker brands (the incumbents' discount brands) cater to the retail market. In reply, Rogers argued that flanker brands are not a requirement for competitive markets and most often target consumer market segments.
66. Videotron submitted that having a competitor in the same product and geographic market as the incumbents would place downward pressure on prices but that this has not been observed in the enterprise and IoT markets.

67. The national wireless carriers argued that the wide number of service providers in the market, falling prices, and aggressive marketing activities are all evidence of rivalrous behaviour in the enterprise and IoT markets. For example, TELUS submitted that its average revenue per user (ARPU) is declining in both the enterprise and IoT markets, and Rogers submitted that its average revenue per enterprise line has declined. Rogers submitted that the national wireless carriers vigorously compete for each other's customers by undercutting each other on prices and offering large activation credits, device subsidies, and other discounts to customers. The incumbents also argued that there is intense rivalry in the IoT market between global wireless carriers, global aggregators, regional MVNOs, solutions providers, and the incumbents themselves.
68. In contrast, Vaxination Informatique and Videotron suggested that the presence of international companies, but not regional wireless carriers, in the IoT market indicates that the market is not competitive and demonstrates the market power that the incumbents exercise in wholesale markets.
69. With respect to competition in Saskatchewan, SaskTel submitted that the national wireless carriers' rivalrous behaviour is shown through lower enterprise service rates in that province compared to rates for identical products in other geographic areas. In addition, in the IoT market, it pointed to the number of other service providers present on SaskTel's network and the number of competitors offering services over other technologies as evidence of a competitive and rivalrous market.

Commission's analysis

70. For both the enterprise and IoT markets, the Commission is of the view that there is evidence of rivalrous behaviour between the national wireless carriers in every province except Saskatchewan, where SaskTel also competes for customers, and in the territories, where Bell Mobility is the only option for most customers. However, the Commission finds that there is limited evidence of rivalrous behaviour occurring throughout the country between the incumbents and regional wireless carriers.
71. With respect to rivalrous behaviour between the national wireless carriers, the evidence on the record suggests that their ARPU for enterprise customers has generally declined and that both enterprise and IoT customers regularly switch between the national wireless carriers.
72. While the incumbents provided examples of competition between each other, there was little persuasive evidence on the record regarding rivalrous behaviour between the national wireless carriers and regional wireless carriers aggressively competing for enterprise and IoT customers. As previously stated, regional wireless carriers have mainly focused their marketing and promotional efforts on the broader retail market of individuals and small businesses.
73. With respect to rivalrous behaviour in Saskatchewan, the record shows that the market is highly concentrated. SaskTel is the carrier with the largest market share, with the national wireless carriers holding the rest. In addition, the record confirms

that enterprise and IoT customers are switching between the incumbents in that province. Given the amount of switching activity in Saskatchewan, there is evidence of rivalry between the incumbents in Saskatchewan, who all rely on SaskTel's network to offer services.

Innovation and technological change

Positions of parties

74. Overall, parties agreed that the enterprise and IoT markets are characterized by rapid innovation and technological change. For example, Rogers submitted that innovations in the IoT market include increasing the deployment of unlicensed connectivity options, advancements in antenna and satellite technology, eSIMs, and the built-in ability to switch between connectivity solutions. Sogetel submitted that IoT services are rapidly evolving to meet the increasing demand for connected devices and the need for real-time data collection and analysis.
75. However, CNOC, Cogeco, Eastlink, and Iristel argued that this rapid technological change is not an indicator of a competitive market. Iristel submitted that the rapid innovation and technological change seen in the industry are being driven by applications and equipment managers, not by the incumbents. Eastlink argued that the development of the IoT market relies heavily on 5G and that innovation and technological change in the enterprise and IoT markets have not prevented an exercise of market power by the national wireless carriers.

Commission's analysis

76. In Telecom Decision 94-19, the Commission indicated that the nature of innovation and technological change in a market may be a useful indicator of the presence of market power. Industries characterized by rapid innovation tend to experience greater price movements and new entry, thereby making it difficult to exercise market power.
77. However, in Telecom Regulatory Policy 2021-130, the Commission found that innovation and technological change did not prevent an exercise of market power for the provision of retail mobile wireless services and may actually lessen competition if regional wireless carriers cannot keep up with 5G expansion. The Commission is of the view that the same network innovation and technological change that applies to the consumer retail market also applies to the enterprise and IoT markets. In this regard, any network upgrades, such as the deployment of 5G networks, and technological advancements, such as smartphones and eSIMs, would benefit the entire mobile wireless market, including the enterprise and IoT markets.
78. Some innovation and technological changes, such as cloud computing, artificial intelligence, machine learning, and mobile device management solutions, are designed specifically for enterprise customers. The IoT market is also characterized by rapid innovation and technological change.

79. However, innovation in the mobile wireless industry is not unique to the Canadian market – it is happening globally and is a result of broader technological advancements in devices, applications, and networks.
80. In any event, in the Commission’s view, none of this innovation is likely to reduce or prevent the incumbents’ ability to exercise market power. If anything, technological advancement, particularly with 5G deployment, is likely to exacerbate competitive disparity unless regional wireless carriers can keep pace. The wholesale MVNO access framework is intended to help regional wireless carriers do that by providing them with a chance to serve more customers and increase revenues while they build out their networks.
81. In light of the above, the Commission is of the view that while there is evidence of rapid innovation and technological change in the enterprise and IoT markets, this does not prevent an exercise of market power by the incumbents for the provision of enterprise and IoT services.

Countervailing power

Positions of parties

82. The incumbents submitted that enterprise and IoT customers are sophisticated and discipline the behaviour of suppliers through comprehensive bidding processes, contract negotiations, and the ability to take their business elsewhere. They argued that enterprise and IoT customers can insist on better-quality services and lower prices. SaskTel added that IoT customers have increased bargaining power due to the variety of connectivity options for IoT. Rogers and TELUS also submitted that these customers have the resources and capacity to intervene in this proceeding and the fact that they have not done so confirms their countervailing power and confidence in their ability to negotiate competitive terms.
83. Sogetel argued that claims of buyer power are anecdotal and that there are many smaller customers, including those in the resource and transportation industries, that do not have such power; thus, they could be subject to unfair practices of larger incumbents. Videotron submitted that it is wrong to claim that enterprise customers’ bargaining power acts as a countervailing power since the incumbents are the only wireless service providers that can serve customers who have national connectivity needs or needs beyond the coverage area of a competitor’s network. In addition, it submitted that normal customer behaviour, such as negotiating lower prices and expectations to be rewarded for loyalty, is not evidence of countervailing power.

Commission’s analysis

84. The Commission acknowledges that certain enterprise and IoT customers, particularly those with very large accounts, have a certain degree of bargaining power or countervailing power during contract negotiations. However, that power does not broadly prevent or diminish the market power held and exercised by the incumbents. According to the Merger Enforcement Guidelines, the size of a buyer

alone does not mean that the buyer has countervailing power. In addition, where only a subset of buyers may be able to exercise countervailing power, it is usually insufficient to prevent an exercise of market power in the relevant market.

85. Enterprise and IoT customers in general are sophisticated consumers, use requests for proposal to negotiate prices, have tailored plans for individual business needs, and use dedicated sales staff, all of which would not typically be available to retail or small business customers. As a result, enterprise and IoT customers are often able to negotiate lower prices than individual retail customers and, as part of the procurement process, gain incentives such as reductions in switching costs.
86. However, the Commission is not persuaded that this degree of bargaining power is sufficient to prevent an exercise of market power by the incumbents given the other findings set out above regarding evidence of market concentration, barriers to entry, switching costs, and lack of practical and feasible substitutes.

Conclusion on market power

87. In light of all the above, the Commission finds that there is strong evidence of market power in both the enterprise and IoT markets for the following reasons:
 - Market share is highly concentrated among the national wireless carriers in every province except in Saskatchewan, where it is highly concentrated among the national wireless carriers and SaskTel, and in the territories, where Bell Mobility is one of the only options for most customers.
 - There are limited practical and feasible substitutes for the incumbents' mobile wireless enterprise and IoT services.
 - Switching costs are generally high, particularly if a regional wireless carrier cannot offset a customer's termination fees or offer the same incentives as an incumbent.
 - Barriers to entry are high, which limits expansion and new entry.
 - There is limited evidence of rivalrous behaviour between the incumbents and regional wireless carriers for enterprise and IoT customers.
 - While the enterprise and IoT markets are characterized by a degree of rapid innovation and technological change, this does not prevent an exercise of market power for the provision of services, nor is any countervailing power exercised by customers sufficient to prevent an exercise of market power.
 - In Saskatchewan, while there is evidence that other incumbents have retail market share, those incumbents rely on SaskTel's network to offer service. Given the lack of substitutes for SaskTel's network, SaskTel can exercise upstream and downstream market power in the enterprise and IoT markets in Saskatchewan.

88. Accordingly, the Commission finds, as a question of fact, that the national wireless carriers together exercise market power in the provision of mobile wireless enterprise and IoT services across Canada, except in Saskatchewan, where SaskTel exercises market power, and in the territories, where Bell Mobility exercises market power.

Undue preference

Background

89. Wholesale regulatory measures are generally used to address competition concerns in the retail market. In this section, the Commission examines whether, in light of the conclusion that the incumbents exercise retail market power, the wholesale MVNO access framework should apply to the enterprise and IoT markets to support and expand competition in those downstream retail markets.
90. In Telecom Regulatory Policy 2021-130, the Commission found, as a question of fact, that where a wireless carrier with both upstream and downstream, or retail, market power fails to provide meaningful access to a wholesale MVNO access service, it is – with respect to facilities-based regional wireless carriers – conferring upon itself an undue or unreasonable preference. This preference results in those regional wireless carriers facing an unreasonable disadvantage. In addition, the Commission considered that the failure to provide such an MVNO service subjects retail customers to an undue disadvantage.
91. The Commission has applied a similar analysis in this proceeding to assess whether the incumbents’ failure to provide wholesale network access to regional wireless carriers for the enterprise and IoT markets involves an undue or unreasonable preference or disadvantage, contrary to subsection 27(2) of the Act. The analysis takes into account investment incentives, competition, the policy objectives set out in section 7 of the Act, and the 2023 Policy Direction.⁷

Positions of parties

92. CNOC, Cogeco, Eastlink, Ecotel, Iristel, the PSBN, Sogetel, Vaxination Informatique, and Videotron argued that maintaining restrictions that prevent regional wireless carriers from serving the enterprise and IoT markets would result in an unreasonable disadvantage and undue preference. These parties generally argued that the restrictions reduce competition and lead to higher prices and fewer innovative choices. They also submitted that removing the restrictions would increase the viability of market entry and make a better business case for expansion. Eastlink argued that enterprise and IoT customers are unreasonably disadvantaged

⁷ *Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy*, SOR/2023-23, 10 February 2023

by the national wireless carriers' market power because they do not benefit from a competitive market that would result in lower prices and innovative services.

93. The incumbents disagreed, arguing that there was no unreasonable disadvantage or undue preference. They argued that the enterprise and IoT markets are competitive and that, accordingly, any discrimination, preference, or advantage would not be unjust, undue, or unreasonable under subsection 27(2) of the Act. Furthermore, they argued that it is not an undue preference to sell what customers in the market want, to decide whom to sell to, or to enter into agreements on differentiated terms. TELUS submitted that if competitors are unable to gain wholesale access in a competitive market, it can only be because such entry would be inefficient.
94. Among other things, Dr. Dippon, on behalf of TELUS, argued that regulating already-competitive markets can cause them to perform less efficiently and is of no benefit to consumers, because it will harm competition, reduce investment, and lead to higher prices and less innovation. Similarly, Rogers argued that the enterprise and IoT markets are currently extremely competitive and that the IoT connectivity market segment alone includes numerous MVNOs as well as hundreds of resellers of bundled connectivity and applications. Rogers argued that mandated access for a subset of entities – regional wireless carriers – could instead create an undue preference for those carriers.
95. Bell Mobility submitted that the Commission asked the wrong questions with respect to undue preference. It argued that enterprise and IoT services are not excluded from the wholesale MVNO access framework; they simply represent a different product market than retail mobile voice, text, and data services. According to Bell Mobility, customers in one relevant product market cannot be subject to an undue or unreasonable disadvantage under subsection 27(2) based on comparisons to customers in another product market. Bell Mobility submitted that interveners have not demonstrated that wholesale MVNO access for enterprise or IoT services is essential, nor have they claimed that it falls within the public good or interconnection categories of the Essentiality Test set out in Telecom Regulatory Policy 2015-326; therefore, the lack of access cannot be considered an undue preference.
96. Videotron argued that Bell Mobility's rigid approach to evaluating subsection 27(2) is contrary to the Commission's general approach. Videotron noted that Bell Mobility admitted that the rates available to international MNOs are favourable because international MNOs offer reciprocal access to their own networks. Videotron argued that this indicated a situation of undue preference in favour of international MNOs and to the detriment of Canadian competitors.
97. With respect to the IoT market, several parties suggested that discrimination is demonstrated by their inability to access services that are available to international MNOs. Ecotel submitted that better rates and permanent roaming are offered to international MNOs, resulting in it being cheaper to buy an IoT package in the United States and use it permanently in Canada. In addition, Transatel claimed that

the national wireless carriers have either abruptly stopped or refused negotiations and that they contractually prohibit some regional wireless carriers from providing Transatel with connectivity services that leverage their roaming agreements. Sogetel submitted that the incumbents should be required to offer the same service conditions to regional wireless carriers as they offer to international MNOs.

98. TELUS replied that its reciprocal agreements with international MNOs do not result in unjust discrimination because Canadian regional wireless carriers are not able to offer a comparable type of arrangement.

Commission's analysis

99. Regarding arguments that the Essentiality Test should be applied as part of the analysis in this proceeding, the Commission already determined in Telecom Regulatory Policy 2021-130 that wholesale MVNO access is not an essential service and that the policy considerations did not support a decision to mandate the provision of a broad-based wholesale MVNO access service.⁸ However, the Commission also found that a more targeted, facilities-based MVNO service should be mandated to address undue preference and disadvantage. The Commission's analysis when it was considering whether to mandate a targeted, facilities-based MVNO service focused on market power, competition, investment incentives, and the policy objectives set out in section 7 of the Act.
100. The services provided to enterprise and IoT customers that are being considered in this decision are merely an extension of this more targeted, facilities-based wholesale MVNO service, and the question before the Commission is whether to remove existing restrictions that limit how the service can be used. Accordingly, the Commission considers that it is neither necessary nor appropriate to reconsider the essentiality of the service.
101. Instead, the Commission's analysis in determining whether to extend the mandated MVNO service to the enterprise and IoT markets focused on addressing unjust discrimination and undue preference.
102. The Commission has found that the incumbents exercise market power and that the enterprise and IoT markets are not sufficiently competitive to act as a constraint. Evidence also shows that there are high barriers to entry in these markets and that there are challenges associated with switching providers.
103. To the extent that there are other retail service providers operating in Canada serving the enterprise or IoT markets, the evidence on the record indicates that many of these service providers are international MNOs that rely on access to the incumbents' networks. Furthermore, while the incumbents are willing to enter into agreements with non-Canadian entities in exchange for access to international networks, the

⁸ The Commission applies the following policy considerations to inform, support, or reverse a decision to mandate the provision of a wholesale service: public good, interconnection, and innovation and investment.

record indicates that they appear to be unwilling to enter into such agreements with regional wireless carriers. As a result, the incumbents still control access to the market because they own the largest networks and can essentially choose their competitors.

104. The Commission is not persuaded by the argument that mandating MVNO access for enterprise and IoT services will harm competition, reduce investment, and lead to higher prices and less innovation. As the Commission concluded above, these markets are not sufficiently competitive. Moreover, prices in the retail market have come down since the introduction of the wholesale MVNO access service.
105. In addition, the requirement to build out networks and the time-limited nature of the mandate provide incentives for regional wireless carriers to invest in their networks and enter markets that may otherwise be unattractive. As new competitors enter the mobile wireless market, they will also be required to invest in and build out their networks. Finally, the Commission determined in Telecom Regulatory Policy 2021-130 that impacts on investment in the context of mandating MVNO access would be minimal, particularly given the financial incentives for the incumbents to invest in 5G networks. The Commission considers that making this service available for the enterprise and IoT markets would not have any negative impact on investment, given that the same financial incentives for incumbents to invest in 5G networks remain.
106. In light of the above, the Commission considers that maintaining the existing enterprise and IoT restrictions and leaving wholesale MVNO access to market forces alone would unduly limit the ability of regional wireless carriers to offer competitive enterprise and IoT services. This would, in turn, reduce the competitive impact they can bring to the retail enterprise and IoT markets and further entrench the incumbents' downstream market power.
107. In addition, the Commission considers that the policy objectives in paragraphs 7(a), (b), (c), (f), and (h) of the Act are not currently being met in the enterprise and IoT markets.
108. The Commission is of the view that mandating the provision of wholesale MVNO access to regional wireless carriers for enterprise and IoT services is consistent with the targeted approach taken in Telecom Regulatory Policy 2021-130. This would be an incremental change to the wholesale MVNO access framework to ensure that regional wireless carriers are able to compete in these areas and discipline market power. Expanding MVNO access to include the enterprise and IoT markets would allow regional wireless carriers to further expedite their competitive growth by increasing their potential customer base. This would, in turn, accelerate their return on investment and improve the business case for further expansion.
109. Concerning the argument that mandating MVNO access could result in an undue preference in favour of regional wireless carriers over other service providers that are not eligible for MVNO access, the Commission considers that any such

preference that may occur is not undue. Regional wireless carriers are currently being disadvantaged by the incumbents not providing them access to the enterprise and IoT markets.

110. Moreover, as the Commission stated in Telecom Regulatory Policy 2021-130, regional wireless carriers are uniquely positioned to introduce effective and sustainable competition in the retail market, to the long-term benefit of consumers. The Commission also determined that the optimal way to encourage all forms of competition is by adopting targeted regulatory measures to ensure that there is a sustainable foundation of facilities-based competitors, and then relying generally on market forces to deliver the benefits of competition to consumers. Therefore, the proposed targeted regulatory approach would not confer an undue preference because it seeks to reduce the existing imbalance and address the market power held by the incumbents.
111. The Commission also notes that, contrary to arguments on the record, its examination of undue preference and unjust discrimination does not involve a comparison between retail voice, text, and data services on the one hand, and enterprise and IoT services on the other. Instead, given its finding of market power in the retail enterprise and IoT markets, the Commission considered whether, by failing to provide wholesale MVNO access to regional wireless carriers for the purpose of providing enterprise and IoT services, the incumbents are unduly preferring themselves, unjustly discriminating against or unduly disadvantaging regional wireless carriers, and unduly disadvantaging retail customers in the enterprise and IoT markets.
112. Consistent with the Commission's findings in Telecom Regulatory Policy 2021-130, the Commission considers that making the wholesale MVNO access service available to regional wireless carriers for enterprise and IoT services would encourage innovation and network investment by regional wireless carriers while not discouraging investment by the incumbents. It would also serve to further the policy objectives set out in paragraphs 7(a), (b), (c), (f), and (h) of the Act as well as those set out in the 2023 Policy Direction, as discussed below.
113. In light of all the above, the Commission finds, as a question of fact, that where a wireless carrier with both upstream and downstream market power fails to provide meaningful access to its wholesale MVNO service to regional wireless carriers for the purpose of providing enterprise and IoT services, it is conferring upon itself an undue or unreasonable preference and subjecting regional wireless carriers to an unreasonable disadvantage.
114. For similar reasons, the Commission also considers that the failure to provide wholesale MVNO access to regional wireless carriers for enterprise and IoT services results in subjecting retail customers to an undue or unreasonable disadvantage. Specifically, competitive forces in the enterprise and IoT markets are being precluded from developing to their full extent, and retail customers are being deprived of the benefits of a more vibrantly competitive market for these services.

Conclusion

115. In light of all the above, the Commission finds that the national wireless carriers exercise market power in the wholesale MVNO access service markets for enterprise and IoT services in all provinces except Saskatchewan, where SaskTel exercises market power, and in the territories, where Bell Mobility exercises market power. The incumbents' effective denial to provide wholesale MVNO access to regional wireless carriers for enterprise and IoT services results in undue or unreasonable preference and undue or unreasonable disadvantage. Further, removing the existing restrictions in the tariffs for enterprise and IoT customers, and applying the framework established in Telecom Regulatory Policy 2021-130 for wholesale MVNO access, will remedy the situation.
116. For clarity, the Commission confirms, as a question of fact, that the market conditions regarding the offering and provision of a mandated wholesale MVNO access service by the incumbents to eligible regional wireless carriers for enterprise and IoT services are not – and will not in the near term – be sufficient to protect the interests of users. Wholesale MVNO access service is subject to the Commission's powers and duties under sections 25 and 31 and subsections 27(1) and (5) of the Act, and the Commission may act, as necessary, to implement the regime established in Telecom Regulatory Policy 2021-130. Applying these powers will ensure that the incumbents offer and provide wholesale MVNO access to regional wireless carriers in the areas where they are obligated to do so for the enterprise and IoT markets, with just and reasonable rates, terms, and conditions.

Implementation

117. The Commission directs each of the incumbents to issue amended tariff pages removing restrictions related to enterprise and IoT services as identified below, and including any other amendments required to implement the determinations in this decision, by **8 November 2024**.⁹
- Bell Mobility: Items 101.1.(14), 101.1.(33), 101.2.(a), 101.7.(a)(1)b., 101.7.(a)(2), 101.7.(a)(3), and 101.7.(a)(4).
 - Rogers: Items 901 1.4 b) and 901 1.4 c).
 - SaskTel: Item 650.36 2.
 - TELUS: Items 235.2, 235.3A 4., 235.3A 10.a., 235.3A 10.c., and 235.A 10.d.
118. For clarity, existing agreements and final offer arbitration decisions will remain in effect. Regional wireless carriers may seek to negotiate an amendment or a separate agreement to address the enterprise and IoT markets (unless the existing agreement already provides such access). Parties may also choose to wait until the expiry of

⁹ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

their current agreements to renegotiate. Ultimately, while the incumbents must remove the existing restrictions from their tariffs, it will be optional for regional wireless carriers to request access to this service if and when they wish to serve these markets.

Other issues

119. In their submissions, certain parties raised issues that are beyond the scope of this proceeding. The Commission is not making determinations on these issues in this decision. In addition, the Commission is not adding the out-of-process submissions it received to the record of this proceeding.¹⁰

2023 Policy Direction

120. The 2023 Policy Direction directs the Commission to, among other things, consider how its decisions would promote competition, affordability, consumer interests, and innovation. Specifically, to foster competition in the mobile wireless service market that is sufficient to protect the interests of users, the Commission must monitor and assess the effectiveness of its approach to the mandated wholesale MVNO access service.

121. The Commission considers that including enterprise and IoT services in the MVNO access framework would be consistent with the 2023 Policy Direction in that it would, as discussed previously in this decision, promote competition in additional markets segments and increase investment. In other markets, the Commission has seen that increased competition results in lower prices for consumers.

122. The Commission must also monitor and assess the effectiveness of its approach. The Commission considers that the wholesale MVNO access framework will be more effective with the inclusion of enterprise and IoT services. This will reduce barriers to entry and expansion, increase the likelihood that regional wireless carriers will have a stronger business case to enter new markets, and help make that entry more sustainable. More sustainable competition will help foster affordability and lower prices and thus ultimately benefit Canadians. In addition, this incremental expansion to additional markets is an efficient and proportionate measure that is based on sound and recent market evidence submitted as part of this proceeding.

123. In light of all the above, the Commission concludes that including enterprise and IoT markets in the wholesale MVNO access framework would be consistent with the 2023 Policy Direction, including, in particular, paragraphs 2(a), (b), and (e); and sections 3, 4, 6, 14, and 15.

¹⁰ Iristel, PSBN, Sogetel, Transatel, and Videotron proposed fundamental changes to the wholesale MVNO access framework or issues otherwise unrelated to the specific matters raised in Telecom Notice of Consultation 2023-48. In addition, TELUS, the Toronto Police Service, and Videotron filed out-of-process submissions that the Commission determined it will not consider in this proceeding.

Secretary General

Related documents

- *Call for comments – Facilities-based wholesale mobile virtual network operator (MVNO) access tariffs – Considering the inclusion of additional retail market segments*, Telecom Notice of Consultation CRTC 2023-48, 1 March 2023; as amended by Telecom Notice of Consultation CRTC 2023-48-1, 17 April 2023
- *Facilities-based wholesale mobile virtual network operator (MVNO) access tariffs – Commission determinations on proposed terms and conditions*, Telecom Decision CRTC 2022-288, 19 October 2022; as amended by Telecom Decision CRTC 2022-288-1, 31 October 2022
- *Review of mobile wireless services*, Telecom Regulatory Policy CRTC 2021-130, 15 April 2021
- *Regulatory framework for wholesale mobile wireless services*, Telecom Regulatory Policy CRTC 2015-177, 5 May 2015
- *Review of regulatory framework*, Telecom Decision CRTC 94-19, 16 September 1994