

RESPONSE TO UNDERTAKING
INFORMATION REQUESTED BY
THE CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION
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Q. Provide examples of international approaches to ensuring competition through different attempts to enable wholesaler autonomy.

- A. As noted in OpenMedia.ca's oral testimony, the range of regulatory options employed by other countries to ensure competition is canvassed in a recent report produced by OpenMedia.ca and particularly in a chapter dedicated to international comparisons of openness (attached to this information response).

The report includes a Table 4.1 (reproduced below) summarizing many of its conclusions relating to highlighting key steps taken by other jurisdictions to enhance wholesale market autonomy. These range from rigorously unbundled loops made available at reasonable prices to functional separation.

The pricing models before you in this proceeding, while very modest in comparison, have potential to greatly enhance wholesale market autonomy within Canada.

Table 4.1. Core lessons from international strategies

Core lesson	Case study or section
Open access policy, in particular unbundling, played an important role in facilitating competitive entry in many of the countries observed; In many cases, where facilities-based alternatives are available, access-based entrants played an important catalytic role in the competitive market; In some cases competition introduced through open access drove investment and improvement in speeds, technological progression, reduced prices, or service innovations.	Japan, Denmark, the Netherlands, Norway, Sweden, France, UK, New Zealand
An engaged regulator practically enforcing open access policy is more important than the formal adoption of the policy; incumbents resist access policies whether they are formerly government-owned or not	Japan, South Korea, France, Germany, UK, Canada
Broadband providers are regulated as carriers, and their carriage function is regulated and treated separately from their retail service function	All surveyed countries.
Access rules are now being applied to the next generation transition, particularly to fiber	Japan, South Korea, Sweden, Netherlands, France, UK, European Regulators Group/EU, New Zealand
Ubiquitous access has led regulators to accept increased vertical integration between mobile and fixed broadband providers. In some places this has also led to application of open access requirements to mobile broadband platforms	Japan, South Korea apply access; France, Germany experience greater integration but have not extended access
In the two earliest instances where functional separation was introduced, it had rapid effects on competitive entry, penetration, prices, and/or speeds	UK, New Zealand
Functional separation is increasingly adopted or considered to achieve open access into the next generation transition	UK, New Zealand, Sweden, Netherlands, Italy, Australia
Facilities-based competition usually complements, rather than substitutes for, access-based competition	Japan, South Korea, Denmark, Norway, Sweden, the Netherlands, UK, France, Germany, Italy, New Zealand
Entrepreneurial competitors have tended to enter through bitstream and unbundling access	Japan, South Korea, Denmark, Norway, Sweden, the Netherlands, France, UK
Unbundled access can also be used by incumbents from neighboring countries or regions to enter adjacent markets and introduce competition; in some cases they do so by acquiring initially entrepreneurial entrants	Denmark; Norway; Sweden, Finland; Germany
Where unbundling was formally available but weakly implemented competition was limited to facilities-based entrants, with weaker results	Germany, Canada
The anticipated high costs of next generation transition are pushing countries and companies to seek approaches to share costs, risks, and facilities, rather than focusing primarily on creating redundant facilities to assure facilities-based competition; they aim to mitigate the loss of facilities-based competition with a range of new models of open access and shared facilities, tailored to fiber	European Regulators Group, Netherlands, France, Germany, Switzerland, UK

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