



October 23, 2018

Filed electronically

Mr. Claude Doucet
Secretary-General
Canadian Radio-television and
Telecommunications Commission
Ottawa, ON K1A 0N2

RE: Telecom Notice of Consultation 2018-98, *Lower-cost data-only plans for mobile wireless services*: SSi Micro Ltd. Final Comments

Dear Mr. Doucet:

1. In accordance with the Commission's procedural letters dated July 31, 2018 and August 8, 2018, SSi Micro Ltd. ("SSi") is pleased to provide the following comments in reply to the responses received to the Commission's Requests for Information ("RFIs") concerning Telecom Notice of Consultation 2018-98, *Lower-cost data-only plans for mobile wireless services* ("TNC 2018-98").
2. We note that, among the parties who filed comments on the RFI responses, there is broad consensus that it is neither necessary nor beneficial for the Commission to require the three national wireless carriers ("NWCs") to offer lower-cost data-only ("LCDO") retail mobile wireless plans.
3. This initiative is not necessary, because both regional and national wireless carriers have responded to the Commission's identification of a gap in the market by initiating new retail offerings designed to appeal to the segment of the Canadian public that might be interested in LCDO plans. Some of these plans offer only data; others offer some voice and/or text message capacity in addition to data; but all were designed by the carriers to appeal to their markets as they perceive demand.
4. The initiative, of requiring the three strongest and best-established carriers in Canada's market for retail wireless services to offer LCDO plans below a set price ceiling, with or

without a designated capacity floor, will not benefit the further development of vigorous competition in the market for retail mobile wireless services in Canada. To the contrary, it could well prove highly detrimental.

5. As SSi noted in response to the Commission’s RFIs,

Retail price regulation of specific offerings of the three largest carriers in the Canadian market – the NWCs – is itself likely to impair unduly the development of increased and vigorous competition. This is because a set price point, for example, below the \$25 per month level that the Commission contemplates in this question, will force competitors to the NWCs to determine whether they can meet or better that price, and then, if they determine that it is possible and desirable to contest that segment of the mobile wireless market, it will artificially constrain both the content of services they offer and the prices they can charge.

To be certain: the retail price regulation initiative under consideration here would actually further entrench the dominance of the big three NWCs by carving out a segment of the market in which only they are likely to offer the regulated retail plans. And that outcome is not compatible with the development of a competitive market that contains more than three players.¹

6. There is less consensus on the question of whether the market for retail mobile wireless services is currently sufficiently competitive to protect the interests of Canadians. The NWCs generally consider it to be competitive; the regional and smaller carriers, including SSi, firmly believe that there is much more room for competition, and that more vigorous competition will greatly benefit Canadian consumers.
7. SSi also wholeheartedly agrees with the other regional and smaller carriers that provided comments on the responses to RFIs that the Commission would make a far more effective – and efficient – impact on the improvement of competition in mobile wireless by continuing to focus on ensuring that the market for wholesale services works effectively. This will enable regional carriers to maximize the effectiveness of their own network investment to offer a genuine competitive choice for consumers.
8. As Cogeco noted, the Commission should continue to focus on the cause of the network gap it perceives – not the symptoms. SSi agrees with Cogeco’s recommendation:

Cogeco considers that ensuring facilities-based new entrants and regional MNOs [mobile network operators] have access to targeted and effective wholesale services provided by the national incumbent MNOs is an effective and sustainable way to encourage investment in facilities and to promote competition among facilities-based carriers. Regulation of retail market prices, on the other hand, risks distorting the operation of the

¹ SSi(CRTC)20Jul18-101; emphasis in original.



market – even if it were limited to requiring the national MNOs to offer LCDO plans – by changing the incentives of the MNOs to innovate and to test new offers in the market. ...

Cogeco therefore strongly urges the Commission to focus on appropriate and sustainable remedies, such as cost-effective wholesale roaming, timely access to towers, and appropriate wholesale access conditions, rather than mandating LCDO plans.

9. In SSi's submission, the record of this proceeding establishes that there is no need for the Commission to introduce partial rate regulation of the retail mobile wireless services market by mandating the NWCs to offer LCDO plans. To do so would be neither the most effective, nor the most efficient way to close the perceived gap in the retail market. Instead, we strongly urge the Commission to continue to focus its regulatory attention on ensuring that regional and smaller carriers can compete effectively, to the greater benefit of Canadian consumers.

All of which is respectfully submitted,

SSi Micro Ltd.

[SGD – DEAN PROCTOR]

Dean Proctor

Chief Development Officer

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Parties to TNC 2018-98 as listed the Commission's letter of August 8, 2018

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