

***Call for comments – Consumer protections in the event
of a service outage or disruption – Telecom and
Broadcasting Notice of Consultation CRTC 2025-227***

Intervention

by



**Independent
Telecommunications
Providers Association**

and



13 November 2025

Executive Summary

ES1. This proceeding arises from concerns about consumer protections during major service outages, particularly following the 2022 Rogers Communications outage. While the Commission is right to consider safeguards for consumers, the Canadian Communication Systems Alliance (CCSA) and the Independent Telecommunications Providers Association (ITPA) argue that imposing broad obligations on smaller providers is unnecessary and disproportionate. Outages are universally negative, but they cannot be entirely avoided, and regulatory responses must be carefully tailored.

ES2. The intervention emphasizes that smaller providers should not be subject to the same obligations as large incumbent carriers. Unlike the national ILECs and Cablecos, smaller providers operate simpler networks, resolve issues more quickly, and maintain close relationships with their customers. Their local presence and responsiveness mean that service disruptions rarely escalate to formal complaints, distinguishing them from the large carriers whose outages may impact millions.

ES3. Market data demonstrates that the large ILECs and Cablecos collectively dominate the Canadian telecommunications market, controlling nearly 90% of the wireline, Internet, and wireless markets. By focusing regulatory measures on these dominant players, the Commission can address the vast majority of the market. Any new standards applied to the large carriers will indirectly influence smaller providers through competitive pressure and customer expectations, without the need for direct regulation.

ES4. Evidence from the CCTS complaint statistics and ITPA quality of service reports confirms that small providers generate very few complaints. In the most recent reporting periods, only a handful of CCSA/ITPA members were the subject of complaints, and many reported none at all. This demonstrates that smaller providers already manage outages effectively and proactively resolve issues before they escalate, making additional regulatory obligations unnecessary.

ES5. The intervention also highlights the disproportionate burden that measures such as automatic bill credits or mandated notification systems would impose on smaller providers. With limited resources, small companies cannot spread costs across large customer bases or subsidize rural operations with urban revenues. Imposing such requirements risks driving up prices, stretching staff capacity, and potentially forcing some providers out of the market, reducing competition and consumer choice.

ES6. Importantly, smaller providers already take outages seriously and employ robust communication practices. Examples from member companies show proactive notification of planned outages, real-time updates during unplanned disruptions, and extensive use of websites, social media, IVR systems, and direct customer messaging. Monitoring systems and alarms are in place to detect problems quickly, and senior staff are directly involved in resolution. These practices demonstrate that consumer protections are already embedded in their operations.

ES7. Finally, the intervention notes that exempting smaller providers would be consistent with recent Commission policy, such as TRP 2025-9, which imposed automatic bill credits only on Northwestel while recognizing the burdens such measures would place on smaller ISPs. The CCSA/ITPA therefore urge the Commission to focus its regulatory efforts on the large ILECs and Cablecos, whose outages have the greatest impact, while allowing competitive market forces and existing practices to ensure that smaller providers continue to meet consumer needs without unnecessary regulatory intervention.

Introduction

1. This proceeding stems, at least in part, from the negative impacts experienced by customers in recent years from serious network outages on the networks of the large incumbent operators. While the Commission rightly considers whether consumers need additional protections when outages such as those occur, CCSA/ITPA believe that some of the proposed measures go beyond what is necessary or appropriate, particularly when applied to smaller providers like our members.
2. No service provider intends to incur outages and disruptions to their service – such incidents are universally negative for both provider and customers. At the same time, no service provider can avoid them altogether – faults have always occurred in telecommunications and television systems and will continue to occur notwithstanding the best efforts of the service providers to prevent them. In these circumstances, care must be taken not to punish service providers for events which they did not intend or that are very often caused by factors out of their control.
3. Unless a provider has refused to take reasonable steps to ensure that its network is configured to industry standards, or has willfully taken steps which make outages and disruptions more likely to negatively impact consumers, the Commission should be careful not to impose additional regulatory obligations and costs, including the costs of refunds or credits, on those providers. Doing so increases the cost of doing business which ultimately flows down to customers, and in the case of a smaller provider, makes it even more difficult to compete against larger, better resourced competitors.
4. The Commission must also ensure that it imposes regulatory requirements only where they are truly necessary. CCSA/ITPA members are rightly proud of their local presence, their focus on the best interests of their customers, and lack of formal complaints to either the Commission for Complaints for Telecom-television Services (“the CCTS”) or to the Commission itself. Service issues with small service providers rarely, if ever, rise to the level of severity experienced by the large incumbent providers

because their networks are not as extensive or complicated, and because CCSA/ITPA members cannot afford to let their customer service standards slip. This is true even in the case of ITPA members in their regulated traditional incumbent operating territories, where the national wireless carriers exert significant competitive pressure. The competitive impacts of large, widespread outages could be catastrophic.

5. The CCSA/ITPA believes that this proceeding, as well as certain provisions of the Governor-in-Council's 2023 Policy Direction to the CRTC¹ ("the Policy Direction") have their roots in the widespread Rogers Communications outage in 2022 that impacted millions of Canadians and continues to reverberate across the telecommunications landscape. There is no denying the scope or impact of the Rogers outage, nor is the prospect of similar outages on the Bell Canada, TELUS or large incumbent cable company networks any less daunting and concerning for politicians, regulators, businesses and ordinary Canadians.

6. However, the Commission should not assume a one-size-fits-all response is appropriate for all providers in the case of all outages and disruptions. A similar outage on a CCSA/ITPA member network would not have the same wide-reaching impacts, would not affect nearly the same number of customers, and does not require the same regulatory response. Our networks are simpler and smaller, and as a result, problem resolutions are often quicker. In many cases the desks of senior staff, even the owners/operators, are just down the hall from customer relations staff and senior staff are alerted to issues quickly so that they can be resolved quickly.

7. At the same time, imposing the additional requirements contemplated in this proceeding would have a significant negative impact on CCSA/ITPA members which is potentially more significant than that incurred by the large operators. This, taken with the fact that CCSA/ITPA member customers do not have cause to complain about service

¹ *Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy*, SOR/2023-23, 10 February 2023.

outages the way that customers of large incumbent companies do, means that the Commission does not need to, and should not impose these obligations on smaller providers.

8. In light of this, the CCSA/ITPA submits that the Commission does not need to focus its regulatory efforts in this proceeding on smaller service providers,² and should not require that any new requirements determined in this proceeding apply to them.

9. In the sections which follow we argue that the Commission should not impose the obligations in this proceeding on CCSA/ITPA members for the following reasons;

(a) by focussing on the large ILECs and Cablecos the Commission will address outages and disruptions for approximately 90% of the telecommunications market, and approximately 95% of the BDU market³, achieving its regulatory objectives for this proceeding;

(b) customers of CCSA/ITPA member companies do not need to complain to the CCTS or the Commission to the same extent as customers of the large ILECs and Cablecos;

(c) competitive market forces will require smaller companies to proactively respond to any new measures imposed by the Commission, making the imposition of additional regulatory measures unnecessary; and

(d) imposing additional requirements where they are not needed will only make it more difficult for smaller providers to compete in their markets.

10. The CCSA/ITPA has provided responses to the Commission's specific questions in the Attachment. We have tried to be as helpful as possible in our responses to the

² For the purposes of this proceeding, CCSA/ITPA defines smaller service providers as those other than the largest Incumbent Local Exchange Carriers (“ILECs”), incumbent cable companies (the “Cablecos”), and all of the affiliates and flanker brands of these collectively dominant carriers.

³ Communications Monitoring Report 2019, ‘sector composition’ found here: https://crtc.gc.ca/eng/publications/reports/policymonitoring/2019/cmr7.htm?utm_source=chatgpt.com#a3.1

Commission's questions, including in some cases to respond notwithstanding our position that the obligation or issue in question should not apply to CCSA/ITPA members. In those cases, our responses are without prejudice to our underlying position that those obligations should not be imposed on those companies.

The Commission does not need to impose additional obligations on smaller service providers to achieve its regulatory goals

11. As noted above, CCSA/ITPA believes that it would not be appropriate to apply the measures being considered in this proceeding on smaller service providers for the following reasons: (a) by focussing on the large ILECs and Cablecos the Commission will address approximately 90% of the telecommunications market, and approximately 95% of the BDU market⁴; (b) the very few complaints by customers of CCSA/ITPA member companies to the CCTS or the Commission demonstrates that outages and disruptions are not the same regulatory concern for smaller providers as they are for customers of the large ILECs and Cablecos; (c) competitive market forces will require smaller companies to proactively respond to any new measures imposed by the Commission, and (d) imposing additional requirements where they are not needed will only make it more difficult for smaller providers to compete in their markets. The Commission can and should focus its efforts in this proceeding on the large ILECs and Cablecos which are the source of the most widespread and most impactful outages and service disruptions, particularly in respect of mobile services. The Commission can afford to focus exclusively on those companies and to rely on competitive market forces to exert sufficient pressure on the remainder of the industry.

⁴ Ibid.

A. The Commission achieves its objectives by regulating the large ILECs and Cablecos

12. The latest publicly available industry statistics point to the continued collective dominance of the large ILECs and Cablecos across all residential markets in the Canadian telecommunications industry:

- In the residential wireline voice market the ILECs and Cablecos collective market share of telephone lines in 2023 was 88% or 5.5 million telephone lines;⁵
- In the residential Internet access market, the ILECs and Cablecos collective market share of service subscriptions in 2023 was 86%, or 13.1 million subscriptions⁶; and
- In the mobile subscriber market, the top three national wireless carriers' subscribers market share (Bell, TELUS, Rogers including these companies' flanker brands) in 2023 was 87%⁷ or 32.2 million subscriptions⁸.

13. Table 1 summarizes the market dominance of the largest Telecommunications Service Providers ("TSPs") in Canada:

⁵ CRTC Communication Market Reports, Open Data, Telecommunications sector, Local and Long Distance, Table 3, LLD3, *Residential and business local telephone lines by type of TSP (thousands), 2103-2013*. It is the ITPA's understanding that its members' data are included in the ILEC information, however removing ITPA member information would not have material impact on the numbers reported in this section.

⁶ CRTC Communication Market Reports, Open Data, Telecommunications sector, Retail fixed Internet, Figure 4, N-F4, *Residential Internet service subscriptions, by type of service provider (thousands), 2013-2023*.

⁷ CRTC Communication Market Reports, Open Data, Telecommunications sector, Retail Mobile, Figure 9, MB-F9, *Mobile subscriber market share of Top 3, flanker brand and other providers (%)*, 2014,2023.

⁸ Calculated using 2023 Top 3 (incl. flankers) and CRTC Communication Market Reports, Open Data, Telecommunications sector, Supplementary Table 5, MB-S5, *Number of mobile subscribers in Canada (millions)*, 2013-2023.

Table 1
Market Dominance by the Large ILECs and Cablecos

Market	Collective Market Share
Wireline Voice	88%
Internet Access	86%
Wireless	87%

14. By focussing on the large ILECs and Cablecos, the Commission can be assured that it will directly address almost 90% of the telecommunications market and that any new regulatory measures, applied across so much of the market will trickle-down and have a positive impact on the entire market. Small service providers will have no choice but to make best efforts to meet customer expectations generated by any new standards.

15. As further proof of the direct reach of any new standards applied to the large ILECs and Cablecos, CCSA/ITPA notes the CCTS’ comments in its 20 February 2025 intervention in the proceeding launched by *Making it easier for consumers to shop for Internet services* Telecom Notice of Consultation CRTC 2024-318, 4 December 2024 (“TNC 2024-318”) to the effect that consolidation within the industry has resulted in broader application of the Internet Code:

The Internet Code applies to large facilities-based Internet service providers. Mergers and acquisitions in recent years have led to the consolidation of many telecom service providers. As a result of this industry consolidation, the Internet Code applies to a broader range of Internet service providers, since the CCTS applies the Internet Code to the large facilities-based providers’ related brands and affiliates. The Internet Code applies to 60 Internet service providers.⁹ (emphasis added)

⁹ Paragraph 67.

16. Consolidation in the industry has already resulted in a wider application of regulation to more brands and entities, resulting in more direct application of that regulation. However, that consolidation also increases the pressure on smaller providers who are not directly subject to those requirements to live up to them. During the ITPA's appearance at the oral hearing associated with TNC 2024-318, an ITPA panel member stated:

2282 We maintain that the Internet Code applies significant indirect pressure on the entire market in two ways. It sets expectations in customers' minds as to what kind of behaviour and information they can generally expect as they shop; and, the "expectation approach" used by the Commission for non-Code companies, and which we would continue to accept, casts a long shadow that exerts pressure on decisions regarding marketing materials and websites. The Code reinforces ITPA members' historical respect for the values of transparency, price certainty and clarity in their offers. (emphasis added)

17. The CCSA/ITPA can confirm that the "long shadow" that the current codes exert on their member companies would also apply in the context of outages and disruptions.

18. In its 26 March 2025 reply comments in TNC 2024-318, the CCTS agreed that the expectation approach is enough to effectively extend the obligations in the Internet Code to smaller providers given the industry-wide effect of applying any new regulatory measures on the companies directly caught by the Internet Code:

Established broadband rules in the Internet Code would create an industry-wide expectation that all ISPs clearly inform consumers about key offer terms, even if some smaller ISPs to whom the Internet Code does not apply are not required to provide broadband labels. (emphasis added)

19. This is independent confirmation of the CCSA/ITPA’s view that it is not necessary to impose the requirements in this proceeding on non-Code companies.

B. The lack of complaints by CCSA/ITPA customers shows that additional regulation on smaller providers is unnecessary.

20. Statistics from the latest mid-year report by the CCTS (1 August 2024 – 31 January 2025)¹⁰ indicate as follows:

- Five Participating Service Providers (PSPs) make up 72% of all accepted complaints: TELUS, Rogers, Bell, Shaw and Fido.
- Of the 104 CCSA/ITPA members only 15 were the subject of complaints to the CCTS over the six-month reporting period. Between them, these companies received only 35 complaints, an average of just over two complaints per company.

21. To put these numbers into perspective, the CCTS received 11,909 complaints over the six-month period in question (a rate of approximately 65 per calendar day) and only 35 of those complaints, received over the course of the entire six-month reporting period, pertained to CCSA/ITPA member companies. 69 CCSA/ITPA member companies received *no CCTS complaints* over the six-month period in question. This evidence demonstrates that small providers typically proactively resolve small issues before they become large issues.

22. Small Incumbent Local Exchange Carriers (“SILECs”) are also required to file annual Quality of Service reports with the Commission pursuant to paragraph 147 of

¹⁰ *Mid-Year Report August 1, 2024 – January 31, 2025 – Executive Summary – About the numbers - https://pub.ccts-cprst.ca/2024-2025-mid-year-report/?_gl=1*3w2kc0*_gcl_au*MTgxMDExMzcuMTc2MTU3NTQwNg.*

Regulatory Framework for the small incumbent telephone companies – Decision CRTC 2001-756, 14 December 2001. These reports relate to SILECs' incumbent operating territories and their wireline voice services. Of the five reporting categories required by the decision, category e) is the most relevant to compare with customer complaints to the CCTS in forborne areas of the country, since these category e) complaints likely entail an escalation of the complaint by the customer beyond front-line customer relations staff. Category e) is as follows:

e) the number and nature of written and verbal complaints addressed to officers and/or department heads of the telephone company and/or to the Commission.

23. ITPA members' latest reports¹¹ to the Commission, filed on 2 April 2025, covering all of 2024, reported *cumulatively* across the twenty-one ITPA member companies that only 30 written or oral complaints were addressed to officers and/or department heads of the members and/or to the Commission. Fifteen of the 21 ITPA member companies reported no complaints under category e).

24. When considered together, CCTS complaint statistics and ITPA members' quality of service reports, provide strong evidence that additional regulatory measures/obligations are not required for the small portion of the market that is not under the control of the large ILECs and Cablecos.

¹¹ Reports are available at: <https://www.crtc.gc.ca/PartVII/eng/2002/8638/c12-59.htm>.

C. Applying the measures in this proceeding would impose unnecessary burdens on the Commission and smaller providers.

25. CCSA/ITPA would also like to highlight the large number of small TSPs currently operating in the market. According to the Commission's website there are currently 4,719 registered TSPs across the fourteen registration categories. As the CCSA/ITPA will discuss later in this submission and in its responses to the Commission's questions, implementing the technology to respond to a requirement to proactively detect service outages and notify customers would be prohibitively expensive. Tracking the implementation of new measures across this large number of companies, including processing any required reports that may ultimately be required, would be a significant incremental load on an already active Commission.

26. The Commission must also be cognizant of the disproportionate financial and operational impact that potential mandated penalties such as automatic refunds, bill credits etc. will have on small service providers and on retail prices for the services in question. First of all, as it contemplates imposing regulatory measures such as automatic bill credits and augmented customer notification processes the Commission must realize that mandatory bill credits will drive inflationary increases to the prices of the services in question. CCSA/ITPA members report that current retail pricing in any of these markets is based on a best-efforts bargain between the service provider and the customer that does not include active monitoring, service level guarantees and financial compensation, automatic or otherwise for service outages, and certainly not for the many ways in which customers may experience disruptions.

27. Service level guarantees are used by some CCSA/ITPA members but predominantly in the business market and always at a premium on top of standard recurring monthly charges. It is important to note that these premium services always require additional staff support, monitoring technology and incremental equipment at the

customer premises, and result in rates that the vast majority of residential customers would not be willing to pay.

28. Second, the financial impact of potential credits for a full or partial month's service would disproportionately impact a small service provider. With national customer bases, the large incumbents can amortize the cost of credits or rebates over a much larger number of customers, particularly if the outage has only affected a small part of their customer base. In addition, small service providers are less able to cross-market subsidize (i.e. between lower cost urban markets to higher cost rural markets). The majority of CCSA/ITPA members do not offer services in large, low-cost population centres.

29. By way of illustration, the landscape pictured on the ITPA's website (www.itpa.ca) is indicative of the typical geography served by CCSA/ITPA members. For their part, ITPA members' traditional operating territories are comprised of between a single rural exchange and twenty-five rural exchanges with the average coming in at between three and four exchanges. These exchanges remain high-cost service areas with low population densities compared to even suburban areas of Canada. Spreading the impacts of significant financial and operational burdens over a large customer base is simply not possible in these areas. Imposing new regulatory measures dealing with notifications and financial penalties for outages on small service providers also has more significant negative effects on companies of this size given their small employee bases; CCSA/ITPA members cannot easily afford to employ additional employees, with the result that additional regulatory requirements just mean existing staff are stretched further and taken away from other, very important priorities. If too much additional cost and obligation is imposed on small service providers, this may ultimately drive some out of the market, with the resulting negative impacts on competitive market forces.

ITPA and CCSA members already take outages seriously

30. On 9 October 2024, ITPA member companies submitted their responses to the Commission’s questions in this proceeding. These responses provide important insight into the current practices of ITPA members specifically, and are likely indicative of the practices of other small TSPs, with regards to how service outages and disruptions are handled internally and communicated externally to customers. These responses also set the context for this intervention and for the Commission as it considers whether and how to “[build] on the existing consumer protections in place...”¹²

31. ITPA member responses demonstrate that small service providers already take the matter of communication/notification very seriously. This is true for both planned and unplanned network outages. For example, in its response to RFI 1(b),(c) and (d), Huron Telecommunications Co-operative Limited states as follows for Fixed Internet, Television and Telephone services:

Planned outages: HuronTel performs scheduled maintenance between 12:01 a.m. and 6 a.m. on Tuesday through Thursday mornings. If outages are expected as a result of this maintenance, relevant information will be posted on our website, social media and/or phone IVR.¹³

32. One of the smallest ITPA members, Gosfield North Communications Cooperative Limited, informs the Commission that:

¹² NoC 2025-227, paragraph 10.

¹³ By way of explanation, “phone IVR” is the in-bound call handling system used by most TSPs to route calls internally in the most helpful manner to the customer. Phone IVR announcements can be used to alert customers experiencing service issues as to the fact that the service provider is aware of the problem/outage, is aware of the scope of the problem (e.g. which services are impacted over what geography), the steps that are being taken by the service provider and even the anticipated timeline to service restoration. Often the initial reaction of customers in the event of an outage or disruption is to call their service provider and the service provider is able to place service status messages at the front of the response to inform the customer quickly. The positive effect of these phone IVR messages cannot be overstated.

For planned outages, customers are notified three times, 30 days, 15 days and 24 hours in advance of the scheduled work. Communication channels include our company website, social media platforms, and on-site signage at our customer office.

33. For unplanned outages, Execulink Telecom Inc. (“Execulink”) for example indicates that:

Communication of unplanned outages are emailed to impacted customers. Additionally, we send status updates during the outage if we know the resolution will be extended. We also send emails to confirm services have been restored and provide reset instructions if required... we also post on social media and update our telephone IVR¹⁴ and Chat platforms with messages.

34. North Frontenac Telephone Corporation Limited provided the following comprehensive process with regard to unplanned outages:

1. Outage identification through automated internal network management platforms, integrated automatic notifications, and through monitoring customer call volume, emails, and website inquiries.
2. Customer communication via email, text, and the NFTC 1-888 voicemail system. For planned outages or maintenance, notices are issued weeks in advance.
3. Real-time updates on the NFTC website and social media platforms.
4. Ongoing assessment of restoration timelines and continued customer updates via abovementioned platforms.
5. Customer notification of service restoration via email, text, website, social media.
6. Post-outage review to determine root causes, implement preventative measures, and issue customer credits where applicable.

¹⁴ See footnote 5.

35. ITPA member companies' RFI responses also demonstrate the fact that they continually monitor their networks for service outages. In response to RFI 3, Sogetel inc. states that:

We have different types of alarms currently in place in our systems to detect service outages and disruptions, mainly focused on our core network and equipment in our central offices. We also receive information from other service providers, from local authorities and from public safety representatives when a service outage or disruption occurs (*e.g.*, a fibre optic cable was cut because of a road traffic accident). When we learn that an outage or disruption is ongoing, we investigate its cause and scope and take all actions necessary to restore the service as soon as possible, when we have control over the restoration of the service.

36. Brooke Telecom Cooperative Limited states as follows for its retail fixed Internet access services:

(b) ... Able to detect state of ONT and select CPE equipment. Network components delivering the service are monitored for active state.

37. Execulink states as follows for its retail Internet access and home telephony services:

Currently, we are able to detect a service outage or disruption based upon a customer service group/aggregation level. These are a common point of where customers aggregate in our network.

38. These responses confirm that ITPA members already employ extensive “passive” monitoring techniques that are common to the entire telecommunications industry. These techniques involve alarms and other indications of problems that threaten the quality of the user experience and allow the companies to address problems quickly and communicate with customers in a clear and transparent manner. As noted earlier, in many cases the desks of senior staff, even the owners/operators, are just down the hall from customer relations staff and are alerted to issues quickly. Upper management and Board members are easily reachable by customers both at the office and out in the local community.

39. The CCSA/ITPA have highlighted the examples provided above to show that their members already take steps to reduce or eliminate outages and disruptions as much as possible. This notice of consultation was not launched into a vacuum of no outage or disruption management, or no communication with customers in the event of service disruptions. TSPs generate revenue, attract and retain customers by providing reliable service and communicating well and often with customers in the event of disruptions to service and outages. Simply stated, it is in their best interests to do so, especially for small service providers that cannot outspend their larger competitors on branding or technology so need to focus on customer service, including when there is an outage or disruption, to acquire and keep customers. That incentive already exists and is top of mind for all CCSA/ITPA members. In these circumstances, the Commission does not have to impose additional obligations on CCSA/ITPA members to ensure they will communicate extensively with their customers.

40. The CCSA/ITPA’s positions, as set out in the remainder of this intervention and in its response to the questions in NoC 2025-227 flow directly from the measures and consumer safeguards already employed by members in the case of outages or disruptions.

Exempting smaller providers would be consistent with the Commission’s recent policies and approaches

41. In *Telecommunications in the Far North* – Telecom Regulatory Policy CRTC 2025-9, 16 January 2025, (“TRP 2025-9”) the Commission took the notable step of implementing automatic bill credits in the operating territory of Northwestel, but imposing that requirement only on Northwestel, the large incumbent. Automatic bill credits is a requirement the Commission is contemplating in this proceeding. In imposing bill credits only on Northwestel, the Commission recognized the realities on the ground in a competitive market and established several important principles that are directly applicable to this proceeding:

144. ... In contrast, small ISPs provide service in areas where there is some degree of competition, and may have more limited resources available to apply automatic bill credits. Therefore, to balance the benefit to customers with the burden on small ISPs, the automatic bill credit requirement should be imposed on only Northwestel’s terrestrial retail Internet services.

145. Furthermore, requiring automatic bill credits for satellite Internet service would not be appropriate given that several satellite ISPs submitted that most outages are caused by factors outside their control, or result from issues with satellite transport, which is typically provided via a third party.

146. In light of the above, the Commission finds that requiring Northwestel to provide automatic bill credits to its customers for outages to its terrestrial Internet services is warranted. This could incentivize Northwestel to reduce the frequency of network outages and address outages more quickly. While the Commission will not require all ISPs in the Far North to implement automatic bill credits, ISPs that do not already provide them may choose to do so to remain competitive in the market. (emphasis added)

42. First of all, to exempt small service providers in one area of the country from regulatory measures such as automatic bill credits but impose them in other areas where the conditions are essentially the same (large ILECs and Cablecos collectively dominate

the market, smaller providers have more limited resources, etc.) would be inequitable and not good policy.

43. Moreover, small service providers almost always face competition from larger competitors. Customers of these small service providers have the option of switching to the large ILEC, Cableco, national wireless carrier (i.e. Bell, TELUS or Rogers) or another wireline or wireless competitor if they are not satisfied with how their current service provider has handled an outage. In today's market switching service providers has never been easier.

44. In TRP 2025-9 the Commission also recognized that small service providers have limited resources when compared to the incumbent. The CCSA/ITPA have demonstrated that the largest service providers, be they large ILECs, Cablecos or the national wireless service providers dominate the market and have millions of customers, as opposed to customer bases that number in the hundreds or thousands and small employee counts in significantly smaller operating territories.

45. Finally in TRP 2025-9, the Commission also recognized the fact that many factors causing outages are outside of the control of service providers. It is the CCSA/ITPA's position that a smaller provider should not be liable for disruptions or outages that are outside of its control. Many outages result from causes which are outside the control of the provider and increasing the provider's costs in those circumstances is ultimately self-defeating as the increased costs are likely to be passed down to the customer. However, there is also a competitive dimension if additional costs resulting from outage credits are imposed on smaller providers. A smaller provider is less able to increase its prices to include additional regulatory costs because of competition from larger providers. While large providers make annual increases to their rates, smaller providers have not followed suit, in part because to do so would push customers into the hands of their competitors. In these circumstances, any increase in the costs incurred by smaller providers have to

come off the smaller service provider's margins which are already very thin. This leaves fewer resources to compete against the larger providers.

Other Introductory Comments

46. The telecommunications services caught under the Commission's preliminary view are largely forborne and have been so for many years. In a number of its questions the Commission is signalling that it may be considering re-regulating aspects of currently forborne services offered by small TSPs. For example question 4 asks:

(a) Should the Commission set out how refunds to customers are to be calculated and if so, on what basis?

(b) Should the Commission determine the format of refunds...?

and

(d) Should other factors also be considered, including setting a minimum per service outage or disruption...?

47. The CCSA and ITPA are concerned that such measures move the Commission much closer to retail rate regulation. Some of the measures being contemplated would require heavy-handed direct regulation by the Commission which is contrary to the revised Policy Direction's requirement to only regulate where needed.

48. The Commission should ensure that any decision it makes in this proceeding is in line with paragraph 4 of the 2023 Policy Direction, section 5(g) of the Broadcasting Act, and sections 7(c) and (g) of the Telecommunications Act. The Commission needs to be sensitive to the administrative burdens imposed by its decisions as it seeks "to enhance the efficiency and competitiveness, at the national level... of Canadian

telecommunications”. Exempting smaller service providers from the measures being contemplated in this proceeding would accomplish that.

49. Further, the Commission must give consideration to good faith efforts by service providers to remedy disruptions to service in a timely fashion in its decision if it is to be consistent with the 2023 Policy Direction and the Acts’ expectations. Again, exempting smaller providers would accomplish this.

50. Finally for this section, the CCSA/ITPA submit that consumer protection measures (e.g. the imposition of pre-set, automatic financial compensation in the event of outages or disruptions) should not amount to a penalty/punishment regime for service providers and especially for small service providers. CCSA/ITAP members strive to minimize customer inconvenience by providing local and tailor-made customer care as evidenced by industry complaint statistics. The Commission’s goal should be to encourage all service providers to treat customers in a clear and transparent manner through a best practices lens rather than establishing a system of financial penalties.

Conclusion

51. In conclusion, the CCSA/ITPA respectfully submit that the Commission’s objectives in this proceeding can be fully achieved by focusing regulatory measures on the large ILECs and Cablecos, whose networks dominate the Canadian market and whose outages have the most widespread and damaging impacts. Smaller providers already demonstrate strong customer service practices, proactive outage management, and minimal complaint levels, all without the need for additional regulatory burdens. Extending obligations such as automatic credits or enhanced monitoring to small providers would impose disproportionate costs, undermine their competitiveness, and risk reducing consumer choice in rural and high-cost areas. By tailoring its approach to the realities of market dominance and existing consumer safeguards, the Commission can

protect Canadians effectively while preserving the viability and responsiveness of smaller service providers.

*** End of Document ***