



## Telecom Decision CRTC 2018-475

PDF version

References: 2018-98 and 2018-98-1

Ottawa, 17 December 2018

*Public record: 1011-NOC2018-0098*

### Lower-cost data-only plans for mobile wireless services

*In Telecom Notice of Consultation 2018-98, the Commission directed Bell Mobility, RCCI, and TCI (collectively, the national wireless carriers) to file proposals for national lower-cost data-only mobile wireless service plans.*

*The introduction of these lower-cost data-only plans will assist in addressing a previously identified gap in the market by bringing a variety of new plans to the market that were not previously available, with a mix of prices and data capacities, on both a prepaid and postpaid basis, and on both the 3G and LTE networks.*

*However, even with these new lower-cost choices for Canadians, the Commission considers that there is more work to be done to further improve competition, reduce barriers to entry, and address any concerns about affordability and service adoption in the broader mobile wireless service market. The Commission intends to assess such issues in its upcoming review of mobile wireless services.*

*To ensure that the national wireless carriers meet their commitments with respect to the plans, the Commission **directs** the national wireless carriers to (i) submit information concerning their lower-cost data-only plans implemented as a result of this proceeding every **six months**, and (ii) confirm, within **90 days** of the date of this decision, whether the plans have been introduced in the market as expected. The Commission also encourages the national wireless carriers to continue to improve their offerings to respond to consumers' needs and expectations.*

### Background

1. In Telecom Decision 2017-56, the Commission made a number of determinations with respect to the terms and conditions of the Commission-mandated wholesale mobile wireless roaming services (wholesale roaming) provided by Bell Mobility Inc.

(Bell Mobility), Rogers Communications Canada Inc. (RCCI),<sup>1</sup> and TELUS Communications Inc. (TCI)<sup>2</sup> [collectively, the national wireless carriers].

2. On 1 June 2017, in Order in Council P.C. 2017-0557 (the Order in Council), the Governor in Council referred Telecom Decision 2017-56 back to the Commission for reconsideration.<sup>3</sup> The Governor in Council, among other things, expressed concerns regarding choices of innovative and affordable mobile wireless services, particularly for Canadians with low household incomes. Specifically, the Governor in Council indicated that Canadians pay high rates for mobile wireless services, and that innovative business models and technological solutions can result in more meaningful choices for Canadian consumers, especially those with low incomes.
3. In response to the Order in Council, the Commission initiated a public proceeding, which led to Telecom Decision 2018-97. In that decision, the Commission determined that there was a gap in the market with respect to lower-cost data-only plans, and that if more lower-cost data-only options were available in the market from wireless carriers, consumers would be further empowered to use the voice and messaging applications of their choice when and where they want, using a combination of Wi-Fi access and cellular networks.<sup>4</sup>
4. The Commission therefore issued Telecom Notice of Consultation 2018-98 with the intent of ensuring that lower-cost data-only plans be made broadly available to Canadians. To that end, the Commission considered that the focus of the proceeding should be on the national wireless carriers, given their broad network coverage.
5. Accordingly, the Commission directed the national wireless carriers to file proposals for national lower-cost data-only plans, including a fulsome description of the terms and conditions associated with their plans, taking into account the Commission's views that these plans should be available
  - on the latest mobile wireless network technology,

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<sup>1</sup> In the proceeding that led to that decision, submissions were received from Rogers Communications Partnership (RCP). RCP ceased to exist on 1 January 2016. All of RCP's business activities, including its assets and liabilities, are now held by RCCI. For ease of reference, "RCCI" is used in this decision.

<sup>2</sup> In the proceeding that led to that decision, submissions were received from TELUS Communications Company (TCC). However, effective 1 October 2017, TCC's assets were legally transferred to TCI and TCC ceased to exist. For ease of reference, "TCI" is used in this decision.

<sup>3</sup> The Order in Council required the Commission to reconsider whether other forms of connectivity, such as Wi-Fi, should be included in the definition of "home network" for the purpose of establishing what constitutes incidental (rather than permanent) use of a host network under the relevant wholesale roaming tariff. The Commission was directed to examine, among other things, whether such a change would have a positive impact on the affordability of retail mobile wireless services.

<sup>4</sup> In Telecom Decision 2018-97, while the Commission maintained its determinations set out in Telecom Decision 2017-56, it also indicated that the mobile wireless service market had been subject to limited resale competition since the establishment of the regulatory framework for these services in Telecom Regulatory Policy 2015-177, and announced its intent to initiate a review of its mobile wireless service framework in early 2019.

- to all consumers, and
  - on both a prepaid and postpaid basis.
6. The Commission also sought comments on, among other things, (i) whether a price ceiling is necessary and, if so, what that ceiling ought to be; (ii) whether a minimum capacity threshold is needed and, if so, what that threshold ought to be; (iii) whether other aspects or attributes are necessary and, if so, what those ought to be; and (iv) whether it would be appropriate for the Commission to impose a condition of service pursuant to section 24 of the *Telecommunications Act* (the Act) to ensure that lower-cost data-only plans are broadly available to consumers.<sup>5</sup>

## **Responses to Telecom Notice of Consultation 2018-98**

### **National wireless carriers' initial proposed plans**

7. The national wireless carriers initially proposed the following lower-cost data-only plans:
- Bell Mobility proposed a plan with 500 megabytes (MB) of data for \$30 per month, available on both a prepaid and postpaid basis;
  - RCCI proposed a 400 MB plan for \$25 per month, available on both a prepaid and postpaid basis; and
  - TCI proposed \$30 monthly plans with 500 MB of data on a postpaid basis and 600 MB of data on a prepaid basis.
8. The national wireless carriers submitted that these proposed plans would meet the Commission's objectives, since they would be available on the latest mobile wireless network technology (e.g. long-term evolution [LTE]), to all customers, on both a prepaid and postpaid basis.
9. The Commission received interventions regarding the proposed plans from various consumer groups; groups that deal with issues of accessibility for Deaf, deaf-blind, and hard-of-hearing (DDBHH) individuals; telecommunications service providers, the Competition Bureau; and nearly 650 individual Canadians.
10. While Quebecor Media Inc., on behalf of Videotron Ltd. (Videotron), submitted that the national wireless carriers' proposed plans would meet the Commission's expectations, most of the interveners indicated that the plans were wholly inadequate. They generally submitted that the plans (i) did not provide a sufficient amount of data, (ii) were too expensive, and (iii) compared poorly with other mobile wireless

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<sup>5</sup> Section 24 of the Act states that the offering and provision of any telecommunications service by a Canadian carrier are subject to any conditions imposed by the Commission or included in a tariff approved by the Commission.

service plans and data add-ons that are available in the Canadian retail mobile wireless service market. They also submitted that the prices per gigabyte (GB) of data were significantly higher than (i) in other tiers of the retail market, and (ii) the associated costs of mobile wireless data in the wholesale market. Some interveners further submitted that other attributes or options should be available with these plans, for example, a range of data allotments, the option to add voice or text services, and/or the addition of lower-cost third-generation (3G) options.

11. Several consumer groups, namely the Manitoba branch of the Consumers' Association of Canada (CAC) and the Aboriginal Council of Winnipeg (ACW) [collectively, CAC-ACW], the Forum for Research and Policy in Communications (FRPC), and the Public Interest Advocacy Centre (PIAC) submitted that (i) the Canadian mobile wireless service market is highly concentrated and not competitive; (ii) international comparisons put Canada below a significant number of other countries in terms of service penetration, price, and usage; and (iii) service prices have declined by a much lower margin in Canada than they have in comparable countries. They also submitted that there is an ongoing inclusion gap relating to affordable mobile wireless services, as evidenced by the fact that individuals with lower incomes in Canada subscribe to mobile wireless services in significantly lower numbers than their higher-earning counterparts.
12. In addition, the Deaf Wireless Canada Consultative Committee (DWCC), the Canadian Association of the Deaf, the Canadian National Society of the Deaf-Blind, Inc., and Deafness Advocacy Association Nova Scotia (collectively, DWCC et al.) and Maple Communications Group Inc. submitted that the national wireless carriers' proposed plans were insufficient to satisfy the current wireless communications needs of DDBHH Canadians.
13. In response, DWCC et al. and each of the consumer groups proposed their own alternative lower-cost data-only plans based on, among other things, their assessment of appropriate data allotments<sup>6</sup> and different pricing models/methodologies.<sup>7</sup> CAC-ACW, DWCC et al., the FRPC, and PIAC each supported their positions in part through the use of surveys.<sup>8</sup> The Canadian Internet Policy & Public Interest Clinic (CIPPIC) and OpenMedia Engagement Network (OpenMedia) [collectively, CIPPIC-OpenMedia] gathered submissions from 8,015 individuals on the topic of more affordable data options.

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<sup>6</sup> These proposals included plans on 3G and LTE networks; plans with higher data allotments; plans with a wide range of data allotments (e.g. from 100 MB to 10 GB); and a "Flex plan," which would provide a small amount of data at an entry-level price, and for which increased use of the network would trigger correlative increases in the rate.

<sup>7</sup> For example, PIAC used, as a starting point, the wholesale roaming rates approved by the Commission; the Canadian Internet Policy & Public Interest Clinic and OpenMedia Engagement Network calculated a price per GB by subtracting the price of an unlimited talk and text plan from the price of an unlimited talk and text plan with 10 GB of data; and the FRPC used the median prices among member countries of the Organisation for Economic Cooperation and Development.

<sup>8</sup> However, in certain cases these surveys addressed issues beyond the scope of the proceeding.

14. In their reply comments, the national wireless carriers submitted that the Canadian market for mobile wireless services is robust, featuring world-class networks, and offers great choices for Canadians and declining prices, resulting in continued market growth and high adoption rates. They also submitted that the plans proposed by interveners were not realistic, since they were based on unwarranted assumptions or inappropriate manipulations of data, and that they failed to appropriately account for costs.
15. Notwithstanding the above, Bell Mobility indicated that it would provide a 2 GB data add-on to its customers with disabilities in conjunction with its lower-cost data-only plans to ensure that the needs of persons with disabilities are met.

**National wireless carriers’ revised proposed plans**

16. In light of, among other things, concerns regarding the value of their initial proposals, the national wireless carriers were asked interrogatories on a number of issues, including whether they could improve upon their plans and propose alternative lower-cost data-only plans that would address the concerns raised by parties and meet the expectations of Canadians reflected on the record of the proceeding.
17. In response, the national wireless carriers proposed the following revised plans, all of which would be offered through their various flanker brands (i.e. Virgin Mobile Canada [Virgin], Koodo Mobile [Koodo], Public Mobile Inc. [Public Mobile], chatr mobile [chatr], Fido Solutions Inc. [Fido], and Lucky Mobile):<sup>9</sup>

**Bell Mobility**

Brand	Type of plan	Price/month	Data/month	Network
Virgin Mobile	Prepaid and postpaid	\$28	1 GB	LTE
Lucky Mobile	Prepaid	\$15	500 MB	3G

**RCCI**

Brand	Type of plan	Price/month	Data/month	Network	Voice and text allowance
Fido	Prepaid and postpaid	\$15	250 MB	LTE	Unlimited text and picture messaging
		\$25	500 MB		
		\$30	1 GB		

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<sup>9</sup> Flanker brands are affiliated entities operated by mobile wireless carriers that are branded and marketed separately from their main service offerings.

chatr <sup>10</sup>	Prepaid	\$15	250 MB (customer must enrol in pre-authorized payment plan)	3G	100 outgoing Canada-wide voice calling minutes, unlimited incoming calls, unlimited Canada-wide text and picture messaging
		\$25	500 MB + additional 500 MB if customer enrolls in pre-authorized payment plan		Unlimited incoming voice calls, unlimited Canada-wide text and picture messaging

### TCI

Brand	Type of plan	Price/month	Data/month	Network
Koodo	Postpaid	\$30	1 GB	LTE
Public Mobile	Prepaid	\$30	1 GB	LTE

18. Bell Mobility and RCCI submitted that their revised plans meet the needs and expectations of Canadians expressed on the record of the proceeding and address the Commission's general intentions and specifications.
19. Bell Mobility submitted that its revised plans under Virgin Mobile provide twice as much data at less than half the price per GB compared to the initial plans, and that its new Lucky Mobile 3G plan offers the same amount of data as in its initial proposal at half the price.
20. RCCI submitted that its revised proposal recognizes that within the lower-cost data-only segment, customers have different needs. RCCI also submitted that its revised plans would help to cut mobile wireless service spending in households with low incomes and attract new subscribers.
21. TCI submitted that the 1 GB of data in its revised plans would enable customers to meaningfully participate in the digital economy, and that it would be appropriate to view lower-cost data-only plans as a complement to primary Wi-Fi use. In TCI's view, this data allotment would far exceed what would be reasonably necessary as a complement to such use. TCI also submitted that in addition to the revised plans, it

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<sup>10</sup> While the other revised plans would be subject to overage fees if a subscriber exceeded their data allowance, overage data under chatr would be throttled until the start of the next billing cycle.

already offers other lower-cost plans under its Public Mobile brand, including a \$20 plan with 250 MB of 3G data and a \$30 plan with 500 MB of 3G data and unlimited talk and text.

22. In its reply comments, Bell Mobility indicated that it would extend its standard accessibility add-on of 2 GB of data to its lower-cost data only plans. As a result of this, the other national wireless carriers were asked an interrogatory regarding whether they would implement similar accessibility measures. RCCI indicated that it would extend its existing Disability Organization Membership Discount program (a discount of \$10 per month for persons with disabilities) to its revised postpaid plans. However, unlike Bell Mobility and RCCI, TCI noted that it had no intention to do so, since there is no voice component in data-only plans and, therefore, no need to apply a measure to supplement additional data for DDBHH consumers, who do not typically use voice services.
23. The national wireless carriers argued that their flanker brands were of comparable quality and availability to their main brands, and were better suited to target value-oriented consumers, thereby aligning well with the target market for lower-cost data-only plans.
24. In response to the revised proposals, CAC-ACW questioned why the national wireless carriers did not put forward their best proposals when they filed their initial plans. CAC-ACW also submitted that the national wireless carriers' revised proposals were not based on consumer needs, and that there was no evidence that they engaged with consumers with respect to their needs regarding plan attributes, such as price or data allowances.
25. CAC-ACW, the FRPC, and PIAC opposed the national wireless carriers' proposals to offer their lower-cost data-only plans under their flanker brands alone, given, among other things, the Commission's intention to make these plans as widely available as possible.

### **Implementation and time frames**

26. With respect to implementation, Bell Mobility indicated that it would introduce its proposed plans 120 days after the Commission issues its decision, since the company would need to undertake several tasks before implementing its plans (e.g. developing the new plans in multiple information technology systems, creating relevant support materials and delivering them to employees, and determining how to integrate the plans into multiple websites and other collateral).
27. RCCI submitted that it could introduce its proposed prepaid plans 100 days after the Commission issues its decision, and its postpaid plans 70 days after the Commission issues its decision. RCCI also submitted that the holiday season is its busiest time of the year, and that if the Commission were to issue its decision before the end of the year, the company might need to extend its launch timelines to accommodate increased customer activity.

28. In terms of duration, the national wireless carriers committed to making their revised plans available at the proposed price, terms, and capacity for a certain period of time (i.e. three years for Bell Mobility, a minimum of two years for RCCI, and a minimum of one year for TCI).

### **Other issues**

29. With regard to the other issues on which comments were sought, CAC-ACW, the FRPC, and PIAC submitted that the Commission should impose a condition requiring the national wireless carriers to offer lower-cost data-only plans. CAC-ACW argued that there is a serious risk that a gap would reappear if the national wireless carriers were free to remove these offerings.

30. CAC-ACW, CIPPIC-OpenMedia, and PIAC submitted that the Commission should mandate lower-cost data-only plans and impose a price ceiling and a capacity floor, given the deficiencies of the national wireless carriers' initial proposed plans. The FRPC submitted that these initial plans, as proposed, have left the Commission with no option but to regulate these aspects of the service.

31. In addition, CAC-ACW, the FRPC, and PIAC submitted that the introduction of lower-cost data-only plans would only represent a stopgap measure until the fundamental deficiencies of the mobile wireless service market are addressed more substantively as part of the upcoming review of mobile wireless services.

32. The Competition Bureau supported the establishment of a condition of service requiring the national wireless carriers to make lower-cost data-only plans available, which, in its view, could address concerns about market power in the Canadian mobile wireless industry and result in an increase in economic welfare and consumer choice. However, it submitted that this condition should be imposed on a temporary basis, until the Commission can establish longer-term, more robust solutions to competition issues that may exist in the market. The Competition Bureau also submitted that the review of mobile wireless services would be both a timely and appropriate venue to explore such remedies.

33. While the Competition Bureau did not put forward a view on the specific plans that were proposed by the national wireless carriers, it did support the use of price ceilings and capacity floors, rather than specified prices and capacity levels, since these mechanisms could allow for some room in the market for competitive differentiation strategies.

34. Some parties that argued for the imposition of price ceilings or capacity floors also argued that the Commission should reassert certain powers under the Act that it has



forborne from exercising in the retail mobile wireless service market, including powers under sections 25 and 27 of the Act.<sup>11</sup>

35. The national wireless carriers, as well as Cogeco Communications Inc. (Cogeco); Bragg Communications Incorporated, carrying on business as Eastlink (Eastlink); Saskatchewan Telecommunications (SaskTel); Shaw Communications Inc. (Shaw); SSi Micro Ltd. (SSi); Videotron, and Xplornet Communications Inc. (Xplornet) submitted that the Commission should not mandate or otherwise impose any conditions on the national wireless carriers' lower-cost data-only plans, since this would have a negative impact on competition.
36. Further, the national wireless carriers, Cogeco, Shaw, SSi, and Xplornet submitted that mandating the national wireless carriers to offer lower-cost data-only plans could have a disproportionately negative impact on regional wireless carriers (e.g. Eastlink, Shaw, and Videotron) by foreclosing this market opportunity for them. The national wireless carriers also submitted that mandating the provision of these plans is not necessary given the commitment to providing such plans.
37. The national wireless carriers, Cogeco, SSi, and Videotron submitted that the Commission should not impose a price ceiling or capacity floor on lower-cost data-only plans, since price regulation would reduce the incentive and the ability of wireless carriers to invest in their wireless networks. TCI argued that rate regulation of lower-cost data-only plans would jeopardize its flexibility to adjust prices and promotions to respond to competitive service offerings and market dynamics.
38. Bell Mobility and Videotron submitted that rather than mandating lower-cost data-only plans, the Commission should state in its decision that it expects the national wireless carriers to implement their revised plans, and note its intention to review the appropriateness of this approach as part of the review of mobile wireless services. However, SSi submitted that even a Commission expectation could harm smaller competitors. TCI submitted that the Commission could monitor the mobile wireless service market to review the success of the lower-cost data-only plans after a certain period of time.
39. Generally, the wireless service providers that participated in the proceeding were opposed to the Commission altering any aspect of its forbearance framework for retail mobile wireless services.

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

40. As indicated above, the initial offerings proposed by the national wireless carriers were underwhelming for many, including consumer groups and individual Canadians.

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<sup>11</sup> Among other things, section 25 of the Act prohibits carriers from providing service otherwise than in accordance with a Commission-approved tariff, and section 27 requires carriers to charge only rates that are just and reasonable, and permits the Commission to adopt any method of determining what constitutes such a rate.

Concerns with the initial offerings were mostly associated with the price of the plans, which were seen as too high, and the proposed data allotments of the plans, which were seen as too low. At that point, given the serious doubt that these proposals were sufficient to appropriately respond to the objective of the proceeding, the national wireless carriers were asked to improve their proposals in light of that objective and the expectations of Canadians and other interveners expressed on the record.

41. The Commission recognizes that the national wireless carriers' revised proposals represent an improvement over their initial proposals. While none of the revised plans on their own would necessarily be enough to fill the gap identified by the Commission with respect to lower-cost data-only plans, their introduction would represent an important step forward in developing and supporting more affordable and innovative mobile wireless services for Canadians and, in particular, for Canadians with low household incomes.
42. Overall, the introduction of the proposed plans in the market would add several new lower-cost data-only options that did not previously exist, under an assortment of brands, with prices ranging from \$15 to \$30 per month for a variety of data allotments (250 MB to 1 GB), offered nationally on a prepaid or postpaid basis on both 3G and LTE, on the same networks as the national wireless carriers' main brands.
43. While certain interveners indicated that higher data allotments should be provided, the Commission is mindful that this proceeding was intended to address a specific and narrow gap in the mobile wireless service market. The Commission considers that the revised proposals would fill a gap for entry-level data-only plans, which would be used primarily through a combination of Wi-Fi access and cellular networks, similar to the kind of Wi-Fi-first service that was discussed in Telecom Decision 2018-97.
44. The Commission also recognizes that these proposals would bring more choice to the mobile wireless service market. The fact that the national wireless carriers all submitted different proposals with a variety of prices, capacities, and characteristics, coupled with the fact that since the start of this proceeding, Shaw has launched two new lower-cost data plans,<sup>12</sup> and Videotron has indicated that it intends to further compete in this market segment, suggests that further competitive activity and rivalrous behaviour is likely to occur in this market segment. The Commission expects that, as a result of this dynamic, the number and variety of lower-cost data-only plans available to Canadians will continue to increase and improve over time, and bring better value to consumers.

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<sup>12</sup> Shaw offers, under its Freedom Mobile brand, (i) a 250 MB plan at \$15 per month, which includes unlimited text messages in Canada and to the U.S., and 100 minutes of Canada-wide talk with unlimited incoming calls; and (ii) a 1 GB plan at \$25 per month, which includes unlimited text messages in Canada and to the U.S., and Canada-wide calling for \$0.05 per minute. These plans are limited to Shaw's mobile wireless network footprint (i.e. subscribers to these plans would have to pay extra charges to roam outside Shaw's network).

45. The Commission further recognizes that while the development of mobile wireless service plans to respond to the accessibility needs of Canadians with disabilities (including DDBHH Canadians) was considered in a previous proceeding,<sup>13</sup> most of the proposals put forward in this proceeding could further respond to the needs of certain members of the DDBHH community. The Commission does not consider TCI's rationale for not applying its accessibility rebate to its proposed plans to be compelling. Nonetheless, a variety of lower-cost data plans that would be eligible for certain accessibility programs for persons with disabilities (i.e. an additional 2 GB of data or a discount of \$10 per month) will be broadly available on a national basis, bringing alternative communications solutions to those subscribers.
46. Concerning the issue of the availability of the plans under the national wireless carriers' main brands versus their flanker brands, the Commission is of the view that the brand under which lower-cost data-only plans are offered would not have an impact on the quality of the mobile wireless service provided, since all the mobile wireless services offered by a wireless carrier are delivered through the same network, regardless of the brand.<sup>14</sup> While there could be differences between the brands of a wireless carrier in terms of the specific options offered,<sup>15</sup> the record demonstrates that subscribers would (i) be able to access similar tools to monitor and manage their data usage, (ii) have access to consumer support for their plans, (iii) have access to numerous points of sale throughout Canada,<sup>16</sup> and (iv) in certain cases, benefit from lower charges (e.g. lower overage rates).
47. With respect to arguments made by certain parties that the Commission ought to mandate the provision of these plans, or specify their required attributes, potentially through the reassertion of certain previously forborne powers under the Act, the Commission notes that the national wireless carriers have committed to making lower-cost data-only plans broadly available to Canadians. Given this commitment, the actions from some wireless competitors, and the Policy Direction<sup>17</sup> requirement to rely on market forces to the maximum extent feasible, it would be appropriate to see how the market responds to these new offerings before considering whether further regulatory measures are required. In this regard, the Commission notes in particular the concerns of wireless competitors that regulatory intervention with respect to lower-cost data-only plans, particularly when it comes to price and capacity constraints, could compromise their ability to successfully compete in this market segment.

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<sup>13</sup> See paragraphs 211 to 217 of Telecom Regulatory Policy 2016-496.

<sup>14</sup> For instance, while Lucky Mobile offers services at 3G network speed, it still uses Bell Mobility's network to provide them.

<sup>15</sup> For example, the national wireless carriers may offer data sharing capabilities or protection plans for accidental damage under their main brands, but not necessarily under their flanker brands.

<sup>16</sup> The record shows that the national wireless carriers' flanker brands are generally offered at a roughly equivalent number of locations as their main brands and, in some cases, are offered in more locations.

<sup>17</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, Order in Council P.C. 2006-1534, 14 December 2006

48. The Commission considers that, while the introduction of these plans represents a step in the right direction towards improving lower-cost options for consumers, there is more to be done to further improve competition, reduce barriers to entry, and address any concerns about affordability and service adoption in the mobile wireless service market. For example, the fact that there was such a gap in the market in the first place and that lower-cost data-only plans would be widely available to Canadians only as a result of this proceeding, may be telling with regard to whether the present state of competition in the mobile wireless service market is meeting the needs of Canadians.
49. As indicated in Telecom Decision 2018-97, the Commission intends to initiate a review of mobile wireless services within one year of the date of that decision. That upcoming proceeding is the appropriate venue to address competitive issues that may exist in the broader mobile wireless service market, including in the retail market, and to consider what, if any, additional regulatory measures are needed with respect to mobile wireless services.
50. In order to assess the market response to the introduction of these plans and to ensure that the Commission is informed with respect to potential follow-up measures that could form part of the review of mobile wireless services, it would be appropriate to require the national wireless carriers to report back to the Commission with pertinent information with respect to their lower-cost data-only plans (e.g. monthly demand for each of the revised plans, information about marketing efforts, and changes in the plans). The Commission considers that it would be appropriate to require the national wireless carriers to file this information every six months.
51. With respect to implementation, the Commission notes that TCI implemented its original and revised plans less than 90 days after it filed its proposals with the Commission. While some national wireless carriers may have specific internal issues that could affect the implementation timeline of new mobile wireless service plans, and while the revised plans may have unique features, the Commission considers that 90 days represents a generally reasonable time frame, and that the national wireless carriers have had sufficient time to prepare and have the required resources to quickly respond to competitors' offerings and innovations in a competitive market.
52. Accordingly, with a view to ensuring that lower-cost data-only plans are broadly available to Canadians throughout the country in a timely manner, the Commission expects the national wireless carriers to implement their revised plans within **90 days** of the date of this decision.
53. In addition, the Commission, pursuant to paragraph 37(1)(b) of the Act, **directs** Bell Mobility, RCCI, and TCI to each submit the following:
- one report **every six months**, concerning their lower-cost data-only plans implemented as a result of this proceeding.

- These reports shall provide the monthly demand by province and/or territory for each of their plans, detail the marketing efforts and activities used to promote the plans,<sup>18</sup> and outline, with appropriate rationale, any changes made to the rate, terms, and/or conditions associated with each plan.<sup>19</sup>
- The first report is to cover the information detailed above from the time the proposed plans are implemented until 30 June 2019, and is to be submitted by **31 July 2019**.
- Subsequent reports are to cover six-month periods (i.e. from 1 January to 30 June, and from 1 July to 31 December) and are to be filed by the end of the following month (i.e. by 31 July and by 31 January).
- a notification to the Commission, via letter, within **90 days** of the date of this decision, as to whether the plans have been introduced in the market.
  - Should the plans not be introduced within this time frame, the national wireless carriers are to justify, with appropriate rationale, why they were not able to meet this expectation, and to notify the Commission via letter when the plans have been introduced.

54. Further, the Commission expects that the lower-cost data-only plans will be available at least until a decision is issued with respect to the review of mobile wireless services. The withdrawal of any of these plans prior to the conclusion of that review may inform the Commission's views on appropriate regulatory measures resulting from that proceeding.

55. The Commission considers that the approach taken in this decision is consistent with the Policy Direction, since it relies on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives set out in section 7 of the Act<sup>20</sup> and minimally interferes with the operation of competitive market forces.

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<sup>18</sup> This should at least include comparisons between marketing activities deployed to promote the proposed plans and similar mobile wireless services, as well as information about staff training activities.

<sup>19</sup> If the national wireless carriers wish to submit information on a confidential basis, they must provide an abridged version for the public record, in accordance with Broadcasting and Telecom Information Bulletin 2010-961.

<sup>20</sup> The policy objectives addressed in this decision are 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications; (f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; (g) to stimulate research and development in Canada in the field of telecommunications and to encourage innovation in the provision of telecommunications services; and (h) to respond to the economic and social requirements of users of telecommunications services.

56. The Commission encourages all wireless service providers to continue to improve their offerings to respond to consumers' needs and expectations, including those with low household incomes and DDBHH Canadians.

Secretary General

### **Related documents**

- *Lower-cost data-only plans for mobile wireless services*, Telecom Notice of Consultation CRTC 2018-98, 22 March 2018; as amended by Telecom Notice of Consultation CRTC 2018-98-1, 10 May 2018
- *Reconsideration of Telecom Decision 2017-56 regarding final terms and conditions for wholesale mobile wireless roaming service*, Telecom Decision CRTC 2018-97, 22 March 2018
- *Wholesale mobile wireless roaming service tariffs – Final terms and conditions*, Telecom Decision CRTC 2017-56, 1 March 2017
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Regulatory framework for wholesale mobile wireless services*, Telecom Regulatory Policy CRTC 2015-177, 5 May 2015
- *Procedures for filing confidential information and requesting its disclosure in Commission proceedings*, Broadcasting and Telecom Information Bulletin CRTC 2010-961, 23 December 2010; as amended by Broadcasting and Telecom Information Bulletin CRTC 2010-961-1, 26 October 2012