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Regulatory

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Ms. Kirsten Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
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Re: Review of Miscellaneous Rates and Charges (EB-2015-0304) Draft Report of the Board – Framework for Determining Wireline Pole Attachment Charges

1. This letter is provided by the Canadian Cable Systems Alliance, Inc. on behalf of its more than 30 members who are independent communications companies operating throughout the Province of Ontario.
2. CCSA is in receipt of the *Draft Report of the Board on a Framework for Determining Wireline Pole Attachment Charges* (“Draft Report”) that was issued by the Board on Monday, December 18, 2017.
3. CCSA has also had the opportunity to review the submissions of Rogers Communications Canada Inc. (“Rogers”) in this matter and completely agrees with and fully supports Rogers’ analysis and conclusions with respect both:
 - a. deficiencies in procedural fairness of the Board’s processes that led to publication of the Draft Report; and
 - b. substantive issues with the quality and correctness of the Nordicity study and the resulting conclusions of the Draft Report.
4. CCSA wishes to emphasize that implementation of a province-wide pole attachment rate of \$52 – an increase of 233% above prior authorized rates over a very short term – and potential future de-regulation of pole attachment rates presents a high risk of



serious harm to both CCSA's Ontario members and the communications customers they serve.

5. Aside from the sheer magnitude of the proposed rate increase, the proposed increase would cause disproportionate harm to CCSA Ontario members, most of whom serve rural and remote communities.
6. The reality is that, in the low-density and often geographically demanding areas that those companies serve, the relevant metrics are expressed in "poles per customer" rather than, as is the case in high-density urban markets, "customers per pole".
7. In such areas, it is generally the case that it will require attachment to more than one - and, in some cases, many - poles to connect a single customer.
8. As a result, the proposed increase would have a seriously disproportionate impact on those small rural service providers, most of whom already face significant economic challenges that are inherent in the provision of communications services to low-density markets.
9. Among other things, the additional costs that would be imposed on CCSA Ontario members by such a dramatic rate increase will necessarily curtail those members' plans to improve and extend the broadband networks they build and maintain to provide communications services to rural communities.
10. That result would run directly counter to the Federal and Provincial Governments' priority objective of extending broadband service to Canadians in rural and remote areas.
11. That result would be a serious disincentive to investment in broadband networks, would perpetuate the "digital divide" and, so, would create a real harm for Ontario citizens and consumers who live and work outside the major urban centres.
12. CCSA notes, as well, that its members who stand to be affected by the proposed increase include both municipalities, such as the Town of Cochrane, and First Nations undertakings, such as Moose Factory, that serve both on and off-reserve indigenous communities.
13. The Board has a statutory obligation to set just and reasonable rates for all customers and classes of customers. CCSA agrees with Rogers that "Telecommunications



Attachers” are a class of customers of the regulated Local Distribution Companies (“LDCs”).

14. The principle of just and reasonable rates must apply not only to residential customers but to Telecommunications Attachers, as a class of customer of the LDCs.
15. CCSA submits that, in light of:
 - a. significant issues with fairness of the process that resulted in the Draft Report;
 - b. significant issues with the substantive analysis underlying the Draft Report;
 - c. the sheer magnitude of the proposed increase and the effects of possible rate de-regulation; and
 - d. the disproportionate harm that such an increase and de-regulation would cause to rural Telecommunications Attacher LDC customers and the Ontario citizens they serve,

such an increase cannot be considered to be just and reasonable and would, therefore, be inconsistent with the Board’s statutory mandate.

16. Further, it behoves the Board to dismiss or reject the Draft Report in its totality, including methodology, and “return to the drawing board” with a more appropriate proceeding.
17. CCSA thanks the Board for the opportunity to provide these comments.

Sincerely,

Christopher J. Edwards
Vice-President, Corporate & Regulatory Affairs