



9 February 2018

Board Secretary
Ontario Energy Board
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Subject: Review of Miscellaneous Rates and Charges (EB-2015-0304) Draft Report of the Board – Framework for Determining Wireline Pole Attachment Charges

WTC Communications is responding to the OEB's call for submissions on its Draft Report – Framework for Determining Wireline Pole Attachment Charges issued December 18, 2017.

WTC Communications is an independent telecom company located in Eastern Ontario that operates as a small incumbent local exchange carrier. The area we serve requires us to rely heavily on aerial distribution by using hydro poles to get our services to our customers who live and work in a rural part of the province.

After reviewing the OEB Draft Report, we have serious concerns about the conclusions of the report. The top concern for WTC Communications is how our ability to invest in broadband infrastructure will be affected with the recommendation to immediately increase the pole attachment rate to \$52. It is already tough enough to make the business case for broadband networks in rural areas. In a time when our industry and every level of government are working together to fill the broadband gaps and improve broadband connectivity this is a step in the wrong direction.

The average number of poles we attach to for each customer is more than two. That means our cost per customer will have increased by almost \$5 per month over the past couple of years just due to pole attachment costs. This number doesn't include any of the other operational expenses that go up every year. Unfortunately, these additional costs will have to be passed onto the end customer.

What doesn't add up is how the proposed rate makes any sense. The Draft Report doesn't contain any details about how the author arrived at a \$52 rate. There seems to be no transparency about how this rate was determined. It also doesn't make sense that pole attachment rates in Ontario are double the average rate in the rest of Canada and quadruple the rates we pay for Bell poles. How does the OEB justify setting rates that are quadruple the rate for a Bell pole that is providing the exact same service?

Another major concern we have is with the author of the report suggesting pole owners should be allowed to charge "market rates". In our service areas there is no "market" of pole owners. Every road we service only has one set of poles, which means the pole owner has a monopoly. We believe the pole rental market needs to remain regulated to ensure sustainability.

If the OEB proceeds with these recommendations then the bottom line is our customers will have to pay more money for their services and we will have to scale back our broadband upgrades and new builds. It



will also keep us from building in less dense rural areas where broadband connectivity upgrades are needed most.

The Board cannot proceed with the recommendations in the Draft Report and needs to abandon it. It will have serious repercussion on broadband connectivity in this province. Furthermore, the OEB should adjust the rates to the old rate of \$22.35 plus inflation until it figures out how to address this matter properly. Finally, the OEB should cede jurisdiction over pole attachments and other support structures to the CRTC.

Yours truly,

A handwritten signature in black ink, appearing to be 'Steve Lynn', with a long horizontal flourish extending to the right.

Steve Lynn
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