

9 February 2018

Email: boardsec@oeb.ca

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, Suite 2700
Toronto, Ontario M4P 1E4

Attention: Board Secretary

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

TBayTel ("Tbaytel") is responding to the OEB's call for submissions on its Draft Report – Framework for Determining Wireline Pole Attachment Charges issued December 18, 2017.

Tbaytel, a small regional wireless carrier and Small Incumbent Local Exchange Carrier ("SILEC") serving Northwestern Ontario and the City of Thunder Bay and environs, is responding to the Ontario Energy Board's ("OEB") call for submissions regarding its *Draft Report – Framework for Determining Wireline Pole Attachment Charges* ("the Report") issued 18 December 2017.

Tbaytel has serious concerns about the conclusions in the Report and in particular, the intention to impose a \$52.00 per pole per year pole attachment rate derived in the Report. These drastic increases are putting in jeopardy the shared goals of expanding broadband, particularly in rural and remote areas, and keeping internet rates affordable.

For Tbaytel, the increase from \$22.35 per pole per year in 2015 for 2015, 2016 and 2017 to \$41.28 for Hydro One Inc., increased our pole line attachment expense by 85%. As a small regional carrier, dealing with thousands of poles is an enormous expense over a fairly large and sparse geographical area.

When you consider Local Distribution Companies ("LDC") like Thunder Bay Hydro and Fort Frances Power Corporation at the proposed rate of \$52.00 per pole per year, the increase for Tbaytel will be 133%.

As a regional carrier which services a mostly rural low-density area, these added expenses of 85% for Hydro One Inc. and 133% for LDCs, could have dire consequences for Tbaytel's



regional expansion plans. Tbaytel will have to re-evaluate its business case for expanding services in unserved or under-served areas in its serving territory.

As Tbaytel is a federally regulated telecommunication service provider ("TSP") regulated by the Canadian Radio-television and Telecommunications Commission ("CRTC"), Tbaytel is required to adhere to the CRTC's rules and regulations. In Telecom Regulatory Policy 2016-496 Basic Service Review dated 21 December 2016, the CRTC stated that *"...Canadians in urban areas as well as rural and remote areas, have access to voice services and broadband Internet access, on both fixed and mobile wireless networks"*.

Further, the CRTC indicated that customers by the end of 2021 will have as a minimum broadband speed of 50 megabits per second for download and 10 megabits per second for upload. This speed is expected to be available to 90% of households with access to the latest mobile wireless technology not only in homes and businesses, but also along major Canadian transportation corridors.

Further, the Government of Canada has indicated that the digital economy i.e. broadband is an essential requirement for Canadians; be it hospitals, businesses and households, wherever they are located.

Accordingly, broadband, either fixed or mobile, is essential for all Canadians at home, at work or at play; first to provide these services and second to provide the speeds the CRTC has approved. This CRTC mandated speed incorporates facilities such as fibre optics cables ("FOTS"). This specialized cable is used not just in urban areas but rural areas and areas that are unserved and/or under-served. To obtain these services, hydro poles are the main facilities TSPs use to attach cable to carry this information and thus an increase being proposed is contrary to this mandate.

Poles in urban settings are used by TSPs to provide the last attachment before servicing the customer, while the rural poles are used to provide the transport to cellular towers. As noted, poles are an essential element of any TSPs service or expansion. For Tbaytel, attaching to these poles is an expense which becomes one of the foundations to providing service or not. Any increase in pole attachment rates is an added expense which a small regional carrier like Tbaytel has to carefully consider in providing services to a sparse population and large geographical serving area.



As a result, Tbaytel asks that the Ontario Government to work with the OEB to set aside its imperfect draft report and set fair and reasonable rates. This could be accomplished by setting a new universal rate by adjusting the old rate of \$22.35 per pole per year for 12 years of inflation or as an alternative, hold a full and proper hearing that meets all the procedural fairness requirements.

Yours truly;

A handwritten signature in dark ink, appearing to read "Dan Topatigh", with a stylized flourish at the end.

Dan Topatigh
President and CEO

Cc The Honourable Glen Thibault, Ontario Minister of Energy glenn.thibeault@ontario.ca

The Honourable Bob Chiarelli, Ontario Minister of Infrastructure
bob.chiarelli@ontario.ca

The Honourable Michael Gravelle, Ontario Minister of Northern Development and Mines
mgravelle.mpp.co@liberal.ola.org

The Honourable Bill Mauro, Ontario Minister of Municipal Affairs
bmauro.mpp.co@liberal.ola.org

Mayor Keith Hobbs, City of Thunder Bay khobbs@thunderbay.ca