After big drop in ISP competition, Canada mandates fiber-network sharing

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In an attempt to boost broadband competition, Canada's telecom regulator is forcing large phone companies to open their fiber networks to competitors. Smaller companies will be allowed to buy network capacity and use it to offer competing broadband plans to consumers.

Evidence received during a comment period "shows that competition in the Internet services market is declining," the Canadian Radio-television and Telecommunications Commission (CRTC) said in its announcement Monday. The CRTC said the "decrease is most significant in Ontario and Quebec, where independent competitors now serve 47 percent fewer customers than they did just two years ago. At the same time, several competitors have been bought out by larger Internet providers. This has left many Canadians with fewer options for high-speed Internet services."

The CRTC hasn't made a final decision on fiber resale. But in the meantime, until a more permanent ruling is made, large telcos in Ontario and Quebec will be "required to provide competitors with access to their fibre-to-the-home networks within six months," the CRTC said. The six-month period is intended to give companies time to prepare their networks and

develop information technology and billing systems, the agency said.

“On a temporary and expedited basis, the CRTC is providing competitors with a workable way to sell Internet services using the fibre-to-the-home networks of large telephone companies in Ontario and Quebec, where competition has declined most significantly,” the agency said. “The CRTC is also setting the interim rates that competitors will pay when selling services over these fibre-to-the-home networks. These rates were chosen to allow Canada’s large Internet companies to continue investing in their networks to deliver high-quality services to Canadians.”

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Advocates for wholesale fiber access welcomed the interim ruling but said that Canada’s regulator should have acted more quickly and forcefully to preserve competition.

Bell protests, says it will cut fiber spending

Fiber-provider Bell protested the ruling by announcing “its intention to reduce capital expenditures by over $1 billion in 2024-25, including a minimum of $500 to $600 million in 2024, money the company had planned to invest in bringing high-speed fibre Internet to hundreds of thousands of additional homes and businesses in rural, suburban and urban communities.”

“Rolling back fibre network expansion is a direct result of the CRTC’s decision,” Bell claimed. The telco said the CRTC’s decision “is arbitrary and capricious” because it doesn’t apply outside Ontario and Quebec.

Telus, another major fiber provider, “said the company is reviewing the interim decision and looking forward to participating in the remainder of the CRTC proceeding,”

according to The Globe and Mail.

For over 20 years, the CRTC has “required large incumbent telephone and cable companies to sell access to their networks under specific rates, terms, and conditions,” the agency said. But fiber access wasn’t previously included.

“In 2015, the CRTC set out separate rules for accessing fibre, which have been so unworkable that 8 years later we *still* don’t have wholesale access to fibre,” according to an April 2023 post by OpenMedia, a nonprofit that advocates for open and affordable networks.

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