

Chief Financial Officer's Report to
Gas, Power and Telecommunications
2018 October 18

ISC: UNRESTRICTED
GPT2018-1069

Federal Review of Telecom, Broadcasting and Radio Act

EXECUTIVE SUMMARY

On 2018 June 5, the Government of Canada Innovation, Science and Economic Development Canada and Canadian Heritage launched its review of the *Telecommunications Act*, *Broadcasting Act* and *Radiocommunications Act*. This review was proposed in the Government of Canada's strategy called "Canada's Digital Future" which addresses the rate of adoption of new technologies with the understanding that "...[Canada's] legislation has not kept pace". The call for comments, which will form the heart of the consultation process, will allow the Broadcasting and Telecommunications Legislative Review Panel to receive written submissions from stakeholders and other interested parties. These written submissions are due on 2018 November 30. The final report and recommendations will be completed by January 2020.

Though advanced wireless networks are attractive to any modern city, a careful balance between municipal and industry interests are important considerations. By participating in the review, The City of Calgary ("The City") may help shape opportunities for new revenue sources such as pole and building attachment licenses and fibre-optic licenses while providing installation standards that preserve safety and aesthetics of the community. Early indications suggest that some proposed legislative amendments will have significant ramifications to municipalities - impacts that could last for decades. The most significant risk that municipalities face is loss of jurisdictional control over some components of municipal infrastructure and assets. This is mainly driven by the proliferation of wireless technologies like 5G/Small Cell, whereby the wireless carriers want access to municipal assets (i.e. streetlight poles, buildings) to install antennas.

The review process is still unclear and may involve multiple consultations until the final report is due in 2020. Administration has no insight into the scope or breadth of the process. Resources are in place to fulfill the first consultation which is a prerequisite to participate in the process.

ADMINISTRATION RECOMMENDATION:

That Gas, Power and Telecommunications Committee:

1. Direct Administration to proceed with preparing and submitting a response to the review questions applicable to Calgary as provided in Attachment 1.

PREVIOUS COUNCIL DIRECTION / POLICY

Council has previously directed Administration to participate in similar undertakings such as:

- a. Canadian Radio-television and Telecommunications Commission (CRTC) Telecom Notice of Consultation CRTC 2013-551 – Review of wholesale services and associated policies;
- b. Petition to the Governor in Council concerning Telecom Regulatory Policy CRTC 2015-326;
- c. Telecom Regulatory Policy CRTC 2017-182 – Next-generation 9-1-1 – Modernizing 9-1-1 networks to meet the public safety needs of Canadians;
- d. Telecommunications Policy Review 2005/2006 – Review of the policy objectives and regulations of *Telecommunications Act*; and
- e. Various other CRTC interventions related to municipal rights of way and municipal infrastructure.

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BACKGROUND

In its 2017 Budget, the Government of Canada announced a new multi-year strategy called “Canada’s Digital Future”. The stated objective of the strategy is to position Canada’s Internet and wireless service providers, creative entrepreneurs and cultural leaders to deal with “...the disruptive changes and increased competition due to globalization”.¹ A key element of that strategy is to completely overhaul and modernize the laws governing television, telecommunications and the Internet. Early indications suggest that some proposed legislative amendments will have significant ramifications to municipalities, impacts that could last for decades.

On 2018 September 24, Innovation, Science and Economic Development Canada launched the “Review of the Canadian Communications Legislative Framework”. This review will be conducted by the Broadcasting and Telecommunications Legislative Review Panel which will “...review the suite of legislation that governs the telecommunications and broadcasting sectors, with a view to ensuring that the Canadian communication sector achieves world-class standards”.

The panel will be reviewing each act against these four themes:

- a. Reducing barriers to access to advanced telecommunications networks for all Canadians;
- b. Supporting creation, production and discoverability of Canadian content;
- c. Improving the rights of the digital consumer; and
- d. Renewing the institutional framework for the communications sector.

Of greatest relevance to The City is “reducing barriers to access by all Canadians to advanced telecommunications networks”, as this potentially impacts access onto municipal assets and lands.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The United States has recently undergone similar regulatory changes. The Federal Communications Commission, which is the American version of the CRTC, enacted a new policy on 2018 August 2 for “Accelerating Wireline Broadband Deployment by Removing Barriers to Infrastructure Investment”. This policy removed municipal authority, which resulted in a limit on the amount of fees that could be applied to the occupation of wireless equipment on poles or facilities and “shock clocks” which grant automatic approval of any application for access that exceeds 60 days.

Stakeholder Engagement, Research and Communication

An internal engagement through a facilitated session was conducted with all business units that responded to the invitation. Business unit priority and interest was assessed through a survey. Information Technology, Corporate Analytics and Innovation, Intergovernmental Affairs, Finance, Law, Transportation (Roads, Transit), Planning and Development and Calgary 9-1-1 communicated a high interest in the consultation.

¹ Government of Canada, *Budget 2017*, p. 107.

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Strategic Alignment

Maintaining jurisdictional authority over municipal assets and lands strategically align with all programs and objectives of The City. Legislative changes will likely impact the extent to which municipalities retain operational control over municipal assets and the ability of the municipality to manage the deployment of 5G and other micro-cell technology.

Social, Environmental, Economic (External)

The orderly deployment of 5G and other wireless technology will mitigate risks to the aesthetics of the community, right-of-way exhaust, road degradation from multiple installations, adverse public perception and potential health and safety risks.

5G deployment has tremendous economic benefits as the technology is being promoted to enable autonomous and connected vehicles, industrial Internet of Things, higher mobile broadband and machine-to-machine communications.

Financial Capacity

Current and Future Operating Budget:

There are no operating budget implications as the work will be completed by City staff already engaged.

Current and Future Capital Budget:

There are no capital budget implications as the work will be completed by City staff already engaged.

Risk Assessment

See Attachment 1 - Questions as set out by the Review Panel. Each question is listed along with a recommendation whether The City should participate in answering the question or not.

REASON(S) FOR RECOMMENDATION(S):

The City has had success when participating in past national consultations. Continued participation in this review process will ensure that municipal interests are heard and preserved at the Federal level.

ATTACHMENT(S)

1. Attachment 1 – Questions as set out by the Review Panel