



December 18, 2019

Chair Rob Gay  
Regional District of East Kootenay  
19 - 24th Avenue South  
Cranbrook, BC V1C 3H8

Dear Chair Gay,

Thank you for taking the time for me to brief you on the impact of a recent CRTC decision that will reduce investment in internet service in rural and remote communities in British Columbia.

The CRTC requires network owners like Shaw to open their networks to third-party resellers who use our infrastructure to resell internet to consumers. The purpose of this regime is to increase competition for consumers. The CRTC sets wholesale broadband rates for network owners to sell internet to these resellers. In August, the CRTC established new wholesale rates that are radically lower than those that have applied since 2016 and require network owners like Shaw to sell access at rates that are below our own costs.

This decision will cause the cable carriers to reduce their investment in broadband infrastructure **by up to 54%**. This reduction in investment, **which could range from \$2.5 billion to \$3.7 billion over the next five years** will have an impact on both the expansion of rural broadband and the aim of keeping British Columbia broadband speeds in the top 10 worldwide which is critical to growing Canada's digital economy.

Last month Shaw Communications, along with other major cable companies in Canada, filed an appeal to the federal cabinet asking them to direct the CRTC to reconsider its decision and when doing so, take a balanced approach to achieving the government's key public policy objectives of affordability, competition, investment, innovation and the expansion of high-speed internet access to rural and remote communities. This is the first time Shaw has filed an appeal to cabinet, which underscores how concerned we are about this issue. To be clear, we are not opposed to third-party resellers, but we are deeply concerned that these new rates will have a negative effect on the growth and quality of the internet in British Columbia.

The Department of Innovation, Science and Industry (ISI) is seeking comments from important stakeholders including local governments before **February 14, 2020**. If you have any questions, please don't hesitate to contact me.

Kind Regards,

A handwritten signature in blue ink, appearing to read 'Kiersten Enemark', with a stylized flourish at the end.

Kiersten Enemark  
Government Relations Director, British Columbia  
Shaw Communications Inc.