

Michael Geist

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News

Unpacking The Policy Issues Behind Bandwidth Caps & Usage Based Billing

February 1, 2011

Over the past few weeks, public interest and concern with Internet bandwidth caps has hit a [fever pitch](#) as ISP policies (Shaw and Primus [announcing](#) caps) and the [CRTC decision](#) on usage based billing has taken to the mainstream – [CBC's the National](#) covered it, George Stroumboulopoulos [discussed](#) it, CBC's Spark interviewed several players on the issue, the Globe has [highlighted](#) business concerns with bandwidth caps, and there have been numerous [op-eds](#) and [media articles](#) on the issue.

The [Stop the Meter Internet petition](#) now has over 200,000 signatories and is growing fast, which may help explain why UBB has emerged as a [political hot potato](#). The NDP was the first to raise it as a [political issue](#) followed yesterday by a response from [Industry Minister Tony Clement](#) (who promised to study the decision carefully “to ensure that competition, innovation, and consumers were all fairly considered”) and the [Liberal Party](#) who called on the government to reverse the CRTC decision.

Yet despite the obvious anger over the issue, there remains a considerable amount of misinformation about what has happened and uncertainty about just what to do about it. This post attempts to unpack the issue, by discussing two related but not identical concerns – the recent CRTC UBB decision and the broader use of bandwidth caps by virtually all large Canadian ISPs.

The CRTC and Usage Based Billing

Much of the public anger has been pointed toward the CRTC and its decisions involving usage based billing for wholesale Internet access ([interim approval](#), [approval for UBB](#), [first review](#), [second review](#)). Anyone taking the time to read the CRTC's decisions will likely arrive at the conclusion that it simply does not know what to do about the issue. In recent months, it has issued several decisions on essentially the same question – can (and under what conditions) Bell impose UBB on the regulated Gateway Access Service (GAS) that is used by independent ISPs? The Commission has ping-ponged back and forth with no clear idea of what it is trying to achieve. The recent decisions have been almost completely devoid of policy analysis or linkages to the framework

supposed to guide the CRTC, leaving the sense that the Commission is making it up as it goes along (the decision involves no analysis of why its approach is consistent with the policy direction, only a flat statement).

The use of UBB is not new. The CRTC approved its use by cable providers over ten years ago. The original reasoning – that cable Internet is shared by hundreds of people and that measures may be needed to address network congestion – may have been reasonable in light of the particular time and technology. However, current UBB regulatory fight involves a much different set of circumstances.

First, the regulated GAS is not an Internet service but rather a connection between end users and the independent ISP. The actual provision of Internet services comes from the independent ISP, not from Bell. Independent ISPs need the GAS in order to reach the end users themselves, since only telco and cable companies have the “last mile” connection to the customer. Many countries require some form of open access to the last mile in order to enhance competition among Internet providers.

Second, while the independent ISPs are independent operators, the recent regulatory history makes it clear that Bell would like to turn them into little more than resellers of Bell’s residential Internet services. By imposing UBB at the wholesale level, Bell ensures that independent ISPs cannot significantly distinguish their services from Bell’s – both will face identical caps, limitations, and deep packet inspection. This will greatly undermine the competitive environment among independent ISPs, who already face enormous challenges competing with large companies that can offer deep discounts on Internet services by bundling a wide range of additional services (local phone, long distance, TV, and wireless).

Third, while Bell [claims](#) that network congestion is to blame for usage based billing, there is ample reason for skepticism about these claims. It should be noted that there is no particular reason for Internet congestion to occur on the Bell network due to the independent ISP’s customers, since their access to the Internet comes from the independent ISP. While Bell would undoubtedly respond that GAS is an aggregated service (meaning the independent ISP customers and its own customers are aggregated over the network), there are mechanisms to address this issue without imposing UBB. For example, Bell could offer independent ISPs a bulk wholesale service that would allow them to allocate the bandwidth as they saw fit based on overall bandwidth usage but without the UBB.

Fourth, arguments in support of UBB are frequently accompanied by the claim that the approach is like a pay-as-you-go service – you pay for what you use. Yet Bell’s UBB plan approved by the CRTC does not function like this. The plan features a 60 GB cap with an overage charge for the next 20 GB. After 80 GB, there is no further cap until the user hits 300 GB. In other words, using 80 GB and 300 GB costs the same thing. This suggests that the plan has nothing to do with pay-what-you-use but is rather designed to compete with similar cable ISP bandwidth caps. In fact, as [Primus](#) has gone further, [stating](#) “It’s an economic disincentive for internet use. It’s not meant to recover costs. In fact these charges that Bell has levied are many, many, many times what it costs to actually deliver the service.”

The right thing would have been for the CRTC to focus primarily on how it can foster greater competition in the ISP marketplace. Instead, its decisions will make it very difficult for independent ISPs to compete using their own service. Since establishing a new connection to end-users is cost-prohibitive at this stage, the competitive environment is severely harmed by wholesale UBB.

Bandwidth Caps in Canada

While the CRTC's UBB decision provides the immediate impetus for public concern, the reality is that the bandwidth cap issue in Canada is far bigger than just this decision. The large Canadian ISPs control 96% market, meaning the independent ISPs are tiny players in the market. Even if the CRTC denied Bell's app for wholesale UBB, it would still only constitute a tiny segment of the overall Canadian Internet market.

As virtually every Canadian Internet user knows, the Canadian market is almost uniformly subject to bandwidth caps – the OECD [reports](#) that Canada stands virtually alone with near universal use of caps. The scale of Canadian caps are particularly noteworthy – while Comcast in the U.S. [imposes](#) a 250 GB cap, Canadian ISPs offer a fraction of that number:

- [Videotron](#) starts at 3 GB for Basic Internet, 40 GB for its next plan and tops at 200 GB for very fast service at \$149/month
- [Rogers](#) Lite service caps at 15 GB, its fastest service stops at 175 GB
- [Bell's Essential Plus](#) service offers a 2 GB per month cap, climbing to 75 GB for its fastest service

The caps are already having a consumer impact as Bell [admits](#) that about 10% of its subscribers exceed their monthly cap (a figure that is sure to increase over time). Moreover, the effect extends far beyond consumers paying more for Internet access. As many others have [pointed out](#), there is a real negative effect on the Canadian digital economy, [harming innovation](#) and keeping [new business models](#) out of the country. Simply put, Canada is not competitive when compared to most other countries and the strict bandwidth caps make us less attractive for new businesses and stifle innovative services.

Addressing the bandwidth cap concern involves far more than reversing the CRTC's poorly reasoned UBB decision, however. Independent ISPs have functioned without UBB for years, yet have struggled to make a serious dent in the overall Canadian Internet services marketplace. Moreover, the CRTC has indicated its preference for "economic measures" to address bandwidth congestion. In other words, it actively encourages ISPs to use bandwidth caps and similar pricing measures, rather than using technology to throttle Internet access.

While it could reverse its approach, the widespread use of bandwidth caps in Canada is a function of a highly concentrated market where a handful of ISPs (literally – Bell, Rogers, Shaw, Telus, and Videotron) control the market that they can impose wildly unpopular measures without much fear of losing customers. Simply put, there are no viable alternatives for most Canadians. Given that losing Internet access is also not an alternative, bandwidth caps will remain in the market for as long as the market remains uncompetitive.

So what should be done?

There are many steps that could be taken, but it all boils down to two main strategies – taking concrete steps to increase competition so that bandwidth capped service becomes one of several models available to consumers and preventing the current dominant ISPs from abusing their position.

Steps to foster greater competition could include:

- nurturing the development of a viable independent ISP market through mandated "open access" without wholesale usage based billing and with mandated speed matching. In other words, try to level the playing field.

between the dominant providers and the independents by rescinding the UBB decision

- open the Canadian market to greater competition by removing foreign investment barriers, particularly wireless broadband services that play a key part of the forthcoming spectrum auction
- work with provinces and municipalities to develop community-based broadband networks that are reliant on the dominant ISPs
- work with Canarie, Canada's research and education high speed network, to link local communities provide alternatives to the dominant providers (I am a Canarie board member)
- impose open access requirements in new spectrum allocation and build open access requirements residential developments, municipal construction, and other initiatives

New competition is essential, but it will realistically take several years before new competitors can make mark on the market. In the meantime, it is also crucial to addressing the potential for abuse:

- The Canadian Competition Bureau has not been active on this file, despite the potential for serious competitive behaviour as the dominant ISPs could use their position to favour their own content (when vertically integrated) or create economic incentives that favour services such as their own video-on-demand over Internet based alternatives (by, for example, counting bandwidth for Internet alternatives against but not the same content offered by VOD). The Bureau should aggressively investigate abusive behaviour as well as questionable marketing tactics.
- Where UBB is used, there should be measures to ensure that they are not used for anti-competitive purposes. For example, there are fears that Bell's wholesale UBB will be applied to IPTV usage by independent ISPs, but will not be similarly applied to Bell customers.
- The Internet traffic management practices issues come into play here as well. The CRTC has been on the disclosure side, but without active audits of ISP practices, it is virtually impossible to know whether throttling practices are needed or deployed largely to harm competitors.
- There is also a privacy dimension that may warrant investigation by the Privacy Commissioner of Canada given the need for monitoring usage in order to levy UBB. This raises privacy questions about possible collection of personal information of independent ISP customers who have no direct relationship with

While there is great anger with the CRTC and the dominant ISPs, we should recognize that the current market is a product of years of regulatory neglect and policy choices that created one of the most converged communications markets in the world. As Canada's global rankings slide down, we are now paying the price for those choices and it will take a concerted policy effort by governments and regulators to put us back on course.

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98 Comments



Chris A

February 1, 2011 at 8:28 am

What it's going to take is a government who actually wants to give some direction in this, set regulations on what ISPs are allowed and not allowed to do, make it have enough teeth that to get the regulations changed requires actual evidence from independent sources (so if Bell we have UBB on the wholesale customers due to congestion, an independent body needs to verify claims and prove that it's not a lack of proper infrastructure spending that caused the problem first place), investment in infrastructure, and definitely opening up the foreign investment. I can't see the Conservatives caring enough, nor the Liberals to be honest.



pat donovan

February 1, 2011 at 8:45 am

killer!

hd, web TV, private nets like traffic cameras, independent ISPs, streaming of police actions, all FAR more expensive now.

what are these loons thinking of, an 100% market share?

packrat



...

February 1, 2011 at 9:02 am

Yep

I've been waiting for this article. Well stated.

Let it be known that my vote next election will likely be driven by this issue alone.



Jason Jones

February 1, 2011 at 9:30 am

It's funny cause it's true...

Great article, very well put, and I, too, would actually change my vote on this one issue alone. It's important to me.



Luke Galea

February 1, 2011 at 9:45 am

Election Issue

Ya, It go as far as saying: my vote will be based on this issue alone. As much as I might have a preference for one party over another, It's hard to imagine any policy decision having as muc term impact to our economy as this.



rider

February 1, 2011 at 10:12 am

Eliminate the problem

Good article Michael but you stop short of the best solution. Turn the last mile service over to municipal governments. Take back what taxpayers long ago payed for and make the internet ubiquitous in our communities.



Wes Harrison

February 1, 2011 at 10:14 am

ditto. this issue is so fundamentally important to our way of life that I will cast my vote in the general election based on which party most closely vocalizes what you have outlined in your Michael. It isn't just this egregious UBB decision that needs to be immediately overturned, but the party I'm going to vote for is the one that is firmly against the anti-consumer attitude of the service providers and is willing to prosecute them based on the clear evidence of collusion. The our government is unwilling to tackle their criminal behaviour because... and I'm 100% sure of some of the biggest corporate donors to the two main political parties are Bell, Shaw, Telus and Videotron. I suspect I'll be voting for the NDP this March. Hi Jack Layton! I had no idea you and I be friends one day.



Alex S.

February 1, 2011 at 10:20 am

The realities of the Canadian market.

As Dr. Geist says, "[the] Canadian market is almost uniformly subject to bandwidth caps - the reports that Canada stands virtually alone with near universal use of caps."

In other words, Canadians are the subjects of a telecommunications experiment without equal to the rest of the civilised world. This cannot stand.

The reversal of the CRTC ruling is absolutely necessary, but only represents a stop-gap measure. In the medium and long-term, Canada needs a more robust and diversified telecommunication infrastructure, free from the likes of Bell and Rogers.

There are some who will say that the sheer size of the Canadian territory makes it impossible; we look at a population density map, we see that's not really the case. The Quebec-Windsor corridor is home to about 60% of the Canadian population, and its total surface area is comparable with that of a regular European country. There are four other major pockets of population: in the Maritimes, the Prairies, in the Edmonton-Calgary area, and in British Columbia.

Once these areas are properly covered by a host of truly independent, competing telco services, it will account for about 95% of the Canadian population. The remaining areas will naturally follow either by means of physical fibre or by WiFi/satellite, simply because a healthy market, coupled with a proper regulatory regime (which we don't unfortunately have at this point) will provide the incentive to expand service coverage.



Mark Evans

February 1, 2011 at 10:26 am

Principal, ME Consulting

Michael,

Great post – as always informative and insightful. Here's a tongue-in-cheek post I did on Tony Clement's statement about the CRTC decision: <http://www.markevanstech.com/2011/02/01/optimists-take-on-clements-broadband-statement/>



Ted

February 1, 2011 at 10:33 am

why not give Bell 4 Billion and nationalize the last mile, let the municipalities run the last mile what they did in France.

7 years ago.....



William Townrow

February 1, 2011 at 10:41 am

Thank you for the write up. I'm staying to fight this for the time being, but if Canada's Internet accessibility is going to be crippled for the next few years or more, I can't guarantee I'm going to stay in this country.

The CRTC's policies will only result in a new increase in high-skill/high-technology workers, entrepreneurs and tax payers fleeing this country. This issue isn't just about media consumption; one who works in the tech industry wants to deal with this level of disrespect and disgustingly impoverished level of Internet service from our ISPs and government. Our jobs are frequently becoming more mobile, with us spending more and more time working from home or on the

I use between 8-10GB per day just to be able to work as a software developer on the projects have. And that's not even including streaming Internet radio while I work.

We need access to some serious bandwidth and at fair prices. We need a more choice. We're going to stand for anything less.

Welcome to Brain Drain 2.0, Canada.



jc

February 1, 2011 at 10:51 am

Mr. Geist,

I never thought i would have to say this but you missed the point. What happens on the highway when you raise the price of gas?

Same goes for the Information Super Highway when you raise the price of GAS, you affect every industry that must use the internet to deliver a product. Thereby increasing the price of the product.

Mr. Geist, this is the most important point of all. We are talking about price fixing, market manipulation and fraud here. Right when the digital revolution has turned to the internet and computers are distributed now without even DVD drives and Apple TV doesn't even have a hard drive. Streaming is the revolution, throw out your blue rays and we are going to see the current old entertainment paradigm fight for survival.

Mr. Geist you have missed what the real battle here is all about. This has nothing to do with ISPs. That is chump change to these companies they are fighting right now for survival and the way is to issue these 20,000% markup rates and engage in regulatory capture.

Oh Mr. Geist you missed the only point.

If i didn't know any better Mr. Geist i would think you were for the illegal price fixing that is going on. .01c for a gig to 2-3 dollars is over 20,000% markup. There is no free market in the world that accept this kind of markup as legal.



Ontario User

February 1, 2011 at 10:59 am

Do you have guts?

Dear Michael Geist, while your article touches important aspects of the Internet market in Canada it is a bit too politically correct. At present Canadian Internet market is an OLIGOPOLY which engages in anti-competitive practices such as barriers to entry, price fixing, collusion, tying non related products, resale price maintenance, lobbying and etc.

When phone and cable companies built the last mile networks, they have been given regulatory protection to recover the investment by allowing to charge more for the service. Such regulatory protection also prevents new competition to enter the market with new technology for a period of time.

time, so that the incumbent would be able to recoupe investment into infrastructure. However the price for the last mile is artificially high it means that the customers eventually pay for the infrastructure, but do not own it. Once the incumbent receives the ROI the regulatory protection is not usually relaxed, hence the incumbent starts earning economic profits.

Under perfect competition the price equals marginal cost. This is definitely not the case in Canada today I was not able to find an ISP which is offering materially different service from Bell or Rogers. All the services are composed of the multi-part tariff not reflective of the actual costs for the service.

Normally there are fixed and variable costs to providing an Internet service. The fixed costs are the maintenance of the infrastructure, electrical power for network devices and etc; and the variable costs are the price to transfer next gigabyte of data. The variable costs in case of Internet are negligibly small compared to the fixed costs. In particular it can be said the price of next gigabyte of data on GAS is asymptotically close to zero since all the network devices are "on" even when they are NOT transmitting (eg sending empty data frames).

The only scarcity on GAS can appear between users which are connected to an overloaded shared segment. However in this case network infrastructure QoS (quality of service) would split the bandwidth equally between the users. That is 100 users downloading a web page at the same time is the same as 100 users downloading HD video at the same time. One user can not be getting more bandwidth. If this is not the case then where does all this research expenditure go to?

Moreover, the demand for the Internet services is not elastic at all. Recent research studies show that Canada was leading in YouTube traffic. The non elastic demand allows ISP incumbents to charge much more for the service than it actually costs and reap economic profits. The purpose of the CRTC is to prevent such behavior, and it has failed miserably. A common practice is to award a monopoly profit, where profit is in the magnitude of 15%, not 150% or more. Presently, in Ontario there are two major ISPs: Bell and Rogers. Both have very similar Internet offerings and practices, up to the point that the only reason to switch from one to another is if there is a promotion. This raises a question: is there anti-competitive collusion between the two. The recent CRTC decision to allow UBB on GAS serves only one purpose to provide an entry barrier to competing small ISPs. The CRTC regulates access to GAS as cost based only since the infrastructure is paid by public and creates a natural monopoly.

I have demonstrated some of the anti-competitive practices of large ISPs in Canada such as price collusion and lobbying for barriers to entry. The recent decision of the CRTC shows that it is pro-lobby, does not exercise its mandate to regulate monopoly and is technologically incompetent. The CRTC clearly states that there is competition in Canada on its website, which is hard to believe.

In my view the CRTC should be disbanded and the GAS should be nationalized as well as cable last mile or alternatively a public funded network should be built and operated at cost based only.

Now my question to you Michael Geist is: "Do you have guts to file a formal complaint against the CRTC and launch a class action suit against Bell, Rogers, Videotron, Shaw and Telus?"





February 1, 2011 at 11:10 am

Engineering Student

Mr. Geist,

You are a credit to this country. Please carry the banner for us: there is nobody in Canada better equipped to represent our interests on this issue.

Sincerely,

A concerned citizen



Crockett

February 1, 2011 at 11:11 am

Pointing out the obvious

When you hear the ISPs say "We just want to charge the Internet hogs more for downloading pirated content & pRon" ... don't believe it. More and more services such as Skype & Netflix are encroaching on the ISPs vertical market products such as home internet phone & video on demand. This is pure anti-competitive behavior which should not be allowed.

Our digital economy (which is only going to increase in % of GNP) is in danger because of corporate greed and predatory practices.

I too will be voting for the party whose policies best reflect these very important issues.

Good Article Michael, but as others have said ... only the tip of the iceberg.



Tired of paying more for less

February 1, 2011 at 11:16 am

Why is my PVR the exact same as the PVR that came out in 2004 and costs exactly the same (\$500 in 2010 for a 160Gb Harddisk?!?! when it cost \$500 in 2004).

They say it is to stop bandwidth hogs. The actual costs to deliver 1 GB of data is far, FAR below what they are charging. They have been granted near monopoly powers, there needs to be regulation. They are slowing down progress and new technologies that require higher bandwidth. Why is my PVR the exact same as the PVR that came out in 2004 and costs exactly the same (\$500 in 2010 for a 160Gb Harddisk?!?! when it cost \$500 in 2004). Technology costs keep going down but these monopolies keep increasing costs and stopping innovation.



Brad Shaw's conscience

February 1, 2011 at 11:26 am

Cloud Computer specialist

Hey - give Brad Shaw and his buddies a break. They need at least \$100m/annum income each

to support their greed.



D. Moore

February 1, 2011 at 11:31 am

not merely about bandwidth

If it were merely about bandwidth infrastructure issues then content from Roger's and Bell would be cap exempt. This is about stifling competition as far as content platforms (ex. Netflix) and skype)



Jake

February 1, 2011 at 11:34 am

Fantastic analysis. This is a must-read for all Canadians.



TorontoGameDev

February 1, 2011 at 11:37 am

Great post!

I'm going to add my voice to the chorus of people saying they will vote based on this issue as living depends on affordable internet access for everyone. And like many others here, I feel that simply rescinding the CRTC's misguided decisions is not enough. The government needs to go forward strongly in support of a Canadian digital economy. We need to do something drastic up for years of regulatory neglect, and my vote will go to the party that can tear away control from incumbent telecoms.



Mike

February 1, 2011 at 11:45 am

new campaign

to pay the CRTC based on Usefulness

Usefulness Based Pay

Check it

<http://www.facebook.com/pages/CRTC-Usefulness-Based-Pay/189843911040626>



Kyle

February 1, 2011 at 11:52 am

Great article. I agree who ever stands up against this in the government will get my vote in th election. This is a big issue and allowing the BIG COMPANIES to just stomp on all others is sac no more real choice because BELL isn't making money like it use to, so they have to do somet this to make some money....they can't think of other ways to make money, so they do somet sneaky as this. BAD MOVE!!! Now internet innovation will surely die and companies will think about coming to Canada to run there companies. Good move CRTC & BELL....kill Canada; nice am MAD!!!



Andy

February 1, 2011 at 12:01 pm

Election Issue

I am MAD, I never vote anybody but PC but this issue alone will change my vote for sure even the current PM do a good job.



davegravy

February 1, 2011 at 12:03 pm

@ Dr. Moore.

I agree with others that you have been too politically correct on the issue. The root of the issu extends beyond internet to the entire telecom industry and the scarcity of communications c media (wireless spectrum and physical wires).

For the record, my election vote will be based mostly on two things: fixed C-32, and a comple overhaul of Canada's telecom industry via sweeping regulation.



Noel

February 1, 2011 at 12:06 pm

This blog post should be require reading for all of the Commissioners of the CRTC and Tony C Can you send it to them?



Robert

February 1, 2011 at 12:09 pm

Appalled at the reaction

We, as Canadians, are so blessed that this is a hot button issue for an election?

People around the world are putting themselves in harm's way in order to form a democracy are dying in poverty and abuse in Canada and abroad and this is THE most imoportant issue tl have for an election? All so that the typical high capacity user can download movies (often pir and porn.

I agree that Canadians should have available access to the internet, which we predominately there is no requirement for unlimited access. Once we quit acting like spoiled kids who have toys taken away we will all be better off.



Adam

February 1, 2011 at 12:09 pm

Internet vulnerable to government control

Citing Andrew McLaughlin in a Techdirt article today: The internet cutoff in Egypt shows how details of infrastructure matter. Despite having no large-scale or centralised censorship appa Egypt was still able to shut down its communications in a matter of minutes. This was possible because Egypt permitted only three wireless carriers to operate, and required all internet service providers (ISPs) to funnel their traffic through a handful of international links. Confronted with demonstrations and fearful about a populace able to organise itself, the government had to c fewer than a dozen companies to shut down their networks and disconnect their routers from global internet.

With so few backbone providers this could happen to us.



Graham Fletcher

February 1, 2011 at 12:12 pm

President, The Internet Centre, Alberta

Here in Alberta we have an alternative to the stranglehold to Bell Telus Shaw – sort of. The Al Supernet is a Government of Alberta owned, private sector managed, fibre network that reaches communities in Alberta. It is flat rate, accessible to all at the same price, unfiltered. The only problem is that Telus has prevented anyone from using the last mile copper in Alberta – a situation unique in North America, with the help of the CRTC.

The whole story is here: (<http://www.incentre.net/content/view/118/1>) but the Supernet is a good start, that could be replicated across the country. After all we don't allow UPS and Greyhound who uses the public highways, why should access to high speed fibre be any different.



Harper's Internet Tax

February 1, 2011 at 12:18 pm

Some perspective on exactly how badly ISPs in Canada are overcharging for data

<http://i.imgur.com/M3G7f.png>



David R

February 1, 2011 at 12:20 pm

A ridiculous notion in this day and age...

I'll have to agree with Michael here. UBB is a ridiculous notion. In the day where we don't have connections anymore, the exclamation of "bandwidth hogs" is outrageous. I remember when a cable provider. Yes, you could tell when a "bandwidth hog" was online because the internet suddenly slowed down. But my ISP soon put on speed caps on our connections so that every a fair share. But nowadays this practice isn't required anymore. We live in a country where our internet service is fast and unshared with our neighbours. (Yes I know that there are a places where a "shared" connection is available due to lack of customers for the ISP to install dedicated connection, but they're in the much much smaller communities)

I myself am an independant software developer. I work with people across the world develop applications and games. Some days I transfer around 500Mb of graphics and code between the code repository, and with my partners. My usage rate has hit over 500Gb some months doing streaming Internet Radio, Internet TV, and my work. And before anyone asks. I'm currently on an uncapped Internet plan that's been grandfathered for 5 years now, and I'm not switching something better comes along. I'm not on the fastest connection out there, but I don't need a 15Gbit connection.

My big question here is... who are we hiring to work for the CRTC? People who've no idea on the capabilities and abilities of technology? Or are these the people who have stock in the big ISPs and plan on making money off of it? Are these the same people who have been making some of the terrible decisions with the Television networks? Or has the CRTC hired a bunch of new people without any clues?

I feel these issues were placed in the hands of those who don't even know what they were making a decision about. Issues like these ones have to be made with the knowledge of how the industry works, and more importantly how the technology works.

In the world that we live in, I know that the ISPs have reclaimed all of their costs for the initial installation of the network, so why do we have to pay more and more each year? Technology has been going down, but our services cost more? I understand that when there's new technology being installed, yes, I may have to pay a little more to help with the initial costs, but then the costs should be getting lower as time goes by. Why hasn't this issue been considered by the CRTC? hasn't anyone in power noticed that we're being gouged for services where the cost for the provider is negligible?



davegravy

February 1, 2011 at 12:24 pm

@Robert

Your apathy is nauseating.

Canadians are thankful we don't have many of the issues that less fortunate countries have but we will still strive for better. If you are satisfied with what we have today and don't have an appetite for progress and an even better life, then it boggles my mind how you can live with yourself.

If you think high capacity internet is and will be used only (or even mostly) for downloading pirated content you are seriously ignorant.

No one is suggesting everyone should have unlimited internet access, but that it should be a competitive market with reasonable markup.



Jim R

February 1, 2011 at 12:53 pm

An admittedly over-the-top solution to this is to allow the ISPs to do UBB if and only if they affiliates do not deliver content in any way, shape, or form. Shaw wants UBB? Fine, then Shaw out of the cable content delivery business. Telus wants UBB? Fine, then Telus drops IPTV. Like over-the-top, but perhaps that's all that the oligopoly understands.



Abi Stewart

February 1, 2011 at 1:03 pm

Usage meter?

Perhaps I am naive but my big question is who will provide the oversight? Will Bell be installin meter with an analog or digital display so I can measure/monitor my bandwidth usage in real and confirm their monthly totals? And I'm not talking about some web-based app that shows month running average. If they want to charge me by the gigabyte, then I want a physical me home with a running total that I can interpret, just like the gas and electrical companies provi Measuring in kWh and m³ the latter are standardized and tested by independent labs prior receiving licensing for use in Canadian markets. With the new internet billing system, how car possibly dispute a claim by Bell that I've exceeded my usage allocation?



davegravy

February 1, 2011 at 1:14 pm

@Abi Stewart

I don't know about other companies, but Rogers has a webpage you can visit which is update your usage on a daily-basis. You receive a notification at 60% and 100% of your monthly cap.

The website goes down a lot and isn't very user friendly.

There are devices you can use to measure you own usage, but good luck dealing with your IS regarding any discrepancies between their records and yours.



G

February 1, 2011 at 1:14 pm

Canada's ICT (D)efficiency

Thanks Dr. Geist. I'm also very concerned about the anti-competitive effects of this decision. I Canadians, we suffer daily by paying more and getting less out of telecom in general (not just internet) in relation to other developed countries. I'm just curious about why the politicians n stand up for Canadian consumer rights? Where is Industry Canada when it comes to competi issues? Is everyone so deep down in the pockets of Bell and big telecom that their blackberri get signal and they can't tell what's going on? We've lost all interest in efficiency for the purpo maintaining Bell's market share and profitability. Since Bell often can't compete, we need to v time and money on implementing the laws and regulations that give Bell a favourable playing In the meantime, we fall further and further behind other developed countries (and some de regarding pricing, services, and general ICT infrastructure. We risk losing businesses and jobs covering the social costs here? Where is the efficiency? Even Berlusconi's Italy provides more ICT services. We should be ashamed. On this issue, I would not mind if we lowered foreign ov requirements.



BootToTheHead

February 1, 2011 at 1:36 pm

What about MTS Allstream?

I've heard MTS Allstream has opposed UBB and that they have their own fibre. I've seen that I have a series of caps but I hear they also don't seem to enforce this all that much. I don't real over that so it's not a big worry for me.

I've been MTS DSL ever since I went high speed and while I was initially tempted by Rogers ca speed I was turned off when caps were enforced there. Then cable's torrent throttling made I of my choice and then their reaction to Netflix's Canada offering just angered me.

Lower caps? Hello? Hasn't technology improved over the last decade so that MORE can be tra at same cost? If they say no then what the heck? The reaction to Netflix was either stupid gut or flat out greed. Is there some kind of average cost per gig chart for these companies that ca up? The public doesn't seem to have a real idea as to the true 'cost' of information transfer wi maintenance and support over the internet.



wellthisstinks

February 1, 2011 at 1:59 pm

well this stinks big time

Actually the moguls and big businesses want to isolate the consumer. It's all about the money

Actually streaming media such as youtube, netflix among many others use bandwidth. if you youtube video for one hour and thirty minutes every day, for month it would come up to 38G download alone. Watching youtube for four hours everyday, for month it would come up 108 there you.

People at Xittel told me this.

I used to listen internet radio. Lotta good songs on there.



anti-ubb

February 1, 2011 at 2:13 pm

Great article!

My vote in the next election will also be based primarily on this issue.



davegravy

February 1, 2011 at 2:15 pm

@BootToTheHEad

It's to be expected that Rogers has a negative reaction to Netflix. Netflix represents a threat/competition, and businesses are expected to try to thwart competition.

Rogers SHOULD have the choice to implement pricier UBB but the result of doing so SHOULD customers move from Rogers to a competing ISP that has a better plan. This is not the case because there is effectively no competing ISP.

Rogers can do whatever it pleases so long as it doesn't piss off its customers to the point that start demanding regulatory change (as is starting to happen). They push prices gradually higher waiting for customers to acclimatize before increasing prices further.



Stephen Paul Weber

February 1, 2011 at 2:20 pm

I feel it should be pointed out that there are Canadian DSL ISPs that do not use the Bell
Such as eyesurf.net and yak.ca



Boni

February 1, 2011 at 2:27 pm

Obvious Plan is Obvious

It took me a few days to figure out what the Duopoly of Rogers & Bell were really trying to pu

When Bell whined that they lacked the infrastructure years ago to have fast, inexpensive internet that was why we had overpriced internet—we, the taxpayers subsidized them to improve that infrastructure for the good of all Canadians. Bell whined despite the fact they were making real profits.

Then, they were forced to share the resource that Canadians jointly subsidized with other companies that did not price gouge and that treated both their customers and workers with a reasonable amount of respect.

Their business plan is plain. Blackmail Canadians into paying for their new infrastructure through taxation while bankrupting their competitors so they can again, hold our intertubes for ransom.

It's the same Bell had the first time around when Rogers came around. Now both of them are fixing.

There's only one answer. The intertubes must be a national resource and then financed by small businesses renting bandwidth then reselling it. The profits accrued by those rents can replace infrastructure.

Bell and Rogers can make profits by creating tasteless TV programs.

They have proven that they are either egregiously incompetent about planning for future internet usage trends or else they are banking on blackmailing Canadians so they can increase their profits at our expense.

Either way, they don't belong in OUR internet business.

Let me make a psychic prediction [chuckle]. If we keep pushing, Bell will claim it needs to "go to business" due to the costs of infrastructure—the same claim it made when we subsidized them the first time.



Lloyd Hannesson

February 1, 2011 at 2:31 pm

The main problem with this whole argument is that while technology has gotten better and the cost to bulk move gigabytes around the internet has fallen to pennies or fractions thereof, caps have gotten smaller and prices have risen. The markup they are charging for bandwidth is absurd, that's not taking peering relationships into account where certain traffic is essentially free.

I feel that the government has to step in and help curb this gouging by the big telco/cable networks. They are protecting their other businesses, and that isn't something that should be put onto the backs of internet customers.

If gas, electricity or water utilities started to charge 1000+% markup on their resource the public government would flip. The internet has become just another utility that is needed in every Canadian home, I hope the Canadian government realizes this and helps out.

When I talk to friends in different parts of the world (over the internet of course), and see that they have internet speeds that are 10x what we get here for similar or less money without caps, it makes me angry.

I'm not against companies turning a profit, but some restraint is in order. If UBB is the way of the future, the internet of my children will be way different than what I've used over the last 17 years.



BootToTheHead

February 1, 2011 at 2:32 pm

@davegravy

Yes, and many Canadian ISPs have been ignoring the mounting examples of other countries t far better access and data caps.

This is why I voted against Harper last election (which he promised to not do in the first place painted him as a bold faced liar then and there. Somehow, he got away with that, too, but I w forget). Frankly, I'm not very political but that steamed me along with the previous copyright l don't see his government doing much better over time.

Big ISPs are really pushing the limit and government needs to push back in the name of the p they are supposed to represent. Harper's peons, I can't call them supporters, are limp noodle comes to supporting the public, though.



Hannah Newman

February 1, 2011 at 2:44 pm

Thank you, Mr. Geist, for your article. There is currently a lot of confusion out there with UBB bandwidth caps and your article does a great job of explaining the issues involved. Too bad o politicians are not likely to take the time to fully understand how important the Internet has k to our daily lives. I agree with those that say that it is time to consider the Internet as a public



Kujo

February 1, 2011 at 2:47 pm

Bravo Michael. Great article.

Great to see the NDP, and Liberals make public statements against UBB. Now it's time for the get fully on board. Let's go Tony Clement. No doubt this is basically the only real election issu deeply care about. Something must be done to reverse this ridiculous decision.

UBB is nothing but a straight up cash crab by RoBhellus. It's ultimate goal is destroy competit Teksavvy (my ISP), while gouging the public.

It's crime that Eastern countries like France, and Sweden, even communist China, etc, have va superior network infrastructures, and cheaper, and better internet services. A country as hug Canada should be leading the charge, not trying to destroy internet use.



Dave Lang

February 1, 2011 at 2:54 pm

It's now cheaper in Canada to buy a hard drive, ship it across the country, and throw it than use the internet.

<http://www.thepaltrysapien.com/2011/02/cheaper-than-the-internet-in-canada/>



Boni

February 1, 2011 at 2:59 pm

What to Do-Protest Dates

Just posted on DSLreports

Stop The Meter' Rally Toronto

Friday, February 4 Â· 9:00am – 3:00pm Peak Time 12PM Noon

Location Yonge-Dundas Square

Print out the petition and bring it with you.

1046 attending, 884 might attend.

Stop The Meter Rally: Ottawa

Time Saturday, February 12 Â· 10:00am – 2:00pm

Location Parliament Hill

Again, print out the petition.

260 attending, 167 might attend.

Rally Against UBB – Montreal

Time Saturday, February 5 Â· 12:00pm – 3:00pm

Location Dorchester Square, Montreal, QC

Insert the appropriate text here. (I should have just written out to bring the petition, it's short anyway)

Stop the Meter! -Chatham-Kent Essex Rally

Time Friday, February 4 Â· 10:00am – 2:00pm

Location In front of Dave Van Kesteren's main office

6 King Street West

Chatham, ON



shawsucks

February 1, 2011 at 3:11 pm

Article

This is a fantastic article, but I think that something needs to be better spelled out for the folk don't seem to understand a vital part of the fault with the UBB.

I have yet to see an article that puts it simply. Digital cable is IP based TV. A single sports even is around 5 Gigabytes, if not more. It's the same type of data, so it should follow that it create same kind of network congestion on the GAS and it should cost the exact same amount to de

Given that the average Canadian watches 20 hours of TV in a week, it means that cable subscribers (depending on whether or not they are watching HD content) use anywhere from 65 GB/Mon to 130 GB/Month (if they only have one television – some have multiple digital cable boxes, each eat the gigs) – If the delivery costs and maintenance costs were anywhere as atrocious as they claim, they would be losing money on Cable offerings.

Maybe the Cable customers should be subject to the same caps and overage fees. Paying 10¢ to watch a hockey game would certainly make people think twice about the UBB model.



Bill Wittur

February 1, 2011 at 3:41 pm

Managing Director

Michael,

This is an exceptional review of the situation with usage-based billing. Thank you.

Do you know of any research that compares cost for access in Canada to other countries?

Also, I'd suggest that this move results in approving one of the biggest cost increases in Canadian history, tantamount to a tax on digital productivity. For a government that pretends that they care about reducing costs for businesses and consumers, this is a slap in the face.

There are also other options for competition:

1. Broadband over power lines. It's relatively unproven, but given the potential to connect 100% of the market through an alternate source, it's worth considering.
2. Nationalizing 'the last mile'. It's drastic, but we're seeing that competition simply won't happen unless there is a basic public infrastructure on which ALL ISPs would be able to provide service.
3. Deregulation. In the 1980s, a number of 'Baby Bells' were created in the US when it was determined that ATT was simply too big (although it's arguable as to whether or not there were tangible benefits to the consumer). Because internet services represent an inherent conflict of interest with other communications owned by Bell and Rogers, the government should consider mandatory divestiture to different stakeholders.

Thanks again,

Bill Wittur

Bottree Digital Services



Bill Wittur

February 1, 2011 at 3:43 pm

Managing Director

Hi Michael,

One other thought is that UBB will now make our communications companies complicit in an activity that is causing harm to consumers, as they will be profiting from this activity. As such, the music, movie and other industries should be held accountable.

industries should start warming up their lawsuits against Bell and Rogers for profiting from them instead of their product. Not having UBB would have left the liability with the consumer, no?



davegravy

February 1, 2011 at 3:58 pm

@Bill Wittur

Knowing the film/recording industry they will simply threaten with lawsuits then settle for a deal that forces the ISPs to take a cut of the UBB money (and UBB rates will rise proportionately).

No, I'm not bitter.



maebnoom

February 1, 2011 at 5:12 pm

Must-read link

<http://www.dslreports.com/r0/download/1621527~7113613720f25003c7128aa38c32efe5/CR802-Vaxination-Petition.pdf>

^ Everyone interested should read this – it blows every argument for UBB out of the water.

Also: affected by UBB? Block all ads. Ads = bandwidth. So block them all. Use AdBlock Plus & similar tools for your browser, to save bandwidth. I know many sites operate via advertising revenue so in tough times call for drastic measures. (I wonder what these advertisers think of this?)



maebnoom

February 1, 2011 at 5:14 pm

Title of linked document above

(should have included this)

Petition to the Governor In Council to rescind:

Telecom Decision CRTC 2010-802

Usage-based billing for Gateway Access Service



screamer

February 1, 2011 at 5:19 pm

Let's hog that band

What if we turn on all our TVs and let them run day and night? There is no cap for TV digital so we won't be overcharged.



Doug Z

February 1, 2011 at 5:27 pm

Well said!

I hope our policy-makers read and understand this article, then do the right thing. They need create policies that encourage a high-tech culture, rather than punish it.



Kira

February 1, 2011 at 5:33 pm

UBB what?

Ok first, UBB is bad only where it's a congestion issue, which does not exist on wired services, option to increase capacity is always available.

UBB makes sense over wireless, where it's not possible to "create more bandwidth", but even Canada, this is absurd, as Rogers is charging the same amount for data now, as it charged for data in 2004, when it was actually a congestion issue and connection speeds were barely better than analog dial-up.

In wirelines, both Cable and DSL, it's probably time for municipalities to take over, or 3P (See Translink, BC Ferries) the infrastructure portion and right-of-ways that enter the premises and the roads, and mandate that these companies only connect/disconnect customers from their premises to the POP. Bell, Rogers, Shaw, Telus, Primus, Teksavvy, Uniserve, etc then pay this cost to make the physical connections between the premises, leaving the service provider to offer whatever the hell they want over the physical layer.

That way, if someone only wants internet, they can choose who provides it, and by over what physical connection is available. Maybe in 10 years all the municipalities will have high capacity to everyone, and then it will only be a matter of who offers the best quality services. Right now everyone offers poor quality (Have you seen the pitiful HD channels on Shaw? or on Telus?) TV service, and mediocre internet reliability.

Let's innovate... why don't we have "video phones?" Apple Face time isn't exactly going to be bandwidth-sipping, and Netflix, Zune, etc aren't offering blueray quality video. Pay for the size of the pipe, Up and Down. Nobody offers anything more than 1Mbit upstream... why is that? Afraid of competing with their overpriced hosting services?



Disillusioned

February 1, 2011 at 6:55 pm

Recent CBC Spark interview – Mirko Bibic quote says it all.

I Listened to the recent CBC Spark interview with Mirko Bibic and this quote below @ 14:36 is

Mirko Bibic: "Our data caps, are far greater than our median user or average users consumpt bandwidth on the internet. In fact the number of customers that we have today who we char usage in any given month is in the single digits."

»www.cbc.ca/spark/2011/01/spark-1-2-2011/ @ 14:36

Now think about that for a second. If this is true, how can the network be so congested? Who are the so called Mirko Bibic bandwidth hogs? In my opinion, this statement alone shows that Bell created a non-existent bandwidth scarcity, with fabricated congestion figures to push its agenda. Otherwise they have ignored their network for far too long if these ridiculously low caps and overages are to be considered just and reasonable.

I called shenanigans before, and I will call it again!

SHENANIGANS !!!!!



Disillusioned

February 1, 2011 at 7:22 pm

proper link to the CBC sparks interview mentioned above

<http://www.cbc.ca/spark/2011/01/spark-136-january-30-february-2-2011/>



Albin

February 1, 2011 at 7:54 pm

Meter it all

The backside of this is the majority consumer side: because of the link between decent download speed and capped bandwidth, most (yes MOST) consumers are paying for much more bandwidth than they are using. To get 7mb DSL from Bell, I buy a 60GB/mo capped service, with a \$5/mo for 40GB more. Rolling three month usage is 25GB/mo and I don't want anything more from internet. Internet is not good enough (repeat, not nearly good enough) to replace cable TV, yet that fine day, I'll terminate cable and we'll talk about what internet alone costs.

In short, I and the majority of real voting consumers are forced to pay for three times the bandwidth actually used in order to get half decent download speed. That problem would be solved by metering every GB, one by one. Come the revolution, Baby, flat rate will be the first to go.



Shaw Customer in BC

February 1, 2011 at 7:56 pm

Vote with your wallet

I called Shaw this morning and cancelled all my optional TV services and told them this is the reason.

The phone rep said it is a non-issue for most customers and has been blown way out of proportion. Interestingly, she also denied that they lowered their bandwidth caps on December 17.



Darryl

February 1, 2011 at 7:56 pm

Mirko Bibic quote

Of course the number of customers they have that they charge overuse fees to is in the single digits. That is because any smart customer who uses a lot of bandwidth left them a long time ago.

Now they've fixed that.



Napalm

February 1, 2011 at 8:29 pm

CBC coverage

<http://www.cbc.ca/technology/story/2011/02/01/internet-usage-based-billing-clement.html>



Niko

February 1, 2011 at 9:11 pm

Bell wants to roll us back to a string radio.

Bell, Rogers, CRTC etc. want to roll us back to stone age. Somebody in CRTC got a big chunk of money from ISP. Greediness slows the progress.



Parlez

February 1, 2011 at 10:01 pm

Industry Committee to study UBB

House of Commons Industry committee voted today to study UBB starting on Thursday. Shows how interesting.



Mike

February 1, 2011 at 10:29 pm

I think this is ***ALL*** about television. TV is a ***MAJOR*** cash cow for the monopolies, under the threat and protection of the CRTC.

They are scratching each other's back and are **RIGGING** the system to remove the competitive element of alternative TV content.

Their biggest fear is that people will scale down their tv subscriptions and get their specialty content.

through the internet through companies like Netflix and Apple TV and whatnot. The Monopolies' enemies are effectively being put out of business through this highly anti competitive and unconstitutional action, by allowing, creating, and supporting, the protection communication gateway and reserving them for themselves. In effect, this is PURE AND UTTER CORRUPTION !



Average Joe

February 1, 2011 at 10:31 pm

What's the fuss is about?

I pay about \$30 for internet and use only about 5GB per month. Now that I have Apple TV and maybe I'll use more (although Netflix has been a big disappointment so far). What I don't get shouldn't someone who uses 200+ MBs pay more than me? Torrent your heart out, but be prepared to pay for it. Or at least until Bill C-32 or some other tightened copyright law is passed. All that ISPs set reasonable caps. I understand that companies need to return a reasonable profit on their assets (I am a shareholder of a major ISP as I suspect many of you are too), but I don't expect them to profiteer.



Antoine Dodson

February 1, 2011 at 10:38 pm

Hide yo kids Hide yo wife

Cuz they rapin everybody out there



Stuart M

February 1, 2011 at 11:23 pm

Why is the UBB limit 25GB in Ontario but 60GB in Quebec? Is it cheaper to provide internet service in Quebec?

The CRTC is ignoring the fact that Bell, Telus, Rogers and Shaw own TV distribution systems and Rogers and Shaw own TV networks (the content). They are vertically integrated. They are an OLIGOPOLY. They are trying to protect their old business models at our expense. If you want the latest content, the telecoms will get their money either through cable/satellite fees or through usage based billing (UBB). They will get your money either way.

This decision is nothing but an outright theft of our rights as consumers. The CRTC is a body that is not answerable to the people. The commissioners are not elected and are not accountable to the people. The CRTC turned the telecoms down twice before on this issue. I guess the 3rd time is a charm.

Why is the UBB limit 25GB in Ontario but 60GB in Quebec? Is it cheaper to provide internet service in Quebec?

Why did the CRTC take the telecoms word that the market price for extra bandwidth is \$2 per price that Bell, Telus, Rogers and Shaw charge for extra bandwidth is the same, so the CRTC t them at their word that this is the cost. The real cost is many times less than that. I would like the Excel spreadsheets that show how the costs were calculated. In my opinion most costs of internet are fixed costs. Once the wiring and switches are in place, I would think that there is variable cost. The only time costs increase is when investments are made to upgrade the syst However, that is a capital investment and is amortized over many years. It is not a variable co providing more bits.

Our politicians are only starting to act on this now due to the 200,000+ petitions they have re Instead they will force an election based on election financing and Quebec transfer payments of those issues are significant for consumers. (Election financing is chump change, and Quebe always get their money since politicians are afraid of losing votes.)

If this decision is left to stand, internet based businesses in Canada will move elsewhere and and R&D out of this country. Internet content distribution will dry up.

This is wrong on so many levels. Everyone should contact their MP and tell them that they w your vote unless they reverse this decision. Only the Federal Cabinet can overrule the CRTC. I it to allow Wind mobile to start, and they should do it again.



Sandro Magi

February 1, 2011 at 11:26 pm

Bandwidth has never been cheaper, so why does Bell think it suddenly got more expen

Michael Geist, you've provided an excellent breakdown of the issues involved. As another fact simply note that the cost of bandwidth has been falling exponentially year after year for over years. This trend is as immutable as the trend that computers get faster every year. The cost bandwidth is actually falling faster than our consumption of data is growing. Mountains of da around the world support this conclusion.

The CRTC's UBB decision is based on the excuse that bandwidth hogs are congesting the netw but given the above facts, this claim is clearly nonsense. It's contrary to all historical and econ evidence, and Bell must think us a bunch of idiots for pulling it out. Given this information, th existence of caps is frankly absurd. As you note, it could only exist in an environment where competition is truly dead.

@Average Joe, charging based on bandwidth usage is fine, the current implementation mand the CRTC is not. It literally costs ISPs less than a penny to transmit 1 GB from its source to the but Bell and others would charge us at \$1.50+ per GB, which is over 1000x markup. This is pr gouging, pure and simple, possible only because the CRTC has stifled innovation for years, as article explains. This recent decision is just another in a long, tragic line. See also the CRTC's 2 Wind Mobile decision, which the government thankfully overturned.



Wazoo

February 1, 2011 at 11:34 pm

Web Developer

This is my election issue as well! Thanks for the summary Dr. Geist! Maybe in our lifetime the of control these providers have over us will be dismantled enough to create a truly free mark competition!



screamer

February 1, 2011 at 11:37 pm

Let's pay for usage

Ok. Let's all pay by usage. When we do not use it, we do not pay for it (such as with electricity, gasoline). Furthermore let's pay a fair amount for GB. Since 1 GB costs 2 cents to the provider to 10 cents per GB to the final user. Downloading 100 GB would cost \$ 10. Sign me in.



Sau

February 1, 2011 at 11:52 pm

So... this was a great article. I get it... many people get it... yet no one at the CRTC gets it. Is thi complex of an issue to be so ignorant on when its supposed to be *your* job to understand t issues better than the average ...person? I want a job like that where I don't have to understa job whatsoever with no repercussions and the sun shines out my ass. I'm guessing this is ano example of my tax dollars at work. I wish there was an opt out clause...

And this would *almost* make sense if people like my parents only had to pay \$5 for their int usage and the 200 gb+ users had to pay \$200 but no... seems caps got lowered and costs stay same. WTF

Meanwhile what happened to the commercial clients? I'm sure their usage isn't insignificant. about the sustainability of the internet infrastructure where's their share of the load?

Does this mean that the Tier 1 networks and the peering agreements have changed to charge based billing for Bell, Telus, Rogers to connect? No. Otherwise this would be global news like exhaustion of the IP4 addresses...



end user

February 2, 2011 at 12:31 am

Average Joe said:

What's the fuss is about? I pay about \$30 for internet.... What I don't get is why shouldn't som who uses 200+ MBs pay more than me?

They already do so whats your fuss about? <http://www.shaw.ca/en-ca/ProductsServices/Internet/Warp/>

I can get a dedicated server for \$80 with 2tb+ of bandwidth per month with anywhere from \$ per gb over that and thats from hosts who are tiny compared to SHAW in networks size.

Put in peering agreements with SHAW and other ISP and you wonder where they get \$1-2 pe the allotment.



Carl

February 2, 2011 at 1:39 am

Slight correction

The cap for Videotron's fastest plan (120Mbps) actually stands lower than 200GB at 170GB (u download). It's also worth mentioning that Videotron currently charges \$4.50 per additional C their regular high speed service (8Mbps) which has a cap of 40GB. It's horrible but not that ba considering the surcharges were close to \$8 per additional GB around 2005.



wellthisstinks

February 2, 2011 at 1:58 am

The big businesses don't want consumer to enjoy technology. That's why they want to gouge consumer with excessive charges. To them its all about the money.

In the US and other European Countries. You can stream your security cameras through ipho mobile.

With the CRTC being stupid, well they might have stamped out innovation for all canadians. B drain 3.0, skipping 2.0



Bor

February 2, 2011 at 4:20 am

@ Average Joe

Why should someone who uses more bandwidth pay more when the bandwidth doesn't cost anything? They're probably paying for a faster, much more expensive plan than you are, even it isn't costing the provider appreciably more to have them as a customer. Really, by paying for account that has a higher profit margin, they're subsidizing -you-.



John I.

February 2, 2011 at 6:50 am

Election issue

This is one more straw that is breaking the camel's back for me. I've been a lifelong Tory, but the reasons I'm disappointed with the Harper government this one has to be the most important. It's sheer corporate greed that drives this issue. Why does this need study? There are examples all over the world of how things are done differently—and better. This needs to change before the next election or I'm going to help the Greens make that change.



Chris S.

February 2, 2011 at 8:44 am

Voting with my wallet, pt.2

This is an excellent summary; thank you, Michael.

In the last few days I transferred my home phone service and long distance service away from Bell and Rogers. Because of those companies' business practices I don't want them getting any additional revenue from me.



Tim

February 2, 2011 at 10:04 am

Great post

I hope someone important reads this.



Yeh Right

February 2, 2011 at 12:15 pm

Stupid Argument

So some of you only use a tiny tiny tiny bit of bandwidth. Good luck to you, but to suggest that you should pay less than me is BS. I used to be with a small local independent provider of telecommunications services. They were bought out by Rogers. The first, the VERY FIRST thing that Rogers did was impose a bandwidth cap on internet services. The second thing that happened was I told them to shove it. I took my business to Acanac with unlimited bandwidth, better price, and a brand new concept, customer service. Anybody heard of that? CUSTOMER SERVICE. So here's the thing, people want to stay with Bell/Rogers/Shaw and get screwed, that's fine. But don't suggest I should have to pay my ISP more because because YOU choose to do this.



Allor

February 2, 2011 at 1:44 pm

My ISP got a grant from the government for 50K to bring broadband to my (somewhat rural) area. The feds have millions set aside for these programs, the small ISP (ABC Communications, BC) only

8 gigs for \$45.00 a month and \$10 bucks a gig over) I see from comments above, braindrain v at the limit in one day.

So we now have "high speed" (not really) that has low caps. Forget netflix, downloading movir streaming ANYTHING, no youtube and constantly stressing you'll go over and pay extra. Agair TAXPAYERS paid for the infrastructure which is actually a lot cheaper than people think, our community was involved and VOLUNTEERS helped install towers and we understand the cost tower can be bought for as little as \$1500.00 or less. Is it Telus throttling our little ISP or is it o taking advantage of lack of competition?

Sattelite service is costly, has caps and is slow and unreliable so to flippantly suggest it to a ru customer is kinda rude. We pay more for a lot less. When we first moved from Vancouver to ´ and only had dial-up, I actually cried, having forgotten how painful dial-up is. Then the govern helped put in "high speed" and we have to worry about usage and high costs, still not able to Urbanites get to see everyday, things like youtube for example and I would LOVE not having t flash to conserve precious bandwidth.

On the subject, Canada is recognized as having the slowest and most expensive internet on t planet, does the CRTC really want to make it WORSE?! Bell, Telus and Rogers should be emba of the crap they already deliver, let alone behave like it's a precious wonderful thing they mus further and charge more for!



Hindgrinder

February 2, 2011 at 4:05 pm

She smart

<http://www.youtube.com/user/rilanilan#p/a/u/0/aZpxEeeTo1g>

Blog needs moar chicks who understand UBB.

o/ Tony

RETREAT RETREAT RETREAT!

HG

PPCA4evr



Mike

February 2, 2011 at 4:29 pm

I would like to think that issue will do more to get younger, internet savvy, people interested i Something the government hasn't been able to do. My kids are 18 and are both taking up this At least 2 more votes to the guy that doesn't spew BS at us!!

**Luc S**

February 2, 2011 at 4:50 pm

President

Hmmm, interesting Michael. You're right, these issues have not been handled right from the get-go but somewhere change has to start. You can't really blame the ISP's because they took advantage of the vacuum that was created by the Canadian Governments. But what about the European countries going about with these sort of challenges? Over there the regulator (Ms. Kroes) simply forces the ISP's and Telco's to comply to regulation forced upon them. They know the margins and they force the users and the Telco's / ISP's what is to be done. Period. The internet requires a very forceful government approach. That is certain. Much more so than we have seen thus far.

**Myles**

February 2, 2011 at 5:44 pm

Excellent article Michael.

Please dig deeper and continue to post articles that peel back the layers of our horrible Canadian telco/cable/isp oligopoly and how the CRTC and government play in to this disaster. Information is power and we desperately need information to uncover the truth.

**WithHeld**

February 2, 2011 at 5:49 pm

Consistent with Other CRTC decisions

I have not watched a YouTube clip since October. A Bell/Rogers group called Inukshuk bought the Wireless ISP's Radio Spectrum...then they shut it down.(my only reliable option too. They've done this across the country.

Yes the CRTC sanctioned the sale, under the guise that Inukshuk was to Provide better broadband for Rural Canadians via wireless/Wimax. I'm now stuck with EVDO and more often than not it connects at 1xRTT(153Kbps). Checking email is painful. I can't view the CBC's or any other news sight since they've embedded Video and ads on their pages.

Bell/Rogers group ? how the hell to do you get this and harbour competition?

I went from 1Mb service to dialup(ish)..2 weeks after both the Liberals and PC's spouted off a promise of how we need and will provide Canadians with better BroadBand.

There are other fly/by night Wireless ISP popping but, but mandatory \$300 installs and a 20Gb cap didn't cut it for me.

I now queue up anything I need on a remote machine 30kms away from me and drive in once with my portable Harddrive.

My Ipad..sure doesn't get the usage I had intended either. It's great but without broadband or bandwidth caps it's not so much fun. I have 2 xbox 360s's collecting dust..not to mention the \$60 i paid for

year of Xbox Live. The AppleTV is working well as a booked end. I can go on but this is what's start happening to others once they start hitting the caps. and you can believe the caps will d

I would suggest we have people in office being paid well, that have not and will not do their re That are incapable of understanding the situation, until it hits their home, their pocketbook, t put them over the cap. or they have to explain to a teenager why they can't use facebook, or homework.

If this continues the internet in canada will return to it's infancy(1995 era)..where the elite, an well off will have access. Canadian content providers will start going back to text only.

I'm gonna go fire up my ham radio now...until the CRTC decides I can't have that anymore.



Boni

February 3, 2011 at 11:29 am

Confessions of a Bandwidth "Hog"!

I decided that I would try to keep track of my "capped" usage and how far 25gig would take me a month. Presently I pay for 200gig.

I installed a usage meter and guess what?

Just following *the news on this issue* which includes, videos from major news providers, forums, debates on forums, opening my email including some HTML ads from places where I buy computer parts online [good luck to them when everyone cancels their email sale ads to save UBB charges], emailing a few friends, flash ads on news sites etc.

According to the meter at this rate I will be OVER 25gig by the end of the month and that was *regulating* my use down to just the news related to this issue. That's NO "downloading" of files, books, watching TV other than CSPAN/CBC/News-related—NOTHING ELSE.

So for anyone who is buying the Bell or Roger's line that "25gig is plenty, you bandwidth HOG" load of rotting carp.

Had I wanted to upload some video or blogged/written daily with photos about this issue...I'd DOUBLE that 25gig and subject to paying usurious fees to Bell, who I despise. My ISP wouldn't receive a single extra dime for providing extra service. In essence, after 25gig they become more than Bell's banking system.

Oh and my one *luxury*? I skyped a friend in the USA to save long distance charges. We were to start a blogging project together to help Indie writers but I had to tell her, with the UBB I was unable to afford to do it. Maybe I should have phoned her and paid LD charges to give her the information?

This is about access of ALL people in Canada, including the disabled and financially disadvantaged be able to take part in the political, cultural, social and commercial life of this country fairly and equitably.

Internet is no longer a luxury.

It is part of the cultural imperative and with UBB, only the upper class will be able to pay those cutting everyone else out of the political/cultural/social norms of this country.



Claudio

February 3, 2011 at 12:34 pm

The Caps are About the Content....Not the Bandwidth

Here is the simple truth:

I can subscribe to Shaw's Unlimited OnDemand Movie Service (MovieCentral Express). It features slightly better selection to what is offered by Netflix but is nearly 4x the price (not a good value for me).

Shaw's OnDemand movie service although does not count towards my monthly bandwidth but Netflix (a better value) would be subject to bandwidth tally. At 1Gb / hr, a small family can easily pass the bandwidth caps during our long winters.

The caps exist to make the content offered by the ISPs (which they own or provide) seem more valuable.

Let me finish with this.

If you were charged by the kilometre for your use of roads except when you were driving to businesses owned by the same companies that owned the roads would you consider it fair?

The internet is a public roadway. Remember when it used to be called the "information highway" it needs to be fair and open.



Local voices first

February 3, 2011 at 7:41 pm

UBB and net neutrality

This comment flows mostly from: Richard French, Second-guessing the CRTC comes at a price (The Canadian Press and Mail, Feb2/11).

French's concern for what is happening to the interdependence of citizens and regulators in Canada may be real enough. But it's a red herring in the midst of the usage based billing debate. On the one hand, it's also unfortunate that it's merely price causing Canadians to rise to the Internet's defense. Unfortunate, because the necessary defense of the Internet is more complicated than that. The underlying issue is the absence of open processes for Internet Governance in Canada.

While all communications carriers own physical infrastructure that benefits from the Internet's public nature, the principles and rules that govern whether or not the Internet exists are completely in the public domain. Generally, those rules are openly negotiated under the heading of "Internet Protocol." As protocols, those rules belong to all of us. That makes it necessary, in the public

interest, to have in place effective governance institutions that can balance competing interests and ensure that the capacity to use the Internet for our own development evolves.

The Internet Society aptly describes the fully open global process of evolving Internet Protocol as "Internet Governance Ecology." While there are many well informed Canadians who participate fully in the global maintenance of that ecology, Canada overall has absolutely no means, neither in law nor in practice, of sustaining stability in its own approach to Internet governance. Elinor Ostrom, the Nobel Prize winning political economist, outlined one way of what such institutions should look like. She calls these principles for stable common property resource management systems.

In United States the counterpart to the CRTC, the Federal Communications Commission, has published rules for "Preserving the Open Internet" along the lines of Ostrom's principles. Very controversial, their purpose is, "To preserve the Internet as an open platform enabling consumer choice, freedom of expression, end-user control, competition, and the freedom to connect without permission." That statement defines the Internet as an inherent socio-economic good and thus shapes the public policy debate in an entirely different way.

With one exception, there is no equivalent statement of purpose in Canadian telecommunications policy or regulation. The exception is in the largely forgotten objectives of the Telecommunications Act. In Section 7, it affirms, "that telecommunications performs an essential role in the maintenance of Canada's identity and sovereignty and that the Canadian telecommunications system has as its objectives (a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions."

That affirmation of our own law is not too bad a place to start in shaping our new and necessary capacity for sustaining our own Internet Governance Ecology.



James Eaton

February 4, 2011 at 10:32 am

Great piece Michael – I understand so much better what is going on.

Clearly part of the answer is wireless systems, and it is interesting to note that, in this, rural Canada may be vaulting ahead of the urban areas. ISPs such as Seaside Highspeed and Omnicore do not have caps on usage – but as they are wireless systems, they do not depend on Bell, Rogers, or Shaw, either. Certainly getting more wireless (including Canopy and G4 systems) into wider use would provide the market alternatives that would keep Bell et al. in check.

It is a pity that the CRTC has reefed its policy sails and is running rudderlessly on this issue.



Allen Hopkins

February 4, 2011 at 2:59 pm

Harper will be golfing soon

I will enjoy nothing more than voting the US representatives like Harper out of our government so they can live in the States like his predecessor.

No party has done more damage to Canada than the Conservatives. (I hate the Liberals too, but at least their Canadian)

**Bob**

February 4, 2011 at 8:12 pm

Is this the same Tim Denton who wrote in yesterday's Globe that the CRTC decision on UBB was probably correct?

**Frank**

March 18, 2011 at 12:44 pm

AT&T to Impose Data Caps for Broadband Customers (March 14, 2011)

Here it comes: AT&T has announced that it will cap data use for its broadband customers. DSL Customers will have a monthly limit of 150GB; customers who have AT&T's U-Verse broadband have a monthly limit of 250GB. Customers who exceed their limit in three or more months will be charged US \$10 for every additional 50GB. The policy will take effect on May 2. Customers will be notified as their usage approaches 65 percent, 90 percent and 100 percent of their limit. Comcast placed usage limits on broadband users in 2008, limiting customers to 250GB a month. Comcast reports that the median monthly data use is between 2GB and 3 GB of data.

Sources:

http://news.cnet.com/8301-30686_3-20042839-266.html

<http://latimesblogs.latimes.com/technology/2011/03/atts-bandwidth-caps-a-bad-deal-for-wh>

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**Mark**

March 24, 2011 at 2:17 pm

welcome to the internet brick

Well, I have to say Canadians are the highest in Bandwidth usage already, it's in our blood, we're hooked on the internet. Now the big players are becoming bigger, the monopoly is at its pinnacle (a great time to be an internet provider), and our country is slowly becoming a brick. The government is giving ISP providers a license to print money on top of money now. With this policy in place there will be the internet users and the poor (middle class) will be snuffed having computers as bricks.

This should be a time for the reverse. Internet, and technology should be driving in the opposite direction and opening up the throttle, not CHOCKING it. All our gadgets are using the pipeline and sucking for more power. This will definitely kill new entrepreneurs, and engaging new market

highly depend on internet for their survival. This is a lazy goal set in the minds for people that email" at work. Obviously people are scared of it's potential. And just when I thought we were to brick the phone providers....lol. What a Paradox. Watch out Voip companies, this is going to be a future business!!!!

Thank You Canada, once again, for making yet another pitfall economic decision. I just love it they piss in my pockets and tell me it's raining. – Two steps forward, three steps back. Yep you have been bricked!

Great article BTW...but what can we do? I know... be submissive...it's the Canadian way to change if there is a voice. 😞



Withheld

October 30, 2011 at 1:43 am

When I have to decide to not watch a youtube clip or a cbc new snippet because of my data cap content filtering by my isp..and that is against the the guidelines set up by the CRTC.



Withheld

October 30, 2011 at 1:45 am

my current data cap is 10gigs..ya 341MB/day thats what I'm allowed. With other isp's options. updating my iphone was worth 3 days of internet usage!



Withheld

October 30, 2011 at 1:47 am

sorry that was to day with no other ISP options. I gotta stop these posts..each one is costing me internet usage



Lian

June 8, 2012 at 10:29 am

What is new in 2012 ?

I made an inquiry and nothing came up on the subject. This thread dates back in 2011... Anyone knows about something new?

Michael Geist
mgeist@uottawa.ca



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