

The committee tends to stress efficiency, reliance and dynamism, whatever that last may mean, as top priorities. These are, of course, valuable concepts, but again, I believe, insufficient to provide the broad policy concepts that in my opinion are desirable in public policy of so sweeping a nature, so enormous in its impacts, and so susceptible to rapid technological change.

I have just a word or two to say with regard to the licensing regime proposed in Bill C-62, which the committee recommended should be eliminated completely. It is to be hoped that, if the minister takes this advice, which would be an improvement in the proposed legislation, the original reasons for the licensing provision will be met through other means.

Those reasons were, first, to enforce necessary Canadian ownership requirements. In that regard, the committee was told by witnesses that this could be accomplished through the Act or through the CRTC. The second reason was for purposes of entry control. In this vein, we were told again that this responsibility could be undertaken by the CRTC and did not warrant a third layer of regulation.

The third reason given by the minister for the new licensing regime was the need for provincial consultation and the ability to have unique agreements with individual provinces made under a departmental licensing power. Here, the concern expressed by the committee was that such a practice—the negotiation of individual agreements with provinces—would lead to the very fragmentation the bill was designed to remedy. However, I do not think this need be the case. Other agreements have been made in other fields without adverse results.

In the case of Manitoba and Saskatchewan, which are small marketplaces, there may be special circumstances that require provincial consultation. Moreover, provincial consultation was touted as one of the advantages of this new bill to the provinces. Thus, some method of enforcing agreements reached with provinces as a result of consultation needs to be developed in the absence of a licensing regime, although consultation should not be construed as a veto.

The critical function of regulation in the telecommunications business is to provide Canadians with affordable basic telephone service. It is axiomatic that Canada maintain effective public telecommunications utilities at the local service level. Basic local service cannot simply be left to the competitive marketplace. There will always be telecommunications

companies willing to serve major business users and there will always be a need to maintain some cross-subsidies to ensure that households in rural and remote areas have affordable telephone service—which brings me to my last comment on the forbearance question.

The primary test that should be applied before there is forbearance from regulation should go beyond the simple question of whether there is competition in a given market. The regulator should also determine that it is in the public interest to relieve the companies in that market from the burden of regulation. The regulator must be satisfied that there is a structure in place to ensure that necessary utility functions will not be adversely affected by deregulation of any competitive sector.

The regulation of telecommunications in Canada should also reflect the regional differences across the country. While a single national regulatory agency is desirable, it would be highly inefficient to make rates and services uniform across the country. Consumers in various regions have different priorities which should be reflected in the services they receive.

In the past, regional priorities were reflected through decisions of provincial public utilities boards. In a national regulatory environment, there must be a structure to ensure that provincial and regional needs are reflected in national decisions. All too often national decisions are made as a result of concerns which dominate the political agenda in central Canada with little regard for issues that are important to consumers in the West. That is why the Memorandum of Understanding between Manitoba and the federal government is such an important matter.

There must be a real decentralization of the national decision-making organizations, such as the Department of Communications and the CRTC, so that these organizations become sensitive to the needs of consumers and businesses from all regions.

This requirement could be reflected in stronger language within the policy objectives in the bill to ensure that the officials in these agencies are distributed across Canada, making use of electronic communications to run their organizations on a decentralized basis.

Motion agreed to and report adopted.

The Senate adjourned until Tuesday, September 22, 1992, at 2:00 p.m.