

*Adjournment Debate*

increase in rates. The date for filing an intervention before the CRTC with respect to B.C. Tel's current application was April 21, 1980. The CRTC is responsible to Parliament through the Secretary of State and Minister of Communications (Mr. Fox) and I would direct the member to him for further questions on procedures.

The director of investigation and research under the Combines Investigation Act, who is a senior official of the Department of Consumer and Corporate Affairs, has a statutory right vested in him through the act to intervene before federal regulatory boards and make representations in respect of the maintenance of competition. For some time the director has been expressing concern about the effects which vertical integration between telephone companies and their suppliers may be having on competition in the telecommunications equipment markets.

The relationship between B.C. Tel and its suppliers is well known to the director who was involved recently as an intervenor before the CRTC when that body heard and approved an application which strengthened the formal corporate ties between B.C. Tel and its supplier firms. The director and others, including the Consumers Association of Canada, opposed the B.C. Tel application at that time, and it should be noted that the issue is now under appeal before the Federal Court.

I should also note that the director is pursuing this issue of vertical integration before another forum, the Restrictive

Trade Practices Commission, which is looking very broadly at the question to determine whether or not the public interest is best served by such close corporate ties between telephone companies and their suppliers.

While vertical integration is an important issue that this department is working steadily to resolve before the CRTC, the RTPC and in the courts, it is not considered that this issue is appropriate to the confines of a general rate hearing, such as the present B.C. Tel application. The director did consider the possibility of an intervention and concluded that one would not be warranted at this time.

In arriving at this conclusion the director was guided by past experience during interventions before the CRTC, wherein it has become clear that the commission does not consider it appropriate to go beyond an examination of the specific rates under review and related cost information. I should note, however, that the director has in the past urged the CRTC to instruct federally-regulated telephone companies to establish competitive procurement practices which would, if instituted, provide the regulator with a better yardstick to measure the reasonableness of equipment costs.

**Mr. Deputy Speaker:** Order, please. The motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at eleven o'clock.

Motion agreed to and the House adjourned at 10.30 p.m.