

COMPETITION TRIBUNAL  
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**THE COMPETITION TRIBUNAL**

**IN THE MATTER OF** the Competition Act, R.S.C. 1985, c. C-34;

**AND IN THE MATTER OF** the proposed acquisition by Rogers Communications Inc. or an affiliate thereof of Shaw Communications Inc.;

**AND IN THE MATTER OF** an application by the Commissioner of Competition for one or more orders pursuant to section 92 of the Competition Act;

**BETWEEN:**

**THE COMMISSIONER OF COMPETITION**

**Applicant**

**– and –**

**ROGERS COMMUNICATIONS INC.**

**SHAW COMMUNICATIONS INC.**

**Respondents**

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**WITNESS STATEMENT OF NAZIM BENHADID**

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I, Nazim Benhadid, of the City of Montreal, in the Province of Quebec state as follows:

1. I am the Senior Vice President, Network Build & Operate of TELUS Corporation (“TELUS”). I have worked at TELUS for over 22 years, with experience across multiple services, including voice, wireless, and core infrastructure. In my present

capacity, I am responsible for all key areas of wireless and wireline network build and maintenance.

2. I make this statement in connection with the application under section 92 of the *Competition Act* made by the Commissioner of Competition (the “Commissioner”) against Rogers Communications Inc. (“Rogers”) and Shaw Communications Inc. (“Shaw”), relating to their merger (the “Proposed Transaction”).

### **OPERATIONS OF TELUS**

3. TELUS is a communications company that provides wireless and wireline services to individual subscribers, governments, and businesses across Canada. TELUS’ mobile wireless business includes TELUS’ 3G, 4G LTE, and 5G network through which it offers subscribers voice, data transmission and messaging services across Canada and worldwide delivered on subscribers’ mobile devices, as well as TELUS’ smartphone, tablet, and mobile devices offered to subscribers across the country. TELUS also offers a number of other services, including Internet access, TV, and virtual health care.

### **WIRELINE NETWORK OWNERSHIP IS CRITICAL TO WIRELESS NETWORK PERFORMANCE AND RELIABILITY**

4. TELUS’ wireline and wireless networks are highly integrated. In general, the only truly wireless portion of the wireless network is the link between our customers’ wireless phones and the cell sites where our antennas are located. The rest of the network can be thought of in two components. The “core” networks are the high-speed backbone through which almost all data passes as it is transported across our network. Backhaul, in turn, is the portion of the network that links our cell sites to our cores. All of TELUS’ core networks and almost all of TELUS’ backhaul facilities are comprised of terrestrial fibre to optimize the performance and reliability of long-distance and large-scale wireless data transfers. As a result, the quality, performance, and reliability of our wireless network is heavily dependent upon the quality, performance, and reliability of our wireline network.

5. A network is only as fast as its slowest link. This is why TELUS' wireline fibre infrastructure is an integral part of the wireless network performance and reliability. Without a fibre network, TELUS would have to either duplicate fibre infrastructure at additional cost or lease it from other carriers. Leasing fibre backhaul facilities reduces TELUS' ability to control their performance (including speed, latency, jitter, capacity and upgrades to equipment), routings, and timely maintenance of critical facilities. Owning facilities (as opposed to leasing them) allows TELUS to build redundancies and other reliability features into the architecture of the network and to respond more quickly to incidents and outages through consistent and timely traffic monitoring. For example:

- a) **Containing disruptions from outages:** Operators that own their own facilities are able, in their sole discretion, to determine the number of cell sites that share a connection to the core networks, in accordance with their own risk tolerances. By controlling the number of cell sites that share a connection, and how such a connection is shared, an operator is able to contain the impact of outages or network failures. The greater the number of cell sites that share a connection, the greater the effects will be in the event there is an outage affecting that connection. Accordingly, the experience that an operator that leases fibre backhaul is able to provide its downstream customers in terms of reliability may be substantially different, and in any event will be largely out of its control, instead resting in the hands of the operator from whom they lease the facilities.
- b) **Reducing risk of outages:** TELUS ensures that certain key cell sites have two independent connections to the cores and have back-up generators, to ensure optimum performance and reliability. We are thus able to protect against a substantial outage by building two connections that are physically separate from each other, so that if one connection goes down, the other can still carry the traffic. Other wireline carriers upon whom operators that lease fibre will be dependent may not have a similar network design.

- c) **Adapting to sudden spikes in demand:** When TELUS anticipates increased network traffic in an area where it owns the facilities (for example, the Calgary Stampede) and there is insufficient backhaul capacity for that traffic, TELUS can readily upgrade capacity within [REDACTED]. In comparison, where TELUS leases backhaul, we must request an upgrade from the provider and such an upgrade can take up to one week or longer to implement. Where such events can be forecasted at the time the wholesale contract is entered into, it may be possible for the lessee to negotiate established timeframes for responding to such requests. However, in TELUS' experience this is not done, and in any event, many such events – such as natural disasters, sporting events or protests – cannot be forecast accurately.
- d) **Rectifying performance anomalies quicker:** Where TELUS owns its own network, it can address performance anomalies in voice and/or data quality substantially more quickly by having end to end visibility into all the elements traversed by that traffic than could be addressed by a lessee who would need to persuade its wholesale provider to investigate and resolve the performance issues.
6. Therefore, in order to maintain and enhance its ability to compete for wireless and wireline subscribers, TELUS prioritizes investments to convert its legacy copper infrastructure to fibre, thereby improving not only TELUS' wireline network, but equally improving the quality of TELUS' wireless network.

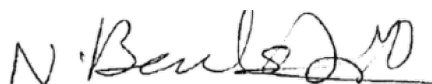
#### **THE IMPORTANCE OF NETWORK OWNERSHIP IS DEMONSTRATED BY TELUS' SUBSTANTIAL NETWORK INVESTMENTS**

7. In my experience, competition between network operators leads to substantial network investments to improve the speed, reliability and performance of wireless (and wireline) services that would not otherwise be made. This is an important reason why TELUS decided to build the vast majority of its own fibre backhaul to serve our wireless operations outside of our traditional wireline serving area, for example, in Montreal.

8. Competition on the basis of network speed, reliability and performance requires massive capital investments. For example, from 2013 to date, TELUS has built fibre to 2.9 million households and businesses in British Columbia, Alberta and Quebec, and has invested approximately \$6.3 billion in the build. Leveraging the fibre for improved wireless services was an essential component of the business case for TELUS fibre to the home build. The copper-to-fibre migrations are being undertaken at substantial cost not only because of the inherent benefits to TELUS' wireline network, but also because they lead to significantly improved experiences for wireless services. This, in turn, increases TELUS' ability to more effectively compete for downstream wireless customers.

#### **INTENSE COMPETITION FOR CUSTOMERS BASED ON NETWORK RELIABILITY AND PERFORMANCE**

9. TELUS constantly competes for customers with Rogers, Bell, Shaw, and others on the basis of network reliability and capability. TELUS and other providers regularly make comparative marketing and advertising claims about the reliability and performance of their respective networks.
10. TELUS regularly relies upon industry reports such as those produced by Opensignal and Ookla to understand and assess its network performance and reliability relative to its wireless competitors and support performance-based marketing and advertising claims for its wireless network and capabilities. Opensignal is an independent global standard for analyzing consumer mobile experience. Ookla's Speedtest Awards are elite designations based on consumer-initiated tests and background scans from Speedtest applications and represent real world network performance and the internet speeds and coverage provided to customers.



Nazim Benhadid

September 20, 2022