



Canada's First Full MVNO update on review of the mobile wireless services market decision
[CRTC 2021-130](#)

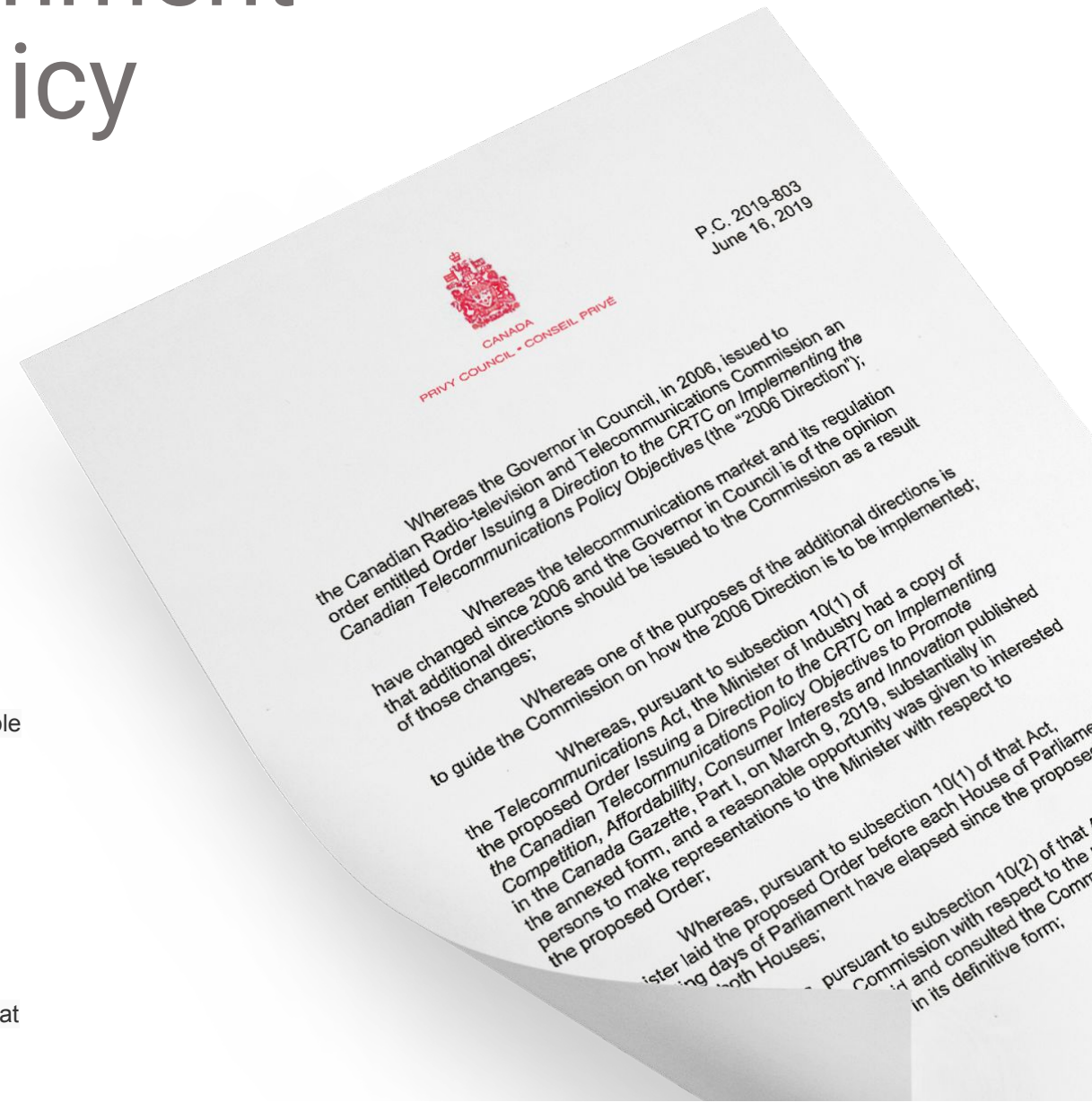
April 15, 2021



In February 2019 government of Canada changed policy in favour of MVNOs

Directive (signed into law 6/16/19) aims to encourage all forms of competition and investment to bring down costs of Internet and cellphone bills with presumption of enabling the MVNOs. The regulator (CRTC) immediately started the **comprehensive review of the mobile wireless services market** to determine the wireless wholesale approach and access to dominant national networks. Review closed on 7/15/20.

- (i) encourage all forms of competition and investment,
- (ii) foster affordability and lower prices, particularly when telecommunications service providers exercise market power,
- (iii) ensure that affordable access to high-quality telecommunications services is available in all regions of Canada, including rural areas,
- (iv) enhance and protect the rights of consumers in their relationships with telecommunications service providers, including rights related to accessibility,
- (v) reduce barriers to entry into the market and to competition for telecommunications service providers that are new, regional or smaller than the incumbent national service providers,
- (vi) enable innovation in telecommunications services, including new technologies and differentiated service offerings, and
- (vii) stimulate investment in research and development and in other intangible assets that support the offer and provision of telecommunications services



Canada's underserved market

Underutilized Networks

Canadian networks are advanced, but underutilized;

- 99.5% population is covered with LTE,
- 90% of Canadians have mobile subscription,
- 88% of them own a smartphone, and
- low average mobile data usage per user ranks Canada as 31/37 in the OECD (2019).

Underserved Segments

Moderate data users and the BYOD market are largely underserved;

- limited 3mbps speeds,
- zoned plans,
- punitive overages and
- a subpar digital experience.

Affordability is Needed

Canada's lowest income quintile spends 9.1% of annual earnings on telecommunications. Estimated 40% and anyone <\$40k of Canadians are sensitive to connectivity pricing (Competition Bureau [report](#)).

Huge wireless market

\$29B

44% EBITDA
margin

Unsatisfied customers

-75

Net Promoter Score
(in target market)

Low data usage

2.9GB

Average per user,
per month

High value

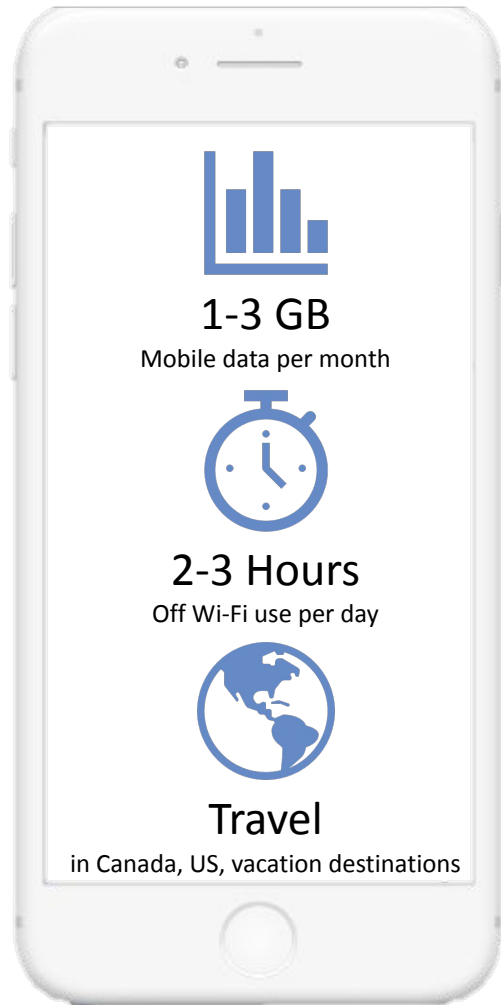
\$69

Average Revenue per
user, per month

December 2020 CRTC industry report data

Source: <https://crtc.gc.ca/eng/publications/reports/policymonitoring/2020/index.htm>

Addressable MVNO Market Overview



MVNOs potential addressable underserved market

Canadian Pop.
(2021)

38,283,109

Addressable
Market (2021)

60%

Smartphone
Adoption (2021)

89%

16,884,027 Total Potential
Market (2021)

Value conscious and optimizers who have modest, temporary or inconsistent wireless needs. Many do not qualify for postpaid: seniors, youth (kids, students), traditional prepaid subscribers, newcomers.

All wireless subscribers

Canadian Pop.
(2021)

38,283,109

Addressable
Market

100%

Smartphone
Adoption

89%

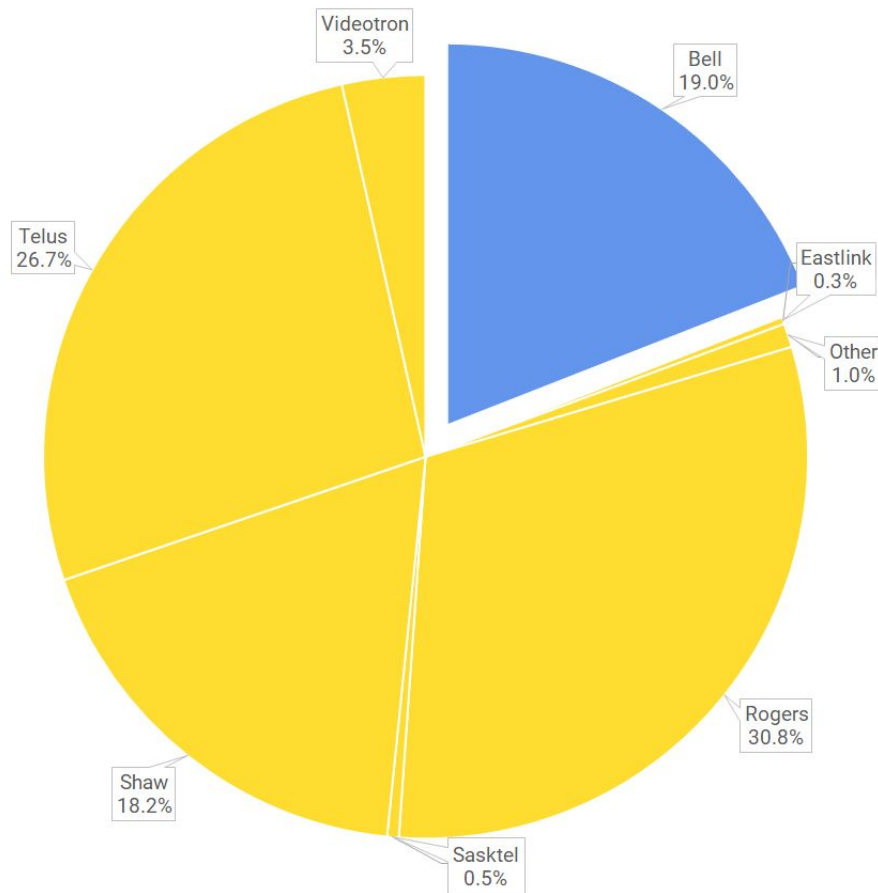
34,071,967 Total Potential
Market (2021)

Underserved segments: value conscious, moderate use, **transient, temporary, or prepaid**

- Young and untethered
Saving while in College/University, first job
- New Canadians
Finding new roots in Canada
- Value conscious, families
Trying to save, fixed income, connecting younger kids
- Temporary visitors and tourists
Visiting, studying or working in Canada
- Seniors, “empty nesters”
Traveling between the city and the cottage, or often to the US
- Self employed, tiny businesses
Freelancing, driving “Uber”, delivering food, contracting, hospitality



The need for affordable by design service is national and spans through all carriers.



Spending \$/month



Happiness 0-10



Paying \$/GB

Data On Tap Inc. took active part in the review

Watch Data On Tap Inc. Public Hearing
Presentation and Q&A (February 27, 2020) ->

[Browse all DOT submissions](#)

[Read final submission \(PDF\)](#)



In April 2021 CRTC ruled that Canada will remain closed for true MVNOs and TelcoTech disruption

Regional Providers

Have a chance to improve roaming in the long term;

- permanent roaming with current high rates,
- negotiated soft hand-off (been tried before),
- ability to resell, and
- commitment to own the spectrum and build in the areas you sell subscriptions within 7 years.

MVNOs

Nothing immediate or nation-wide;

- MNOs to provide MVNO rates in 90 days,
- have a new path to go through regionals,
- rates higher than spectrum holders \$14/GB expected,
- no ability to innovate with partial tech stack.

Full MVNOs

There is nothing in the decision around the tech stack and service innovation, leaving developments like public-cloud-based core or any other advanced developments for negotiations.



Important: The [CRTC 2021-130](#) didn't take into account Shaw-Rogers deal as the public record closed prior to the deal being announced. This deal might have the important implications when the deal will go through regulatory scrutiny in Q3-Q4 2021.

Current mandated national roaming rates based on Cost+ approach

National wireless carrier	Voice wholesale roaming rate per minute	SMS wholesale roaming rate per message	Data wholesale roaming rate per MB
Bell	\$0.013668	\$0.000593	\$0.013281
Rogers	\$0.007062	\$0.000007	\$0.013978
Telus	\$0.015735	\$0.001796	\$0.014071

*Regulated max wholesale rates in effect from March 2018 (retroactive to 2015 May). Are higher than the US by 300% and higher than retail in many cases.

Proposed/Full MVNO regulatory requirements
<https://crtc.gc.ca/eng/archive/2015/2015-496.htm>

Current mandated wholesale rates in Canada
<https://crtc.gc.ca/eng/archive/2018/2018-99.htm>

Directive on affordability from the Government of Canada
<http://www.ic.gc.ca/eic/site/smt-gst.nsf/eng/sf11484.html>

Data On Tap Inc. (full MVNO)

WSP licenses in Canada

Data On Tap Inc. will operate as a Full MVNO. As described in Telecom Decision [CRTC 2015-496](#), a full MVNO is a service provider who owns and operates its own switches and routers and has a service management system for end user devices.

Data On Tap Inc. [MCC/MNC: 302 100](#)

Data On Tap Inc. will be operating cloud based core and other infrastructure. Currently located: Amazon Web Services, Google Cloud Platform, Montreal, Quebec.

BITS license is required to transport voice traffic internationally (at launch to US only).

Application and Licensing types	Date
Basic International Telecommunications Services	Approved 2019-02-28
Proposed Full MVNO	Initial Registration Date: 2019-08-29
Full MVNO	Registration: 2020-12-23
Wireless numbering (CO)	Applied (NECA) Pending

Full MVNO path less certain

Community Building, Concept Validation, Regulatory/Licensing

- ✓ Data On Tap Inc. founded in December 2018
- ✓ First round Pre-Seed funding \$1M
- ✓ Brand, Website, Social Presence
- ✓ Strategic partnerships (Frontend development, Service Delivery, Accessories)
- ✓ Hired local and remote teams
- ✓ Established project workflows, communication tools
- ✓ MVP design, prototypes, systems architecture
- ✓ CRTC Registration as Proposed Full MVNO
- ✓ BITS License
- ✓ Mobile Network Code registration (302 100)

2018
-
2019

Partnerships, App Dev

- ✓ Core network agreement
- ✓ Payment Gateway
- ✓ Accessory Vendors
- ✓ 3PL Fulfilment
- ✓ MVP Development and Testing

H1
2020

Licensing, App Alpha

- ✓ Onboarding
- ✓ Account Management
- ✓ eCommerce
- ✓ Connectivity Monitoring
- ✓ AI Chatbot
- ✓ 1st digital product launched (screen insurance)
- ✓ **1st Regional Wholesale agreement Full MVNO license**

H2
2020
|
10K Members
|

CURRENT STAGE

Wireless Enablement
+
TelcoTech stack Development

CRTC 2019-57 Decision (Wireless Industry Review)

Wholesale market rules

April 15
2021

dotmobile.app Beta

Wireless service launch as Full MVNO + MVNE. Multiple RAN, IoT, eSIM. Full Marketplace services & capabilities.

H2
2021
|
100K Members
|

Forward Looking Statement Disclaimer Assumptions based on current prepaid market share, average usage, projected wholesale cost regulations, and network coverage factors. Sensitivities available in business plan. There can be no assurance that the Corporation will meet its projected targets or that investors will receive the projected, or any, return on their investment. Investors may lose all or a significant portion of their investment.



[Download the Alpha \(Android / iOS\)](#)

Request more information

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