
Condo Smarts

Headline: Exclusive Communication Agreements

Topic: Communication Agreements

Publication / Date: Province, March 30, 2023

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Dear Tony: Our strata corporation has received a notice from the CRTC ordering our strata corporation to provide access to a communications provider for internet and cable services. Our strata entered into an agreement to convert to install fibre optics and in doing this we entered into an exclusive agreement with a communications provider. Does a federal regulator have the authority to order strata corporations in BC to comply with a regulation that is not part of the Strata Property Act or Provincial legislation? How would we comply with this order once we entered into this contract?

Dear Strata Councils and Property Managers: Strata corporations like all industries and users must comply with all enactments of law, including federal laws. Under the Regulations of the *CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION*, the CRTC requires that the provision of telecommunications service by a LEC (Communication provider) in Multi Dwelling Units (MDU) be subject to the condition that all LECs wishing to serve end-users in that MDU are able to access end-users in that MDU on a timely basis, by means of resale, leased facilities or their own facilities, at their choice, under reasonable terms and conditions.

Strata corporations who collectively subscribe to communications services may yield the benefit of significantly reduced costs, or they may upgrade their communications services, but they cannot restrict a service provider or user from accessing or delivering the services of their choice or contract.

Service providers who are installing or delivering a communications service are not permitted to restrict a strata corporation to an exclusive agreement. The installation or upgrade of a communications service often requires significant changes to property or use of property, and usually requires a 3/4 vote of the owners

at a general meeting. Communications contract terms and conditions can be complex and for extended periods that far exceed reasonable time periods and penalties for cancellations.

I always recommend strata corporations contact a lawyer to review the conditions of the contracts closely before they bring this to their owners at a general meeting for approval. Even though a strata corporation may have entered into an exclusive agreement for services, contact your lawyer to have notice given to the service provider to renegotiate the terms and conditions of the contract to comply with the CRTC regulations. For more information you can reach out to www.crtc.gc.ca