

FEB - 1 2016

Ms. Danielle May-Cuconato
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa ON K1A 0N2

Dear Ms. May-Cuconato:

**Further Intervention from the Government of the Northwest Territories
regarding Telecom Notice of Consultation 2015-134, Review of basic
telecommunications services, File number: 8663-C12-201503186**

1. The Government of the Northwest Territories ("the GNWT") hereby submits a further intervention, pursuant to paragraph 64 of the above referenced public notice.
2. In its June 30, 2015 intervention, the GNWT laid out its initial positions on the key issues before the CRTC in this Proceeding. We anticipate filing a final position in May, based on the evidence filed to date and the discussions to be held at the April public hearing.
3. For this specific intervention, we limit our comments to one crucial issue which we believe has not received sufficient attention to date in this Proceeding. That is, the issue of affordability and the need to introduce a new subsidy to ensure that high speed Internet service is affordable to all Canadians. This subsidy requirement is in addition to any subsidy necessary to extend high speed Internet service to areas where it is not available.
4. The *Telecommunications Act*, under section 7, states that;
It is hereby affirmed that telecommunications performs an essential role in the maintenance of Canada's identity and sovereignty and that the Canadian telecommunications policy has as its objectives:
 - (a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions;
 - (b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;
 - (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications;

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- (d) to promote the ownership and control of Canadian carriers by Canadians;
- (e) to promote the use of Canadian transmission facilities for telecommunications within Canada and between Canada and points outside Canada;
- (f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective;
- (g) to stimulate research and development in Canada in the field of telecommunications and to encourage innovation in the provision of telecommunications services;
- (h) to respond to the economic and social requirements of users of telecommunications services; and
- (i) to contribute to the protection of the privacy of persons.

5. Based upon these objectives, and having found local service to be a basic service in Telecom Decision 99-16, the CRTC subsequently established the current subsidy regime to ensure the affordability of residential local service. This regime seeks to ensure that rates for residential local service remain below or, at worst, only marginally more than \$30 a month and subject to some adjustment for inflation. To achieve this end, a local service subsidy is provided in high cost serving areas, including most parts of northern Canada, that reflects the difference between the cost of providing service and the allowed level of rates, and that serves to ensure that local residential rates in high cost areas remain comparable to the rates charged in other areas of Canada.
6. In the GNWT's view, the affordability of high speed Internet service is no less important. Yet current rates for high speed Internet service in the North are far above those charged in most other areas of Canada and as a result, place an undue burden upon northern families. In Table 1, the GNWT has compiled the rates charged by Northwestel, the other large ILECs, and most small ILECs for Internet service at or near CRTC current target speeds.

TABLE 1

Internet Plans Closest to CRTC 5/1 Target Speeds Offered by Canadian Telcos as of Dec 31 2014 * * * * *

	Plan	\$ Monthly rate	Mbps Upload Speed Up to	Mbps Download Speed Up to	Gb Data Cap	Overage Charge \$/Gb
Northwestel	Internet 5 Cable	63.95	5	0.384/0.512	40	2.00
	Internet 5 DSL	63.95	5	0.512	120	3.00
	Internet 5-Satellite	179.95	5	0.512	30	15.00
Bell Canada	Ontario Internet 5 DSL	44.95	5	0.8	40	4.00
	Quebec Internet 5 DSL	37.95	5	0.8	20	4.00
Bell Allant	NB High Speed Ultra DSL	79.45	7	0.64	Unlimited	
	NL High Speed Ultra DSL	79.45	7	0.64	Unlimited	
	NS High Speed Ultra DSL	79.45	7	0.64	Unlimited	
	QV Fibre 5	47.99	5	1	40	4.00
	PE High speed Ultra DSL	79.45	7	0.64	Unlimited	
	QC Fibre 5	39.95	5	1	20	4.00
CVQ	Internet 10 Cable	63.95	10	1	Unlimited	
DMTS(ON)	DSL & DSL Raw	39.95	8	1	Unlimited	
KMTS(ON)	H55 & H55 Dry DSL	38.95	5	1	Unlimited	
Northern Tel	Internet 5 DSL	48.95	5	0.512	Unlimited	
Onterra	High Speed DSL	44.95	5	0.8	Unlimited	
Telebec	Internet 5	51.95	5	0.512	Unlimited	
TELUS AB	Internet 6	58.00	6	1	Not enforced	
TELUS BC	Internet 6	58.00	6	1	Not enforced	
TELUS QC	Internet High Speed 6	45.95	6	1	Not enforced	
SaskTel	HSBasic and HSPlus	49.95	5	0.64	Unlimited	
MTSAllstream	Lightning	54.00/59.00	7	0.768	Unlimited	
Brooke Telecom		?	?	?	Unlimited	
Bruce Telecom	Standard Internet Plan	34.95	6	1	Unlimited	
City West Telephone	Premium DSL 5/HIS cable 5	44.95/39.95	5	0.512	300/180	2.00
Cochrane Telephone	Warp Two	45.95	5	1	Unlimited	
Execulink Telecom		40.95	6	0.8	100	1.00
Gosfield North Communications		34.95	5	1	Unlimited	
Hay Communications		39.95	10	1	Unlimited	
Huron Telecommunications		?	?	?	Unlimited	
Landsdowne		52.50	5	1	Unlimited	
Mornington Communications	DSL/Fibre	44.90	6	1	Unlimited	
Nexicom		44.95	6	0.8	Unlimited	
North Frontenac		49.95	?	?	Unlimited	
North Renfrew		39.95	6	0.8	Unlimited	
Quadro Communications		45.00	10	1	Unlimited	
Roxborough Telephone		39.95	5	1	100	19.95 (to add 100 Gb)
Tuckersmith		44.95	10	1	Unlimited	
Wightman Telecom		45.95	15	1	Unlimited	
WTC Communications		?	?	?	?	?
9315-1884 Quebec Inc.		?	?	?	?	2.00 (to 40.00 max)
Coop Tel		?	?	?	?	2.00
Groupe Maskatel		34.95	10	1	Unlimited	
Telephone Milot		?	?	?	?	2.00 (to 40.00 max)
Sogetel		?	?	?	?	2.00 (to 40.00 max)
St-Ephrem		34.95	10	2	Unlimited	
St-Victor		34.95	5	1	Unlimited	
Upton		34.95	?	?	?	2.00/5.00
Tbaytel		50.95	10	1	Unlimited	

* Rates for Northwestel include the reductions ordered in CRTC Telecom Decision 2015-78. Some other rates may also be more recent.

** Minimum download speed of 5Mbps except where noted.

*** Excludes wireless plans and plans offered only as part of a bundle.

Sources

For Bell Companies see The Companies(CRTC)May15-3TNC20915-134

For TELUS see TNC 2015-134 TELUS(CRTC)7May15-3

For SaskTel see TNC 2015-134 SASKTEL(GNWT)2Nov15-1

For MTS Allstream see TNC 2015-134 MTS(CRTC)7May15 Q.3

For JTF Independents see TNC 2015-134 JTF(GNWT)2Nov15-1.

For Tbaytel see TNC 2015-134 Tbaytel July 14 responses to CRTC Information requests.

7. Key conclusions from Table 1:

- The monthly rate for 5 Mbps download service¹ provided using satellite backhaul in Northwestel's territory is \$179.95 with a data cap of 30 Gb and overage charges of \$15.00 per Gb. In other areas of Canada, the monthly rate for 5 Mbps download services with no data limits is far less, generally ranging between \$34.95 and \$79.45 per month;
- The monthly rate for 5 Mbps download service using cable or DSL in Northwestel's operating territory is approximately \$63 per month plus overage charges for usage in excess of the data cap. In other areas of Canada, for similar service having data caps, rates range between \$34.95 and \$50.95 per month;
- Service is provided by most telcos on an unlimited usage basis, with Bell and Northwestel, being the two major exceptions. Currently, Bell's web page indicates that generally it will allow conversion of its services to unlimited usage for an additional charge of \$30 per month or \$10 per month as part of a bundle.

8. In other words, Northwestel customers are paying far more to receive far less.

9. Furthermore, as demonstrated in Tables 2 and 3, this is also true of service provided at other speeds including the 25/3 target speed proposed by the GNWT and at a 15/2 target speed that is midway between the current target and the GNWT proposal.

10. The GNWT notes that these Tables provide information only for telephone company service offerings. In most parts of Canada, other service providers including cable companies and ISPs also offer Internet service, and in many cases at rates below those shown in the Tables herein. In the North, the largest competing provider of broadband service is SSI Micro. SSI Micro does not offer service at CRTC target speeds and, while extending its presence in Nunavut, has been withdrawing service from many NWT communities.² In southern Canada, a much wider range of alternatives exist. As one example, in southern Ontario, Start Communications currently offers 15/1 ADSL service with a 300 Gb usage allowance for \$40 per month or with unlimited usage for \$50 per month³, which is significantly below the equivalent rates charged by Bell Canada in this region.

¹ 5 Mbps download service using satellite backhaul is only available in Iqaluit. Other satellite communities in the North currently have a lower maximum download speed.

² TNC 2015-134 SSI(GNWT)14Aug15-2 and SSI(CRTC)14Aug15-4.

³ <https://www.start.ca>

TABLE 2

Internet Plans Closest to 15/2 Speeds Offered by Canadian Telcos as of Dec 31 2014 * ** ***

		DATA CAPS	UNLIMITED			
	Plan	\$ Monthly rate	Mbps Upload Speed Up to	Mbps Download Speed Up to	Gb Data Cap	Overage Charge \$/Gb
Northwestel	Internet 16 Cable	79.95	18	0.768	110	2.50
	Internet 16 DSL	119.95	18	1	200	3.00
Bell Canada	Ontario Fibe 15	57.95	25	10	80	3.00
	Québec Fibe 15	49.95	35	10	60	3.00
Bell Alliant	NB FibreOP Internet 75/30	76.45	75	30	Unlimited	
	NL FibreOP Internet 75/30	76.45	75	30	Unlimited	
	NS FibreOP Internet 75/30	76.45	75	30	Unlimited	
	ON Fibe 15	57.95	18	10	80	3.00
	PE FibreOP Internet 75/30	76.45	75	30	Unlimited	
	QC Fibe 15	49.95	15	10	80	3.00
(CVO)	Internet 20	71.95	20	1	100	5.00
DMTS(ON)	Not Applicable					
KMTS(ON)	Not Applicable					
Northern Tel	ON FibreOP Internet 20/15	73.95	20	15	Unlimited	
Onterra	Not Applicable					
Telebec	QC Internet 20	71.95	20	1	Unlimited	
TELUS AB	Internet 15	63.00	15	1	Not enforced	
TELUS BC	Internet 15	63.00	15	1	Not enforced	
TELUS QC	Internet 10	56.95	15	1	Not enforced	
SaskTel	HS Ultra	79.95	25	2	Unlimited	
MTSAllstream	Lightning 25	65.00	25	2	Unlimited	
Brooke Telecom		51.95	20	2	Unlimited	
Bruce Telecom	Not Available					
CityWest Telephone	Quantum 20	65.00	20	2	unlimited	
Cochrane Telephone		45.95	?	?	unlimited	
Execulink Telecom		53.95	18	1	100	1.00
Gosfield North Communications		44.95	10	1	Unlimited	
Hay Communications		39.95	20	2	Unlimited	
Huron Telecommunications		54.95	?	?	Unlimited	
Landsdowne	Not Available					
Mornington Communications	DSL/Fibre	41.95	20	2	Unlimited	
Nexicom		54.95	15	10	Unlimited	
North Frontenac		72.00	10	2	Unlimited	
North Renfrew		44.95	12	0.8	Unlimited	
Quadro Communications		52.00	15	1	Unlimited	
Roxborough Telephone		59.95	10	1	100	19.95 to 200 Gb
Tuckersmith		64.95	20	2	Unlimited	
Wightman Telecom		45.95	15	1	Unlimited	
WTC Communications		69.95	15	2	100	2.00 (to 500.00 max)
9315-1884 Québec Inc.		44.95	15	1	200	2.50 (to 500.00 max)
CoopTel		42.95	15	1	100	2.00
Groupe Maskatel		44.95	15	1	Unlimited	
Téléphone Milot		44.95	15	1	250	2.50 (to 500.00 max)
Sogertei		44.95	15	1	250	2.50 (to 500.00 max)
St-Ephrem		49.95	15	2	Unlimited	
St-Victor	Not Available					
Upton		44.95	10	1.5	100/25	5.00/2.00
Tbaytel	High Speed Plus/Fibre 15	53.95	15	1/8	Unlimited	

* Rates for Northwestel include the reductions ordered in CRTC Telecom Decision 2015-78. Some other rates may also be more recent.

** Minimum download speed of 15Mbps except where noted.

*** Excludes wireless plans and plans offered only as part of a bundle.

Sources

For Bell Companies see TNC 2015-134 Bell et al(GNWT)14Aug15-1

For TELUS see TNC 2015-134 TELUS(GNWT)2Nov 15-1

For SaskTel see TNC 2015-134 SASKTEL(GNWT)2Nov15-1

For MTS Allstream see TNC 2015-134 MTS(NWTF)2Nov15-1

For JTF Independents see TNC 2015-134 JTF(GNWT)2Nov15-1.

For Tbaytel see TNC 2015-134 Tbaytel(GNWT)1December15-1

TABLE 3

Internet Plans Closest to 25/3 Speeds Offered by Canadian Telcos as of Dec 31 2014 * ** ***

	Plan	\$ Monthly rate	Mbps Upload Speed Up to	Mbps Download Speed Up to	Gb Data Cap	Overage Charge \$/Gb
Northwestel	Internet 50 Cable	110.95	80	2	200	2.50
Bell Canada	Ontario Fibre 75	61.95	25	10	100	3.00
	Quebec Fibre 25	54.95	25	10	100	3.00
Bell Alliant	NB FibreOP Internet 75/30	76.45	75	30	Unlimited	
	NL FibreOP Internet 75/30	76.45	75	30	Unlimited	
	NS FibreOP Internet 75/30	76.45	75	30	Unlimited	
	ON Fibre 25	61.95	25	10	100	3.00
	PE FibreOP Internet 75/30	76.45	75	30	Unlimited	
	QC Not Applicable					
EVO	Internet Cable 30	84.95	30	1.5	100	5.00
DMTS(ON)	Not Applicable					
KMTS(ON)	Not Applicable					
Northern Tel	ON FibreOP Internet 50/30	88.95	50	30	Unlimited	
Onterra	Not Applicable					
Telebec	QC Internet Cable 30	84.95	30	1.5	Unlimited	
TELUS AB	Internet 25	68.00	25	5	Not enforced	
TELUS BC	Internet 25	68.00	25	5	Not enforced	
TELUS QC	Internet 25	66.95	25	5	Not enforced	
SaskTel	HS Ultra	79.95	25	2	Unlimited	
MTS Allstream	Lightning 25	65.00	25	2	Unlimited	
Brooke Telecom		51.95	20	2	Unlimited	
Bruce Telecom	Not Available					
City West Telephone	Quantum 50 Cable	120.00	50	3	200	2.00
Cochrane Telephone		65.95	?	?	unlimited	
Execulink Telecom		89.95	20	3	300	1.00
Gosfield North Communications		59.95	50	10	Unlimited	10.00 reduction with data cap
Hay Communications		49.95	30	3	Unlimited	
Huron Telecommunications	Not Available					
Landsdowne	Not Available					
Mornington Communications	DSL/Fibre	41.95	20	2	Unlimited	
Nexcom		64.95	25	10	Unlimited	
North Frontenac		74.95	25	20	Unlimited	
North Renfrew	Not Available					
Quadro Communications		63.00	25	1	Unlimited	
Roxborough Telephone		79.95	25	2	500	19.95 (to add 500 Gb)
Tuckersmith		129.95	40	4	Unlimited	
Wightman Telecom	Not Available					
WTC Communications	Not Available					
9315-1884 Quebec inc.		59.95	30	5	300	2.50 (to 550.00 max)
CoopTel		64.95	25	5	125	2.00
Groupe Maskatel		52.95	30	2	Unlimited	
Telephone Milot		59.95	30	5	300	2.50 (to 550.00 max)
Soytel		59.95	30	5	300	2.50 (to 550.00 max)
St-Ephrem		59.95	25	3	Unlimited	
St-Victor	Not Available					
Upton		69.95	30	10	125/25	5.00/2.00
Tbaytel	High Speed Max/Fibre25	58.95	25	1/13	Unlimited	

* Rates for Northwestel include the reductions ordered in CRTX Telecom Decision 2015-78. Some other rates may also be more recent.

** Minimum download speed of 25Mbps except where noted.

*** Excludes wireless plans and plans offered only as part of a bundle.

Sources

For Bell Companies see TNC 2015-134 Bell et al(GNWT)14Aug15-1

For TELUS see TNC 2015-134 TELUS(GNWT)2Nov15-1

For SaskTel see TNC 2015-134 SASKTEL(GNWT)2Nov15-1

For MTS Allstream see TNC 2015-134 MTS(NWTF)2Nov15-1

For JTF Independents see TNC 2015-134 JTF(GNWT)2Nov15-1.

For Tbaytel see TNC 2015-134 Tbaytel(GNWT)1December15-1

11. In TRP 2013-711, at paragraph 16, the CRTC stated:

The Commission considers that modern telecommunications services are necessary for economic development in the North and are needed by northern Canadians to participate in the digital economy to the same level as southern Canadians. The Commission is of the view that there is a need for reliable, affordable telecommunications services of high quality in the many small and remote communities in Northwestel's operating territory. The ability to access services such as health care, education, government programs, and banking is vital to consumers in these communities.

12. The GNWT believes that an important part of achieving this end will be the development of a high speed Internet affordability subsidy that allows Northerners to access this service at rates comparable to those paid in most other areas of Canada.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mike Aumond', is written over the typed name and title.

Mike Aumond
Deputy Minister

- c. Northwestel Regulatory
SSi Regulatory
Ice Wireless
Government of Yukon – CRTC Regulatory
Government of Nunavut – CRTC Regulatory