



PEACE RIVER REGIONAL DISTRICT

Broadband Internet and Mobility Committee Meeting Agenda

April 30, 2025, 10:00 a.m.
1981 Alaska Avenue, Dawson Creek, BC

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1. CALL TO ORDER	
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12.	ADJOURNMENT	



PEACE RIVER REGIONAL DISTRICT

BROADBAND INTERNET AND MOBILITY COMMITTEE MEETING MINUTES

January 24, 2025, 10:00 a.m.
1981 Alaska Avenue, Dawson Creek, BC

Directors Present:	Alternate Director Wisekal, Electoral Area D Director Courtoreille, District of Chetwynd Director Dober, City of Dawson Creek Alternate Director Graham, Electoral Area B (via Zoom) Director Hansen, City of Fort St. John (via Zoom) Alternate Director Norbury, District of Tumbler Ridge (via Zoom) Director Quibell, District of Hudson's Hope (via Zoom) Director Sperling, Electoral Area C Director Taillefer, District of Taylor (via Zoom) Director Veach, Village of Pouce Coupe Director Zabinsky, City of Fort St. John (via Zoom)
Directors Absent	Director Hiebert, Electoral Area D Director Rose, Electoral Area E
Staff Present:	Shawn Dahlen, Chief Administrative Officer Roxanne Shepherd, Chief Financial Officer Tyra Henderson, Corporate Officer Joanne Caldecott, Deputy Corporate Officer Trevor Ouellette, IT Manager Terri Henrickson, Regional Connectivity Coordinator/Recorder
Delegations:	Megan Chadwick, Community Relations Connecting Communities BC Rachel Greenspan, Executive Director Network BC Ministry of Citizens' Services

1. ELECTION OF CHAIR AND VICE-CHAIR

Before calling the Broadband Internet and Mobility Committee Meeting to order, the Chief Administrative Officer explained that an election was held preceding the January 24, 2025 Committee Meeting for the positions of Chair and Vice-Chair of the Committee for 2025 and announced that Director Quibell had been elected as Chair and Director Zabinsky had been elected Vice-Chair.



2. CALL TO ORDER

Chair Quibell called the meeting to order at 10:04 a.m.

3. ADOPTION OF AGENDA

MOVED Director Zabinsky

SECONDED Director Taillefer

That the Broadband Internet and Mobility Committee adopt the January 24, 2025 Meeting Agenda:

1. ELECTION OF CHAIR AND VICE-CHAIR

2. CALL TO ORDER

3. ADOPTION OF AGENDA

4. GALLERY COMMENTS OR QUESTIONS

5. ADOPTION OF MINUTES

5.1 Broadband Internet and Mobility Committee Draft Meeting Minutes of October 23, 2024

6. BUSINESS ARISING FROM THE MINUTES

7. DELEGATIONS

8. CORRESPONDENCE

9. REPORTS

9.1 Sharing of the PRRD 2024 Regional Connectivity Strategy Report - ADM-BIMC-30

9.2 Function 135 Regional Connectivity Draft 2025 Budget - ADM-BIMC-032

10. NEW BUSINESS

11. CONSENT CALENDAR

11.1 Wonder Valley AI Centre - Municipal District of Greenview - ADM-BIMC-031

11.2 Highway 16 - Five New Cell Towers Improve Safety - ADM-BIMC-033

11.3 CRTC Broadband Fund Review

11.4 Broadband Internet and Mobility Committee Terms of Reference

11.5 Broadband Internet and Mobility Committee Guiding Principles

11.6 Regional Connectivity Service Establishment Bylaw No. 2487, 2022

12. RECESS TO CLOSED SESSION

13. ADJOURNMENT

CARRIED

4. GALLERY COMMENTS OR QUESTIONS

5. ADOPTION OF MINUTES

5.1 Broadband Internet and Mobility Committee Draft Meeting Minutes of October 23, 2024

MOVED Director Sperling

SECONDED Director Courtoreille

That the Broadband Internet and Mobility Committee Meeting minutes of October 23, 2024 be adopted.

CARRIED

6. BUSINESS ARISING FROM THE MINUTES

7. DELEGATIONS

8. CORRESPONDENCE

9. REPORTS

9.1 Sharing of the PRRD 2024 Regional Connectivity Strategy Report, ADM-BIMC-030

MOVED Director Sperling
SECONDED Director Dober

That the Broadband Internet and Mobility Committee recommend that the Regional Board authorize that the website link for the 2024 Regional Connectivity Strategy Report titled “Regional Fibre-to-the-Premise and Cellular Connectivity Report” be shared with each of the PRRD member municipalities, all First Nations located within the PRRD, the community of Kelly Lake and Northern Health.

The Committee discussed the need for the 2024 Regional Connectivity Strategy Report to be shared broadly with other communities and local governments including the Northern Rockies, PRIS, etc. The Corporate Officer explained that the link for the report was publicly available on the Peace River Regional District (PRRD) website. Directors noted however that the report was not easy to find on the ‘Have Your Say’ webpage or when searching the internet. The Committee agreed that the report should be made more visible on the website and needs to be easier to find online and suggested using more searchable keywords and tags. Directors requested that the report be featured on Facebook as well. Staff confirmed that this work would be completed as requested.

Chair Quibell called the Question to the Motion.

CARRIED

9.2 Function 135 – Regional Connectivity Draft 2025 Budget, ADM-BIMC-032

MOVED Director Sperling
SECONDED Director Dober

That the Broadband Internet and Mobility Committee recommend that the Regional Board approve the draft 2025 budget totaling 1,482,803 for Function 135 – Regional Connectivity, with a total requisition of \$197,843 and an estimated tax rate of \$0.0058/\$1,000.

CARRIED

10. NEW BUSINESS

Staff confirmed that Canadian Fiber Optics was scheduled to attend a Closed Regional Board meeting on February 20, 2025 to provide the Regional Board with updates.

MOVED Director Sperling
SECONDED Director Zabinsky

That the Broadband Internet and Mobility Committee approve new the business item regarding the announcement of new Canadian Radio-television and Telecommunications (CRTC) Rulings.

CARRIED

Director Veach, Village of Pouce Coupe, joined the meeting at 10:20 a.m.

10.1 New Canadian Radio-television and Telecommunications (CRTC) Rulings (Cont'd)

Director Sperling read a news article from 'Energetic City' announcing new Canadian Radio-television and Telecommunications (CRTC) rulings whereby the CRTC announced three new policy actions that will affect Fort St. John, Fort Nelson and 19 other communities in BC and the Yukon. The article highlighted the three policy actions:

- Develop subsidies for the far north that will align costs with the rest of the country.
- NorthwesTel was specifically required to reduce customer bills when services had been disrupted for a day or more.
- CRTC will make it easier for other internet service providers to use the NorthwesTel network to introduce more competition and choices.

Directors discussed the existing difficulties in accessing the NorthwesTel fibre lines and agreed that changes made by the CRTC were good news and wanted to hear what NorthwesTel would have to say. Directors noted the recent change in ownership of NorthwesTel and were curious as to what impact the CRTC changes would have on the region.

MOVED Director Zabinsky

SECONDED Director Sperling

That the Broadband Internet and Mobility Committee invite NorthwesTel to attend the Broadband Internet and Mobility Committee meeting as a Delegation in April or at their earliest convenience.

CARRIED

Directors asked staff to investigate the CRTC regulation changes more fully and provide the Regional Board with a report before NorthwesTel attends the next Committee meeting in April, so Directors are informed in advance.

MOVED Director Sperling

SECONDED Director Zabinsky

That the Broadband Internet and Mobility Committee authorize staff investigate what new Canadian Radio-television and Telecommunications (CRTC) regulations look like before the NorthwesTel Delegation attends the next Broadband Internet and Mobility Committee Meeting.

CARRIED

11. CONSENT CALENDAR

Chair Quibell asked Directors whether they wished to lift any items from the January 24, 2025 Consent Calendar and the following items were lifted:

11.2 Highway 16 - Five New Cell Towers Improve Safety, ADM-BIMC-033

Directors discussed how important connectivity was on BC highways and how safety was slowly improving in the northern region. Director Courtoreille mentioned the \$5M invested to connect Chetwynd to Mackenzie and how pleased he was to see the progress made in this area. Directors agreed it was good that cellular service on Highway 16 was



11.2 Highway 16 - Five New Cell Towers Improve Safety, ADM-BIMC-033 (Cont'd)

improving at last and that Rogers Communications accessibility was improving for 911 emergency calls along highways. Directors also agreed on the importance of maintaining pressure on this issue, noting that while the rules slowly soften, the hope is that the north will see connectivity continue to increase.

11.1 Wonder Valley AI Centre - Municipal District of Greenview, ADM-BIMC-031

Director Dober noted that the Wonder Valley Artificial Intelligence (AI) Centre would be significant to the economies of Northern British Columbia and Alberta; and Grande Prairie had been chosen for the location because the Alberta Government was in full support of the \$70 billion project.

Director Dober suggested that British Columbia should be establishing a leading edge to get ahead of this important development and suggested that the Board could ask the Ministry what their vision for AI in BC is and whether the Ministry has plans to support future AI projects in BC.

MOVED Director Dober

SECONDED Director Veach

That the Broadband Internet and Mobility Committee recommend that the Regional Board send a letter to the Minister of Citizens Services inquiring what the Province's vision for Artificial Intelligence (AI) in British Columbia is and whether there are plans to support future AI projects in British Columbia.

CARRIED

MOVED Director Sperling

SECONDED Director Courtoreille

That the Broadband Internet and Mobility Committee receive the remainder of the Consent Calendar items.

CARRIED

12. RECESS TO CLOSED SESSION

13. ADJOURNMENT

The Chair adjourned the meeting at 10:37 a.m.

CERTIFIED a true and correct copy of the Minutes of the Peace River Regional District's Broadband Internet and Mobility Committee Meeting held on January 24, 2025 in the PRRD Board Room, 1981 Alaska Avenue, Dawson Creek, BC.

Travous Quibell, Chair

Terri Henrickson, Regional Connectivity
Coordinator/Recording Clerk



BRITISH
COLUMBIA

Ministry of
Citizens' Services

Internet Affordability

Broadband Internet & Mobility Committee

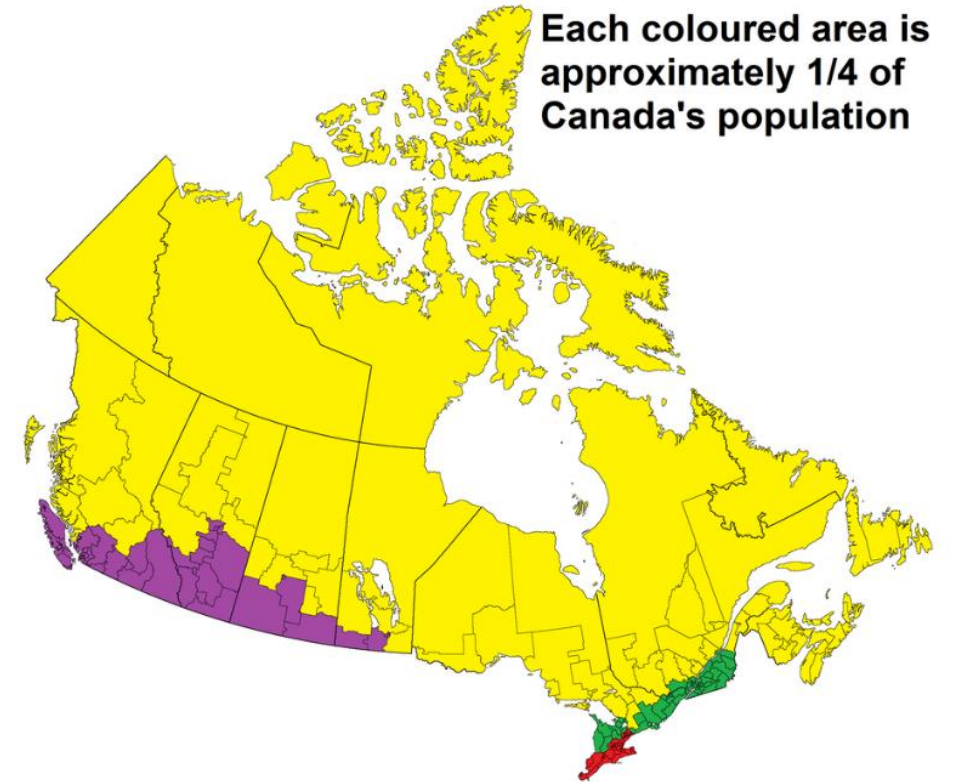
April 2025

Shared Learnings from Affordability Activities

- Importance of using specific definition of “affordability”
- Affordability supports already available to 80-90% of low-income citizen in BC but they may not be aware
- Which low-income groups remain without access to supports
- Why federal government needs to lead in this area
- Proposed action plan
- CRTC 2025-9 / CRTC 2025-10 discussion (time allowing)

Canadian telecom dilemma – *ubiquitous access for all citizens vs competition to drive service innovation and price*

- Canada 2nd largest country in the world but has 4th lowest population density
- International cities with populations close to Canada's
- No/weak business case for providing services outside of urban centers
- Problem worse in provinces with mountainous terrain, tall trees and heavy rains
- No reasonable expectation of standardized national pricing given underlying cost variance
- Canadian telecom rates reasonable in comparison to other developed countries given country sizes and population densities



Elements of achieving Digital Equity are...

E
N
A
B
L
E
R
S



100% Internet Participation

Availability



Coverage

BC 96% / 98.2%

Internet & devices available to
all

Of sufficient speed and
reliability to both download and
upload content

Affordability



Subscription

CAN 94%

Internet & devices accessible to all

Including affordability supports
for low-income groups

Digital Skills



Subscription

Everyone with skills to safely
and efficiently use

Including culturally appropriate
training and supports

Largest unaddressed opportunity to achieve greater digital equity in Canada lies with internet affordability for

low-income groups

Two differing “internet affordability” focuses

1) *Lower telecom costs for everyone*

- Objective: lower all citizens telecom costs
- Potential outcome: everyone pays slightly less for service

2) *Make low-cost plans available to low-income groups*

- Objective: make low-cost plans available to low-income groups that they can afford
- Outcome: \$10-\$25 home internet and cellular plans available to low-income groups

ITU Broadband Commissions internet affordability target <2% of income - for low-income individual on income assistance that would be ~\$25

Average monthly cost of internet in Canada \$75 - costs typically higher in rural areas with some homes only option being \$140 satellite service

Lowering cost of telecom plans by small amount unlikely to significantly impact Digital Equity in Canada for the remaining 6% without internet access

Internet Affordability Supports – Current State

- Primary government connectivity program focus on achieving 100% “access” of high-speed internet to all homes
- Current federal “affordability” focus on increasing competition as mechanism to generally decrease cost of telecom services overall (small savings for all citizens)
- No federal policy focus on ensuring low-cost internet and cellular plans available to all low-income groups
- Current Canadian supports for low-income groups philanthropically provided by larger ISPs offering \$10 to \$35 internet and cellular plans to their customer base thru varied eligibility criteria
- No supports available to low-income groups served by smaller rural ISPs, by satellite ISPs, or in low-income groups not addressed by larger ISPs programs varied eligibility criteria







The Good News – up to 90% of low-income homes in BC already have access to \$10-\$35 plans thru larger ISPs

- Families receiving maximum Canada Child Benefit (net income <=\$34,863)
- Seniors receiving Guaranteed Income Supplement (annual GIS benefit received >=\$6,500)
- Receiving BC Persons with Disability (PWD) benefit
- Youth leaving foster care (letter from ministry)

Internet for Good

Internet for Good® provides thousands of low-income families in British Columbia, Alberta and some areas of Quebec with the tools and connectivity they need to succeed. Recipients must have children under the age of majority and be currently receiving the maximum Canada Child Benefit.

Program details

Internet 25	Internet 50	Internet 150
<div>\$10 per month for 24 months (plus taxes)¹</div> <div> Speeds up to 25Mbps²</div> <div> 300GB of monthly data</div>	<div>\$20 per month for 24 months (plus taxes)¹</div> <div> Speeds up to 50Mbps²</div> <div> Unlimited monthly data</div>	<div>\$35 per month for 24 months (plus taxes)¹</div> <div> Speeds up to 150Mbps²</div> <div> Unlimited monthly data</div>

What’s included in the plans?

- ✓ Option to purchase a low cost refurbished computer through [B.C. Technology for Learning Society](#).
- ✓ No contract or cancellation fees
- ✓ Digital safety workshops and resources through [TELUS Wise®](#)

- Families receiving maximum Canada Child Benefit (net income <=\$34,863)
- Seniors receiving Guaranteed Income Supplement (annual GIS benefit received >=\$6,500)
- Youth leaving foster care (letter from ministry)
- Government-assisted refugees
- Indigenous women at risk thru partner organizations

Note: Access to 0\$ plan for two years for youth leaving foster care


Mobility for Good

Mobility for Good® for low-income seniors provides Canadian seniors receiving the Guaranteed Income Supplement (GIS) benefit with low-cost wireless service. Customers can get a free certified pre-owned Galaxy S22 on a 2-year term, bring their own device or take advantage of a \$75 discount towards the online purchase of a refurbished smartphone or accessories through our retail partner, [Mobile Klinik](#).

Program details

Mobility for Good - 5GB 5G+


\$25 per month¹

 5 GB of shareable² data at speeds up to 2Gbps and unlimited data at reduced speeds per month³

 Unlimited Canada-wide talk & text

Mobility for Good - 15GB 5G+

\$35 per month¹

 15 GB of shareable² data at speeds up to 2Gbps and unlimited data at reduced speeds per month³

 Unlimited Canada-wide talk & text

Rogers

- Variance from TELUS:
- 50/10 plan lower price than \$20 TELUS / CFI
- Access thru Provincial Income Support benefits
- (new) Access thru First Nations Income Support benefits
- Access at any level of GIS benefit
- Access thru provincial rent geared to income benefits

Connected For Success - Expanded Eligibility, Plans and Dedicated Frontline Agents

Eligibility for Rogers Connected for Success:

- Rent geared to income tenants in subsidized, non-profit housing e.g. BC Housing
- Individuals on Provincial Disability Benefits e.g. BC Person with Disabilities (PWD)
- Individuals on Provincial Income Support e.g. BC Employment and Assistance Program (BCEA)
- Seniors receiving Guaranteed Income Support (GIS)
- Resettlement Assistance Program (RAP)
- Youth Aging out of Foster Care*
- Federal Gov't Connecting Families – max Canada Child Care

5G Mobile plan

Bring your own device or pair with a 5G phone

5G Mobile 10GB

\$25^{.00}/mo*

5G Mobile 15GB

\$35^{.00}/mo*

Choose from our most affordable internet plans

Ignite Internet 25u

\$9⁹⁹

/mo. + tax
Up to 25Mbps
download speed¹

Ignite Internet 50u

\$14⁹⁹

/mo. + tax
Up to 50Mbps
download speed¹

Ignite Internet 150u

\$34⁹⁹

/mo. + tax
Up to 150Mbps
download speed¹

Included with all plans: Unlimited usage + No installation fee + All-in pricing

Entertainment you love at a price you can afford

Ignite Internet and TV Bundles starting at \$39.99/mo. + tax

Federal Connecting Families Initiative (CFI)

- ISED driven program promoting awareness of ISPs volunteering to offer \$10 & \$20 / month Internet plans for low-income citizens.
- Program uses max Guaranteed Income Supplement benefit (GIS) or max Canadian Child Benefit (CCB) as eligibility criteria to provide supports to lowest-income seniors and families.
- 18 ISPs currently participate in the program - TELUS, Rogers and Northwestel in BC
- 220,000 potential CFI participants across Canada with 85,000 currently participating. (Currently 300,000 households living below poverty line in BC)
- ISPs programs offer broader eligibility criteria, and better value than CFI plans

Connecting Families

From: [Innovation, Science and Economic Development Canada](#)



**2.8 million Canadians living below poverty line in 2021,
85K households participating in CFI program**

Internet Affordability Supports – The Gaps

- Eligibility criteria varies by provider with none providing full coverage for low-income groups.
- Rural households served by smaller ISPs or satellite ISPs have no access to supports.
- Federal government focus on promoting awareness of two specific low-cost plans which provide less value than some ISPs affordability programs.

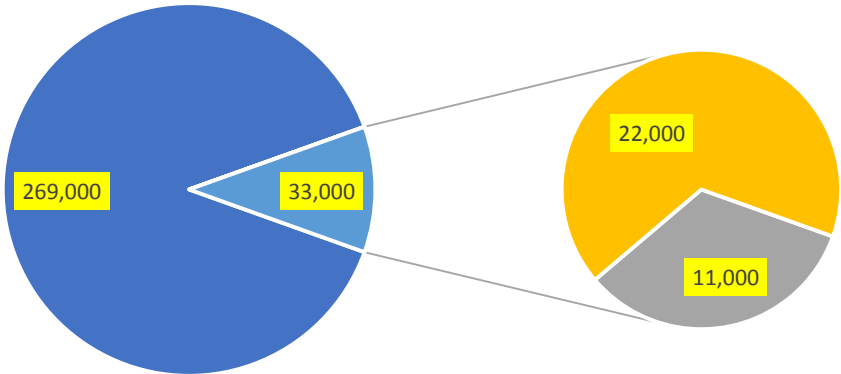
Larger ISPs supports very good for their customers meeting their eligibility criteria. However, there are known gaps in eligibility criteria, and no supports from smaller rural ISP & satellite ISP served homes.

Low-income household's internet affordability supports gap analysis

- Minimum of 33K low-income households in BC without access to low-cost plans
- Larger ISPs philanthropic programs addressing majority of affordability challenge
- Gap is those served by smaller rural and satellite ISPs and those not covered by eligibility criteria
- At least 10% of low-income homes potentially unable to access internet due to affordability issue

	Total Households	Total low-income Households	Total Low-Income Households without plan supports
British Columbia	2,211,700	302,000	
Low-cost plans offered in service area	2,131,700	291,000	22,000
No low-cost plans in service area	80,000	11,000	11,000

Low-Cost Plan Coverage of 302K Low-Income Households



- Eligible for discounted plan
- Low-income households without access to low-cost plans
- Served by ISPs not offering low-cost plans
- Not eligible for offered low-cost plans

11,000 low-income households served by ISPs not offering low-cost plans

22,000 low-income households within service area with low-cost plans but not covered by eligibility criteria

* See notes for data sources and assumptions

Telecom Federally Regulated in Canada

- Federal Ministry of Innovation, Science and Economic Development Canada (ISED) is responsible for regulation of telecommunications in Canada – use a variety of mechanisms such as legislation, regulations, standards, licences, spectrum, policies, programs etc.
- Canadian Radio-televisions and Telecommunications Commission (CRTC) is an administrative tribunal that regulates and supervises broadcasting and telecommunications in the public interest. CRTC oversees the implementation of the laws, regulations and policies set by the federal government.
- ISED & CRTC are governments Change Agents for Canadian telecommunications - manage regulatory controls and have access to significant industry-sourced funds.

Municipal and Provincial governments need to provide clear direction on desired outcomes of federal telecom regulatory policies and programs

CRTC National Contribution Fund (NCF)

Central Fund Administration National Contribution Fund Quarterly Report

Quarter Ending: December 2023

Quarter: Fourth

Reporting Year: 2023

	Current Quarter	Year-to-date
Canadian Telecommunications Service Revenues	\$ 15,261,384,711	\$ 59,975,949,102
Contribution-Eligible Revenues	\$ 10,783,227,781	\$ 43,041,869,971
Contributions Available to the National Fund	\$ 49,602,848	\$ 197,992,602
Prior Period Revisions and Adjustments	\$ -	\$ 205,829
Interest Earned and Late Payment Charges	\$ 153,020	\$ 571,521
Total Funds Available to the NCF	\$ 49,755,868	\$ 198,769,952
NCF Operating Costs	\$ 349,571	\$ 1,125,662
Funding Payments made to Canadian Administrator of VRS	\$ 8,127,147	\$ 30,581,294
Amortization of Per NAS Subsidies	\$ -	\$ -
Broadband Funding (see below)	\$ 37,500,000	\$ 150,000,000
Total Charges on the NCF	\$ 45,976,718	\$ 181,706,956
Surplus/(Deficit)	\$ 3,779,150	\$ 17,062,996
Broadband Fund		
Broadband Fund Balance - end of prior year		\$ 316,894,511
Add: Broadband Funding	37,500,000	150,000,000
Deduct: Payments to Broadband Recipients	(22,698,250)	(81,126,320)
Broadband Fund Balance - End of Period	\$ 14,801,750	\$ 385,768,191



- NCF is revenue-based contribution regime collecting funds annually from Canadian Telecom providers – only sustained source of industry funds available to government
- Originally established to subsidize cost of telephone service in rural and remote areas
- CRTC collected \$199M from telecom providers with revenues in excess of \$10M in 2023
- \$150M allocated to Broadband Fund which supports projects with “one-time” funding
- Other sources of federal funding for “one-time” infrastructure projects i.e. spectrum revenues

Could NCF funds be used to assist/incent smaller rural and satellite ISPs to offer low-cost plans to low-income groups?

Internet Affordability Supports - Desired Outcome & Actions

Affordability



Desired Outcome:

\$10-\$25 low-cost internet and cellular plans available to all low-income citizens in Canada regardless of where they live

- 1) All levels of government to promote awareness of existing low-cost plans
- 2) ISED to extend universal internet goals to make \$10-\$25 low-cost plans available to all low-income citizens
- 3) CRTC to identify mechanisms to support smaller rural and satellite ISPs offering \$10-\$25 plans – preferably utilizing industry-provided National Contribution Fund rather than government funds
- 4) ISED to investigate providing low-income eligibility verification service ensuring access for all low-income citizens and eliminating need for citizens to share documents containing sensitive information
- 5) CRTC to require ISPs to provide low-income plan subscription rates



CRTC 2025 – 9/10

- I. THE FAR NORTH SUBSIDY SHOULD BE PART OF A LARGER PLAN FOR INTERNET AND CELLULAR AFFORDABILITY FOR CITIZENS
- II. EXPLANATION FOR CRTC METHODOLOGY USED TO DESIGNATE QUALIFYING HOMES IN THE FAR NORTH
- III. THE COMMISSION SHOULD TAKE FULL RESPONSIBILITY AND ADDRESS, PRIOR TO IMPLEMENTATION ANY AND ALL UNINTENDED CONSEQUENCES OR EFFECTS CAUSED BY IMPLEMENTING THIS SUBSIDY

CONCLUSION:

- 14. We note that the observations above are all related to the increasingly complex relationships between affordability, competition, and the economic landscape of the Canadian telecommunications sector, which has many regional nuances.
- 15. The Province encourages the CRTC to convene a forum to establish options to address such issues of strategic importance where provinces, territories and the federal government (including Innovation, Science, and Economic Development Canada) have overlapping interests, taking the opportunity to set a framework that is inclusive and sustainable.

Poverty and connectivity

Extract from SDPR consultations with 8,500 participants:

Feedback supports the position that internet accessibility underpins all four poverty reduction focus areas:

Preventing Poverty

Accessing Supports

Receiving Supports

Exiting Supports

- “Internet is not considered an essential service so isn't covered, but **every interaction with government requires internet**. Unbelievable disconnect.”
- “The way it currently works it’s almost impossible to break the cycle. **There are stipulations against improving your situation**. Having a cell phone isn't considered a basic need, nor is internet.”
- “If you don’t have a cell phone or a computer, you can’t get online to find out about a program. **If you don’t know how to use a computer, you’re a goner.**”
- “**Recognizing the extraordinary cost of utilities in rural areas especially in northern B.C.** Our power is \$200, cable internet is \$200, and groceries is a much higher cost.”
- “They are doing a good job with subsidizing internet access for \$10-\$20 a month for low-income households.”, “**TELUS 'internet for good' (\$20/month) is an invaluable service**“



Affordability Priorities for Near-Term Value

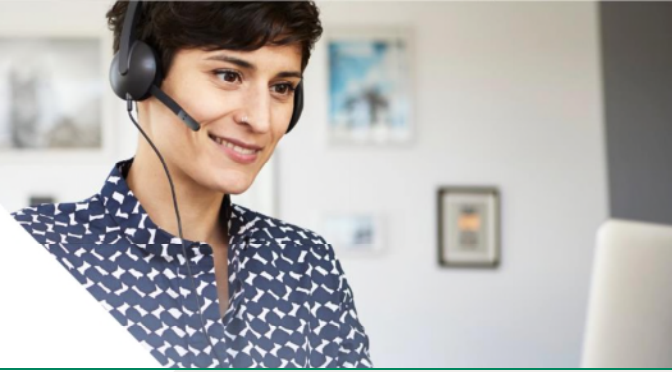
Action 1: Find ways to encourage relevant federal, provincial and municipal government bodies to promote awareness of existing ISP supports to target audiences (low-income housing, income assistance, persons with disabilities, low-income seniors etc.) Example: All federal and provincial assistance programs annual letters of program participation approvals could reference that program participation may make them eligible for low-cost internet and cellular plans and provide link to website with links to ISPs offering low-cost plans

Action 2: Find partners to support the creation of a standardize First Nations income assistance program participation template, check Rogers willing to accept proposed template as eligibility criteria and then work with partners to build First Nations community awareness of how to use that letter to support low-income homes access to low-cost internet and cellular plans **(DONE)**

Action 3: Seek senior level engagement mechanisms with federal government (ISED and CRTC) to discuss options and timing to make \$10-\$25 low-cost plans available to all low-income homes in Canada. May be potential to use National Contribution Fund to provide operating subsidies to smaller rural and satellite ISPs allowing them to offer plans to low-income and marginalized groups. Examples: Establish a ministerial Telecom FPT committee to adopt goal and associated action plan; work with BC Ministry of Social Development and Poverty Reduction (SDPR) to engage Gov Can Ministry of Employment and Social Development Canada (ESDC) to have them lobby ISED and CRTC for \$10-\$25 plans; work with Federation of Canadian Municipalities (FCM) to have them lobby ISED for \$10-\$25 plans.

Action 4: As subtask to Action 3 engage federal government to influence/use regulations towards all ISPs using standard eligibility criteria and to provide low-income eligibility check API to allow Telecom Providers with citizen authorization to validate program eligibility. (UK Gov provides this service). Secondary values to automated eligibility validation service 1) ensures all low-income homes will have access to low-cost plans as eligibility directly linked to income levels 2)removes requirement for citizens to share benefit program participation documents containing confidential information to access low-cost plans 3) simplifies telecom providers work-load and decrease risks associated with handling confidential citizen information.

Action 5: Lobby CRTC to include providers low-cost plan subscription levels as part of existing mandatory reporting obligations and make those plan subscription levels visible at a provincial level.



STRICTLY PRIVATE AND CONFIDENTIAL

Northern Rockies Project Update

Presentation to Peace River Regional District

April 28, 2025

Northern Canada's fibre network

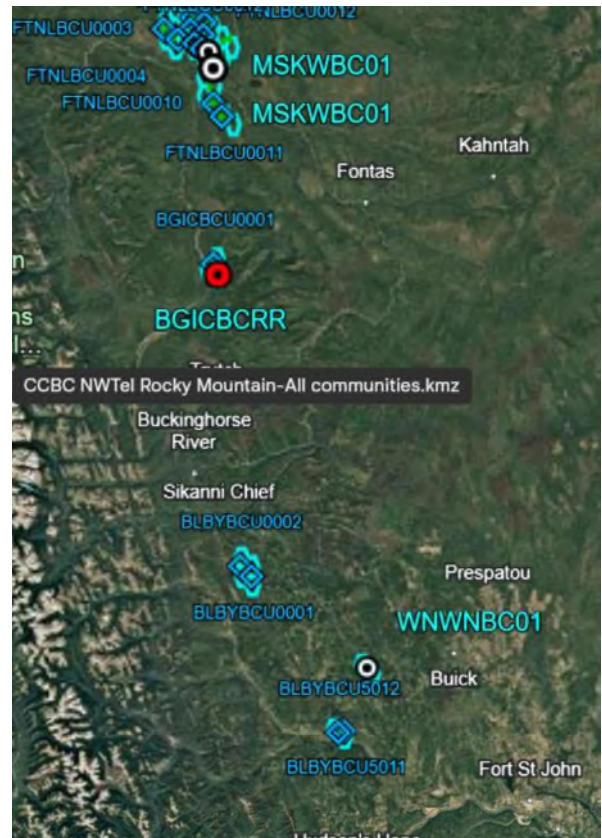




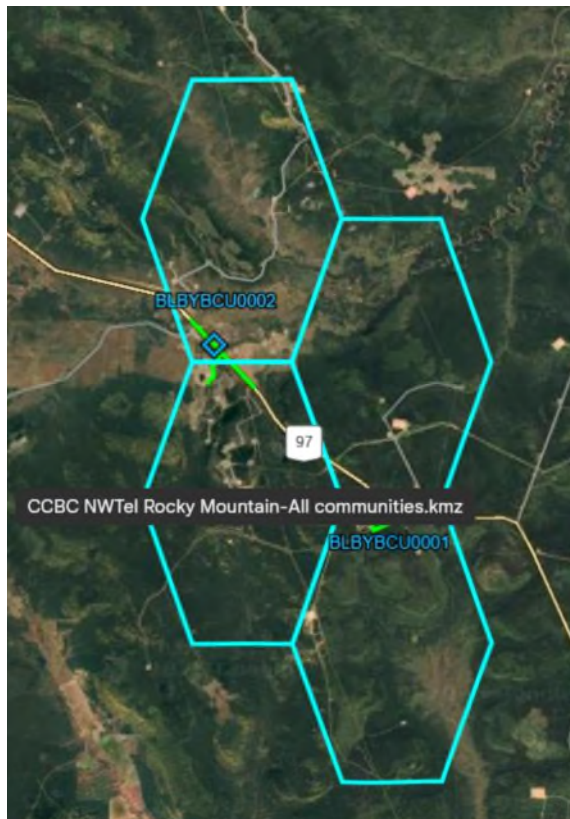
- Conditional funding through CCBC for FTTH in Northeastern BC
- Together with previously announced CCBC funding for Atlin will see significant improvements in speed and reliability throughout the region
- Project completion by the end of 2026



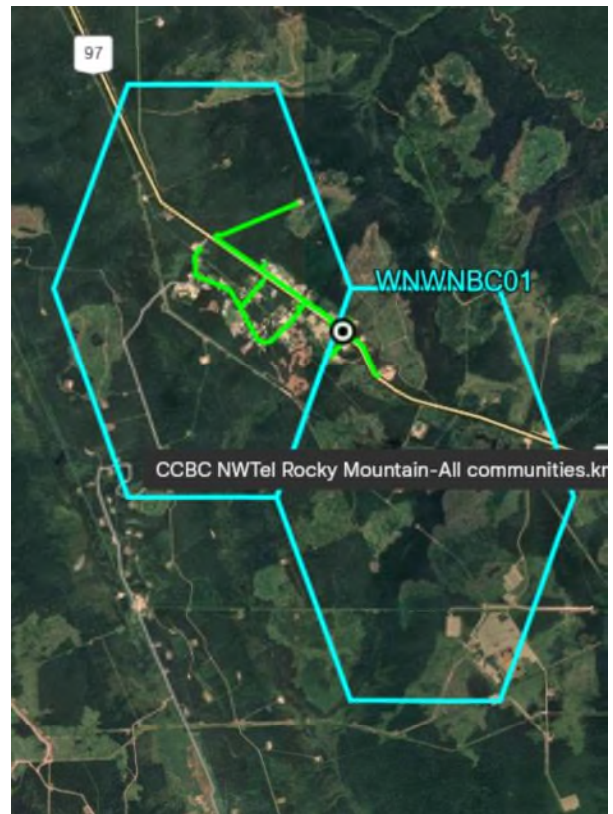
- Northwestel will invest in and build fibre in Fort Nelson and the surrounding area.
- Outside of Fort Nelson, we will commence survey activities and order fibre for 2026 construction.
- Communities include: Wonowan, Toad River, Liard River, Mould Creek, Muncho Lake, Prophet River, Pink Mountain and Upper Halfway.



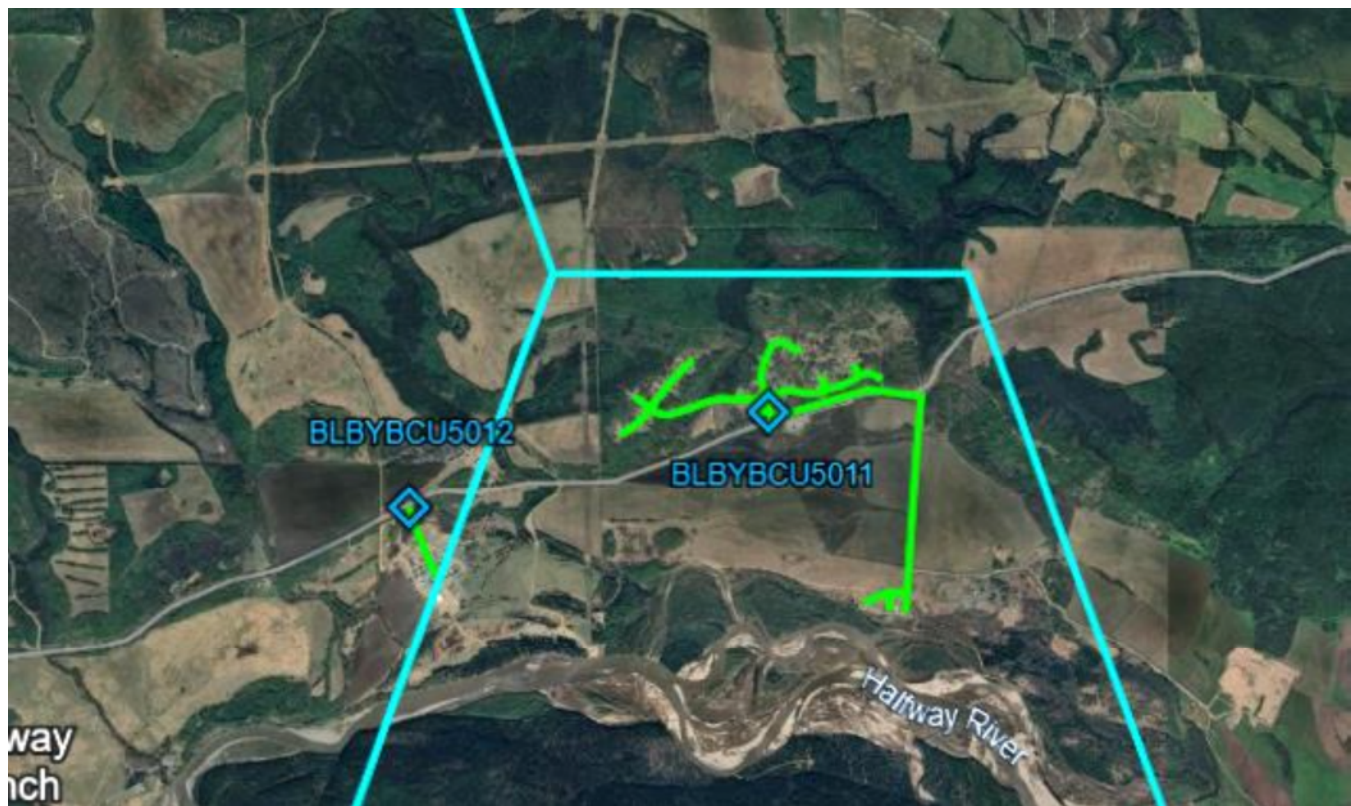
Royal Lodge, Buffalo Lodge



Wonowon



Halfway River First Nation



- **Still completing final agreement with CCBC and BC Hydro regarding ‘make ready’ or pole preparations for the attachment of fibre.**
- **This has, at times, cause significant project delays and discussions on cost responsibility that are largely now sorted but not final.**
- **CRTC considering input regarding an Internet subsidy for customers in the north focused on bringing Internet costs in line with southern rates.**
- **CRTC also preparing for another round of broadband funding, we understand that this may allow certain types of ongoing costs to be covered.**



NorthwesTel

Discussion

From: Dennis Sterritt <[REDACTED]>
Sent: Tuesday, April 15, 2025 2:23 PM
To: Shawn Dahlen <Shawn.Dahlen@prrd.bc.ca>
Subject: Request for Support: BC First Nations Network – Connecting the Disconnected Project

Shawn Dahlen
Chief Administrative Officer
Peace River Regional District

Dear Curtis,

I am writing to respectfully request written support from the Peace River Regional District (PRRD) for the BC First Nations Network – Connecting the Disconnected project.

This initiative will have a significant impact on remote and Indigenous communities by reducing dependence on satellite internet and delivering reliable, fibre-optic infrastructure. It represents a vital opportunity to bridge the digital divide and eliminate barriers to affordable, high-speed internet, barriers that continue to limit access to education, economic opportunities, healthcare, and participation in the digital economy for many remote communities.

In addition to improving connectivity, the project also addresses critical issues related to data sovereignty and security. Currently, many satellite internet services store data outside of Canada, primarily in the United States, and are governed by U.S. laws that may conflict with Canadian legislation and Indigenous laws, customs, and values. By ensuring data remains within Canadian jurisdiction, this project supports Indigenous governance and the protection of culturally significant data, aligning with the principles of sovereignty and self-determination.

The BC First Nations Network is preparing a funding application to the Canada Infrastructure Bank (CIB) for feasibility and planning work. Your support for this application would represent a key step in empowering communities across the region with reliable, secure, and culturally respectful digital infrastructure.

We kindly ask the PRRD to consider providing a letter or written statement of support for this important initiative, notably for communities within the PRRD that are two of the most remote communities in BC, Kwadacha Nation and Tsay Keh Dene. Your endorsement would help advance a project that will deliver long-term benefits in education, healthcare, governance, and economic development across Indigenous and remote communities. If your decision is to provide written support, please address the letter to Robert

Whitney, Chief Executive Officer, First Nations Telecom Network. Robert's contact details are noted below.

Robert Whitney

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

Thank you for your consideration. Please don't hesitate to reach out if you require further information or would like to discuss the project in more detail.

Sincerely,

Dennis

Dennis Sterritt

SGC

mobile:

email:

[REDACTED]
[REDACTED]



REPORT

To: Broadband Internet and Mobility Committee

Report Number: ADM-BIMC-034

From: Corporate Administration

Date: April 30, 2025

Subject: **CRTC Extends 911 System Transition Deadline**

RECOMMENDATION:

That the Broadband Internet and Mobility Committee receive the report titled, "CRTC Extends 911 System Transition Deadline" - ADM-BIMC-034, which serves to inform the Committee that the Canadian Radio-television and Telecommunications Commission (CRTC) Next Gen 911 (NG9-1-1) transition deadline date from the legacy E9-1-1 system has been extended from the original transition date of March 4, 2025 to March 31, 2027, for information.

BACKGROUND/RATIONALE:

The Canadian Radio-television and Telecommunications Commission (CRTC) has extended the deadline for shutting down the legacy 911 system from March 4, 2025, to March 31, 2027. Public safety groups, including police, fire and paramedic chiefs cited difficulties in meeting the original deadline for implementing Next -Generation 911 (NG9-1-1).

Reasons for the Extension

The CRTC based its decision on feedback from stakeholders and a January 2024 report from the Emergency Services Working Group (ESWG). The report found that most of Canada's 242 Public Safety Answering Points (PSAPs) would not complete their NG9-1-1 transition until late 2026 due to:

- Limited technical expertise
- Vendor shortages for testing
- A slow transition process

As of December 2024, only 14% of PSAPs in Canada have implemented NG9-1-1 services, and none in BC.

Impact of the Delay

The extension means Canadians must wait longer for NG9-1-1's enhanced features, such as sending photos and videos to emergency responders. Telecommunications service providers (TSPs) must also maintain both legacy 911 and NG9-1-1 systems, potentially increasing costs. However, the CRTC believes the extension is necessary to ensure uninterrupted emergency services.

Conclusion

The CRTC's decision balances the need for reliable emergency services with the challenges faced by service providers. However, the reclassification of SILECs (*Small Incumbent Local Exchange Carriers*) raises concerns about reduced competition in emergency telecommunications. The new deadline of March 31, 2027, gives stakeholders more time to complete the NG9-1-1 transition.

ALTERNATIVE OPTIONS:

1. That the Broadband Internet and Mobility Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

- ☒ Emergency Management

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

Efforts to implement and coordinate NG911 services will proceed adjusted to the new CRTC deadline.

External Links:

1. [Canadian Radio-television and Telecommunications Commission Next Gen 911 Deadline Extension Decision](#) (Telecom Decision CRTC 2025-67)



REPORT

To: Broadband Internet and Mobility Committee

Report Number: ADM-BIMC-035

From: Corporate Administration

Date: April 30, 2025

Subject: **Prophet River First Nation Data Centre Letter of Intent (LOI)**

RECOMMENDATION:

That the Broadband Internet and Mobility Committee receive the report titled, "Prophet River First Nation Data Centre Letter of Intent (LOI)" ADM-BIMC-035, which provides information on the Prophet River First Nation Data Centre Letter of Intent announcement on March 5, 2025, for information.

BACKGROUND/RATIONALE:

Overview

On March 5, 2024, Prophet River First Nation (PRFN) and ABCT Pacific (VCC) Ltd. signed a Letter of Intent (LOI) to jointly pursue the development of a major data centre near Fort St. John, British Columbia.

A data centre is a facility used to house high-performance servers and associated network equipment. It provides infrastructure to store, manage, and process large volumes of data, cloud computing, data backup, and various digital applications, such as AI.

Parties Involved

- **Prophet River First Nation:** PRFN is an independent Dene Tsaa Nation located approximately 100 km south of Fort Nelson, BC. The community occupies a reserve of approximately 924 acres along the Alaska Highway and actively seeks sustainable economic development opportunities.
- **ABCT Pacific (VCC) Ltd.:** A British Columbia-based venture capital corporation focused on investments in infrastructure and technological developments.

The proposed project involves constructing and operating a large-scale data centre in the vicinity of Fort St. John. The data centre will provide infrastructure to meet increasing demands for digital data storage and processing capabilities.

Expected Benefits

- Creation of local employment opportunities
- Economic diversification and stimulation in the region
- Improved technological infrastructure to support local industry

The LOI initiates detailed feasibility studies, community consultations, and environmental and regulatory reviews. Updates will be provided to stakeholders as the project advances through these stages.

ALTERNATIVE OPTIONS:

1. That the Broadband Internet and Mobility Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

☒ Not Applicable to Strategic Plan

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

None at this time.

External Links:

1. [Prophet River First Nation and ABCT Pacific \(VCC\) LTD. Sign LOI to Jointly Develop Major Data Centre in Fort St. John Area - March 5, 2025](#)
2. [Local First Nation Signs Letter of Intent for Major Data Centre - March 5, 2025](#)



REPORT

To: Broadband Internet and Mobility Committee

Report Number: ADM-BIMC-036

From: Corporate Administration

Date: April 30, 2025

Subject: CRTC Broadband Internet Subsidy and its Impact on Northern BC

RECOMMENDATION:

That the Broadband Internet and Mobility Committee receive the report titled “CRTC Broadband Internet Subsidy and its Impact on Northern BC - ADM-BIMC-036”, which provides background information on a broadband subsidy program that is aimed at reducing the high cost of internet services in the Far North, which includes Northern BC and its impact on Northern BC, for information.

BACKGROUND/RATIONALE:

The Canadian Radio-television and Telecommunications Commission (CRTC) is considering introducing a broadband subsidy program aimed at reducing the high cost of internet services in the Far North, which includes Northern BC. The initiative seeks to make Internet service more affordable for residents and businesses while addressing gaps in service quality and reliability. Given the vast distances and low population density, providing reliable broadband in these areas has been historically challenging and expensive.

Currently, the average monthly cost of a 50/10 Mbps internet service in the Far North is \$157, compared to \$94 in the rest of Canada, meaning users in the region pay 67% more for similar speeds. Small businesses in the Northwest Territories also face significant challenges, often paying more than double the rates charged elsewhere in the country. High costs are attributed to factors such as extreme weather, limited road access, and low population density, which make infrastructure deployment and maintenance significantly more expensive.

To address these affordability concerns, the CRTC is implementing a subsidy that would provide an estimated monthly discount ranging from \$25 to \$100 for residential customers, but will be determined in Telecom Notice of Consultation 2025-10. Small businesses may receive an estimated subsidy of at least \$50 per month. These funds will come from the National Contribution Fund (NCF), which is supported by contributions from telecommunications providers, including Starlink, based on their revenue. Some ISPs, including TELUS and Northwestel, have raised concerns about the subsidy’s financial impact on larger service providers. The NCF fund is currently estimated to have around \$185 million available for distribution as of 2024, primarily allocated towards the Broadband Fund and Video Relay Service (VRS), with an additional \$1.1 million included for administrative costs of the fund managers.

As of what is being proposed in CRTC 2025-10, the subsidy will be available to all households and ISPs in the Far North, including terrestrial and satellite-based providers. This means that Starlink, SpaceX’s low-Earth orbit satellite service, will be eligible to offer discounted internet access. Several Canadian ISPs have objected to this, citing concerns that foreign companies may benefit from subsidies without investing in Canadian

network infrastructure. See the attached letters sent to the CRTC in response to the Telecom Notice of Consultation CRTC 2025-10 for additional details.

The exact boundaries of the subsidy program, including which communities in Northern BC will qualify, are still under review. The goal is to ensure that the subsidy reaches those most affected by high service costs.

A key concern for ISPs is the potential for increased network congestion, as more users may upgrade to faster plans or consume more data. Providers like Northwestel warn that existing DSL networks in remote areas may struggle to handle this additional demand, leading to service degradation if infrastructure is not upgraded.

There are also ongoing discussions about whether the subsidy should be a permanent solution or phased out once competition improves. Some parties argue that long-term subsidies may discourage private-sector investment in network expansion, while others insist that government support is necessary to ensure equal access to reliable internet in remote communities.

As part of the regulatory changes, the CRTC is also introducing automatic bill credits for service outages lasting 24 hours or more. These credits will apply to customers of Northwestel's terrestrial internet services, but not to satellite-based providers like Starlink, since many satellite disruptions result from uncontrollable factors, such as the presence of electromagnetic radiation or charged particles emitted by the sun.

It is proposed that the success of the subsidy will be monitored through annual reports, which will track improvements in affordability, service adoption rates, and overall network reliability. If necessary, adjustments will be made to ensure that Northern BC and other affected regions receive the full benefits of this initiative.

The broadband subsidy program aims to improve affordability and access to high-speed internet in Northern BC and the broader Far North. While it is designed to reduce service costs for residents and businesses, challenges related to network capacity, fairness in competition, and long-term funding sustainability need further consideration. The final details on the subsidy amount, eligibility criteria, and geographic scope will be determined in ongoing consultations.

As of Friday March 21, 2025, many of the Internet Service Providers who provide service in the PRRD area (TELUS, BELL and Northwestel, and Rogers) have commented on CRTC Telecom Notice 2025-10 which was extended to allow for additional comments. Below is a summary of each ISPs comments.

TELUS's Position Summarized:

- TELUS believes the CRTC should **narrow the subsidy** to those who most need help in paying for Internet service, rather than giving the same discount to everyone in the Far North.
- A smaller, more focused subsidy is fairer to the rest of Canadians who ultimately pay into the system.
- They believe that no one is unfairly blocked from getting online due to high costs—but not to make all Far North Internet pricing identical to the rest of Canada.

In short, TELUS wants the regulator to remember that “affordability” is about both price and a household’s means to pay. That way, the CRTC can achieve its goal of making Internet more accessible, while avoiding unnecessary burdens on everyone else.

Rogers’s Position Summarized:

- They support a moderate, uniform subsidy that helps reduce Internet prices in the Far North but doesn’t completely eliminate the price gap nor shift huge costs onto other telecom companies or customers.
- They want the CRTC to dismiss ideas that are out of scope (like variable subsidies or drastically higher subsidy amounts).
- They want regular, data-driven reviews to keep pace with new technologies and market conditions.
- They see the best outcome as one where the Far North eventually has more competition, better technology, and affordable services—making the subsidy unnecessary in the long run.

Bell Canada and Northwestel’s Position Summarized:

In essence, **Bell Canada and Northwestel’s position** is that a relatively **small, uniform monthly discount** (about \$25) given only to **Far North residential customers** will efficiently address affordability gaps. They believe more expansive or complicated approaches would **overburden Canadians elsewhere**, risk creating unfair advantages, and involve unnecessarily complex administration and oversight.

ALTERNATIVE OPTIONS:

1. That the Broadband Internet and Mobility Committee provide further direction.

STRATEGIC PLAN RELEVANCE:

☒ Not Applicable to Strategic Plan

FINANCIAL CONSIDERATION(S):

None at this time.

COMMUNICATIONS CONSIDERATION(S):

None at this time.

OTHER CONSIDERATION(S):

None at this time.

Attachments:

1. Responses to CRTC 2025-10

External Links:

1. CRTC 2025 -9 – <https://crtc.gc.ca/eng/archive/2025/2025-9.htm>
2. CRTC Final 2024 revenue-precent charge - <https://crtc.gc.ca/eng/archive/2024/2024-282.htm>



February 28, 2025

Ref: 122790

Mr. Marc Morin
Secretary General
Canadian Radio-Television and Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Morin:

RE: Reply to interventions to Part 1 Application to disclose certain Broadband and Mobile Annual Facilities Survey data (CRTC File: 8000-P114-202404929)

1. The Ministry of Citizens' Services (the "Ministry") on behalf of His Majesty the King in right of the Province of British Columbia, is pleased to reply to the 34 posted interventions submitted in response to the Call for Comments – *Implementing a retail Internet service subsidy in the Far North*.
2. The Province supports efforts to promote equitable access to affordable internet services especially for low income families and individuals and in isolated areas including the far north.
3. We have read the submitted interventions and are providing a response to key issues that merit particular attention by the Commission prior to implementation of a subsidy.

I. THE FAR NORTH SUBSIDY SHOULD BE PART OF A LARGER PLAN FOR INTERNET AND CELLULAR AFFORDABILITY FOR CITIZENS

4. In absence of a definition of internet affordability in Canada, or a national plan for low income families and individuals to realize internet affordability the province supports TELUS's response that: *"The proposed Far North subsidy is a singular regulatory intervention – a building block within a broader digital inclusion strategy – one that includes infrastructure investments, digital literacy programs, and measures to enhance market competition – that collectively address deeper systemic challenges."*¹

5. BC agrees with this statement and urges the CRTC to ensure these actions are:

- (1) part of a broader national strategy for internet affordability to all who require this type of assistance;

¹ TELUS, para 16.

- (2) there are no adverse impacts on underserved and/or low income families that reside outside of the Far North; and
 - (3) fully establish the use of the National Contribution Fund (NCF) to address rural internet affordability for low-income families and individuals prior to committing to subsidy levels against one specific region in the Far North.
6. The Province acknowledges the dissenting opinion of Commissioner Claire Anderson for Regulatory Policy 2025-9 (the Decision) and contend that the input from the consultation would be echoed by many rural and First Nations communities that are not captured within the CRTC's definition of the Far North:
 - (1) *"...the strong view expressed by northerners was that the introduction of competition was the preferred path for achieving the region's important social, economic and consumer objectives. Competition was viewed as the better approach to facilitating community-based and Indigenous-owned economic opportunities, which in turn would lead to greater local job creation, better service packages, and improved customer service and affordability."*²
7. In addition to any subsidy in the Far North, the Commission needs to take parallel action to improve the competitive landscape in the North (and all rural areas) with improved access for smaller, regional and community-based providers, through established wholesale rates that translate to affordable services, funding of additional resilient infrastructure, and subsidization of operational expenses for rural networks. We acknowledge the importance of competition when it achieves universal affordable access while at the same time ensures continuous investment in network expansion and resiliency. This strategy would need to take into account areas that are hard to reach where wholesale access may not be appropriate; for example, where there are not enough customers to sustain affordable services to the revenue base or multiple retail providers, and where increased competition may deter capital investment and expansion entirely.
8. In the Consultation about the review of the Broadband Fund that ran from March 2023 to June 2024, the Commission asked if operational funding should be available to providers in rural and remote areas. The Kativik Regional Government's response highlights that this outstanding question is still of importance for operation of rural networks, stating: *"The KRG needs financial assistance to cover operating costs."*³ The Ministry would welcome a decision or further consultation from the Commission on this matter.

² *Telecommunications in the Far North*, Telecom Regulatory Policy 2025-9, January 16, 2025, dissenting opinion (attached).

³ Kativik Regional Government, para 6.

EXPLANATION FOR CRTC METHODOLOGY USED TO DESIGNATE QUALIFYING HOMES IN THE FAR NORTH

9. CRTC 2025-10 has drawn a line to define eligible areas for the Far North which includes Fort St. John, but excludes rural northern communities such as Stewart and Hudson's Hope, as well as coast communities such as Bella Bella, Ocean Falls and Klemtu.
10. As it relates to establishing an overall approach to affordability for rural, remote, and low-income households, the Province requests the CRTC to explain the methodology for creating this line to designate the Far North, and to consider the needs of other rural communities, including communities in the north excluded from the CRTC definition, which are critical for Canada's economy, critical mineral mining, forestry and resource sectors. The challenges faced by rural, remote and many First Nation communities is not a function of a service provider service area, but a reality of needs of each community and its members and residents.
11. The need to consider additional communities and low-income populations who would benefit from a subsidy was highlighted in the response from Trevor Ouellette of British Columbia's Peace River Regional District: *"I strongly support ensuring that all communities in Northeast BC are included in the CRTC's Internet subsidy program under Decision 2025-9. Many communities in this region face the same challenges as those already designated within the "Far North," including remoteness, high service costs, and limited broadband infrastructure. Excluding some of these communities would leave residents at a continued disadvantage in accessing essential online services, education, and economic opportunities. Expanding the subsidy's reach to all communities in Northeast BC is a fair and necessary step to bridge the digital divide. Using the National Contribution Fund to support this initiative is an appropriate and effective investment in connectivity for underserved regions, ensuring equitable access to affordable Internet for all Canadians."*⁴
12. Per our original point in Section I regarding the need for an overall approach to affordability for rural and remote populations, the Province urges the Commission to take a holistic approach with a fulsome and inclusive strategy to address affordability in all geographic areas of the province.

II. THE COMMISSION SHOULD TAKE FULL RESPONSIBILITY AND ADDRESS, PRIOR TO IMPLEMENTATION ANY AND ALL UNINTENDED CONSEQUENCES OR EFFECTS CAUSED BY IMPLEMENTING THIS SUBSIDY

13. We appreciate responses that highlighted unintended or "knock on effects" that may result from implementing a Far North subsidy without due consideration, specifically that:
 - (1) The Commission should take care to ensure that the costs associated with providing a subsidy for the Far North is not borne by low-income households elsewhere in Canada. In particular, the Province requests that the Commission do a full evaluation of this concern prior to implementing any subsidy regime that would see

⁴ Trevor Ouellette, Peace River Regional District.

residential customers elsewhere in British Columbia and Canada see increase costs of service (or delayed access to service due to curtailed investments in network expansion) to potentially subsidize business customers in the Far North, as we agree that this would be an unprecedented, and potentially inappropriate, use of the National Contribution Fund (NCF). For example, this issue was raised by TELUS, Rogers, and Bell Canada and Northwestel:

- (a) TELUS: *"Because the subsidy is being funded from the NCF, the subsidy will be borne by Canadians in other regions, including low-income households, who will effectively subsidize Far North recipients."*⁵
 - (b) Rogers: *"If the Commission were to require that TSPs contribute to the subsidy, they might need to increase pricing to compensate. Canada would find itself facing the bizarre scenario where low-income households in southern Canada potentially subsidize the cost of Internet service for wealthy households in the Far North."*⁶
 - (c) Bell Canada and Northwestel: *"Non-residential customers should not be eligible for the subsidy; there is no rational basis for requiring residential telecommunications consumers in the rest of Canada to subsidize any business customers in the Far North. Doing so would be contrary to how the National Contribution Fund (NCF) has historically been used and would result in increased costs for Canadian consumers, who will fund the subsidy through the NCF."*⁷
- (2) The Commission should take measures to ensure that any subsidy in the North does not disrupt or otherwise alter existing affordability programs available to low-income households, such as the Connecting Families Program offered by large service providers.
- (a) This issue was raised by TELUS, recommending that *"... recipients of social program offerings such as Connecting Families should also be ineligible for the subsidy to avoid double subsidization of the same service. These plans are already heavily subsidized by the providing Internet Service Provider ("ISP") and are well below the average price of Internet services."*⁸
 - (b) Regardless of the remedy, the Province would like the Commission to put safeguards in place to ensure that existing affordability programs are not disrupted by a new subsidy in the Far North.
 - (c) We would like to see expansion of affordability programs, with funds made available to enable smaller and satellite ISPs to offer similar low-cost plans

⁵ TELUS, para 3.

⁶ Rogers, para 10.

⁷ Bell Canada and Northwestel Inc., para ES4.

⁸ TELUS, para 5

to households living below the poverty line. To facilitate ease of access, the federal government could provide an income verification service, as applied by all large Canadian service providers, to enable simplified eligibility screening as done in other countries.

- (3) To effectively monitor this subsidy, the Commission should pay attention to any market response that takes advantage of the subsidy to increase retail subscription prices. In their response, SSI Canada notes that the Commission has already observed the risk of price increases in response to a subsidy.⁹ Rogers recommends a 60-day notice to the Commission of any intended price increase.¹⁰ Regardless of the remedy, the Ministry agrees that an indiscriminate increase in consumer costs would be an unacceptable outcome of a subsidy program in the Far North.

III. CONCLUSION

14. We note that the observations above are all related to the increasingly complex relationships between affordability, competition, and the economic landscape of the Canadian telecommunications sector, which has many regional nuances.
15. The Province encourages the CRTC to convene a forum to establish options to address such issues of strategic importance where provinces, territories and the federal government (including Innovation, Science, and Economic Development Canada) have overlapping interests, taking the opportunity to set a framework that is inclusive and sustainable.
16. We thank the Commission for their attention to this proceeding and look forward to continued collaboration with the federal government to ensure we can achieve the goal in Section 7 of the Telecommunications Act to *"to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada."*¹¹

Sincerely,



Rachel Greenspan
Executive Director, Network BC
BC Ministry of Citizens' Services

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⁹ SSI Canada, para 26.

¹⁰ Rogers, para 43.

¹¹ <https://laws.justice.gc.ca/eng/acts/t-3.4/page-1.html#h-459827>

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- END OF DOCUMENT-

**TELECOM NOTICE OF CONSULTATION CRTC 2025-10,
*CALL FOR COMMENTS – IMPLEMENTING A RETAIL
INTERNET SERVICE SUBSIDY IN THE FAR NORTH***

**REPLY COMMENTS
OF
BELL CANADA
AND
NORTHWESTEL INC.**

21 MARCH 2025

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1.0 **EXECUTIVE SUMMARY AND INTRODUCTION**

1. Bell Canada (Bell) and Northwestel Inc. (Northwestel) submit these Reply Comments to the Commission's Call for Comments regarding a retail Internet subsidy in the Far North, as set out in TNC 2025-10,¹ and the Interventions submitted therein.²

2. In these Reply Comments, we reiterate our support for a uniform \$25 monthly subsidy that is limited to residential consumers in the Far North with fixed-address Internet plans priced at \$25 or more per month. This subsidy amount effectively balances the need for meaningful affordability relief in the Far North with the need to consider the impact on the National Contribution Fund (NCF) and on consumers in southern Canada. It is also well supported by data regarding differences in Internet price and household income between the Far North and the rest of Canada. This streamlined approach also minimizes administrative burden for the Commission, third-party administrator, and participating Internet Service Providers (ISPs), and reduces opportunities for gaming. In the alternative, we support Telus' proposal for a subsidy amount of \$10 per month, which should also be limited to residential consumers in the Far North with fixed-address Internet plans priced at the subsidy amount or more per month.

3. We oppose attempts by certain parties to expand the scope of the proceeding, including proposals to introduce a wholesale high-speed access mandate in the Far North, extend the subsidy beyond the Far North, and create a separate subsidy for hardware costs. Although we think these are unjustified proposals, we note that they are simply out of scope and thus cannot be considered.

4. On subsidy eligibility, we emphasize the support from other interveners to limit the subsidy to residential customers only. Extending it to non-residential subscribers would inappropriately use funds paid by Canadian consumers to supplement business profits and deviates from established subsidy norms. We also support excluding providers with national pricing, such as SpaceX's Starlink, from subsidy eligibility.

5. Regarding funding of the subsidy, we support the suggestion of some interveners to use existing NCF allocations. This would minimize additional burden on southern Canadians who will

¹ Telecom Notice of Consultation 2025-10, *Call for comments – Implementing a retail Internet service subsidy in the Far North*.

² The absence of a specific rebuttal to or comment on any issue, argument, or position presented by the other parties in their respective interventions to this proceeding should not be construed as endorsement of, or acquiescence or concession to those matters.

ultimately bear the cost of the subsidy. We also oppose Rogers' request to limit contribution eligibility to ISPs operating in the Far North, as this would disincentivize service providers from operating in the Far North, penalize existing service providers operating in the Far North, provide an unearned competitive advantage to Rogers, and contradict established NCF funding practices.

6. Regarding the monitoring and administration of the subsidy, we emphasize that disbursements should be based on actual monthly subsidy credits issued (which accounts for churn), not subscriber counts alone as this could lead to over-collection. Further, we oppose proposals to rely on self-attestations alone, and advocate instead for routine audits to ensure accountability. We also address various proposals regarding reporting requirements and reject those that add no value to the subsidy regime. Lastly, we address proposals that attempt to improperly expand the scope of a future review and emphasize the importance of conducting a narrowly defined review focused on the subsidy's impact on affordability.

7. We are submitting certain information contained in these Reply Comments in confidence.³ In particular, the information which we have provided in confidence represents disaggregated demand information and is of a type which the Commission has indicated should be treated as confidential. Release of this information on the public record would provide existing or potential competitors with invaluable competitively sensitive information that would not otherwise be available to them, and which would enable them to develop more effective business strategies. Release of such information could prejudice our competitive position resulting in material financial loss and cause specific direct harm. An abridged version of these Reply Comments is provided for the public record.

2.0 OUT OF SCOPE PROPOSALS SHOULD BE REJECTED

8. Several parties submitted proposals that are outside the scope of this proceeding and thus inappropriate. While we disagree with the substance of these proposals, they should be denied on a procedural basis as out of scope.

³ This information is filed in confidence with the Commission pursuant to section 39 of the *Telecommunications Act* and the directions provided by the Commission in the Appendix to Broadcasting and Telecom Information Bulletin CRTC 2010-961, *Procedures for filing confidential information and requesting its disclosure in Commission proceedings*, as amended in Broadcasting and Telecom Information Bulletin CRTC 2010-961-1.

2.1 The Imposition of a New Wholesale Mandate is Out of Scope

9. The issue of a new wholesale high-speed access (HSA) service mandate is not included in the scope of the call for comments in TNC 2025-10, which is the basis for the present proceeding. Despite this, Québecor Media Inc. (QMI) has used its submission in the present proceeding to argue for the imposition of the very wholesale HSA mandate that the Commission rejected in TRP 2025-9.⁴ QMI's submissions are improper, out of scope, and should be denied.

10. In the proceeding leading to TRP 2025-9, parties made extensive submissions, including at the oral hearing, on the issue of whether the Commission should mandate a wholesale HSA service in the Far North. Based on these extensive submissions, in TRP 2025-9 the Commission determined that it was not appropriate to mandate a wholesale HSA service in the Far North.⁵

11. In the present proceeding, QMI is attempting to review and vary the Commission's determinations in TRP 2025-9 but is doing so in a procedurally impermissible way – without filing the appropriate review and vary application and without meeting, or even purporting to meet, the test for a review and vary application. For these reasons, all of QMI's arguments regarding wholesale HSA should be dismissed.⁶

2.2 Expanding the Geographic Boundaries of the Subsidy is Out of Scope

12. TNC 2025-10 clearly establishes the geographic boundaries of the subsidy under consideration and the definition of "Far North" for the purposes of the present proceeding.⁷ Thus the proposal by Peace River Regional District to expand the subsidy beyond the Far North to other communities in Northeast BC⁸ is out of scope and should be denied.

2.3 Expanding the Subsidy to Hardware Costs is Out of Scope

13. In TRP 2025-9, the Commission determined that it was appropriate to implement a uniform monthly discount to the Internet bills of eligible subscribers in the Far North. The express purpose and scope of TNC 2025-10 has been narrowly defined as the implementation of that uniform

⁴ QMI intervention, paragraph 5.

⁵ Telecom Regulatory Policy CRTC 2025-9, *Telecommunications in the Far North*, paragraph 49.

⁶ Specifically, QMI intervention, paragraphs 4, 5, 9 to 24, 27 (ii), and 37 to 38, 43 to 46, with respect to wholesale HSA services, should be dismissed.

⁷ TNC 2025-10, footnote 1.

⁸ Peace River Regional District intervention.

monthly discount for Internet rates,⁹ which would bring monthly recurring Internet fees in the Far North more in line with the rest of Canada. Starlink's proposal to expand the subsidy to one-time hardware costs goes beyond the uniform monthly discount subsidy at issue in the present proceeding and effectively proposes an entirely separate subsidy. It is thus out of scope and should be rejected.

14. While procedurally inappropriate, it would also be substantively wrong to expand the scope of the subsidy to subsidize one-time hardware costs. Such an expanded scope would significantly increase the administrative burden on both the Commission and ISPs, as ISPs would need to submit information about the varied equipment used in the provision of Internet services, and the Commission would need to determine reasonable market prices for this equipment and the appropriate subsidy amount to be applied across different technologies. Further, subsidizing hardware costs would disproportionately benefit ISPs whose business models rely on expensive upfront equipment (like satellite services) over those with minimal hardware requirement (such as terrestrial services). This could distort market competition by artificially reducing the price difference between service types, and steer consumers to technologies they may not have otherwise considered in the absence of a hardware cost subsidy. This goes against the principle of competitive neutrality which requires that no unfair advantage is provided to a particular service provider, technology, or business model in the telecommunications market.¹⁰ Lastly, if the Commission were to expand the program to include hardware cost subsidies (which we submit it should not), this decision would necessitate extending subsidies to other one-time charges, such as non-recurring installation charges associated with other technologies; otherwise, the decision to extend subsidies to hardware costs but not other one-time charges would constitute an arbitrary decision that inherently favors technologies with high hardware costs, which contradicts the principle of competitive neutrality. For these reasons, the Commission should reject Starlink's proposal to introduce a subsidy for hardware costs.

⁹ TNC 2025-10, paragraphs 3 and 4.

¹⁰ The Commission continues to recognize the principle of competitive neutrality even recently, as seen for example in Telecom Regulatory Policy CRTC 2023-31, *Regulatory measures to make access to poles owned or controlled by Canadian carriers more efficient*, paragraph 264, where the Commission considered whether the measures established in that decision "foster[s] competitive neutrality."

3.0 SUBSIDY ELIGIBILITY

3.1 Customer Eligibility

3.1.1 Non-residential customers should not be eligible for the subsidy

15. As detailed in our Intervention, only residential customers in the Far North should be eligible for the subsidy; non-residential customers should not be eligible. Several interveners agreed that the subsidy should be limited to residential customers, including Telus and QMI. Such eligibility is consistent with how the Commission has traditionally subsidized services through the NCF. Subsidies through the NCF are not "free money"; in fact, they are paid for entirely by Canadian consumers. In general, the Commission should be reticent about creating subsidies, as such subsidies will increase costs to Canadians, which is particularly problematic given the current national economic environment. Nonetheless, the Commission has already decided to introduce a subsidy and determined that all residential Internet customers in the Far North will be eligible. Given the Commission's determination, our proposal seeks to make this benefit widely available across the base of residential Internet customers in the Far North.

16. Some interveners submitted that the subsidy should be extended to small business customers, arguing that small businesses face affordability concerns, and that business Internet plans in the Far North are more expensive than those in southern Canada. However, it is inappropriate to extend the subsidy to small businesses for several reasons.

17. First, price differences for business services alone do not justify a subsidy for small business customers. We do not doubt that businesses in the Far North, like those elsewhere in Canada, face economic challenges. However, businesses should not have their bottom lines supplemented by a subsidy that is paid for by Canadian consumers. We agree with Telus' submission that:

A sector-specific subsidy for Far North "small" businesses would be paid by both consumers and businesses in the rest of Canada, through the rates they pay for telecommunications services. Having consumers (anywhere in Canada) subsidize businesses (anywhere in Canada) for the provision of telecommunications services would be unprecedented and unwarranted.¹¹

¹¹ Telus intervention, paragraph 21.

18. Second, as noted in our Intervention¹² and by Telus, in establishing the local voice subsidy, the Commission explicitly rejected applying this regime to business, and that logic equally applies to Internet services today. As Telus summarized:

[u]nlike households, businesses have the ability to recoup service costs, such as Internet fees, by including these costs in the prices they charge for goods and services. Businesses are also able to write off such costs on their taxes, reducing their overall taxable income.¹³

19. Businesses of any size can (and arguably should) recover their input costs through the prices for the goods and services they provide, unlike a residential customer who is purchasing telecommunications services for their personal use. There is no reason why residential telecommunications consumers in the rest of Canada should be forced to subsidize this specific cost input (i.e., Internet service) for any non-residential entity in the Far North.

20. Third, Telus emphasized that the Commission's logic in the Internet Code decision can be extended to the subsidy regime, in that "many small businesses...do not face the same issues as individual customers of Internet Services and vary significantly in size, needs, and purchasing power."¹⁴ We concur with Telus' conclusion that a business' Internet needs are drastically different from those of a household, let alone those of a low-income household.

21. Some ISPs have argued that small businesses should be eligible for the subsidy because they do not distinguish between residential and small business Internet plans.¹⁵ However, it is a straightforward matter for ISPs who do not make any distinction in their service plans to determine if a customer is residential or business; they only need ask the customer while taking their order if the service is for home or business use. Given this, it should be straightforward for all ISPs offering service in the Far North to determine if a customer is a residential customer, and to qualify them for the subsidy. Therefore, the fact that certain ISPs do not distinguish between residential and small business customers today is not a valid reason to extend the subsidy to small business customers.

¹² Bell and Northwestel Intervention, section 3.1; Telus intervention paragraphs 18 to 21.

¹³ Telus intervention, paragraph 18, referencing Decision CRTC 2001-238, *Restructured bands, revised loop rates and related issues*, paragraph 147.

¹⁴ Telus intervention, paragraph 20, citing Telecom Regulatory Policy CRTC 2019-269, *The Internet Code*, paragraph 87.

¹⁵ See Starlink intervention, page 2; Iristel intervention, paragraph 7.

22. Certain interveners submitted that the subsidy should also be extended to community institutions. However, many community institutions, such as some community centres, libraries, and schools, are actually government agencies. These entities already receive their funding through the taxes paid by residents and businesses in their jurisdictions, and there is no compelling reason to have southern Canadian telecommunications customers subsidize those governments through the services they buy. As Telus submitted:

Asking southern Canadian subscribers to subsidize the costs of running schools or other institutions in the Far North is a redistribution scheme that extends far beyond the ambit of the *Telecommunications Act* and the Commission should refrain from extending subsidy eligibility to these institutions.¹⁶

23. We concur that the NCF should not be utilized as a taxation mechanism. Thus, community organizations should not be eligible for the subsidy.

3.1.2 Alternative submission: if extended to non-residential customers, subsidy must be limited to small businesses and community-based non-government organizations using small business services

24. For the reasons set out above and in our Intervention, non-residential customers should not be eligible for the subsidy. However, despite this, if the Commission does extend the subsidy to non-residential customers, then it must be limited to only small businesses and community-based non-government organizations that use small business services. It would be inappropriate to extend it to large, enterprise-level businesses. Further, the way in which these customers are qualified for the subsidy must be simple, easy to administer, and transparent.

25. Only one intervener – Starlink – submitted that large business customers should be eligible for the subsidy. Starlink's rationale was that it was "too difficult" to exclude large businesses.¹⁷ However, as QMI noted, Starlink is a giant organization that has experienced explosive financial growth in recent years and generated \$1.4 billion in revenue in 2022.¹⁸ Surely Starlink can implement a reasonably efficient mechanism to exclude large businesses. In fact, the qualification mechanism we proposed in our Intervention is reasonable, efficient, and easy to implement for any party.

¹⁶ Ibid., paragraph 22.

¹⁷ Starlink intervention, page 2. We note that our simplified approach, as discussed in our Intervention and in this section, addresses Starlink's concern.

¹⁸ QMI intervention, paragraphs 35 and 36.

26. Under our proposal, if the Commission extends the subsidy to non-residential customers, then any retail Internet plan that is considered enterprise-grade would be excluded from receiving the subsidy. For other ISPs operating in the Far North who may not delineate between small business and enterprise-grade services (or even between residential and business services), we proposed that in addition to excluding any Internet plan that is clearly intended for enterprise-grade customers, the Commission should also implement an upper eligibility threshold whereby retail Internet plans equal to or above \$500 per month are ineligible for the subsidy. This upper eligibility threshold would apply to Northwestel as well. This will ensure that most small business Internet packages are eligible (all current small business Internet packages offered by Northwestel would be eligible) while excluding enterprise-grade Internet plans from receiving the subsidy.

27. Various interveners have proposed a number of different ways to determine whether a business customer qualifies as a "small business customer." including adopting a monthly telecommunications (or Internet-only) spend threshold of \$2,500 or more,¹⁹ basing the determination on the number of employees of the customer, or basing the determination on the number of telephone lines to which the customer subscribes.²⁰ All of these methods are administratively complex, and as a result, are onerous and expensive to implement and would be open to gaming.

28. With respect to the telecommunications or Internet spend threshold, any such threshold will be arbitrary. Further, it is unverifiable and open to gaming, as customers may have a range of different services across several different accounts or with different providers. With respect to the number of employees the customer has, we have no way to know or verify that number. With respect to the number of telephone lines the customer subscribes to, again, it is open to gaming, as a customer may subscribe across several different accounts or with different providers. Further, customers may use IP-based telecommunications, which doesn't necessarily get counted as "lines."

29. Rather than imposing an arbitrary and administratively difficult measure of a "small business customer" using one of these metrics, we have proposed that the Commission simply use the plan the customer selects as a reasonable measure of whether a business customer is a small business customer or not.

¹⁹ See, for example, Taku River Tlingit First Nation (TRTFN) intervention, paragraph 11.

²⁰ See, for example, Telus intervention, paragraph 33.

30. Our proposed approach is a reasonable method for identifying which services are being used by small business, and it will not add significant administrative burden to the Commission, the third-party administrator, or ISPs offering services in the Far North. Other, more complex, methods, will drive costs and inefficiencies for all parties and would potentially delay the availability of any subsidy while systems and processes are developed to track needed information.

31. Finally, as detailed in our Intervention,²¹ if the Commission extends eligibility to non-residential consumers (which we submit it should not), then subsidy should not be available for governments or their affiliated departments and agencies (such as public schools, public libraries, hospitals, police services, and publicly funded community centres). It would be inappropriate to create a regime whereby the rest of Canadian telecommunications consumers have to subsidize publicly financed entities. Thus, even if such governments purchase an otherwise-eligible Internet plan, we propose that any government agency be ineligible to receive a subsidy on any Internet plan. As an exception to this exclusion, the subsidy should be extended to Indigenous governments purchasing eligible retail Internet plans.

3.2 ISPs Offering National Pricing Should Be Ineligible for the Subsidy

32. In our Intervention, we detailed the reasons that no ISP that offers national pricing, such as Starlink, should be eligible for the subsidy.²² A number of other interveners, including the Government of the Northwest Territories (GNWT), QMI, and an individual resident of the Far North agreed that US-based Starlink, along with certain other ISPs, should be ineligible for the subsidy.²³

33. Starlink's prices are equal across Canada, eliminating any need for a subsidy to achieve rate parity between the Far North and southern Canada.²⁴ If the subsidy is extended to Starlink or other ISPs offering national pricing, it would contradict the Commission's stated purpose in TRP 2025-9. The Commission expressly noted it was "hopeful" the subsidy would "help reduce inequalities between residents of the Far North (many of whom are Indigenous) and those living elsewhere in Canada."²⁵ The Commission further emphasized that "the high costs to provide

²¹ Bell and Northwestel Intervention, paragraph 17.

²² Bell and Northwestel Intervention, section 3.3.

²³ QMI intervention, paragraph 34; GNWT Intervention, paragraph 6; and Jeremy Freeman intervention 4.

²⁴ Jeremy Freeman, intervention 4.

²⁵ TRP 2025-9, paragraph 18.

service in the Far North have translated into much higher retail prices" and that "the disparity between rates for Internet services in the Far North and those elsewhere in Canada has contributed to the affordability issue across the Far North."²⁶ The subsidy is specifically designed to address these regional disparities, which providers with national pricing either do not have or have already absorbed through their business model.

34. As described in our Intervention,²⁷ if Starlink - or any other ISP operating in the Far North that offers national pricing – can collect the subsidy, it will produce the perverse result that subscribers in the Far North will have **less** expensive service than equivalent subscribers in southern Canada, paid for by southern consumers. Since the subsidy is funded by the NCF, which is in turn funded by revenue-based contributions from telecommunications providers, these providers will need to recover the added contribution costs by raising prices across the rest of Canada. This will increase prices for Southern consumers without serving the rationale of the subsidy, which is to bring rates in the Far North in line with – not below – rates in the rest of Canada. Importantly, excluding these nationally-priced plans from subsidy eligibility does not mean these plans are unavailable to residents in the Far North; they would simply continue to pay the same national rates as all other Canadians for those services.

35. Ultimately, no ISP that offers national pricing, whether foreign or Canadian, (i.e., offering the same rate for the same service in the North as is offered in the rest of country) should be eligible for subsidy.

4.0 MONTHLY AMOUNT AND CALCULATION METHOD

4.1 Appropriate Subsidy Amount is At or Below \$25/month

36. In establishing an appropriate subsidy amount, the Commission must balance several critical elements, including the need to offer meaningful benefits to residents of the Far North, imposing the least amount of administrative burden, minimizing the risk of abuse or gaming, and the impact on the NCF and on Canadians across the country. The most efficient and effective way to address all those elements is to set the subsidy amount at \$25 per month for all qualifying retail Internet plans, with a minimum eligibility threshold equal to the subsidy amount itself.

²⁶ TRP 2025-9, paragraphs 7 and 14.

²⁷ Bell and Northwestel Intervention, paragraph 30.

37. A \$25 subsidy is a meaningful amount of money for consumers in the Far North, and, importantly, it is at or above the price of all but one retail residential Internet plan currently being offered to the general public in the Far North.²⁸ As detailed in our Intervention, setting the subsidy amount at or above the price of most retail Internet plans, while making plans priced below that amount ineligible for subsidy, will ensure broad eligibility, will minimize the risk of over-collecting by ISPs, and will make the subsidy administratively straightforward to implement.²⁹

38. In contrast, if the subsidy amount exceeds the retail price of an Internet plan, ISPs could game the system by collecting more revenue via the subsidy than they would have collected directly from subscribers when selling the service at retail prior to the introduction of the subsidy. For example, with a \$75 subsidy applied to a \$35 monthly plan, an ISP would need to only credit \$35 to bring the subscriber's bill to zero, while potentially retaining the \$40 difference. This would bring about an unintended windfall that undermines the program's integrity and goals.

39. To prevent such a windfall, the Commission would need to exclude the numerous customers with plans priced below the subsidy amount. However, this could exclude many low-income households who stand to benefit the most from the subsidy. For example, over # # of our current residential subscribers, which represents # # of our total residential customer base, are currently on plans that cost less than Iristel's proposed subsidy amount of \$72 per month.³⁰ Alternately, to avoid excluding these customers, the Commission would have to implement more extensive, burdensome, and costly audit and monitoring procedures to ensure that ISPs do not collect unintended windfalls.³¹

40. In our Intervention, we noted that our \$25 per month proposal was consistent with the \$25 per month subsidy for residential Internet proposed by the GNWT in their submissions as part of the TNC 2022-147 proceeding. In their Final Reply in that proceeding, the GNWT noted that its proposed subsidy³² "should be comparable to other extant subsidy programs" and that the proposed amount (of \$25 per month for residential customers) is consistent with a similar program in the US.³³ The GNWT further "took into consideration the total amount of NCF funding"³⁴ that # Filed in confidence with the CRTC.

²⁸ The \$15 Mosquito plan offered by SSI Canada would fall below the threshold.

²⁹ Bell and Northwestel Intervention, paragraphs 32 to 34.

³⁰ Iristel intervention, paragraph 11.

³¹ See Bell Northwestel Intervention, paragraphs 54 to 58.

³² The GNWT proposed a \$25 per month per residential customer subsidy and a separate \$50 per month subsidy for small business. We reiterate that we do not agree with a subsidy for business at all, and, if a subsidy is extended to small business, that it must not be a separate subsidy amount as discussed in detail above.

³³ GNWT final reply in TNC 2022-147, paragraph 65.

³⁴ Ibid., paragraph 66.

would be required to fund the subsidy, correctly noting that a larger subsidy amount would result in significantly larger NCF funding. While the GNWT has revised its proposed subsidy upwards dramatically in this proceeding (more than doubling the proposed subsidy amount to \$55), we maintain that the original views expressed by the GNWT, as noted above, remain relevant and applicable for this proceeding, and support a \$25 per month subsidy.

41. In the alternative, Telus' proposed \$10 monthly subsidy similarly achieves widespread eligibility while preventing ISP over-collection and minimizing administrative burden.³⁵ While our \$25 threshold would exclude one retail residential Internet plan currently being offered to the general public in the Far North,³⁶ Telus' \$10 threshold would not exclude any such plans; all would be eligible. Both approaches provide a streamlined mechanism that would not require administratively burdensome mechanisms to monitor and would prevent ISP over-collection.

42. As detailed in our Intervention, a \$25 subsidy amount is supported by available data on the difference between retail Internet prices in the Far North versus those in the rest of the country.³⁷ Specifically, it reflects the difference between Innovation, Science and Economic Development Canada (ISED)'s Level 4 prices (that is, \$36, based on the most current dataset published by ISED for 2023) adjusted to reflect the difference in household incomes between households in the Far North and those in the rest of Canada.

43. It is more accurate and appropriate to base the subsidy amount on a broad dataset, such as ISED's Level 4 basket, which ranges from 41-100 Mbps, rather than a single speed tier, as some interveners suggested. Specifically, some interveners supported using only the 50/10 Mbps speed tier as the basis for calculating the price disparity between the Far North and the rest of Canada. For example, SSi Canada supported the Commission's calculation of a \$72 price disparity which was based on only the 50/10 Mbps speed tier.³⁸ The GNWT similarly restricts its comparison to this specific speed tier.³⁹ While the 50/10 Mbps tier aligns with the universal service objective (USO), it represents just one segment of consumers and fails to capture the full market reality. In fact, as set out in our Intervention, our demand data shows only a small percentage of our customers subscribing to a 50/10 Mbps plan.⁴⁰ Only about # of our residential customers select an Internet plan at 50/10 Mbps, whereas about # of all our residential

Filed in confidence with the CRTC.

³⁵ Telus intervention, paragraph 37.

³⁶ Bell and Northwestel Intervention, paragraph 34.

³⁷ Ibid., paragraphs 37 to 44.

³⁸ SSi Canada intervention, paragraph 14; TNC 2025-10, paragraph 17.

³⁹ GNWT intervention, paragraph 19.

⁴⁰ Bell and Northwestel Intervention, paragraph 39.

customers choose an Internet plan that falls into the ISED Level 4 basket. A calculation that incorporates a more comprehensive range of speeds – all meeting or exceeding the USO – provides a more accurate representation of the true price disparity between the Far North and the rest of Canada. Using ISED's Level 4 speed tier basket (41-100 Mbps)⁴¹ offers a more representative and statistically sound basis for determining the appropriate subsidy amount.⁴²

44. In its questions, the Commission anticipated that not 100% of the difference in prices should necessarily be offset by the subsidy, and invited comments on what percentage of the difference should be offset by the subsidy.⁴³ Despite this, some interveners suggested that the subsidy should cover the entire price differential.⁴⁴ However, a simple comparison of prices fails to account for other important factors, such as the higher average household income in the Far North compared to southern Canada. If these factors are not considered, then southern consumers will wind up overpaying and consumers in the Far North will receive more than an appropriate benefit, leading to national inequity. As a result, we maintain that the subsidy amount should be adjusted to reflect household income disparities, as outlined in our Intervention.⁴⁵

45. Alternately, another viable way to address average household income disparity would be to consider a subsidy amount calculated based on the difference between the average percentage of household income spent on Internet services⁴⁶ in the Far North versus the rest of Canada, which is a method suggested by Rogers and Telus.⁴⁷ Using public data from Statistics Canada, we agree that such a measure could be useful in calculating the subsidy amount.

⁴¹ From their annual telecom services price comparison study known as "Price Comparisons of Wireline, Wireless and Internet Services in Canada and with Foreign Jurisdictions: 2023 Edition," *ISED*, <https://ised-isde.canada.ca/site/strategic-policy-sector/en/telecommunications-policy/price-comparisons-wireline-wireless-and-internet-services-canada-and-foreign-jurisdictions-2023>.

⁴² Bell and Northwestel Intervention, paragraphs 38 to 41.

⁴³ TNC 2025-10, question 6(a).

⁴⁴ See, for example, TRTFN intervention paragraph 13; and PIAC intervention, paragraphs 9 to 10.

⁴⁵ Bell and Northwestel Intervention, paragraphs 42 to 44.

⁴⁶ The calculation of the average amount spent by households in the Far North and those in the rest of Canada is calculated by using information from Statistics Canada.

For the Far North we used *Household spending, three territorial capitals*, filtered to provide specific average expenditure per household for "Internet access services," a subset of "Household operations," "Communications"; for the Far North <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110023301>.

For the rest of Canada we used *Household spending, Canada, regions and provinces*, filtered to provide specific average expenditure per household for "Internet access services," a subset of "Household operations," "Communications" <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=1110022201>.

These are then divided by the median household total income, weighted average, based on number of households for each of the Far North (the three Territories) and rest of Canada (the ten Provinces) as provided in *Household income statistics by household type: Canada, provinces and territories, census divisions and census subdivisions*, <https://www150.statcan.gc.ca/t1/tbl1/en/cv.action?pid=9810005701> for the most recent provided year, each.

The difference between the two average percentages, multiplied by the weighted-average median household income for the Far North, divided by twelve, represents another method of calculating the subsidy amount per month to be applied against eligible Internet plans in the Far North.

⁴⁷ Rogers intervention, paragraph 22; Telus intervention, paragraph 95.

46. Any discussion of a subsidy must acknowledge the fact that someone must pay for it, which in this case will be consumers in southern Canada. Thus, the subsidy amount must balance the needs of consumers in all regions of Canada. While the subsidy will bring immediate benefits to Far North residents, that benefit will come at a cost to telecommunications customers in the rest of Canada who will fund this subsidy through increased rates for their services. The NCF is not funded by government or the Commission; telecommunications providers fund it and recover these costs from their customers. As such, the Commission must consider the impact of the subsidy on all Canadians, not just the direct beneficiaries, when determining the appropriate subsidy amount. Our proposed \$25 subsidy amount strikes the necessary balance between providing meaningful support to Far North residents while minimizing the financial burden imposed on telecommunications consumers elsewhere in Canada.

47. Some interveners have inaccurately mischaracterized the subsidy as having a minimal impact on the NCF, and thus on southern consumers. For instance, Iristel has incorrectly claimed that a \$72 per month per household subsidy in the Far North would result in a total subsidy requirement (TSR) of only \$3 million per year.⁴⁸ This calculation contains a fundamental error - a subsidy of \$72 per month per household would actually result in a TSR of \$3 million **per month**, totalling \$36.6 million annually, which presents a significantly higher burden on Canadians than Iristel's inaccurate estimate suggests.

48. PIAC estimated that a \$100 per month subsidy for residential and small business customers in the Far North would result in a TSR of "**only** \$50 to \$55 million a year."⁴⁹ This characterization minimizes what is, in fact, a substantial financial burden on all telecommunications providers contributing to the NCF, and thereby to all telecommunications consumers. PIAC further suggested that households subscribed to plans priced below the subsidy amount should have "any **excess amount** ... applied to other charges...."⁵⁰ This approach is inappropriate; there should be no "excess" subsidy when every dollar ultimately comes from consumers and could be directed to other important needs. While such situations would not occur under our proposal, if the final regime extends eligibility to plans priced below the subsidy amount, the customer's bill in such instances should be zero-rated with no credit or amount due.

⁴⁸ Iristel intervention, paragraph 12.

⁴⁹ PIAC intervention, paragraph 23. [Emphasis added]

⁵⁰ Ibid., paragraph 28. [Emphasis added]

49. The Commission must ensure that the subsidy amount addresses affordability needs in the Far North without unduly burdening southern Canadians.

4.2 Subsidy Amount Must be Uniform Across All Eligible Subscribers

50. Despite the Commission's express adoption of a uniform discount model in TRP 2025-9,⁵¹ several parties proposed regimes that have varying subsidy amounts based on technology (e.g., terrestrial versus satellite) and/or subscriber type (i.e., residential versus small business/community institution). Some interveners proposed a subsidy model that provided larger subsidies for small businesses than residential subscribers.⁵² Others suggested a percentage-based approach where the subsidy discount would represent a percentage of each subscriber's Internet bill.⁵³ Implementing a varied or tiered subsidy model would introduce significant administrative complexity, which the Commission has explicitly sought to avoid,⁵⁴ create perverse incentives for subscribers and ISPs alike, and potentially undermine competitive neutrality.

51. A tiered subsidy approach would introduce significant administrative complexity. ISPs would need to assess whether individual subscribers qualify, for example, as small businesses (versus residential) and therefore merit presumably larger subsidies. This process would necessitate extensive verification procedures, including collecting and validating additional information from subscribers about their business status or organizational structure, which we explained in our Intervention that we do not collect.⁵⁵ ISPs would also have to implement multiple IS/IT changes to assign different subsidy amounts to specific subscriber categories, whereas a uniform discount model would require only a single, streamlined subsidy credit applied universally to eligible subscribers. This added administrative complexity would also extend to the Commission and third-party administrator, requiring them to develop and maintain additional procedures for fund distribution and auditing to account for various subsidy tiers. Collectively, these administrative burdens would not only increase operational costs but would also likely delay implementation and thereby delay the delivery of affordability relief to Far North residents.

⁵¹ TRP 2025-9, paragraph 53.

⁵² See, for example, GNWT intervention, paragraphs 3 to 4; and Rogers intervention, paragraph 18.

⁵³ See, for example, QMI intervention, paragraph 27; and Canada Deaf Grassroots Movement (CDGM) intervention, paragraph 24.

⁵⁴ TNC 2025-10, paragraph 10.

⁵⁵ Bell and Northwestel Intervention, paragraph 15.

52. A tiered or varied subsidy approach may also create market distortions by creating perverse incentives. When certain plans or subscribers receive larger subsidy discounts than others, subscribers may be incentivized to choose plans that maximize their subsidy rather than those that address their actual needs. This can lead to inefficient allocation of telecommunications resources as subscribers select higher speeds with larger subsidies regardless of their actual usage needs. This would then require ISPs to provision and maintain excess network capacity for subscribers who may not need and/or use such capacity. ISPs may similarly be incentivized to have as many subscribers as possible on plans with larger subsidies, and potentially lead to market distortions in service offerings. For example, ISPs may design packages focused on maximizing subsidies rather than addressing actual customer needs.

53. The Commission was clear that it wanted to introduce a "competitively neutral subsidy," a principle that inherently excludes any model providing an undue advantage to one technology over another. Differential subsidies based on technology would undermine this principle by effectively preferring certain technologies through larger subsidies assigned to them. This approach may also distort market dynamics and impede innovation by distorting investment to technologies that receive larger subsidies.

54. These proposals also contradict the Commission's determinations in TRP 2025-9, and reiterated in TNC 2025-10, which clearly stated that all subscribers would receive the same monthly discount.⁵⁶ The Commission specifically explained that the subsidy model would involve a "flat rate discount on customers' Internet service bills,"⁵⁷ meaning every eligible subscriber receives the same dollar amount off their monthly bill. Both tiered/category-based and percentage-based approaches result in subscribers receiving non-uniform subsidy amounts, which contradicts the Commission's directions.

55. For all these reasons, the Commission should maintain its original determination of a uniform discount for every eligible subscriber.

⁵⁶ TRP 2025-9, paragraph 53; and TNC 2025-10, paragraph 10.

⁵⁷ TRP 2025-9, paragraph 53.

4.3 Subsidy Amount Should Remain Fixed for at Least Five Years

56. Some interveners proposed annual or biennial recalculations or adjustments to the subsidy amount.⁵⁸ We oppose these suggestions and reiterate our original proposal that the subsidy amount should only be adjusted when the Commission undertakes a review of the subsidy program, which we recommend should occur no sooner than five years.⁵⁹ Frequent adjustments would introduce significant administrative burden and costs, requiring annual updates to IS/IT systems, invoices, contracts, and other consumer-facing materials, while contributing to regulatory uncertainty. Further, as we outlined in our Intervention, there is little value in applying formulaic adjustments to the subsidy amount until the Commission can properly determine whether the subsidy is fulfilling its stated purpose.⁶⁰

4.4 Subsidy Should Be Funded by All Contribution-Eligible TSPs

57. In its intervention, Rogers proposed that unlike all other initiatives funded by the NCF, the Far North subsidy should only be funded by certain select Telecommunications Service Providers (TSPs). Specifically, Rogers proposed that "only TSPs providing services in the Far North should be required to contribute to the subsidy"⁶¹ or, more specifically, that "only revenues earned from providing select telecommunications services in the Far North should be contribution-eligible."⁶² Rogers attempted to distinguish the Far North subsidy from existing NCF-funded programs, such as Video Relay Service and the Broadband Fund, claiming its benefits are limited to a specific geographic area whereas the other programs benefit "each and every Canadian."⁶³ It claimed that, because the TSPs' contributions to the NCF ultimately comes from their customers, it would be unfair to require consumers who would "never benefit from the subsidy"⁶⁴ to subsidize the cost of Internet for households in the Far North.

58. Rogers' proposal appears self-serving, in that it could exempt Rogers from contributing to the subsidy, since Rogers appears to not offer contribution-eligible services in the Far North.⁶⁵ In any event, Rogers' proposal would grant an unfair and undue preference to TSPs that have not

⁵⁸ See, for example: Iristel intervention, paragraph 14; TKTFN intervention, paragraph 14; Kativik Regional Government (KRG) intervention, paragraph 36; PIAC intervention, paragraph 61; and CDGM intervention, paragraph 42.

⁵⁹ Bell and Northwestel Intervention, paragraphs 45 and 72.

⁶⁰ Ibid., paragraph 45.

⁶¹ Rogers intervention, paragraph 35.

⁶² Ibid., paragraph 44.

⁶³ Ibid., paragraph 7.

⁶⁴ Ibid., paragraph 9.

⁶⁵ Definition of "Far North" as set out in TNC 2025-10, footnote 1.

invested in offering services in the Far North. Further, it would grant those TSPs an unearned pricing advantage over competitors that have invested in serving the Far North, in that TSPs that have not made such investments would not need to pass along the cost of the subsidy to its consumers in the South. This would inappropriately create a more favourable market position for TSPs that have avoided the Far North and disadvantage the TSPs that have invested in and are contributing to create more affordability in the Far North.

59. Rogers' proposal is also illogical and counter-productive, as it will disincentivize providers from operating in the Far North. Specifically, if only TSPs offering services in the Far North are required to contribute to the Far North subsidy, this may deter TSPs from entering or expanding their services in the Far North. Such an outcome would directly undermine competition and run contrary to the Commission's objective of ensuring reliable, affordable, and high-quality telecommunications services are available to all Canadians, including those in the Far North.

60. Finally, Rogers' distinction is contrary to any other program or initiative funded by the NCF, including those that were targeted to the Far North. For instance, in Decision 99-16, the Commission determined that Northwestel may require supplementary funding to meet the basic service objective if it could not do so using the traditional funding mechanisms relied on by companies in southern Canada.⁶⁶ In that same Decision, the Commission determined that the supplemental funding, if required, would be drawn from collected subsidy revenues. Additionally, in Decision 2000-746⁶⁷ the Commission approved a service improvement plan (SIP) for Northwestel to extend and improve the telecommunications network in the North, and, at the same time, approved supplemental funding from the NCF for Northwestel for 2001. In Decision 2007-5,⁶⁸ the Commission also determined that Northwestel should continue to receive a subsidy from the NCF for a portion of its SIP.⁶⁹ Thus, there is already a long-time precedent of funding one particular region of the country, such as the Far North, through contributions from across the industry.

61. In summary, Rogers' proposal presents a narrow and self-interested approach that will distort the competitive market and undermine the very purpose for the Far North subsidy. In contrast, a broad-based funding mechanism whereby all TSPs who are contribution-eligible under

⁶⁶ Telecom Decision CRTC 99-16, *Telephone service to high-cost serving areas*, paragraph 69.

⁶⁷ Telecom Decision CRTC 2000-746, *Long-distance competition and improved service for Northwestel customers*.

⁶⁸ Telecom Decision CRTC 2007-5, *Price cap regulation for Northwestel Inc.*

⁶⁹ The Northwestel SIP subsidy was phased-out and ceased on 31 December 2020 pursuant to Telecom Regulatory Policy CRTC 2018-213, *Phase-out of the local service subsidy regime*.

existing NCF guidelines contribute to the Far North subsidy is aligned with the objectives of the *Telecommunications Act* and the 2023 Policy Direction⁷⁰ and would ensure that the responsibility of advancing Canada's telecommunications services is shared equitably among all Canadians.

4.5 Subsidy Should Be Funded From Existing NCF Allocations

62. We support the proposal made by some parties to fund the new Far North subsidy through existing NCF allocations rather than by creating additional contribution obligations. Rogers, for example, advocated for this approach, stating:

... [the Commission] should leverage funds from the NCF and not create any new obligations. The industry continues to make significant progress towards meeting the Commission's goal of providing every household with speeds matching or exceeding the universal service objective by 2030. This progress has been driven primarily by private industry investment with assistance from government funding programs. Any subsidy should not require further contributions into the fund, and in fact, the collections should reduce as the deployment of networks winds down.⁷¹

63. QMI presented a similar position, submitting that the impact on companies contributing to the NCF must be considered seriously.⁷² QMI went on to note that the amounts paid by companies to the NCF have exploded since the implementation of the Broadband Fund, with an enormous budget of no less than \$675 million over five years.⁷³ QMI concludes that it is logical that the funding for the subsidy comes from amounts already allocated for the Broadband Fund.⁷⁴

64. We support utilizing existing NCF contributions to finance the Far North subsidy. This would ensure timely delivery of benefits to Far North residents, as the funds have already been collected and are readily available. It would also minimize additional financial burden on southern consumers who will ultimately bear the cost of this subsidy, thereby balancing the interests of subsidy recipients with those funding the program.

⁷⁰ Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy (SOR/2023-23), <https://laws.justice.gc.ca/eng/regulations/SOR-2023-23/>.

⁷¹ Rogers intervention, paragraph 13.

⁷² QMI intervention, paragraph 40.

⁷³ Ibid.

⁷⁴ Ibid.

5.0 ROLES AND RESPONSIBILITIES OF THE COMMISSION AND THIRD-PARTY ADMINISTRATOR

65. All parties who provided a substantive response to question 7 of TNC 2025-10⁷⁵ agreed that the Central Fund Administrator (CFA) should be the third-party administrator for the subsidy. However, certain parties proposed expanding the CFA's roles and responsibilities beyond fund administration and basic audits. Specifically, some interveners suggested that the CFA should: (1) receive ISP reporting about Internet packages and prices in the regions in which ISPs operate⁷⁶; and/or (2) publish public reports on how the funds are used and the impact on affordability for consumers.⁷⁷ This would be an inefficient use of resources and fails to draw on the expertise of the CFA, which is in the administration and collection of funds and basic audit functions. We submit that the Commission should not expand the CFA's role to include extensive monitoring and/or complex auditing and reporting functions; such roles should be left to the Commission, which has the relevant experience to efficiently complete such tasks.

6.0 DISTRIBUTION OF FUNDS

6.1 Subsidy Disbursements Should Be Based on Actual Subsidy Credits Issued

66. As we submitted in our Intervention, the most accurate approach is to base subsidy disbursements on the total subsidy credits that ISPs actually issued to their subscribers, taking into account subscriber churn during the reported month.⁷⁸

67. While some interveners submitted that the Commission should base subsidy disbursements on the number of subscribers rather than actual subsidy disbursements,⁷⁹ this approach fails to take into account customer churn and proration based on the number of days each subscriber had an active account. As a result, it will inevitably result in discrepancies between the total subsidy credits issued by ISPs to eligible subscribers and the subsidy amounts ISPs receive from the fund administrator. As shown in the examples set out in paragraphs 55 to 57 of our Intervention, a subsidy based on number of subscribers could substantially overcompensate ISPs, resulting in an unearned windfall.

⁷⁵ Question 7 asked: "Should the CFA be the third-party administrator for the subsidy? The CFA's role would include accounting functions such as collecting and disbursing funds to eligible ISPs based on a schedule provided by the Commission. If not, please suggest an alternative and provide a rationale."

⁷⁶ PIAC intervention, paragraphs 48 and 49.

⁷⁷ CDGM intervention, paragraph 49.

⁷⁸ Bell and Northwestel Intervention, paragraph 54.

⁷⁹ Starlink intervention, page 2; and Telus intervention, paragraph 80.

68. The only way to ensure that participating ISPs receive an accurate dollar-for-dollar reimbursement is by requiring them to report the total subsidy credits they issued on their subscribers' bills for the reported month. This can be achieved for example by implementing a subsidy-specific billing code that can be used to tally the total subsidy credits issued during a defined period.

6.2 Subsidy Should Be Disbursed Monthly

69. As described in our Intervention, subsidy funds should be distributed monthly to align with ISPs' billing cycles and allow for timely accounting adjustments while minimizing the financial burden of carrying a revenue loss.⁸⁰ While some parties suggested that subsidy funds be distributed quarterly,⁸¹ many others agreed that a monthly distribution is most appropriate. For example, Telus proposed monthly distribution, noting there will be a time gap between when customers' bill payments are due and when ISPs receive subsidy disbursements and submitting that "ISPs should not be required to 'carry' the subsidy amount for a period of time that is longer than necessary."⁸² Starlink similarly proposed monthly distribution, emphasizing that ISPs "should not be expected to carry reduced cash flow for significant periods of time."⁸³

70. The cash flow impact of requiring ISPs to carry reduced cash flow for several months can create substantial financial strain for both small and large ISPs operating in the Far North. As a result, to minimize such financial burden, and to ensure operational efficiency and financial sustainability, subsidy funds should be disbursed monthly.

7.0 MEASURES TO PROMOTE TRANSPARENCY AND ACCOUNTABILITY

7.1 Routine Audits Must Be Part of the Subsidy Regime

71. Certain parties, such as Telus and Starlink, suggested there was no need for the Commission to conduct routine audits.⁸⁴ Specifically, Telus claimed that an attestation from an external auditor or an affidavit signed by two officers of the company, including the ISP's CFO (attesting to the accuracy of the information filed) would be sufficient for ensuring accountability.⁸⁵

⁸⁰ Bell and Northwestel Intervention, paragraph 59.

⁸¹ For example, KRG intervention, paragraph 7; Rogers intervention, paragraph 40; and SSI Canada intervention, paragraph 22.

⁸² Telus intervention, paragraph 69.

⁸³ Starlink intervention, page 2.

⁸⁴ Telus intervention, paragraph 78; and Starlink intervention, page 3.

⁸⁵ Telus intervention, paragraphs 78 to 79.

Starlink proposed that only targeted or randomized audits take place "where necessary."⁸⁶ However, to promote accountability and transparency in the distribution of subsidy funds, and to protect against gaming and misuse of funds, the Commission should conduct annual audits to verify the information supplied by participating ISPs.

72. In TNC 2025-10, the Commission identified a real risk of subsidy funds being diverted from their intended purpose, including due to price increases of non-rate-regulated services and overstatements of subscriber counts.⁸⁷ Both Telus and Starlink's suggestions fail to address the Commission's identified risks, as they rely too heavily on self-reporting mechanisms without consistent external verification. While self-attestation provides some level of accountability, it cannot replace the level of accountability that comes from external reviews.

73. To create an efficient and effective accountability framework, the Commission should establish a routine audit that is conducted by the same party (whether it be the Commission or a third-party retained on its behalf) so that all participating ISPs are held to the same auditing standards. Such an audit will help to ensure that subsidy funds are being appropriately spent and that ISPs have complied with all terms and criteria for the subsidy, such as subscriber and plan eligibility requirements. A consistent approach to routine audits will ensure transparency in how the information is validated, establish consistent verification procedures for subscriber counts or the calculation of the total subsidy credits issued in a given month, and provide the assurance that the information ISPs report will be carefully reviewed by an independent party with the necessary expertise to identify potential irregularities.

74. Further, contrary to Iristel's suggestion, all ISPs receiving the Far North subsidy should be subject to audits, regardless of the size of the ISP. In its intervention, Iristel suggests that "very small providers" should be exempt from audits due to the cost associated with undergoing an audit.⁸⁸ Iristel's proposal is inappropriate and ripe for abuse. First, the cost of an audit does not need to be onerous. The Commission has received numerous submissions in this proceeding designed at ensuring audits impose a minimal administrative burden. Second, any definition of a "very small provider" would be arbitrary and prone to gaming, with ISPs creating separate brands and entities to avoid audit. Third, Iristel's proposal would effectively create two-tiered accountability, which would undermine the integrity of the subsidy program. All ISPs receiving

⁸⁶ Starlink intervention, page 2.

⁸⁷ TNC 2025-10, paragraph 27.

⁸⁸ Iristel intervention, paragraph 23

public funds, regardless of their size, must be accountable for the proper use of those funds. This is a reasonable expectation and obligation that should be imposed in exchange for participating ISPs benefitting from the subsidy program. Moreover, all consumers deserve the same assurance that subsidy benefits are fully passed on to them, regardless of their provider's size. Thus, audit requirements must apply to all participating ISPs with no exceptions.

75. Finally, with respect to information that the Commission should require ISPs to report on, we support Iristel's proposal for ISPs to include monthly reporting of subscriber counts **by plan**.⁸⁹ While we disagree with Iristel's suggestion that the subsidy amount should vary by plan (which was the basis for their proposal for mandating reporting of subscriber counts by plan) – as we believe the subsidy amount should remain uniform across all eligible plans as discussed in detail above – this data could provide valuable insight into whether consumers are upgrading to higher-speed plans in response to the subsidy.

7.2 Network Performance Reporting Requirements Should Only Be Incorporated if Mandated by TNC 2024-318 Against at Least One Participating ISP

76. The Canada Deaf Grassroots Movement (CDGM) proposed that network performance should be part of the ISPs' reporting obligations under the subsidy regime. While we are not opposed to the idea of reporting on network performance, we note that the Commission has commenced a separate and ongoing proceeding in TNC 2024-318⁹⁰ that specifically addresses network performance reporting requirements for ISPs. As we stated in our Intervention, to the extent that any ISP participating in the subsidy program becomes subject to such reporting requirements by the proceeding launched by TNC 2024-318, it is only fair that all other participating ISPs be subject to the same requirements, even if they are not otherwise obligated to do so.⁹¹ However, until such reporting requirements are established in TNC 2024-318, we submit that the Commission should refrain from mandating network performance reporting requirements under the subsidy regime to avoid duplicative efforts and unnecessarily burdening the Commission's limited resources while it determines the details of such reporting requirements under TNC 2024-318.

⁹⁰ Telecom Notice of Consultation CRTC 2024-318, *Making it easier for consumers to shop for Internet services*.

⁹¹ Bell and Northwestel Intervention, paragraphs 49, 50, and 62.

7.3 ISPs Should Not Be Required to Report Operating Costs

77. The Kativik Regional Government (KRG) proposed that ISPs be required to report their operating costs and Internet revenue, which it claims should be relevant for calculating the subsidy amount.⁹² We strongly oppose this proposal. The Commission expressly stated in TRP 2025-9 that "[t]he amount of the subsidy would not be based on ISPs' cost of providing service,"⁹³ expressing concern that such a model "would add material complexity to design and implementation" and would "involve significant administrative burden for ISPs."⁹⁴ We agree with the Commission's rationale. The Commission deliberately adopted a uniform subsidy discount model precisely to avoid the substantial administrative burden of having ISPs conduct detailed cost studies and submit extensive financial information.⁹⁵ Given there is no basis to adopt the KRG's approach to determining the subsidy amount, there is no corresponding need for ISPs to report on their operating costs and Internet revenues for the purpose of receiving this subsidy.

7.4 ISPs Should Not Be Mandated to Report Whether End-Users Are Small Businesses or Community Institutions

78. The GNWT proposed that all participating ISPs be required to report, among other things, whether a subscriber is a residence, small business, or community institution.⁹⁶ We oppose this requirement. As noted in our Intervention,⁹⁷ while we may be able to distinguish between residential and business customers, we cannot readily identify whether an end-user is a small business or a community institution. We do not collect information on the type or nature of business or the number of employees our retail subscribers have, which is the type of data that would be necessary for categorizing end-users into small businesses or community institutions. For community institutions specifically, ISPs would have to rely on self-reporting (which would likely generate unreliable data) and/or conduct resource-intensive verification of each subscriber who purports to be a community institution. Implementing this level of information gathering would create an onerous administrative burden for ISPs and complicate the Commission's auditing process, should it adopt one. This was why we have proposed a plan-based eligibility approach (that would limit subsidy eligibility to only plans designed for residential and small business

⁹² Specifically, KRG proposes a subsidy amount based on "cost needed to operate the network, minus the revenue generated plus 10% for contingency." See KRG intervention, paragraphs 28 and 41. KRG acknowledges that Nunavik is not part of the "Far North" as defined in TNC 2025-10 but submits its views because it considers that this proceeding "may set a precedent for other remote regions of Canada." See KRG Intervention, paragraph 11.

⁹³ TRP 2025-9, paragraph 53.

⁹⁴ Ibid., paragraph 60.

⁹⁵ Ibid., paragraph 17.

⁹⁶ GNWT intervention, paragraph 53.

⁹⁷ Bell and Northwestel Intervention, paragraph 18.

subscribers) should the Commission decide to extend the subsidy to non-residential subscribers. Thus, the Commission should reject the GNWT's proposal to include reporting subscriber counts by category.

7.5 ISPs Should Not Be Mandated To Report on Reasons for Cancellation

79. The CDGM has also proposed that all participating ISPs report – on a monthly basis – on the reasons departing subscribers provide for cancelling their Internet services.⁹⁸ We oppose this proposal for several reasons. First, such data is inherently unreliable; there is no mechanism for ISPs to compel feedback from departing customers or verify the accuracy of their responses, if provided. Second, this data has questionable correlation to the implementation of the subsidy and provides little value in promoting accountability or transparency to the subsidy regime, which is the primary purpose of any reporting obligation. Lastly, even if the Commission were to mandate reporting of this information, which we oppose and submit there is no appropriate basis for, reporting this information monthly would be disproportionately burdensome for ISPs, especially in regard to the nominal value, if any, this data may provide.

7.6 ISPs Should Not Be Mandated to Report on Subscriber Counts by Plan

80. Iristel's proposal to include monthly reporting of subscriber counts **by plan** should be rejected. Iristel claims that such reporting may be "necessary in a scenario where the subsidy amount varies depending on the plan."⁹⁹ The Commission clearly stated in TRP 2025-9 and in this proceeding that it was adopting a "uniform discount subsidy model" where all eligible subscribers would receive the same subsidy discount, "regardless of their service plan."¹⁰⁰ Under these clear directions, there is no scenario as Iristel suggests where subscriber counts by plan need to be reported on.

7.7 If Certain Internet Code Requirements Are Adopted in the Subsidy Regime, They Should Apply Equally to All Participating ISPs

81. To the extent that the Commission adopts any Internet Code requirements relating to clear pricing in this subsidy regime, all participating ISPs must be subject to the same requirements to be eligible for subsidies, including those that are not currently subject to the Internet Code. For example, the KRG's vague and limited commitment to "behave in a manner consistent with the

⁹⁸ CDGM intervention, paragraph 99.

⁹⁹ Iristel intervention, paragraph 19.

¹⁰⁰ TNC 2025-10, paragraph 10; TRP 2025-9, paragraph 53.

Internet Code" while also expressly noting that the "Internet Code does not apply to the KRG at this time"¹⁰¹ raises concerns about its intent to comply with requirements that other ISPs such as Northwestel may be subject to. Any requirements that the Commission imposes in relation to displaying clear pricing benefit consumers. It is only fair and reasonable that all parties participating in the subsidy be subject to the same requirements that will be implemented for the benefit of consumers. As such, if the Commission adopts any Internet Code requirements in determinations made in this proceeding, it should require all participating ISPs to be subject to the same obligations without exception and regardless of whether an ISP is currently subject to the Internet Code.

7.8 Unfounded Allegations Regarding Subsidy Misappropriation

82. In its intervention, SSi Canada inaccurately claimed that Northwestel poses a unique risk of "misdirecting subsidy funds" due to our alleged ability to "apply the subsidy otherwise than to the relevant services delivered to eligible subscribers."¹⁰² SSi Canada further asserted that "[c]ompetitive ISPs are extremely unlikely to raise any rates" due to pressures to retain and attract customers.¹⁰³ While it is not entirely clear, SSi Canada appears to be asserting that Northwestel may attempt to divert subsidy funds by artificially inflating rates. These allegations are spurious, unfounded, and mischaracterize Northwestel's operations in the Far North.

83. Our rate-regulated services (which includes our retail terrestrial Internet services and related equipment fees) are subject to comprehensive Commission oversight under the price cap framework established in Decision 2015-79 and maintained in TRP 2025-9.¹⁰⁴ This framework imposes strict pricing constraints, including a 0% cap on the weighted average prices across both of our residential and business Internet services baskets, meaning we cannot increase the overall prices of our regulated retail Internet services, even by inflation. For residential Internet services specifically, rates remain capped at the levels approved by the Commission ten years ago in Decision 2015-78,¹⁰⁵ with no ability to increase them. For business Internet services, while individual rate elements may increase by up to 5% annually, these increases must be offset by corresponding decreases elsewhere to maintain the overall 0% basket constraint. These rigid

¹⁰¹ KRG intervention, paragraph 47.

¹⁰² SSi Canada Intervention, paragraph 26.

¹⁰³ Ibid.

¹⁰⁴ Telecom Decision 2015-79, *Northwestel Inc. - Basket structure and pricing constraints for terrestrial retail Internet services*; and TRP 2025-9, paragraph 102.

¹⁰⁵ Telecom Decision CRTC 2015-78, *Northwestel Inc. - Tariffs for terrestrial retail Internet services*.

constraints make it impossible for Northwestel to artificially inflate its regulated rates beyond the nominal flexibility permitted under the regulatory framework.

84. With respect to our non-rate regulated services in the Far North (i.e, satellite Internet), we face the same competitive pressures that any other ISP operating in the region does. To the extent there is any ability to artificially inflate prices and misappropriate subsidy funds, this risk would apply equally to all ISPs participating in the subsidy program and not exclusively to Northwestel. Thus, SSi Canada's allegations should be dismissed as baseless and the Commission should implement reporting and auditing procedures that apply uniformly to all participating ISPs, as we discuss in further detail below.

8.0 THE COMMISSION'S APPROACH TO MONITORING

8.1 Review Should Be Narrowly Focused on Subsidy's Impact on Affordability

85. Some parties proposed an overly broad scope for the subsidy review. For example, the CDGM suggested that the review should address "concerns regarding service quality"¹⁰⁶ and Iristel proposed that the review address whether the subsidy improved productivity and/or contributed to gains in employment, education or other social factors.¹⁰⁷ As we stated in our Intervention, the review should be narrowly focused on determining whether the subsidy has achieved its goal of making retail Internet services in the Far North more affordable and, insofar as this goal has been met, whether the subsidy amount, and the existence of the subsidy, remains appropriate.¹⁰⁸

86. The Commission was clear in TNC 2025-10 that the goal of monitoring was "to determine whether the subsidy is fulfilling its intended goal of improving the **affordability** of Internet services in the Far North."¹⁰⁹ Extending the review to include quality of service and broader socio-economic issues goes beyond the Commission's intended scope of this subsidy program; such issues would be better addressed in a separate proceeding and/or by other government bodies, such as ISED or the territorial governments of Nunavut, Northwest Territories, and Yukon.

¹⁰⁶ CDGM intervention, paragraph 119.

¹⁰⁷ Iristel intervention, paragraph 29.

¹⁰⁸ Bell and Northwestel Intervention, paragraph 72.

¹⁰⁹ TNC 2025-10, paragraph 32. [Emphasis added]

8.2 Metrics of Subsidy Effectiveness Should Be Established Near the Time of Review

87. The parties have advanced wide-ranging positions regarding the appropriate metrics for evaluating the subsidy's effectiveness, which demonstrates the complexity of the issue. Some parties, such as Rogers, propose price differential targets between the Far North and the rest of Canada,¹¹⁰ while others like Telus suggest measuring the gap in household spending on Internet.¹¹¹ The GNWT focuses on Internet adoption rates,¹¹² while the CDGM advocates for examining the subsidy's impact on deaf, deaf Indigenous, hard of hearing and deafblind Canadians, and low-income households.¹¹³ Given this diversity of perspectives and the evolving nature of the Internet services market in the Far North, the Commission would be better positioned to determine the exact metrics of success closer to when the review actually takes place. This approach will allow the Commission to consider the most current market conditions and priorities at that time and ensure that the metrics it adopts reflects the market realities at that time.

9.0 CONCLUSION

88. Our proposed uniform monthly subsidy of \$25 per month, limited to residential consumers in the Far North with fixed-address retail Internet plans priced at \$25 per month or greater, would effectively balance the need for improving affordability in the Far North, while considering the subsidy's nationwide impact, especially on consumers in the south. This approach simplifies administration, reduces gaming opportunities, and is supported by data on price and household income differences between the Far North and the rest of Canada. The subsidy should be funded by all contribution-eligible TSPs, not just those operating in the Far North, with existing NCF contributions being reallocated to fund this subsidy. The Commission should implement streamlined reporting requirements focused on critical data to ensure accountability, conduct routine and standardized audits, and plan for a narrowly defined review that focuses on the subsidy's impact on Far North Internet affordability in five years with effectiveness criteria established closer to the review date.

*** End of Document ***

¹¹⁰ Rogers intervention, paragraph 61.

¹¹¹ Telus intervention, paragraph 93.

¹¹² GNWT intervention, paragraphs 66 and 73.

¹¹³ CDGM intervention, paragraph 119.

**BEFORE THE CANADIAN RADIO-TELEVISION AND
TELECOMMUNICATIONS COMMISSION**

Telecom Notice of Consultation CRTC 2025-10

Call for comments – Implementing a retail Internet service subsidy in the Far North



Reply of

TELUS Communications Inc.

March 21, 2025

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A. *Introduction and Executive Summary*

1. TELUS Communications Inc. (“TELUS” or “the Company”) files these Reply Comments in accordance with Telecom Notice of Consultation CRTC 2025-10, *Call for comments – Implementing a retail Internet service subsidy in the Far North*.¹ In this Reply, TELUS comments on major issues raised by other parties in their interventions, but does not reply to every comment, topic or proposal on the record. TELUS’ lack of reply to any specific topic or proposal should not be taken as TELUS’ agreement with other parties’ submissions.
2. TELUS was consistent throughout its submissions during the Far North proceeding² that the primary telecommunications public policy issue in this region is the availability of broadband networks and the regulatory framework should be centrally focused on this purpose.³ However, during the proceeding, the Commission raised the concept of a potential subsidy to assist telecommunications customers in the Far North with paying for Internet services, which is a far different objective. On this point, TELUS was steadfast that the CRTC should not impose a uniform subsidy, but rather a subsidy that is purposefully designed to increase broadband affordability for those customers who need such measures the most.⁴ Many parties raised the same concern in that proceeding, including the Public Interest Advocacy Centre (“PIAC”)⁵ and the First Mile Connectivity Consortium (“FMCC”).⁶ Despite these well-founded positions, the Commission decided to implement a uniform subsidy for retail Internet customers in the Far North⁷ and is now

¹ Telecom Notice of Consultation CRTC 2025-10, *Call for comments – Implementing a retail Internet service subsidy in the Far North*, January 16, 2025 (“**TNC 2025-10**”).

² Telecom Notice of Consultation CRTC 2022-147, *Call for comments: Telecommunications in the Far North, Phase II*, June 8, 2022 (“**TNC 2022-147**”).

³ See, for example, TELUS’ Presentation at the hearing in TNC 2022-147, where it stated that the Commission should focus on supporting facilities-based competition and “upgrading facilities and services.” TELUS Presentation, April 20, 2023.

⁴ See, for example, TELUS’ Reply comments, TNC 2022-147, para 10, where TELUS stated that a “uniform subsidy would be highly inefficient in addressing affordability, because it would take the available funds and spread them amongst all customers instead of targeting them to the consumers who need them the most.”

⁵ Final Submission of PIAC, TNC 2022-147, para 10, where PIAC stated that “the subsidy must be means-tested and the services provided to satisfy the qualified households be reviewed.” [Emphasis added]

⁶ Final Submission of FMCC, TNC 2022-147, para 57.

⁷ As per FN1 in TNC 2025-10, “Far North” refers to the Northwest Territories, Nunavut, and the Yukon, 19 communities in northern British Columbia, and in Fort Fitzgerald and High Level, Alberta. The following

examining how to best implement such a subsidy funded from the National Contribution Fund (“NCF”).

3. The uniform subsidy must be placed in context of the Commission’s statutory powers under the *Telecommunications Act*.⁸ Section 46.5 of the Act enables the Commission to require telecommunications service providers (“TSPs”) to contribute to the NCF to support access to basic telecommunications services. However, the Commission’s powers under this statutory provision are not unconstrained.
4. When considering the design of the Far North subsidy for retail Internet services, the Commission must also have regard to the telecommunications policy objectives in section 7 of the Act.⁹ The telecommunications policy objectives that are pertinent to the design of a proper subsidy include:
 - Objective (b) to render reliable and affordable telecommunications services...to Canadians in both urban and rural areas;
 - Objective (f) to foster increased reliance on market forces; and
 - Objective (h) to respond to the economic and social requirements of users of telecommunications services.
5. Prudent subsidy design in light of the Canadian telecommunications policy objectives is needed because the NCF is derived from revenues earned by TSPs across Canada. This means that the subsidies taken from the NCF and directed to Far North customers represent monies spent by customers across Canada for their telecommunications services. As all customers pay for the NCF, the effect of the subsidy regime is felt across the country. The Commission must therefore ensure that the Far North Internet subsidy furthers the telecommunications policy objectives for all regions and all customers across Canada.

communities in northern British Columbia are included in this consultation: Atlin, Blueberry, Bob Quinn Lake, Dease Lake, Fort Nelson, Fort St. John, Fort Ware (Kwadacha), Good Hope Lake, Iskut, Jade City, Lower Post, Mould Creek, Muncho Lake (Fireside and Liard River), Pink Mountain, Prophet River, Telegraph Creek, Toad River, Upper Halfway, and Wonowon.

⁸ *Telecommunications Act*, SC 1993, c 38 (the “Act”).

⁹ The Act, s 7.

6. The Commission itself has recognized that the amount of funding for the NCF must be carefully considered. Notably, in *Modern telecommunications services – The path forward for Canada’s digital economy*, Telecom Regulatory Policy CRTC 2016-496 (“TRP 2016-496”),¹⁰ the Commission mandated a strict annual cap for total contributions to the NCF to minimize the financial impacts on TSPs and their customers’ rates. Additionally, the CRTC focused NCF initiatives specifically on developing broadband infrastructure in rural and remote regions of Canada.
7. In light of these considerations, TELUS has taken a principle-based approach and proposed that the subsidy for retail Internet services in the Far North be focused on increasing broadband affordability for residents in the Far North who are most in need of subsidy. TELUS’ proposed uniform subsidy - which would have amounted to \$120 per year per customer based on Yellowknife data from 2019 - is aimed at supporting customers in the bottom third income group in the Far North. This subsidy amount is designed to ensure that Internet expenditure of these households (as a proportion of household income) is consistent with that of households in the bottom third income group in the rest of Canada. TELUS’ proposal also balances the impact on contributions to the NCF.
8. TELUS’ proposal is squarely aimed at improving Internet affordability for lowest income households¹¹ while ensuring that the NCF funding is reasonable and simple to administer. TELUS’ proposal supports the policy goals of fostering Internet affordability through efficient and proportionate regulation, consistent with the Policy Direction.¹²

¹⁰ Telecom Regulatory Policy CRTC 2016-496, *Modern telecommunications services – The path forward for Canada’s digital economy*, December 21, 2016.

¹¹ TELUS does not provide a definition of a low-income household, but for the purposes of calculating its proposed subsidy, it examined the households in the bottom third of incomes, similar to what the Government of the Northwest Territories had analyzed. These data were provided by the Government of the Northwest Territories in its initial comments in TNC CRTC 2022-147. See page 17. Online: https://www.ntlegislativeassembly.ca/sites/default/files/legacy/td_956-192_department_of_finance_canadian_radio-television_and_telecommunications_commission_submissions.pdf. Not all of these households would be low income, but TELUS calculated an amount of subsidy that would be meaningful for this category of households.

¹² *Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy*, SOR/2023-23, ss 2(b) and (c) and 4.

9. In contrast, the Commission's own starting point of using a subsidy to offset the \$72 per month price difference between Internet services in the Far North versus Internet services in the rest of Canada is problematic, as are the proposed uniform subsidy proposals of many parties. Their proposed amounts are based on Internet price comparisons between the Far North and the rest of Canada and seek a subsidy to limit or remove entirely the broadband price difference across the regions. These methodologies fail to take into account that prices and incomes in the Far North are higher than in the rest of Canada. Therefore, on their own, Internet price differences do not signify a need for subsidy.
10. These parties also ignore affordability as a key underpinning of the subsidy, in that their proposals direct a significant monthly subsidy to customers who do not need it. This includes: (1) residential customers in the Far North with average to high incomes; (2) business customers that are otherwise able to recoup their costs through the prices they charge and through income tax deductions; and (3) government entities which are already funded through taxpayer dollars and should not be further subsidized by Canadian consumers.¹³
11. In addition, high monthly subsidies as proposed by other parties will negatively impact affordability for Internet customers in the rest of Canada, as any increase in NCF contributions will be passed on to customers in the form of higher rates for telecommunications services. This would put significant upward pricing pressure on telecommunications services. It would also contravene all of the Commission's public policy goals in this proceeding and in TNC 2022-147 if low income households in the rest of Canada were forced to contribute to pay for a hefty monthly subsidy for customers in the Far North who do not need it.
12. Finally, many parties ignore (or miscalculate) the impact of their subsidy proposals on the amount of funding needed for the NCF. The NCF is not, and should not become a fund of unlimited size. Though the proposed Far North subsidy and the rural and remote broadband

¹³ See also the Intervention of Bell Canada and Northwestel Inc. (collectively, "**Bell and Northwestel**"), para 17.

infrastructure fund would be separate programs within the NCF, NCF contributions come from only one source - from telecommunications customers through the rates they pay to TSPs.

13. There is a limit to how much customers should be expected to pay for contribution. This means that a significant monthly subsidy for the Far North will come at the expense of reducing the contribution funds available for broadband infrastructure in remote and rural areas of Canada. As TELUS has noted, increasing broadband deployment should be a primary consideration for the CRTC in its regulatory frameworks that involve rural and remote areas. Therefore, the CRTC must ensure that it does not impose a direct subsidy in the Far North that would constrain the availability of NCF funds for the purpose of broadband construction, as set out in TRP 2016-496. TELUS explains in more detail below.

B. The Commission must consider affordability, not just price, when establishing the subsidy

14. When establishing the Far North subsidy, the Commission should focus on affordability, not prices in isolation. On their own, prices are not indicative of affordability. A variety of factors impact affordability, including cost of living and income. Average incomes are higher in the Far North than the rest of Canada¹⁴ and general costs also tend to be higher in this region.¹⁵ In addition, there is a distribution of income levels in the Far North, just as in other geographic areas. Even in geographic regions with a higher cost of living, higher-income households generally do not have the same need for a subsidy as low-income households.
15. TELUS has consistently advocated for a means-tested subsidy where funds are directed to those households that need it most. In contrast, the CRTC's chosen uniform subsidy model

¹⁴ Statistics Canada, *Household income statistics by household type: Canada, provinces and territories, census divisions and census subdivisions*, online (accessed March 19, 2025) <https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=9810005701>.

¹⁵ See, for example, Statistics Canada, *High costs and high wages: Economic realities of Whitehorse and Yellowknife*, February 27, 2025, online (accessed March 19, 2025) <https://www.statcan.gc.ca/o1/en/plus/7834-high-costs-and-high-wages-economic-realities-whitehorse-and-yellowknife>.

does not require any such means test or other qualifying criteria.¹⁶ To that end, TELUS' proposed Targeted Internet Affordability Subsidy ("TIAS") aims to ensure low-income households in the Far North will not spend a greater share of their total consumption spend¹⁷ on Internet services than low-income households in the rest of Canada.

16. Several parties proposed subsidy amounts based on the price difference between Internet plans in the Far North and Internet plans in the rest of Canada.¹⁸ As TELUS described, this is the wrong approach because it does not address affordability, *i.e.* an individual's ability to purchase goods or services is based on a variety of factors, such as household income and the cost of living in a specific geographic region.
17. Moreover, prices fluctuate constantly. Canada has seen a general decrease in Internet pricing over time. For instance, according to Statistics Canada, between 2019 and 2025, real Internet prices fell by 20.0% after adjusting for inflation.¹⁹ A downward trend means that Far North customers could see a corresponding decrease in the subsidy if it is based on price difference. If the price gap between the Far North and Southern Canada shrinks, the subsidy will shrink - yet this would not necessarily be indicative that affordability has improved. Equally, a general decrease in Internet pricing in the South would not indicate a greater affordability issue in the North, yet the Far North subsidy amount would increase.
18. There are other major problems with setting the subsidy by examining price differences in the Far North versus the rest of Canada. It is not always the case that posted prices are the

¹⁶ TELUS reiterates its comments presented throughout TNC 2022-147 that any Far North Internet subsidy should be a means-tested subsidy for consumers, targeted directly at low-income households, and provided directly to eligible consumers. See, for example, TELUS' response to CRTC Request for Information TELUS(CRTC)25Aug23-1. As highlighted by Commissioner Anderson in her dissent, there was minimal support for a universal subsidy throughout the proceeding that led to TRP 2025-9.

¹⁷ Total current consumption refers to "the sum of the expenditures for food, shelter, household operations, household furnishings, clothing, transportation, health care, personal care, recreation, education, etc., and miscellaneous expenditures." See *Statistics Canada User Guide for the Survey of Household Spending, 2019*, online: <https://www150.statcan.gc.ca/n1/pub/62f0026m/62f0026m2021001-eng.htm>. The Survey of Household Spending, 2023 is expected later this year.

¹⁸ See, for example, Intervention of Iristel Inc. and its affiliate Ice Wireless (collectively, "**Ice Wireless**"), para 14.

¹⁹ Statistics Canada, *Consumer Price Index Portal*, updated January 21, 2025, online: https://www.statcan.gc.ca/en/subjects-start/prices_and_price_indexes/consumer_price_indexes.

final prices that customers pay. In a competitive market, there are often unadvertised deals and incentives that result in lower prices than those advertised. As an example of competitive activity in the Far North, the Commission recently approved Northwestel's "winback discounts" for certain Internet packages.²⁰ These packages will be discounted from the tariff rates for a period of six months. The existence of time-limited discounts and winback offers illustrates the difficulty of basing a subsidy on market pricing. The amount of subsidy per customer is highly prone to variability, given pricing changes in the marketplace.

19. As the table below illustrates, the average prices of Internet plans experienced significant changes year-over-year ("YoY") and the resulting price difference between the Far North and the rest of Canada also fluctuated considerably.

Table 1: Internet Plan Prices in the Territories and other Canadian Provinces

Plan	Year	Lowest monthly average reported prices in Territories	Lowest monthly average reported prices in Provinces	Difference	% Change in Price Difference from 2021
50/10 Plan Excl Starlink	2021	\$ 150	\$ 78	\$ 72	N/A
	2022	\$ 150	\$ 68	\$ 82	31.7%
	2023	\$ 130	\$ 74	\$ 56	22.2%
100/15 Plan Excl Starlink	2021	\$ 240	\$ 86	\$ 154	N/A
	2022	\$ 167	\$ 77	\$ 90	41.6%
	2023	\$ 150	\$ 85	\$ 65	57.8%
100/15 Plan Incl Starlink	2021	\$ 240	\$ 86	\$ 154	N/A
	2022	\$ 148	\$ 89	\$ 59	61.7%
	2023	\$ 142	\$ 106	\$ 36	76.6%

20. As set out in the table above, between 2021 and 2023, the difference in the monthly price of a 50/10 Internet plan (excluding Starlink) between the Far North and the rest of Canada

²⁰ Northwestel Inc. – Introduction of Winback Discount for Residential Unlimited Internet Packages, Telecom Order CRTC 2025-74.

went from \$72 in 2021 to \$82 in 2022, then fell to \$56 in 2023.²¹ Other plans also demonstrated a rapid decline. For 100/15 plans, the difference (excluding Starlink) fell from \$154 in 2021 to \$90 in 2022, falling by more than 40% YoY, and to only a \$65 difference by 2023, or an almost 60% decrease over 2 years. When including Starlink, the difference fell from \$154 to \$59 between 2021 and 2022, more than 60% YoY, and was only \$36 in 2023, a decline of more than 75% over 2 years. If a subsidy were based solely on this price difference, either contribution rates and subsidies would fluctuate impractically, or the subsidy amount would be frozen in place based on a difference that quickly becomes irrelevant. Consumption and income, even when accounting for the effects of Covid-19, changed nowhere near this much.

21. Additionally, under such a proposal, the subsidy amount changes depending upon which plans are being compared. The Commission has used comparisons of 50/10 plans to derive a potential subsidy of \$72 per month. However, if 100/15 plans are compared, the CRTC's own data indicate that the monthly price difference between the Far North and the rest of Canada is only \$36 per month. As such, if the subsidy is set based on 50/10 plans, Far North customers who opt for a 100/15 plan would be receiving a higher subsidy than necessary to account for the difference with the monthly price for a comparable plan in the rest of Canada.²²
22. For the reasons above, the Commission should refrain from simply using pricing comparisons of Internet services in the Far North versus the rest of Canada to derive the amount of monthly subsidy. Instead, as TELUS proposed in its intervention, and as detailed in the following section, the better approach is to use the subsidy to approximately equalize the proportion of consumption expenditures allocated for Internet services for low income households - those households that stand to benefit the most from subsidy.

²¹ See "Lowest average reported prices of Internet packages in Canada" as reported in the CRTC Monitoring Report, [online](https://crtc.gc.ca/eng/publications/reports/PolicyMonitoring/ban.htm) (accessed March 18, 2025): <https://crtc.gc.ca/eng/publications/reports/PolicyMonitoring/ban.htm>.

²² This is particularly the case given that GNWT suggests that residents opt for higher speeds when they are available. See, Digital NWT, *Report on Household Internet Affordability in Rural/Remote Communities*, online: <https://www.digitalnwt.ca/uploads/files/DigitalNWT-Affordability-Report-2022-FINAL.pdf>, p 16.

C. *The Commission should implement the subsidy in a way that provides price relief based on Internet affordability for low-income households*

23. As described in TELUS' intervention, the proposed TIAS aims to eliminate the difference in Internet affordability between low-income households in the Far North and low-income households in the rest of Canada. Rogers Communications Canada Inc.'s ("Rogers") proposal is similar to TELUS' in that it is principles-based, and aims to "ensure that Internet service costs remain proportionate to household spending levels on Internet in the Far North versus the rest of Canada."²³ While TELUS and Rogers both calculate a subsidy based on proportionate spend on Internet, the difference between Rogers' proposal and TELUS' proposal is that Rogers uses the *average spend of income for all households* on Internet instead of the share of *consumption spend* on Internet for households in the bottom third of the income distribution.²⁴
24. TELUS' approach has the benefit of comparing low-income households in the Far North - the group that is most in need of subsidy - with low-income households in the rest of Canada. PIAC has also voiced that the subsidy should provide assistance to "the very group of the population that needs relief the most."²⁵ In addition, TELUS' approach to compute the subsidy based on share of consumption spend is a more reliable basis for the calculation of the subsidy because it is less likely to experience sharp increases or decreases as compared to income. The percentage of consumption spent on Internet access services annually is generally more stable.

D. *Other parties have proposed subsidy amounts that are excessive or self-serving*

25. Parties rightly recognize that funding the subsidy through the NCF means that telecommunications service providers - which Quebecor notes already contribute very high amounts to the NCF²⁶ - will face an increased financial burden that will in turn be borne by Canadian consumers. However, this has not stopped certain groups from advocating for substantial subsidies that would create the perverse result where low-income households

²³ Intervention of Rogers, para 20.

²⁴ Intervention of Rogers, para 31.

²⁵ Intervention of PIAC, para 36.

²⁶ Intervention of Quebecor Media Inc. ("**Quebecor**"), para 7.

in Southern Canada will actually be subsidizing the Internet services for the wealthiest households in the Far North.

26. Ice Wireless proposes a large subsidy amount simply equating to the \$72 price difference between plans in the Far North that meet the universal service objective, with few guardrails around eligibility. Notably, Ice Wireless is an ISP in the Far North that stands to gain customers through an attractive subsidy. More importantly, Ice Wireless has made a fundamental arithmetical error and vastly understated the financial impact of a \$72 per month subsidy. Ice Wireless incorrectly states that a \$72 subsidy, applied to 42,413 households would lead to an impact to the NCF that is “at most \$3 million”.²⁷ This would be the case if the \$72 subsidy was annual. In reality, a \$72 monthly subsidy would amount to a 26% increase in contributions to the NCF based on 2023 figures.²⁸
27. The Canadian Deaf Grassroots Movement (“CDGM”) recommends that the subsidy cover a percentage (e.g., 50–75%) of the monthly Internet cost for eligible subscribers.²⁹ There is no basis to substantiate that subsidy should cover such a percentage of monthly Internet costs. Furthermore, CDGM fails to consider that everyone in the Far North, including businesses under CDGM’s proposal, will receive the subsidy regardless of need. This means that persons in other parts of Canada will be paying for the Internet services for high-income households and businesses in the Far North - customers that have no need for subsidy. Finally, CDGM’s proposal results in a substantial increase in contributions to the NCF of between 26% and 39%.³⁰

²⁷ Intervention of Ice Wireless, para 12.

²⁸ TELUS calculated the percentage increases in NCF contributions as follows: a \$72 monthly subsidy would equate to \$864 per year. This multiplied by 60,404 total Far North dwellings (in the areas identified by the Commission as being in the Far North) is \$52,189,056, which amounts to 26.4% of the total NCF contributions in 2023 (\$197,992,602 based on the National Contribution Fund Dec 2023 Quarterly Report). These amounts would change slightly if 2024 NCF figures were used.

²⁹ Intervention of CDGM, para 24.

³⁰ TELUS calculated the percentage increases in NCF contributions as follows: using Yellowknife spend data from 2021, 50% of Internet spend equates to \$71 and 75% of Internet spend equates to \$106. These figures multiplied by 60,404 total Far North dwellings are approximately \$51M and \$77M respectively, which amounts to 26% and 39% of the total 2023 NCF contributions (\$197,992,602 based on the National Contribution Fund Dec 2023 Quarterly Report). These amounts would change slightly if 2024 NCF figures were used.

28. The Government of Northwest Territories (“GNWT”) also proposes a large subsidy: either a two-tier subsidy with \$45 per month for customers in terrestrially-served communities and \$70 per month for customers in satellite-dependent communities, or a uniform subsidy of \$55 per month for customers.³¹ These are higher amounts than what the GNWT itself proposed in the proceeding leading to TRP 2025-9, that is, a minimum discount of \$25 monthly for residential customers and \$50 monthly for business customers.³² Further, it is based on the price difference for 50/10 plans, which is the wrong approach for the reasons TELUS has articulated above.
29. In addition, the GNWT methodology is flawed in that it effectively double counts Internet costs. The GNWT’s methodology relies on the price of a basket of essential goods to calculate disposable income. This price basket *already* includes the price of Internet services in the ‘other’ category from an imputed price based on the costs of food and clothing (which are far more expensive in the Far North).³³ As such, the difference in Internet prices between the North and South is being double-counted.³⁴ The price basket used for the Far North also includes a special category to capture the difference in the price of cellular services in the ‘other category’.³⁵ This is also an area where there may be significant change from Statistics Canada,³⁶ and comes alongside a number of complex adjustments made by the GNWT which make it difficult to consider this a straightforward way of calculating the subsidy - particularly given that the approach taken by TELUS was

³¹ Intervention of the Government of Northwest Territories, para 3.

³² *Telecommunications in the Far North*, Telecom Regulatory Policy CRTC 2025-9, para 57.

³³ This price basket was created by Statistics Canada and is called the Market Based Measure (“MBM”). The specific MBM for the Far North is called the “MBM-N”. Statistics Canada, Market Basket Measure Technical Paper: The other necessities component, online: <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2022006-eng.htm>.

³⁴ Statistics Canada confirms this: “As previously mentioned, costs associated with these communication services are currently accounted for through the other necessities component.” <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2023010-eng.htm>.

³⁵ See Statistics Canada, *Proposals for a Northern Market Basket Measure and its disposable income*, January 5, 2021, online: https://publications.gc.ca/collections/collection_2021/statcan/75f0002m/75f0002m2021001-eng.pdf pp 6 and 10; and Statistics Canada, *Construction of a Northern Market Basket Measure of poverty for Nunavut*, June 21, 2023, online: <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2022003-eng.htm>.

³⁶ Statistics Canada, *Market Basket Measure Research Paper: Options for updating the other necessities component and the creation of a communication services component*, December 21, 2023, online: <https://www150.statcan.gc.ca/n1/pub/75f0002m/75f0002m2023010-eng.htm>.

also suggested by GNWT in an earlier submission as an effective way to measure the difference between the North and South.³⁷

E. The Far North Subsidy should be constrained through meaningful eligibility restrictions and a cap

30. As described above, many interveners proposed subsidy amounts and methodologies that would require massive NCF contributions, which is fiscally imprudent and unsustainable. PIAC suggested that even a \$100 monthly subsidy is too small³⁸ and CDGM suggested \$300 might not be enough.³⁹
31. According to TELUS' calculations, a \$100 monthly subsidy would result in a 37% increase in contributions to the NCF, and a \$300 monthly subsidy would result in a 110% increase in contributions to the NCF.⁴⁰ If the Far North Subsidy is not sufficiently constrained, including by applying eligibility restrictions and a cap, this will significantly increase contributions by TSPs, which will ultimately be borne by all customers across Canada, including low-income Canadians in the South. This causes a regional transfer scheme from the rest of Canada to the Far North and is not based on need.
32. In addition, the Commission should exclude recreational dwellings and second homes from the subsidy, and recipients of the Connecting Families Initiative ("CFI") and other social programs should be ineligible. The GNWT agrees with TELUS that the Far North subsidy should not be stacked on top of the already "heavily discounted" CFI. The GNWT added that "post-subsidy prices should be higher than CFI prices to avoid the possibility of non-

³⁷ Initial comments of the Government of the Northwest Territories, TNC 2022-147, October 6, 2022, see pp. 17-21, available online: https://www.ntlegislativeassembly.ca/sites/default/files/legacy/td_956-192_department_of_finance_canadian_radio-television_and_telecommunications_commission_submissions.pdf. It is also notable that the GNWT states that the *average* household in Yukon and Northwest Territories has a higher level of disposable income than the *average* household in Southern Canada after accounting for necessities using the MBM which, TELUS would highlight includes Internet. See Intervention of the Government of Northwest Territories in the current proceeding, January 16, 2025, para 13.

³⁸ Intervention of PIAC, para 23.

³⁹ Intervention of CDGM, para 30.

⁴⁰ Based on the National Contribution Fund Dec 2023 Quarterly Report.

CFI eligible households paying the same or even lower prices than CFI-eligible households”.⁴¹

33. Finally, to ensure fiscal restraint, cost predictability and to avoid putting significant upward pressure on prices across the country, the Commission should consider introducing a cap on the total amount allocated to the Far North subsidy. This would be consistent with the design of the NCF funding for video relay services (“VRS”).⁴²

F. Small businesses and governments should be excluded from the subsidy

34. Some parties simply declare that businesses and other organizations, such as community groups, not-for-profits and governmental institutions, should receive the Far North Internet subsidy.⁴³ However, this is inconsistent with the CRTC’s past practices for telecommunications service subsidies. CRTC subsidies have been focused on residential subscribers,⁴⁴ not institutions or businesses, a fact noted by TELUS, Bell and Northwestel and Quebecor.⁴⁵ This is for good reason, in that unlike households, businesses have the ability to recoup service costs and that they can write off such costs as part of their business expenses.
35. TELUS, Quebecor, and Bell and Northwestel agree that the subsidy should be directed toward consumers in the Far North to ensure that benefits flow to households.⁴⁶ TELUS agrees with Bell and Northwestel that having residential customers in Southern Canada subsidize business customers in the Far North would be irrational.⁴⁷ Even interveners that

⁴¹ Intervention of the Government of Northwest Territories, paras 24-25.

⁴² In Telecom Regulatory Policy CRTC 2025-54, *Review of video relay service*, the CRTC has set the funding cap for VRS at \$41M per year.

⁴³ See Interventions of Ice Wireless para 5; CDGM paras 6-9; SSi paras 5-6; GNWT para 4, SpaceX p2; Rogers para 17; and PIAC paras 7 and 29-33.

⁴⁴ See, for example, TD 2001-238, para 147, where the Commission did not extend subsidy for local loop service provided in high cost serving areas to business service.

⁴⁵ Interventions of TELUS para 19; Bell and Northwestel paras 9-11; Quebecor para 30.

⁴⁶ See Interventions of TELUS paras 18-25; Bell and Northwestel paras 6-12; and Quebecor paras 27-29.

⁴⁷ Intervention of Bell and Northwestel, para ES4.

supported the eligibility of business customers acknowledged the fact that, unlike residential customers, business customers can pass on costs to their customers.⁴⁸

36. For related reasons, the Commission should also not extend the subsidy to community organizations, not-for-profit organizations and government institutions in the Far North. Bell and Northwestel noted that it “makes no sense to have residential customers throughout Canada subsidize publicly funded agencies”⁴⁹ and SSi Canada acknowledged that community institutions such as schools benefit from other sources of public funding.⁵⁰
37. All of these entities have funding sources to pay for their operations, including Internet services. It is nonsensical for a residential telecommunications customer, especially a low-income customer, in another part of Canada to be required to help pay for Internet services for an organization in the Far North that, by definition, already has funding sources to pay for the entirety of its operations, including Internet services. This would be a redistribution mechanism that has no valid public policy underpinning. As TELUS noted in its intervention, such a redistribution would extend far beyond the ambit of the Act.⁵¹

G. Other parties’ proposals

38. TELUS provides its views on the following specific proposals.
39. Ice Wireless proposed that the subsidy program should apply to Internet service provided through LTE-based wireless access.⁵² TELUS agrees with Bell and Northwestel that mobile wireless services are out of scope for this proceeding, which is intended to subsidize retail Internet service for households in the Far North, not Internet subscriptions that can be used elsewhere.⁵³ The subsidy should be available for residential subscribers of fixed-address Internet service plans, including fixed wireless access, but not portable or mobile plans.

⁴⁸ Intervention of Ice Wireless, para 6.

⁴⁹ Intervention of Bell and Northwestel, para ES5.

⁵⁰ Intervention of SSi, para 11.

⁵¹ Intervention of TELUS, para 22.

⁵² Intervention of Ice Wireless, para 20.

⁵³ Intervention of Bell and Northwestel, para 28.

40. Rogers proposed that should the Broadband Fund balance within the NCF continue to have a surplus, those funds should be repurposed for the Far North subsidy.⁵⁴ Quebecor similarly wants to use the Broadband Fund to fund the subsidy.⁵⁵ The Broadband Fund and the Far North Subsidy are two separate uses of the National Contribution Fund with distinct purposes: the former funds projects to build or upgrade access and transport infrastructure for both fixed and mobile telecommunications networks across Canada, whereas the latter is narrowly focused on making Internet services less expensive for residents of the Far North. Having said that, it is true that dramatic payments for the Far North Subsidy could force a reduction in amounts that could be allocated for Broadband, because the CRTC has to be mindful of the total NCF demands it imposes on TSPs (and, by extension, their customers).
41. Rogers, a significant payor to the NCF, also argues that entities that do not provide any services in the Far North - such as itself - should not have to contribute funds that they have no chance of recovering.⁵⁶ Rogers' request to be exempted should be disregarded: the Commission already decided in TRP 2025-9 that the subsidy would be funded by the NCF and rules about which entities contribute to the NCF are out of scope in this proceeding.
42. Finally, CDGM recommends retail rate regulation in the form of requiring ISPs to "maintain stable pricing for subsidized plans",⁵⁷ which is clearly out of scope. Rogers similarly suggests introducing a 60-day notice requirement pertaining to retail price increases,⁵⁸ which again is entirely self-serving given that Rogers does not provide service in the Far North. Retail Internet services are forborne and therefore rate regulation is out of scope for the proceeding.

⁵⁴ Intervention of Rogers, para 36.

⁵⁵ Intervention of Quebecor, para 7.

⁵⁶ Intervention of Rogers, para 4.

⁵⁷ Intervention of CDGM, para 78.

⁵⁸ Intervention of Rogers, para 43.

43. There was broad agreement that the Canadian Fund Administrator should administer the fund,⁵⁹ and several parties proposed that ISPs should register with the Commission in a manner consistent with TELUS' recommended approach.
44. However, parties recommended a number of measures that have the effect of increasing the administrative burden on ISPs. For example, CDGM proposes detailed reporting requirements, including on network performance and service quality.⁶⁰ Similarly, Bell and Northwestel suggest that any ISP that receives the subsidy should be subject to network performance reporting requirements arising out of Telecom Notice of Consultation CRTC 2024-318.⁶¹ TELUS disagrees that specific reporting requirements are necessary. However, to the extent that any ISPs are not formally subject to any disclosure obligations arising out of TNC 2024-318, TELUS agrees with Bell and Northwestel that those ISPs must comply with such obligations in order to be eligible for the Far North subsidy.

H. Conclusion

45. The evidence clearly demonstrates that basing the subsidy on price differences between the Far North and the rest of Canada is fundamentally flawed. Price alone is not an indicator of affordability and such an approach fails to account for the complex economic realities of the Far North region. While Internet prices in the Far North may be higher than in the rest of Canada, incomes in the Far North are also generally higher. Using price as the sole basis for the subsidy would result in an inefficient distribution of funds. As illustrated by recent Statistics Canada data, Internet prices also fluctuate significantly, resulting in uncertainty in subsidy amounts. A high monthly subsidy based on price differences would also put upward pressure on telecommunications service prices for customers across Canada, as the increased NCF contributions would be passed on to all Canadian Internet

⁵⁹ Interventions of Ice Wireless, para 15; CDGM, para 45; SSi, para 19; GNWT, para 46; Bell and Northwestel, para 46; PIAC, paras 11, 46; Rogers, para 33.

⁶⁰ Intervention of CDGM, para 70.

⁶¹ Telecom Notice of Consultation CRTC 2024-318, *Making it easier for consumers to shop for Internet services*, 4 December 2024.

customers. Paradoxically, such an approach could harm affordability for low-income households in other parts of Canada, contradicting the Commission's intended goals.

46. Extending the subsidy to businesses, community organizations, and government institutions would create an inappropriate wealth transfer from residential customers in Southern Canada to business entities that already have other means to recoup their costs or, in the case of government bodies, are funded by taxpayer dollars.
47. Instead, the implementation of a Far North Internet subsidy requires careful consideration of multiple factors beyond simple price comparisons between regions. While a uniform subsidy is inherently inefficient because it lacks the ability to target relief to those that need it most, TELUS' proposed subsidy model offers the best way to optimize outcomes within the constraints of such a framework. TELUS' proposal focuses on three pillars:
 - streamlining the list of eligible recipients in an effort to target subsidy to households those that could most benefit;
 - focusing the calculation of the subsidy on equalizing the portion of consumption spending on Internet services as between the bottom third income group in the Far North and the bottom third income group in the rest of Canada; and
 - implementing a cap on total NCF contributions earmarked for the Far North subsidy to limit the impact to other Canadian Internet users who will bear the cost of the increase in NCF contributions.
48. Taken together, this approach generates a meaningful subsidy for Far North households in the bottom third of income, while balancing the impacts felt by other Internet subscribers in the rest of Canada. Unlike other proposals which fail to consider the wider implications of focusing only on price differences or of broadly including every Far North Internet subscriber regardless of need, TELUS' proposal focuses on equalizing the proportion of consumption spending for Internet services between the bottom third income groups in the

Far North and the rest of Canada. This approach best serves the telecommunications policy objectives while ensuring responsible use of the NCF.

End of Document

March 21, 2025

Filed via GCKey
CRTC File No: 1011-NOC2025-0010

Mr. Marc Morin
Secretary General
Canadian Radio-television and
Telecommunications Commission
1 Promenade du Portage
Ottawa, ON K1A 0N2

Dear Mr. Morin:

Re: Telecom Notice of Consultation CRTC 2025-10: Call for Comments – Implementing a retail Internet service subsidy in the Far North – Rogers’ Reply Comments

1. Rogers Communications Canada Inc. (“Rogers”) submits the attached Reply Comments in response to Telecom Notice of Consultation 2025-10, *Call for comments – Implementing a retail Internet service subsidy in the Far North* (“the Notice”).
2. We have carefully reviewed the large number of interventions that the Commission has received. At the outset, we note that some interveners made proposals and comments that are out of scope of the topics raised in the Notice. For example, the Commission has already decided in Telecom Regulatory Policy CRTC 2025-9, *Telecommunications in the Far North* (TRP 2025-9) that the subsidy would provide a uniform discount for all eligible recipients;¹ however, some interveners continue to call for variable discounts based on a variety of factors.² Other interveners proposed applying the subsidy to communities that are outside of the Commission’s designated Far North geographic region.³ The Commission should set aside these and all other comments that do not respond to the Notice.
3. Otherwise, failure by Rogers to respond to any particular comment should not be construed as agreement with that comment.

Subsidy amounts must be reasonable

4. The Commission’s ultimate goal with the subsidy regime should be to end it as soon as possible. This would represent a significant achievement by the industry that would indicate that investment and competition have succeeded in giving improved choice and better pricing to Canadians living in some of the country’s most remote areas. It would necessarily mean that the price differential between plans in the Far North and the rest of the country has narrowed to a reasonable amount. Unsustainable subsidy amounts and outsized contribution requirements will only interfere with this important goal.

¹ TRP 2025-9, para. 59.

² The CDGM’s intervention, para. 13.

³ The KRG’s intervention, para. 1.

5. Rogers is alarmed by interveners who have proposed subsidy amounts that would overcompensate households in the Far North for their Internet services while placing extreme financial pressure on all contributing telecommunications service providers (TSPs). The Commission's intent for the Far North subsidy is to "improve affordability in the Far North."⁴ The Commission can achieve this goal without causing undue harm to TSPs who do not serve the Far North. As we outlined in our intervention, an excessive subsidy amount would require contributing TSPs to review their own retail pricing or to scrutinize their network development plans in light of rising regulatory costs. On the other hand, a moderate subsidy that neutralizes a reasonable portion of north-south price differential would minimize (but not eliminate) such negative effects.
6. For these reasons, the Commission should work to carefully balance the impact of TSPs' increased contributions into the NCF with the subsidy's benefit for residents of the Far North. In its intervention, PIAC proposed a monthly benefit up to \$100 per eligible subscriber; PIAC calculates this level of subsidy would require an increased total contribution of over \$55 million to the NCF.⁵ This is a significant amount that would have inevitable consequences on contributing TSPs' finances. Furthermore, a monthly benefit of \$100 would lower the average price of services in the Far North below the price of equivalent services in the rest of the country. This is not the subsidy's intent. Other interveners proposed subsidies that could amount to many hundreds of dollars per customer per month;⁶ the Commission should not entertain these completely unrealistic and infeasible proposals.
7. The Government of the Northwest Territories (GNWT), proposed two options for subsidies, one which would provide different subsidy amounts to terrestrially served communities and satellite dependent communities and another which would provide a uniform subsidy.⁷ The GNWT's methodology is similar to Rogers' proposal, however the approach differs as the GNWT is attempting to calculate household disposable income with Statistics Canada's Market Based Measure (MBM) and apply the differential of Internet spending between the Far North and southern Canada on that amount. The key challenge is that the MBM already contains some telecommunications services in the 'other' category, thus the proposal may be skewed.⁸ Additionally, the GNWT is leveraging retail rates for their calculation as listed on Northwestel's website; however, this would not capture any promotional prices that their customers might be paying. Rogers proposed leveraging household spending data as that would provide a more uniform view of Internet spending to calculate the subsidy.⁹ Rogers reiterates that the goal of the subsidy should not be to equalize prices between the Far North and the rest of Canada and instead to offset a reasonable portion of the price differential.
8. Other interveners shared our concerns. Telus Communications Inc. (Telus) proposed a subsidy model based on principles of "data-driven fairness" and fiscal responsibility.¹⁰ Specifically, and similarly to the approach that we proposed in our intervention, Telus explained that the subsidy should "equalize the percentage of consumption paid for broadband services" with calculations based on public data sources for household income.

⁴ The Notice, introduction.

⁵ PIAC's intervention, para. 23.

⁶ For example, see the CDGM's intervention, para. 24.

⁷ The GNWT's intervention, para. 3.

⁸ See [Proposals for a Northern Market Basket Measure and its disposable income](#), Statistical Fine Print: Other Necessities Component.

⁹ Rogers' intervention, para. 26.

¹⁰ Telus' intervention, para. 39.

While Telus specifically looked at households with low incomes, their proposed methodology still follows the same principles proposed by Rogers on equalizing the percentage of income spent on Internet.

9. We further agree with Telus that the Far North subsidy can only be viable if “it results in a manageable increase to the NCF.”¹¹ As we outlined in our intervention, we believe that TSPs that do not provide any services in the Far North should not pay into the new regime, as they have no prospect of receiving any of their contributions back from their customers. Requiring these TSPs to contribute would only serve to widen regulatory asymmetries, not close them.
10. The Bell Canada and Northwestel Inc. intervention (“Bell and Northwestel”) proposed a subsidy based on the difference in prices between ISED Baskets at level 4 prices, which had the biggest differential, and then adjusted to reflect the difference in household incomes between households in the Far North and those in the rest of Canada.¹² While the methodology proposed varies from our proposal, it followed the same core principles of looking to normalize the differential based on household income. Bell and Northwestel also note that “providers will then need to recover these costs by raising prices across the rest of Canada.”¹³ We share Bell’s concern about an increase in contributions to the NCF to support the subsidy. As we outlined in our intervention, TSPs will necessarily need to reevaluate customer pricing or their network development plans to compensate for the increase.
11. With specific regard to competition, we support SSI Micro’s (SSI’s) focus on a competitively neutral subsidy. SSI summarized its proposal as follows:

*The Commission should make this subsidy as clear, and as immune to such manipulation, as possible. The subsidy should be simple to calculate, consistent across all types of eligible customers, and it should support each customer’s right to choose their service provider and service package to meet their own needs, rather than influencing or impeding that choice.*¹⁴
12. In order to promote transparency and accountability, and to reduce the risk of gaming or even outright fraud, the Commission should base its subsidy calculations on transparent and widely accepted public data sources. Some interveners proposed subsidy methodologies that are based solely on TSPs’ internal financials. For example, the Katavik Regional Government (KRG) proposed a subsidy calculation based on each TSP’s operating costs and revenues.¹⁵ This approach would frustrate transparency during the subsidy’s review and would obscure the industry’s progress towards achieving a future state where the subsidy is no longer needed. As the KRG acknowledges, it would also necessitate the need for more frequent and costly third-party audits to ensure that eligible TSPs are accurately calculating their financials.

Review timelines must be reasonable

13. In the Notice, the Commission asked parties to suggest timelines for a review of the subsidy regime. While many parties proposed reasonable timelines, others suggested longer durations that would prove to be problematic. For example, the KRG proposed a five to ten

¹¹ Telus’ intervention, para. 39.

¹² Bell and Northwestel’s intervention, para. 42.

¹³ Bell and Northwestel’s intervention, para. 30.

¹⁴ SSI’s intervention, para. 17, with emphasis removed.

¹⁵ The KRG’s intervention, para. 34.

year timeframe for a review, with a preference towards a full ten year period.¹⁶ Iristel Inc. (Iristel) also advocated for periodic reviews spaced no less than five years apart.¹⁷ These timeframes are much too long.

14. Given the rapid pace of evolution in rural and remote connectivity and given that we expect additional competition in rural and remote Internet services to enter the market in the near to medium term, longer review timelines might preclude the Commission from factoring in important market developments into the subsidy regime. Specifically, we expect multiple new satellite connectivity options will enter the market over the next few years. This additional competition in the market and evolving technological efficiencies might respectively drive down rates and costs. The Commission should move forward with a three-year timeline to allow it to better track updates in the market. We note that Telus also supported a three-year review timeline.¹⁸
15. We agree with the Taku River Tlingit First Nation (TRTFN) that the Commission should decouple its review of the regime's subsidy amount from its review of the subsidy regime as a whole.¹⁹ While a review of the subsidy regime policy should proceed every three years, the actual amount provided to Internet customers should be reviewed annually. By basing the subsidy amount on transparent and publicly available data sources, recalculating the amount to track changes in retail pricing should be a fast and painless exercise.
16. In any case, we recommend that the Commission set a clear and public target that would signal that the price gap between plans offering speeds at the universal service objective in the north and in the south has closed to some reasonable amount. The Commission should be open to winding down the subsidy regime as soon as this target is verifiably met, even if this occurs before the subsidy's next scheduled policy review.

Business Eligibility

17. In the consultation, the Commission asked parties if small businesses and community institutions should be eligible for the subsidy and whether the eligibility should be determined by a threshold billing amount of \$2,500 per month. Several parties raised concerns with businesses being eligible for the subsidy. Telus pointed out that Commission subsidies have historically focused on residential subscribers as businesses have the ability to recoup costs that residential subscribers do not have.²⁰ Bell and Northwestel explained that providing a subsidy to businesses through the NCF would run contrary to how the NCF has historically been used.²¹ Rogers recognizes and agrees with arguments against extending the subsidy to small businesses; as we pointed out in our intervention, business customers can benefit from discounts or value-added services that are not generally available to residential customers. Moreover, businesses have other mechanisms to lower the effective cost of certain expenses (such as tax deductions). For these reasons, if small businesses are deemed eligible for the subsidy, they should be eligible for a smaller subsidy than residential subscribers.
18. Several parties were in agreement with a \$2,500 threshold to qualify for the small business subsidy. While Rogers agreed in principle to the threshold amount in the event small

¹⁶ The KRG's intervention, para. 50.

¹⁷ Iristel's intervention, para. 28.

¹⁸ Telus' intervention, para. 92.

¹⁹ TRTFN's intervention, para. 14.

²⁰ Telus' intervention, para. 18.

²¹ Bell and Northwestel's intervention, para. ES4.

businesses are deemed to be eligible for the subsidy, there are some key concerns that were raised that must be considered by the Commission. Telus highlighted that the threshold amount of \$2,500 is planned to be revisited as part of the next CCTS review.²² Rogers agrees: it is prudent to refrain from applying new requirements based on this threshold definition given that it is expected to be reviewed by the Commission in the near future. Some parties suggested increasing the threshold amount beyond \$2,500; while specific proposals were not shared, Rogers disagrees with this approach. Small businesses can more easily recover their expenses by incorporating these costs into the prices they set for their products and services. Additionally, they have the ability to write off portions of these expenses and thus the criteria for eligibility should not be increased if small businesses are deemed to be eligible.

Conclusion

19. The Commission should carefully design the Far North subsidy to balance its goal of lowering Internet pricing in the north with the potential of upsetting TSPs' retail pricing and investment plans and further with the risk of reversing north-south inequities. As Rogers proposed in our intervention, a subsidy that offsets a reasonable portion of the average price differential would be sufficient for the Commission to meet its goals while minimizing harm to contributing TSPs.
20. The Commission must also design the subsidy with competitive fairness in mind. No TSP should be advantaged or disadvantaged over its competitors, including TSPs that have not yet entered the market.
21. Ultimately, a subsidy regime that is short lived is the best possible outcome for every stakeholder. The Commission should regularly review its subsidy amount to capture changes in the market and should additionally periodically re-examine its subsidy policy as a whole to stay current with a quickly evolving telecommunications landscape.
22. Rogers thanks the Commission for the opportunity to submit these reply comments.

Sincerely,



Howard Slawner
Vice President - Telecom
HS/tp

cc: Intervenors to TNC 2025-10 as per CRTC Letter February 28, 2025

*** End of Document ***

²² Telus' intervention, para. 31.



Broadband Internet and Mobility Committee Terms of Reference

1. Committee Vision

- 1.1 Residents, businesses, and organizations within the PRRD will have access to reliable, redundant, high-speed Broadband Internet services in their homes, businesses and public buildings, at performance levels that meet all of their needs for health, education, economic development, that are delivered now and into the future.

2. Purpose

- 2.1 The purpose of the Committee is to implement the PRRD's Connectivity Strategy.

3. Definitions

"Delegation" means any person who has requested to speak or make a presentation to the Committee.

'Invited Guest' means a person who has been requested by the Committee to participate in a Committee Meeting or make presentation to the Committee.

"Member" includes Directors, and persons who are not Directors whom have been appointed by the Board to the Committee.

4. Role of the Committee:

- 3.1 The roles of the Committee include:
- a) Engage with service providers and stakeholders;
 - b) Research and review current technologies and market trends;
 - c) Develop a Broadband Internet and Mobility connectivity work plan,
 - d) Identify specific projects to enhance Broadband Internet and Mobility connectivity within the PRRD;
 - e) Examine funding opportunities,
 - f) Recommend to the Regional Board formal or informal partnership opportunities that would enhance the success of connectivity related projects;
 - g) Make recommendations to the Regional Board in the development and implementation of policies, procedures, bylaws, reports and actions plans to enhance Broadband Internet and Mobility connectivity;
 - h) Recommend grant applications for connectivity projects for the Board's review and submission; and
 - i) Complete community consultation on the development and implementation of broadband connectivity plans and projects, and report back to the Regional Board.

5. Structure of the Committee

- 5.1 The Broadband Internet and Mobility Committee will consist of all 12 Regional Board Directors, or their appointed alternates.
- 5.2 The Regional Board Chair may appoint additional Members who are not Directors to the Committee.
- 5.3 The Committee may make recommendations to the Regional Board to appoint additional Members who are not Directors to the Committee.
- 5.4 The Regional Board may, by Board resolution, change the Members of the Committee as needed.
- 5.5 The Committee Meetings will be chaired by a Committee Member elected by the Committee on an annual basis at the first Meeting of the calendar year.
- 5.6 A Vice-Chair will be elected by the Committee on an annual basis at the first Meeting of the calendar year.
- 5.7 In the absence of the Chair, the Vice-Chair will chair the Meeting.
- 5.8 The Committee or Committee Chair, may invite guests to attend and participate in Meetings.

6. Meetings

- 6.1 The Committee shall meet annually in January, April, July and October.
- 6.2 A Special Meeting may be called at the request of the Committee Chair, by any two Directors named to the Committee, or by Board resolution.
- 6.3 Notice of a Special Meeting must be delivered in writing to each Director at least five days before the date of the Meeting.
- 6.4 Regular Committee Meetings may be cancelled by Committee Resolution, or when the Committee Chair determines there is insufficient business to convene a meeting, provided that at least two days written notice is given.
- 6.5 Meetings will be open to the public, unless authorized to be closed as per Section 90 of the *Community Charter*.

7. Meeting Agendas

- 7.1 Agendas for Regular Committee Meetings will be published to the PRRD website the Friday before the Meeting.
- 7.2 Items for the regular agenda must be provided to Administration by noon the Monday prior to agenda publishing.

8. Meeting Minutes

8.1 The Committee Meeting minutes will be placed on the Board Agenda Consent Calendar.

9. Participation

9.1 Committee Meetings may be conducted by means of an Electronic Meeting.

9.2 In the case of an Electronic Meeting, the Meeting facilities must enable the public to hear the Committee Members participating electronically for the open portions of the Meeting.

9.3 The Committee Chair may request that an electronic participant be disconnected if there is significant noise, interference or other disturbance that is disruptive to the proceedings, or if the quality of the connection does not permit the public or other members to hear, or see and hear, the member who is participating electronically.

10. Quorum

10.1 A simple majority, one Member more than 50%, shall constitute a quorum at all Regular and Special Meetings.

10.2 If there is no quorum within 30 minutes after the time specified in the notice of the Meeting, the Meeting is cancelled, and all business on the agenda for that Meeting must be dealt with at the next Regular or Special Meeting.

11. Delegations and Presentations

11.1 Delegations will be limited to two per Meeting.

11.2 The maximum time for of a delegation before the Committee is 15 minutes.

11.3 The maximum time for a presentation of an Invited Guest of the Committee is 60 minutes, unless otherwise permitted by resolution of the Committee.

11.4 Any materials to be distributed to the Committee as part of a delegation or presentation must be included on the Meeting Agenda.

12. Voting

12.1 Director and their appointed alternates under the *Local Government Act Sections 200 and 201* are the voting Members of the Committee.

12.2 Committee Members appointed to the Committee by the Regional Board who are not Directors are non-voting Members.

12.3 Where a Director who is present when a vote is taken abstains from voting, that Director shall be deemed to have voted in the affirmative.

12.4 After the vote is taken, the Committee Chair shall state the names of those Directors voting in the negative, and the Recorder will enter those names in the minutes.

12.5 All recommendations of the Committee shall be determined by majority vote.

12.6 Tie votes will be defeated.

Date Committee Established	May 27, 2021	Board Resolution #	RD/21/05/13
Date TOR Approved by Board	July 22, 2021	Board Resolution #	RD/21/07/13
Amendment Date		Board Resolution #	
Amendment Date		Board Resolution #	
Amendment Date		Board Resolution #	



Broadband Internet and Mobility Committee Guiding Principles

- ✓ Connectivity is essential to strengthening the social, economic, ecological, and cultural resilience within the region.
- ✓ Connectivity and technology shapes residents' choices, behaviours, and needs.
- ✓ Connectivity is pertinent to all regional district planning and decision-making.
- ✓ The Regional District has a role in ensuring residents have access to high-speed Broadband Internet.
- ✓ The Regional District views Broadband infrastructure as essential infrastructure.
- ✓ The nature and expense of connectivity deployment requires a forward-looking vision to maximize potential and coordinate efforts within the regional district.
- ✓ Convergence of public and private infrastructure where it benefits the public and protects public interests is good public policy.
- ✓ Access to Broadband Internet and infrastructure must be leveraged through Official Community Plans, regional growth planning, and spatial planning (i.e. land use by-laws, subdivision by-laws) to maximize the potential within the region.
- ✓ An understanding of the true drivers and needs for connectivity will inform decisions.
- ✓ Leveraging one infrastructure to advance another (i.e. dig once policies) is in the public interest.
- ✓ Access to Broadband Internet and infrastructure allows the regional district to retain and grow businesses, create and retain skilled workers, and re-invigorate communities.
- ✓ Broadband Redundancy is essential to protect Internet, telephone, cellular, and essential government services throughout the region in the event of damage to Broadband Infrastructure at any time.

PEACE RIVER REGIONAL DISTRICT

Bylaw No. 2487, 2022

A bylaw to establish a Regional Connectivity Service

WHEREAS, pursuant to the *Local Government Act*, a regional district may establish and operate any service that the Board considers necessary or desirable for all or part of the Regional District;

WHEREAS, pursuant to the *Local Government Act*, a regional district exercising a power to provide a service other than a general service, is required to adopt a bylaw respecting that service;

AND WHEREAS the Regional Board recognizes that the Government of Canada has approved a national connectivity strategy that targets provision of access to Broadband for all Canadians at speeds of at least 50 Megabits per second (Mbps) download / 10 Mbps upload, and mobile wireless coverage availability where Canadians live and work, and along major road corridors;

AND WHEREAS the Regional Board supports the Province of British Columbia's commitment to connect rural and remote communities and First Nations in every part of BC to high-speed internet over the next five years;

AND WHEREAS the Regional Board adopted the Peace River Regional District Connectivity Strategy on November 14, 2021 to identify options and actions for the Regional Board to ensure that critical high-speed Broadband Internet services are accessible throughout the entire district;

AND WHEREAS pursuant to the *Local Government Act*, consent for the establishment of the regional connectivity service through adoption of this bylaw has been obtained;

NOW THEREFORE the Board of the Peace River Regional District, in open meeting assembled, enacts as follows:

GENERAL PROVISIONS

1. This bylaw shall be cited as "Regional Connectivity Service Establishment Bylaw No. 2487, 2022".
2. If any portion of this bylaw is declared invalid by a court, the invalid portion shall be severed and the remainder of the bylaw is deemed valid.
3. The headings used in this bylaw are for convenience only and do not form part of this bylaw, and are not to be used in the interpretation of this bylaw.
4. Any enactment referred to herein is a reference to an enactment of the Province of British Columbia and regulations thereto, as amended, revised, consolidated, or replaced from time to time.

DEFINITIONS

5. In this Bylaw,
'Broadband Infrastructure' means infrastructure that supports or enables access to high-speed internet, cellular networks, or other telecommunication networks.

SERVICE BEING ESTABLISHED

6. The Peace River Regional District hereby establishes a service to be known as “Regional Connectivity Service” that authorizes the Regional District to:
 - a) Enter into partnering agreements with internet or cellular service providers to apply for grant funding from other levels of government or grant programs for Broadband Infrastructure,
 - b) Enter into partnering agreements to allow the PRRD to provide capital grants for Broadband Infrastructure projects, and
 - c) Provide Peace River Regional District resources required to manage and advance Broadband Initiatives.
7. The establishment of this service includes the authority to borrow funds for the provision of the service.

SERVICE AREA BOUNDARY

8. The service area boundary is the entire Peace River Regional District.

PARTICIPATING AREA

9. The participating areas are all Electoral Areas and all member municipalities of the Peace River Regional District.

COST RECOVERY

10. The annual cost of providing the Service within the service area boundary as defined in Clause 9 above, shall be recovered by one of more of the following:
 - a) A property value tax imposed pursuant to the provisions of the *Local Government Act*, levied against the net taxable value of improvements only;
 - b) Revenues raised by other means authorized by the *Local Government Act*, or another Act;
 - c) Revenues raised by way of agreement, enterprise, gift, grant, or otherwise.

MAXIMUM REQUISITION

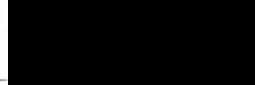
11. The maximum requisition limit that may be requisitioned in any one year for the service is the greater of \$375,000 or an amount equal to the amount that could be raised by a property value tax of **\$0.0234/\$1,000** when applied to the net taxable value of land and improvements in the service area.

READ A FIRST TIME this 26th day of May, 2022.

READ A SECOND TIME this 26th day of May, 2022.

READ A THIRD TIME this 26th day of May, 2022.

I HEREBY CERTIFY THE FOREGOING to be a true and correct copy of Bylaw No. 2487, 2022 cited as "Regional Connectivity Service Establishment Bylaw No. 2487, 2022" as read a third time by the Regional Board of the Peace River Regional District at a meeting held on the 26th day of May, 2022.


Tyra Henderson, Corporate Officer

APPROVED by the Inspector of Municipalities this 5th day of August, 2022.

RECEIVED the assent of the electors on the 15th day of October, 2022.

ADOPTED this 10th day of November, 2022.

Filed with the Inspector of Municipalities this 12th day of December, 2022.


~~Brad Sperling, Chair~~

Leonard Herbert, Chair

(Corporate Seal has been affixed to the original bylaw)


Tyra Henderson, Corporate Officer

I hereby certify the foregoing to be a true and correct copy of
"Regional Connectivity Service Establishment Bylaw No. 2487, 2022"
as adopted by the Peace River Regional District
Board on Nov. 10th, 2022.


Tyra Henderson, Corporate Officer