

March 8, 2021

VIA Intervention Comment Form

Mr. Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Doucet,

Subject: Telecom Notice of Consultation CRTC 2019-406: Call for comments regarding potential barriers to the deployment of broadband-capable networks in underserved areas in Canada – CCSA Final Reply

1. The Canadian Communication Systems Alliance (“CCSA”) speaks for independent communications distributors – smaller broadcasting distribution companies, telephone companies and ISPs – across Canada. CCSA represents more than 100 companies operating from sea to sea to sea, including across the North.
2. CCSA submits this Final Reply Comment in response to TNC CRTC 2019-406.
3. CCSA has provided detailed recommendations regarding access to and affordability of support structure attachments in its responses to TNC CRTC 2020-366 and will continue to address support structure access issues in the context of that proceeding.
4. In this Final Reply Comment, CCSA focuses on its prior recommendation that the Commission extend its broadband funding initiative to include, where needed, an element of operational funding to support ongoing operation of networks, once they are built, in High-Cost Serving Areas.
5. CCSA notes the comments of FMCC that:

... operational subsidies should be restricted to non-profit and Indigenous service providers

based in and providing services to these regions because they do not have the same abilities and economies of scale as major commercial TSPs.¹

6. CCSA disagrees with the premise that operational subsidy should be restricted only to networks operated by non-profit and Indigenous service providers. CCSA represents many members, some of them for-profit companies, who, as small, independent service providers, also lack the “abilities and economies of scale” enjoyed by the major providers.
7. There is no principled basis for such a distinction as FMCC suggests. Rather, the need for operational support depends on the economies of network operation in a given region or community and, especially, upon the relative population densities of such areas.
8. For that reason, qualification for operational subsidy should be based on a rate band structure similar to that which was successfully applied to bring voice service to Canadians in all parts of the country.

9. That approach would be consistent with SaskTel’s recommendation that:

... the Commission should look at business case issues in these areas and consider the need for operational subsidies, in addition to capital subsidies, as potential barriers to the deployment of broadband capable networks in these underserved areas.²

10. CCSA agrees with Beanfield’s observation that:

The Commission has already committed to shifting its core regulatory paradigms from voice- and PES oriented ones to a broadband- and Internet-oriented scaffolding. It cannot continue to do so without modernizing the scaffolding itself. A banding that allows the Commission to make sense of Canada’s vast geography and approach it in a rate- and regulations-relevant manner is an important element of that scaffolding³

11. Lack of any economic support for ongoing network operation in High-Cost Serving Areas remains a critical barrier to extension of USO-standard broadband service to Canadians in remote and rural areas, including numerous low-density markets which are adjacent to larger urban centres.

¹ First Mile Connectivity Consortium Final Comments at para. 51.

² SaskTel Final Comments at para. 4.

³ Beanfield Final Comments at para. 9.

12. CCSA strongly recommends implementation of an operational subsidy regime, along the lines of the rate band approach previously applied to extend the reach of voice services, to promote continued delivery of broadband services in High-Cost Serving Areas.
13. CCSA thanks the Commission for the opportunity to provide these comments.
Sincerely,



Christopher J. Edwards
Vice-President, Regulatory Affairs

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