

Telecom Notice of Consultation CRTC 2017-92
Phase-out of Local Service Subsidy Regime
Intervention of the Government of Yukon

1. The Government of Yukon wishes to participate as an intervener in this proceeding.
2. The local service subsidy regime was established by the Commission as a result of Telecom Decision 2000-745, and has been an important tool in facilitating the provision of affordable local service in the North since then.
3. The Government of Yukon was a participant in the proceeding leading to establishment of the local service subsidy and has continued to support its continuance.
4. Telecom Regulatory Policy 2016-496 significantly altered the concept of basic service, which the Government of Yukon believes will provide long term benefits for Northern users.
5. However, the near-absence of effective competition in Yukon, and the extent of subsidy support provided to users and to Northwestel require that the local service subsidy phase-out be carefully and deliberately implemented so as to facilitate, rather than impede, the Commission's policy objectives.
6. The Government of Yukon is in a position to provide comments as preliminary positions on some of the issues in the Notice of Consultation, recognizing that it will be necessary, and more useful, to provide more specific comments following the submissions of other parties, particularly those of Northwestel.

The Commission's proposed approach

7. It is reasonable, and consistent with the Commission's policy framework, to phase out a local service subsidy where there is sufficient competition to support a determination of forbearance.
8. The Government of Yukon submits that there is not sufficient competition in any HCSA exchanges in Yukon to justify forbearance at this time, and because the potential competition is fragile, would be concerned that the implications of making such determinations, including the local subsidy phase-out, be cautiously undertaken.

Availability of reliable broadband access

9. The Government of Yukon supports the Commission's proposed requirement that access to reliable wireline broadband service is a prerequisite for determining whether a local service subsidy phase-out is considered.

10. It is important that the continued investment in wireline connectivity for broadband services be extended throughout Yukon.
11. The Government of Yukon would be concerned if establishing a standard of 1.5Mbps download for broadband access had any deterrent on further extension of broadband connectivity.

Northwestel's SIP subsidy

12. The contribution from the NCF to support Northwestel's SIP program has been a useful component in achieving network and service improvements throughout Northwestel's territory, and have been supported by the Government of Yukon in a number of previous proceedings before the Commission.
13. The Government of Yukon believes that as long as a Northwestel SIP program continues to provide necessary improvements for the benefit of Northern users, that there is valid basis for continuation of the subsidy.
14. Recognizing that Northwestel's SIP programs were initiated before significant local competition in the North, and particularly in Yukon, it may also be important for the Commission to consider, if and to what extent, there may be implications for the development of competition.

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