

*Widening the Digital Divide: The Telecommunication Policies
of the Canadian Radio-Television and Telecommunications
Commission (CRTC)*

a paper presented to the Ontario Library Association Superconference
Toronto, Ontario. Saturday, February 5, 2000 by Larry Sanders

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Disclaimer:

The views expressed in this paper are my own personal ones, and do not represent the views of anyone else, most notably my current employer, Human Resources Development Canada. While drawing on the views and positions of various organizations in northern Ontario for which I have worked in the past, this paper also does not necessarily represent the views of Wawatay Native Communications Society (Sioux Lookout), the Nishnawbe-Aski Nation (Thunder Bay), or Keewaytinook Okimakanak (Northern Chiefs, a tribal council based in Sioux Lookout). This paper is truly a “work in progress” and all comments and suggestions from readers would be appreciated.

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Introduction and overview — where I'm coming from

I would first like to thank Betty Braaksma, a long-time librarian friend from Thunder Bay, for suggesting this workshop over a year ago. Little did I know then what I was agreeing to. Betty is not with us today, and I will miss her. As a professional librarian, researcher, and friend, I was looking forward as much as I am sure you were to her insights about the technological opportunities available to First Nation communities, and the policies and programs of the Ontario government which have a bearing on those opportunities and challenges. Her hands on experience at Thunder Bay's main reference library, with the Ontario government, as well as her long experience with all things related to the Internet, make her a valuable teacher. But she is not with us today. Betty, as you know, is presently preparing for surgery, and I want you all to join with me in wishing her good luck and a speedy return to full health.

My portion of what was to have been a joint seminar with Betty is focused on telecommunication policies, most notably the recent decisions of the Canadian Radio-television and Telecommunications Commission (CRTC). More specifically, I want to talk today about the impact of these policies on everyone in Canada who lives outside a megalopolis¹ — that is, in rural and remote Canada. The description for this session in the conference brochure refers to the realities of information technologies and the information highway for First Nation communities, and I will address those issues. But the challenges about affordable and equitable access to the Electronic Highway facing First Nations in remote and rural parts of Canada are really no different than those facing anyone else who lives outside Canada's megalopolis.

In short, I contend that we are in danger of becoming a two-tiered society in terms of affordable access to the information age, depending on the outcome of an appeal currently pending before the federal cabinet of a CRTC telecom ruling. Just as our economists are telling us we face ever-widening gaps in income between the super-rich and the rest of us, we are also widening the gap every day between the information haves and the information have-nots. The CRTC had an opportunity to redress that problem, and still does if the federal cabinet ends up supporting the appeal filed by the provinces of Manitoba and Saskatchewan and orders the CRTC to establish a universal service fund. My purpose today is to explain how we got here, and to stimulate your interest in this issue as members of the library community.

In general, the discriminatory policies of agencies such as the CRTC we're objecting to are not based on race, because *everyone* who lives outside major metropolitan areas of Canada is being discriminated against, not just First Nation communities. In essence, the CRTC and the telecommunication companies it regulates are practising *geographical* racism, not one of the more conventional kinds of discrimination. Another way to think about this is as economic discrimination. If you live or work in a building that already has a paved driveway, then you already have affordable access to the infoaun.² But if you don't have a paved on-ramp, you're likely never going to get an affordable link to the infoaun. That's economic discrimination — favouring those who have over those who have not. The market-oriented practices of "user pay" for access to, and use of, material on the infoaun is the policy source of this discrimination.

To explain how I came to these conclusions, I must first tell you a bit about myself, then move quickly from an autobiography to a highly condensed history of telecommunications policy in Canada. I must do

this in order to tell you, at least in an overview way, how we got to where we are on the splintered infobaun of Canada.

I have worked nearly all my life of 50+ years in the field of communications. I worked for CBC Radio as a news editor and reporter in Inuvik NWT and Thunder Bay for 14 years. I then grew disenchanted with the deteriorating state of public broadcasting and went out on my own as a self-employed communications consultant, working primarily with First Nation organizations in northwestern Ontario between 1989 and 1996. In the fall of 1996 I accepted an offer of full-time work in Sioux Lookout, Ontario (four hours northwest of Thunder Bay) from Wawatay Native Communications Society. Wawatay has been around for over a quarter of a century, providing radio, television and print media services to the Ojibway, Oji-Cree and Cree speaking peoples of the Nisnawbe-Aski Nation (NAN). In my first year at Wawatay, I re-organized the print division to put it on a path towards profitability, then worked as an in-house policy writer on the organization's strategic plan, mission statement and other policy documents for an annual general meeting of the Society. In my second and last year at Wawatay, I was caught up by the issues which still engage my intellectual attention: telecommunications policies at the CRTC.

I fell into this debate largely by accident. In January 1998 I was alerted by an associate in the Ontario public service that the CRTC had issued a public notice on December 18, 1997, officially known as *Service to High-Cost Serving Areas*, Telecom Public Notice CRTC 97-42. Wawatay had been an intervenor in a previous round of CRTC proceedings on the information highway³, so it seemed logical that the high-cost proceedings would be a natural for the organization to get involved in as well. To make a long story short, funding was secured from FedNor, the federal government's economic development program for northern Ontario, to enable Wawatay to research its case and become an intervenor in the high-cost proceedings. The management and leadership of Wawatay at the time felt that the high-cost hearings were addressing important issues which could affect the lives of all the remote First Nations which Wawatay served. The Internet and the World Wide Web were then appearing as largely unknown newcomers to the lives of remote communities, and they believed they had to get involved in the CRTC process or risk being left permanently disconnected from the infobaun. The NAN communities also saw the proceedings as a chance to get the message out that several First Nations didn't even have access to basic telephone service, seemingly at any price.

We secured the funding with the understanding, spelled out in our contract, that Industry Canada/FedNor would have no control whatsoever over the content or direction of our research or submissions. Technical information was provided by employees of Industry Canada, but their information was restricted to background assistance. The case was ours to make. As a department, Industry Canada had to remain neutral, because, as we shall see, the Minister, John Manley, has a chance to get involved by bringing to the federal cabinet table decisions that have to be made on any potential appeal of CRTC rulings. So Industry Canada maintains a "watching brief" status only on CRTC cases, staying on top of the details of the submissions as they unfold, but not becoming an active player in the proceedings by making submissions, or asking any questions, as formal intervenors do.

The CRTC high-cost proceedings were a crash course for me in the intricacies of federal telecommunication policy. From early April 1998, when I began researching the case and writing the initial submission for Wawatay in May, then going over the submissions of all the other parties and phone companies and writing a

more detailed submission for the CRTC in June, it was an absorbing, mind-numbing, very steep learning curve. Betty Braaksma helped tremendously, from her base at the Brodie Reference Library in Thunder Bay and using her Internet savvy, to point me towards a virtual ton of information on the “information highway” and the questions surrounding public accessibility to affordable telecommunication services. She referred me to sources like the Benton Foundation Universal Service library web site in the United States, as well as numerous other leads. Fortunately, Sioux Lookout had been hooked up with fibre optic cable in the fall of 1997 and I was able to organize an Internet link for the organization, from which we were able to pursue the leads Betty identified. It was only a 14.4 modem back then, but it was at least an on-ramp to lots of text files!

What I learned, in time to pull the submission together in June of 1998, was that:

- Canada had no universal standard for what constituted “basic telecommunication service.” In other words, Bell Canada is allowed to operate with one set of minimum service standards while SaskTel or the companies in Atlantic Canada have other standards. For example, Bell Canada still has a large number of underserved and unserved areas, or subscribers only provided with party line access, while SaskTel and Manitoba Telephones eliminated all party lines years ago and have been providing at least single line dial tone access to even the most remote communities since the early 1990s. Parties to the high cost proceedings had to make a case for universal minimum standards, because the Commission had failed to set those national standards previously.
- Many other countries, notably the United States, have “universal service” funds and policies to assist underserved areas, outside the metropolitan areas where market forces can indeed assure high quality, affordable service. The universal service funds in the States are still in need of fine tuning, and aren’t necessarily meeting the objectives set out by legislators⁴ to close the “digital divide,” but at least other countries like the US, the EEC⁵, and Australia⁶ were *trying* to right the balance by creating a funding mechanism for universal service inside the national telecom rate structure, rather than ad-hoc government funding mechanisms.
- Canada wasn’t even close to having such a fund built into its telecommunication system. Instead, we have a crazy patchwork of regional systems, where huge monoliths like Bell Canada serving millions of subscribers in Ontario and Quebec have an internal company fund to supposedly equalize service, and so does tiny Ontario Northland Transportation Company (ONTel) the regional phone company serving remote First Nations on the James Bay coast. ONTel and other companies like it, such as Northwestel and SaskTel, have to operate under the same financial rules as Bell — that is, find the money from a small subscriber base to pay all their capital and operating costs, without any national or inter-company funds from any kind of national pool. Hardly a level playing field!

Those were just some of the things I learned about the content of telecommunication policies. The *process* you jump into to get involved as a participant in such policy making was another part of the learning curve. Here’s how it works:

- Long ago, before e-mail, whenever the CRTC called a hearing, everyone who was a party hired a lawyer (or a van load of lawyers, depending on your budget), checked into the Chateau Laurier in Ottawa and took cabs every morning over to the CRTC hearing room in Hull, stayed all day, then took cabs back at night. Hearings would go on for weeks or months, depending on the number of parties and witnesses, then adjourn. Within a matter of weeks or months, the Commission would come out with a ruling. Advocacy groups and “ordinary

citizens” were largely excluded from input on issues of substance because they were relegated to “public submissions” which were largely filed and forgotten, overshadowed by the detailed submissions of the formal intervenors, the ones who can afford consultants and lawyers. But then e-mail came along, with electronic delivery of documents, and the hearings got longer, and longer and longer. For the most part, the process also stopped happening inside hearing rooms.

- Today, all the lawyers and lobbyists and researchers and Commissioners stay home, glued to their computer monitors. All submissions are filed electronically, not only with the Commission, but e-mailed to all the participants. In the case of the high-cost proceedings, it meant maintaining an e-mail mailing list with over 100 names on it. Every phone company in Canada, right down to the smallest local one, was made a party by the Commission’s edict. Most “competitive” long distance companies joined in, as did the lobby groups for the computer industry, ISPs, and even some regional economic development associations.

- Even though the process was supposedly more open through electronic communication, it was still a closed world, no more open to the average player than those old lawyer-laden in-person hearings in Hull. Under today’s system, to be an active player, you have to have the resources to devote at least one full time person to keeping up with the volume of paper produced. Yes, before you ask, the process still means reams of *paper*, even though everything is filed electronically, because it’s still not a human characteristic to read 150 page briefs from a computer screen. Everything has to be printed out, indexed, and, most importantly, understood. Then you have the right to file what are called *interrogatories*. There were two rounds of them. An interrogatory is a fancy term for *question*. The Commission itself filed two dozen of them during the high-cost area proceedings, and most parties aimed at least one or two interrogatories at all the other major parties. All interrogatories are filed electronically and posted on a web site so everyone else can see what all the questions are, and eventually all the replies. Reams more paper and binders. Then there are concluding arguments, where you make your case about what you think the Commission should decide, based on your perspective on all the evidence. Then the parties get one final shot, called rebuttals, where you can try to refute what someone else might have said in their closing submission.

- There were actual in-person proceedings called by the Commission during the high-cost hearings, and several hundred organizations and individuals took part when they were held across the country. There were even in-person oral arguments heard in Hull at the end of the proceedings. But such in-person proceedings are rare. From the hindsight perspective of the final outcome of the high-cost proceedings, both the in-person and electronic proceedings were largely irrelevant to the Commission. The majority of the Commissioners chose to ignore most of the electronic evidence, and clearly overlooked most of the submissions from the in-person hearings.⁷

- To be a telecommunication policy wonk today, you need a high powered computer, a fast Internet connection, and the time, ability and inclination to read reams of technical gobbledygook written in another language, called “telecom speak.” In the case of the high-cost proceedings, the entire process dragged on for nearly two years, and it’s not really over yet. The original public notice was issued in December 1997, and the Commission’s decision came out in October 1999. As we shall see, the appeal now filed by the Saskatchewan and Manitoba governments can take another calendar year to settle, so we may not know the final outcome of the high cost proceedings until October 2000 — nearly three years from when the public notice was issued. Who says lawyers in hearing rooms are less efficient than electronic proceedings?

Despite all the challenges of getting involved in such a process, the policy issues made it imperative that the First Nations of remote northern Ontario speak up. The Working Group and Steering Committees I was working with on telecom development issues in northern Ontario decided, after careful thought, to take a position in the CRTC hearings alongside all the other consumer-based public interest groups, regional development organizations, and smaller phone companies. We decided that our fate was not ours to determine alone. In other words, the fate of telecommunication and information highway accessibility in remote First Nations of concern to Wawatay was inextricably tied up with *national* policy questions, affecting *everyone* who lives outside urban areas. This was not just a First Nation issue, it was an issue for everyone living outside cities. Our organizations could pursue regional solutions and regional grants from here-today-gone-tomorrow funding bodies to try to meet our own needs on an ad-hoc basis, but the only long-term solutions lay on the policy playing field, run by the CRTC.

But before going into any detail on the position we took in the high cost area proceedings, I want to review some Canadian telecom history, so we know how we got where we are. I should point out that at the time I wrote the CRTC submission for Wawatay in June 1998 I didn't know the history in detail as I know it now. The CRTC work for Wawatay got me into a research habit, and I now have an unpaid hobby, keeping up with the policy machinations in this area. I have compiled an annotated bibliography (the joy of all librarians, no doubt) and keep it up to date with newspaper clippings and on-line source material. So, the history overview I'm about to give wasn't as clear to me in 1998 as it is now. Nonetheless, I should note that, even when I re-read today the submission I wrote in June 1998 with all the hindsight wisdom I've gained since, I would not change a single comma or syllable in that brief, if I had the chance to rewrite it today.

An extremely short history of Canadian telecommunications policy

There really haven't been that many authoritative books written by reliable authors or academics on the history of telecommunications in Canada. I think this is unfortunate because we are supposed to be a nation built, in part, on communications. There are lots of items to list in a bibliography, but you have to discount a lot of it because it is:

(a) written by Lawrence Surtees of the *Globe and Mail Report on Business*, who has a finely tuned mind for detail and thus produces useful stories for his newspaper. But when it comes to books⁸, Mr. Surtees has an unfortunate habit of fawning over business leaders and thus compromises his journalistic integrity and makes his books of questionable historical value; or

(b) commissioned by the telephone industry itself, to present its own spin on its history. The notable work of this type is the classic published in 1979 by Ed Ogle: *Long distance please: the story of the Trans-Canada Telephone System*;⁹ or

(c) Written by the sort of writer one reviewer in the *Globe and Mail* recently accused of "drooling Internet hype"¹⁰ — in other words, written by people who are not really studying how the information highway is being built, but promoting its construction.

If you want to get a handle on telecommunication history in Canada, so far I have found you really only need to read two books. If you are a librarian, then you need to read three, because there's one more I want to suggest just for those with an interest in the libraries' role in this debate.

The two books I consider essential for everyone are:

Babe, Robert E. *Telecommunications in Canada: Technology, Industry and Government*. University of Toronto Press. 1990. ISBN 0-8020-5831-0

Gutstein, Donald. *e.con: how the Internet undermines democracy*. Stoddart, Toronto 1999. ISBN 0-7737-6056-3

The third book, which I add as essential if you are a member of the library community, was published by the Canadian Library Association. I would draw your attention to one particular article in the book:

Campbell, Brian. *The Politics of Universal Access*. Article (pages 51-69) in book *Understanding Telecommunications and Public Policy: A Guide for Libraries*, Adams, Karen and Birdsall, William F. (editors) 1998. Published by Canadian Library Association, Ottawa and by School of Library and Information Studies, Dalhousie University, Halifax ISBN 0-7703-9976-X

Babe relies on a process he attributes to Marshall McLuhan called “pattern recognition,” which tries to not pay too much attention to the details of the swirling objects around you and instead watches for repeating occurrences, so you can avoid drowning in the fast-moving vortex of information constantly around us these days.

Babe lays out what he calls basic “myths” that have pervaded the study of Canadian telecommunications. Myth #1 is “technological nationalism”: the belief that somehow Canada's future has been shaped by Canadian entrepreneurs, opening new territories through infrastructure development. But the reality is that the control of telecom technology has largely remained under U.S. ownership, beginning with the basic patents on the telephone, 75% of which have been owned in the United States since the days of Alexander Graham Bell.¹¹

The second myth Babe explodes is “technological determinism”—the myth that we are victims of new innovations in technology, having to constantly catch up with something imposed from the outside. The fact is that technologies are actually introduced by people and companies. He specifically criticizes the thinking of the government-appointed panel which produced the 1971 report *Instant World*¹² as portraying technological change as inevitable. Conventional wisdom about technology and government policies related to the information highway have really not changed in any fundamental way since *Instant World*, even though it was published nearly 30 years ago.

Babe is not a Luddite, but he is trying to point out that human and corporate forces are at work in the introduction of technologies, not some external forces over which we really don't have any control or choice, except to obey. A belief in the myth of technological determinism is accompanied by a belief in

the “self-propelling” nature of the information revolution (page 13). Babe summarizes this part of his thesis as follows:

Historical awareness is essential for dispelling today’s myths of technological dependence. By refusing to neglect power, greed, and the struggle for dominance in the historical account of the emergence and development of Canadian communications, this book challenges the current mythology that Canada is entering an information revolution because of some engineering inexorability. This myth successfully laid to rest, it follows that future cultural, political and social consequences ensuing from applications of industrial technique should be ascribed to human agents, and not to some autonomous, impersonal process. Unfortunately, human responsibility for outcomes is currently being obscured by the shrill cry of ‘information revolution.’ [Babe, page 14]

Babe further elaborates on this myth of “technological determinism” in a later chapter, on the “information revolution”:

Unfortunately, much of the literature on the information revolution addresses what is happening and projects what will happen in an idealized world, far removed from the nitty-gritty of actual institutions, rivalries, corporate and government power plays, greed, propaganda and public relations. In [this] idealized world ... engineered devices are mythologized as ‘technology’ and human agents become transformed into mere spectators, moulded by an ineluctably evolving technical environment. Re-establishing technology as industrial art, purposely deployed, is especially important today when persistent claims are made that Canada is being drawn inexorably into an information society and that Canadians must adapt to the ensuing changes. [Babe, page 250]

A former minister of Communications, Francis Fox, made a similar observation in 1983. Babe notes that this kind of thinking is an exception, rather than being pervasive. However, it is a matter of public record:

The important thing about information technology is not so much that it uses and processes information — which it does in abundance — but that it is fundamentally a *control* technology. This has led to a confusion about the nature of its impact, with much effort focused on the emergence of ‘information economies,’ ‘information societies,’ and such like. But in fact information stands in relation *to the real agent of technological change* in much the same way as smoke to fire, or dust to a sandstorm: it is an index, or superficial manifestation, of a deeper phenomenon. If we are to understand the nature of the new information technologies, it is necessary to focus less on their content and more on their function ... or in other words, *control*.¹³ [Babe, page 250, italics in original]

Babe is critical of futurist Alvin Toffler, who Babe points out uses the analogy of a wave to “describe but not explain” the sweeping changes taking place in the “information age.” (see page 251) He makes a similar criticism of Marshall McLuhan, who Babe says “refrained from addressing the topic of how, why and for whom new media are introduced and diffused” (page 253) and instead propagated the principle that these media shape our culture and lives, as if we had no choice or the people and

institutions introducing these technologies weren't actually in this world. Babe says this mythology about technology:

.... serves well the interests of both government and industry. Mythologizing 'technology' transforms conscious actsinto the mythically 'inevitable' and 'natural' order of things. Moreover, mythologizing 'technology' obscures the locus of responsibility, no small advantage for those who deploy advanced techniques; after all, how can anyone be held responsible for the inevitable? [Babe, page 257]

And just in case you thought Ottawa was getting off the hook with Babe, he has this to say about the federal government and how it should not be allowed to avoid its responsibility:

How much easier it is ... for the government of Canada to proclaim that Canadians face an ineluctable information revolution — producing its own dramatic, unforeseen but inevitable effects — than to admit that information devices and their consequences are important variables that get worked out only within a legal/policy framework of which the government is chief architect and for which the government bears ultimate responsibility! [Babe, pages 256-7]

... government is in the business of rewarding and withdrawing rights and freedoms, of imposing and relaxing duties and obligations. One might say that this is its principal duty — setting the framework within which citizens and economic players interact — and thus government is not, nor can it be, neutral. Rights and privileges can and do collide, and government arbitrates. [Babe, pages 244-245]

The Canadian government needs to stop ringing its collective hands and muttering 'information revolution' and must instead acknowledge the active role it is playing in abetting these developments. [Babe, page 246]

Babe reviews the history of Bell Canada's operations in Ontario and Quebec, as well as the company's failure to provide proper service in western Canada, and concludes that monopoly service did not lead to universal service for rural and remote areas, nor has telecommunications always been an instrument of national unity, as it is often portrayed:

.... monopoly provided no guarantee of service universality: precisely the opposite was the case. Bell chose to concentrate on serving lucrative urban areas. Rural districts, in contrast, received service primarily through small independent companies. [Babe, page 89]

.... telephony has hardly been an instrument for national unity and sovereignty. Almost from its inception the industry resided dominantly under U.S. ownership and control, with corporate policies being set south of the border. Moreover, telephony has proved to be regionally divisive [particularly in western Canada] .. [Babe, pages 89-90]

Babe's book was published in 1990, just when a number of key elements of the telecommunication regulatory regime were undergoing fundamental changes — the demise of monopoly service providers (signaled by the indication from Marcel Masse in the spring of 1989 that he would consider allowing open competition between cable and telephone companies) and the change brought in by the Supreme Court's ruling on telecommunications in 1989¹⁴.

That ruling once and for all put to rest the squabble that had been going on almost since the time of Confederation between the provinces and the federal government about who has jurisdiction over telecommunications regulation. In short, the Supreme Court ruled that Ottawa had total jurisdiction. That ruling temporarily put Alberta Government Telephones (the company at the heart of the Supreme Court case at the time) into jurisdictional limbo, with technically neither level of government having jurisdiction.¹⁵ This provoked a rash of federal-provincial conferences, out of which the provinces came to an agreement with the federal government over how fast provincially-regulated phone companies would come under federal jurisdiction. SaskTel, the last provincially-owned phone company in Canada, comes under federal jurisdiction on June 30, 2000 — a full decade after the Supreme Court handed down its 1989 decision.

Robert Babe's perceptions of emerging trends from a book published in 1990 are therefore understandably incomplete when they do not take into account developments such as the landmark Supreme Court case, and all the fast-paced changes since the onset of the World Wide Web in 1993. Nonetheless, his analysis of many issues still seems to hold up, such as his list of reasons why “service universality through system-wide cost averaging and service cross-subsidization” should not be accepted as a valid argument, when one considers the history of telecommunications in Canada:

The independent telephone industry was spawned in the first place because the dominant company was reluctant to extend service to non-lucrative areas through cost-averaging and cross-subsidization. Likewise, the prairie provinces took over telephone operations in this century's first decade to alleviate nonfeasance by the dominant company. Service universality in Canada, then, came about through, not despite, rivalry in telecommunications, as well as through public ownership. [Babe, page 241]

Babe also refutes the arguments put forward often by Bell Canada about extension of service to unserved areas in the north, and how efficient the private sector is compared to crown corporations,¹⁶ citing studies which indicated that the productivity gains of Bell Canada and B.C. Tel between 1967 and 1975 were stagnant, while Alberta Government Telephones made major gains in productivity.

Babe also applies his argument about the myth of technological determinism to the notion of “convergence” which is being portrayed as inevitable, when he contends it's possibly a destructive force, allowing more foreign programming to be piped more efficiently into Canadian homes by highly integrated monopolies.

Cheryl Buchwald, with the Information Policy Research Program of the Faculty of Information Studies at the University of Toronto, wrote a 1996 paper which appears to rely heavily on Babe's work. To quote from the Abstract of her paper, *Canadian universality policy and the information infrastructure: past lessons, future directions*¹⁷:

This paper presents an overview of the course of twentieth century Canadian universality in social, telecommunications, broadcasting and public library policies as a broader and more realistic context for the development of information infrastructure policy. Recent market-oriented policy proposals do not consider the object lessons learned from market failures in the first half of this century that resulted in demands for a more secure, equitable, and inclusive society. The recent drive to deregulate has spurred public advocates to fight for government intervention to preserve universality in policy decisions for the Canadian information infrastructure. This study concludes that the private and government sectors are eroding universal access in favour of competition. Past and present policy examples indicate that universality will not occur without government intervention.

Buchwald reviews the development of universal social programs in Canada prior to the 1980s, concluding that the political attitudes became “less generous” at that time, and as a result:

It was in this atmosphere that the Canadian government began to curtail universality in programs such as the family allowance as a means of reducing the deficit. [Buchwald, page 5]

In her discussion of what’s meant by various people when they use the term “universal access,” Buchwald makes what I believe to be a very important distinction between access to the public *network* (physical connectivity) and access to *content*. The following quote is taken from footnote #1, page 23, of Buchwald’s paper:

The terms ‘access’ and ‘service’ are often used interchangeably in discussions. Some sources make a distinction between them. For example, the Information Highway Advisory Council defined universal access as the physical connection to the infrastructure network, either wired or wireless.¹⁸ Universal service referred to the content of the network: information and services that should be available to everyone. Public interest advocates such as Andrew Reddick¹⁹ are currently using the one term ‘universal access’ to include both: basic access to a quality basic utility and access to a basic service package. In this discussion, universal access refers to both network and content access.

While largely relying on Babe’s analysis of the history of telecommunications policies in Canada, the author also cites Jean-Guy Rens, with this useful historical anecdote:

Rens²⁰ documents the activities of a populist movement in the 1890s that was instrumental in forcing the federal government to put Bell rates under government control. In 1902, the government passed an amendment to the Railway Act requiring that Bell supply service to anyone whose residence was less than 200 feet from a public thoroughfare that had a telephone line. The objective was to oblige Bell to supply service outside of densely populated areas and prohibit discriminatory practices. Another amendment in 1906 allowed Bell to keep its monopoly but required that the company

have all rates approved by the Board of Railway Commissioners. It also stipulated that Bell connect the independent telephone companies to the Bell system.

In short, the history of telecommunications policy in Canada is characterized by several myths, which we have to cleanse from our minds in order to see our own history clearly. One major myth is that the large, original telephone companies (usually referred to as “incumbents” or ILECs — Incumbent Local Exchange Carriers — in CRTC jargon) will usually act in the public interest without any major prodding from regulators. The CRTC still operates under this myth, since it continues to espouse the philosophy that “market forces” are best for Canada’s portion of the infobaun.

In March 1998, the chairperson of the CRTC, Françoise Bertrand made a speech to this effect. In the news item²¹ *CRTC chief sees larger role for market*, the *Globe and Mail* quoted Bertrand as saying that market forces will be the preference of the commission, rather than regulation:

“The old commission would say: ‘We will regulate.’ The new commission says: ‘We prefer letting the industry self-regulate, while intervening where necessary,’ Ms. Bertrand said in a speech. “The old commission was protectionist in its approach — the times demanded it. The new commission will now search for occasions favouring real competition by companies in the new environment.”

The two Commissioners conducting the CRTC hearing on high-cost serving areas in Timmins, Ontario in June 1998 made regular jokes over the course of their long hearing day about “putting themselves out of business.” One of those “jokes” took place while I was appearing in front of the Commission. Here is part of the exchange between me and Commissioner Andrew Cardozo, who was conducting the Timmins hearing along with Commissioner Andrée Wylie, who was chairing the hearing that day. Cardozo was asking me about our recommendation for the creation of a universal service fund, which we had suggested be established and administered separately from the CRTC:

COMMISSIONER CARDOZO: Lastly, I want to ask about your fund. Commissioner Wylie, you will find this encouraging because even if they do us out of a job with the CRTC, somebody has come up with an idea of a new agency —

MR. SANDERS: Another body, yes.

COMMISSIONER CARDOZO: — that maybe you [Wylie] can head at that point.

THE CHAIRPERSON: Thank you.

COMMISSIONER CARDOZO: But how would that agency work? Essentially, what you are suggesting is that there be a fund based on levies to — and I will use the word “levy” rather than tax — to the telecommunications system across the country.

MR. SANDERS: Let’s call it an equity fund.

COMMISSIONER CARDOZO: Okay. And —

MR. SANDERS: That's its intent. We are attempting to establish a way of building equity in this country, so let's call it an equity fund.²²

In short, I learned from the CRTC's eventual ruling on the high cost area case that market forces are driving the Commission, not the other way around. The CRTC is so fixated on competition as the source of solutions to all the ills on the infobahn that, up until the high-cost proceedings, the Commission had taken every opportunity to deregulate and pull back from exerting any conditions of note on telecommunication suppliers, let alone national standards of what should constitute minimum service. When it came time to deliberate and make a decision after the high cost proceedings, eleven of the twelve Commission members found they had no stomach to act differently and actively intervene in the market place on behalf of the public interest, to maintain and ensure affordable access to high quality telecommunication services for all Canadians, regardless of geography. Significantly, Commissioner Cardozo, who is quoted in the above exchange with me at the Timmins hearing turned out to be the only Commissioner who argued in favour of a national funding mechanism. Cardozo issued a dissenting opinion which clearly called for some kind of national funding mechanism for all Canadians, rural and remote as well as urban:

Since the basic service objective is a national objective, the mechanisms for its implementation should be accessible to all Canadians, regardless of which part of the country they reside in. That is what a national objective is. For me it is central to the meaning of national Canadian public policy. I believe that different mechanisms may be applicable for different regions, so long as it is reasonably certain that the end result for citizens will be the same. The lack of specified access to supplementary funding (or an alternate but equally effective mechanism) for the south leaves me unconvinced that the end result will be the same. For these reasons I respectfully dissent from my colleagues on the panel.²³

Let's take a step back now, and see how we got in this pickle at the CRTC.

The high-cost hearings (PN 97-42): raised expectations

When the CRTC issued the public notice for the high-cost area proceedings, the Commission's own arcane language pointed out that, perhaps this time, market forces would not be the only answer to everything in Canadian telecommunications policy.

3. In *Local Competition*, Telecom Decision CRTC 97-8, 1 May 1997, the Commission noted that the advent of competition in all telecommunications markets raises the issue of the appropriate regulatory approach to the continued achievement of the policy objectives set out in subsection 7(b) of the Act.²⁴

Isn't that exciting language? If you're not excited yet, here's a translation into plain English. When the Commission decided in 1997 that it would allow competition not only in long distance services, but in local service as well, it was pointed out during those proceedings that competition would more than

likely come to large urban markets first, then medium sized markets. Rural and remote areas might never see competitive service, because there just isn't enough subscriber base for one phone company to make a profit, let alone competitive suppliers. At the same time, the Commission has to live with subsection 7(b) of the Telecommunications Act, likely the most quoted paragraph in the high-cost area proceedings. Section 7 of the Act sets out the objectives of Canadian telecommunication policy. So you see the whole picture, here's the entire section:

Canadian Telecommunications Policy — Objectives

7. It is hereby affirmed that telecommunications performs an essential role in the maintenance of Canada's identity and sovereignty and that the Canadian telecommunications policy has as its objectives

- (a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions;
- (b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;
- (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications;
- (d) to promote the ownership and control of Canadian carriers by Canadians;
- (e) to promote the use of Canadian transmission facilities for telecommunications within Canada and between Canada and points outside Canada;
- (f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective;
- (g) to stimulate research and development in Canada in the field of telecommunications and to encourage innovation in the provision of telecommunications services;
- (h) to respond to the economic and social requirements of users of telecommunications services; and
- (i) to contribute to the protection of the privacy of persons.²⁵

Excited yet? Well, maybe you need more explanation. From the point of view of rural and remote communities, the Commission had done quite a fine job of "enhancing competitiveness" [sub-section 7 (c)] but really had not addressed 7 (b). For example, if you lived in North Spirit Lake First Nation, one of the remote NAN communities, at the time public notice 97-42 was issued, you would hardly say your telecommunication services were "reliable and affordable" or "of high quality." At the time, North Spirit

Lake had only one outdoor pay phone, located outside the police station. People had to line up to take turns to use the phone. If you were trying to call from the outside world to someone in the community, you took the chance of calling the pay phone, hoping someone was near enough to the phone and would answer it. You then had to impose on whoever answered to either bring the person you wanted to the phone, or at least take them a message.

But the ineffective policy behaviour of the Commission went much deeper than that. Even if the Commission were to take some action through the high cost proceedings to make sure all areas of Canada received some basic level of phone service, including North Spirit Lake, what was going to be done to make sure these services remain affordable? If market forces were in fact ruling the day, then some company could bring in basic phone service to a place like North Spirit Lake, but at what price? Without some kind of subsidy, the cost of a phone line for a small remote community, based on market rates alone, could be in excess of \$300 a month, plus thousands of dollars in installation fees.

One submission filed with the high cost-proceedings laid out quite clearly how such a policy shortfall had developed in Canada. PIAC, the Public Interest Advocacy Centre, stated in its May 1, 1998 filing with the high cost proceedings that the federal government had only done part of the job of setting telecommunications policy for rural and remote Canada, and left the CRTC to work out the details.

....the federal government issued a policy statement in August 1996 entitled *Building the Information Society: Moving Canada into the 21st Century*. Recognizing the importance of affordable access, the government promised to develop by 1997 “a national access strategy involving policy, regulatory and other measures to ensure affordable access by all Canadians to essential communications services”. In its words,

A fundamental question to be addressed will be the definition and delivery of essential services on the Information Highway. In cases where market forces cannot provide such services, the strategy will identify the means — regulatory, financial, or otherwise — of providing them to people living in rural, remote and northern communities. For northern communities, special emphasis will be placed on the potential of wireless and satellite services to assure access, particularly in Aboriginal communities.

Having been unable to articulate such a strategy, the federal government has now left it to the CRTC to determine the most appropriate means, in a competitive environment, of delivering high quality basic communications services to rural and remote Canadians at affordable prices. ***The ball is now back in the Commission’s court, and the goal of the game is clear: high quality, affordable telecommunications services must be made available to Canadians in all parts of the country, as soon as possible.***²⁶

The key words here are “national access strategy.” Instead of that, we got *Connecting Canadians*. A real national access strategy, as Buchwald noted above, is more than just physical connections with wires and computers. Access means addressing **CONTENT** issues, and *Connecting Canadians*, I fear, does not really do that. Remember the second book on my “required reading” list? I don’t agree with all the dark conspiracy

theories outlined by Gutstein, but his detailed dissection of the shortcomings of Industry Canada's *Connecting Canadians* strategy is devastatingly accurate.²⁷

From my own experience, *Connecting Canadians* has only gone part way towards being a truly comprehensive national access strategy. Like the CRTC, Industry Canada believes the private sector and market forces should be at the centre of not only Canada's industrial development policy, but our information highway policies as well. The problem ignored by those who believe that market forces will solve everything is that not everyone can afford to be in the market. If you have resources, then you can find your place in the market by buying what you need. But if you don't have basic resources, how do you participate in the market? That's the real shortcoming of *Connecting Canadians*, and the CRTC's market-oriented policies.

Connecting Canadians does provide computer terminals to schools, libraries and community centres putting in a funding submission, but how are those terminals maintained? Who provides sustaining funding? If a CAP (Community Access Program) site folds, Industry Canada assumes that people in that area decided, with their wallets, to buy their own computers and get their own private access to the information highway, and that they didn't have to financially support a community site any longer. That philosophy might be true for middle and upper income neighborhoods, but what about low income areas? Once the Industry Canada grant to buy the computer and pay the first year's operating costs expire, who pays for a new keyboard when it breaks? Who pays for the ongoing Internet charges? Given the lack of answers to these questions, it's not surprising when critics charge that *Connecting Canadians*, and the CRTC telecom policy framework, falls well short of a "national access strategy."

Given this failing, public interest groups participating in the high cost proceedings therefore joined the fray of 97-42 with high hopes. The hope was expressed that, at last, the CRTC would deal with an issue left over from previous hearings and decisions — the reality that, on their own, ***market forces would not accomplish the objective of section 7 (b) of the Telecommunications Act.***

"...the Commission considers it unlikely that.. competition will develop in all areas in the near term. Even with a fuller realization of local competition...it is likely that market forces will not, on their own, achieve the Act's accessibility objective in all regions of Canada. In establishing the rules to foster competition in all market segments, the Commission must therefore ensure it has regulatory tools through which to ensure the continued achievement of this objective."²⁸

Hopes were high, therefore, going into the high-cost proceedings. Here at last, the hope was expressed, we would see not only some attention paid to the underserved and unserved areas in Canada, but the Commission would finally address the market's failure to serve all Canadians equally with the same level of high quality services, as promised by the *Telecommunications Act*. These hopes came, in part, from the Commission's questions, laid out in the public notice. Why was the Commission asking questions like the following ones (bolded in this list below for emphasis) if it did not intend to answer them? Note — "HCSA" is a "high-cost serving area," usually rural and remote areas:

The Commission seeks comments associated with service to HCSAs, including:

(i) the criteria for establishing HCSAs [including for example, whether different categories of HCSAs are appropriate, e.g., remote areas];

(ii) the criteria and mechanism for extending and upgrading service in a competitive environment;

(iii) whether changes are required to current obligations to serve;

(iv) the appropriate costing methodology to use to establish service costs in HCSAs;

(v) whether HCSAs should be subsidized and if so, what would be the appropriate funding mechanism [e.g., a high-cost service fund];

(vi) services [with definitions as required] and facilities to be funded from a high-cost service fund [to include, where appropriate, consideration of uneconomic toll service and unusual expenses required for sustainable toll competition];

(vii) what are the appropriate sources of funding for any funding mechanism that may be established;

(viii) eligibility and mechanism for receiving funding and whether there should be any limits on funding;

(ix) the funding level per service [e.g., maximum subsidy, need for uniformity between regions, etc.] and the annual total value of any high-cost service fund or other funding mechanism that may be established, reflecting the funding level and the timing of any non-recurring investments [to include an inventory of existing services, future service extensions, future service upgrades, etc.];

(x) frequency of review of the parameters of any funding mechanism;

(xi) any relationship to or impact on the existing contribution mechanism and price cap regime;

(xii) implementation, operation and administration of any funding mechanism;

(xiii) an appropriate mechanism for evaluating any funding mechanism vis-à-vis achieving the objectives of subsection 7(b) of the Act; and

(xiv) any other issues that the Commission should consider.²⁹

The incumbent phone companies, then led by the now-defunct Stentor group, took the position that, if there was a problem with inequitable phone service or access to the information highway across Canada, the shortcomings should be addressed by government, and didn't have to be addressed by the phone companies. In other words, the taxpayers should pay for "regional development," rather than making it a cost of the companies doing business. The Stentor companies basically argued that it would be "inefficient" to have subsidies built into serving some areas of the country, and not others. They also admitted that it would be quite *possible* to establish some kind of internal subsidy system in the national telecom infrastructure — they just didn't want to do it.

28. Of course, the prices necessary to result in entry can also be kept lower through the use of explicit subsidies to service providers. Subsidies partly offset the costs of providing service and thus make entry attractive at prices for the subsidized service which are lower than would otherwise be the case. However, as the Companies have described on the record of this proceeding — and as the Commission has recognized throughout its decisions³⁰ — a system of explicit subsidies involves considerable inefficiencies and costs and could end up doing more harm than good.³¹ The existing subsidy mechanism in Canada is one which has resulted, and still results, in certain customers paying higher prices than would be the case if market forces were allowed to prevail. This kind of subsidy system encourages uneconomic bypass mechanisms and at the same time curtails demand for those services required to generate the subsidy — precisely at a time when public policy favours increasing usage. The most efficient way to collect the money to pay for the subsidy is from general taxation.

29. When governments decide that market forces cannot be relied on to meet policy objectives, they may implement spending and tax measures aimed to alter economic incentives in a way which is considered to better achieve policy objectives. Similarly, if it is determined that market forces are insufficient to achieve public policy goals relating to telephone accessibility, then governments should act directly. In this way, governments can weigh the cost from the economic distortions caused by the additional taxes required to pay for the subsidy against the public benefits to be gained. They can also balance the various other unrelated social and policy objectives of government that compete for funding and can make choices accordingly.³²

Nearly all the other parties — including the public interest advocacy groups, several small phone companies, the Governments of Manitoba and Saskatchewan, the Governments of the Yukon and the Northwest Territories, SaskTel and NorthwestTel — took the view that government funding was not an adequate solution. The argument of the Government of Saskatchewan was typical of arguments to the Commission that being left to government funding sources alone is not an equitable choice for rural and remote areas:

Throughout the interrogatory process within this proceeding, Saskatchewan has received a number of questions asking it to outline the range of social and economic programs developed by various levels of government to assist rural and remote residents. Saskatchewan can only conclude that the intent of these questions was to support the contention that: "the most efficient and equitable method for funding any high cost

serving area mechanism is through general government revenues,”³³ and that: “Just as governments have funded various industry sectors through direct investment, tax credits or other means, government must facilitate the provision of quality local service for those living in rural and remote regions of the country.”³⁴

It is Saskatchewan’s contention that the federal government, in formulating the objectives of the *Telecommunications Act*, has made the determination that the goal of universal and affordable access to quality basic telecommunications services will be achieved through industry regulation. This argument was reinforced by the 1998 amendments to the Telecommunications Act, particularly Section 46.5.

In addition to setting up a regulatory framework that will allow companies to continue providing and expanding access to rural and remote communities, the federal government is also taking a direct subsidy approach for programs such as SchoolNet and CAP (Community Access Program). These programs, however, are directed to content development or the terminal attachment needed to expand access to more advanced Information Highway services.

It is Saskatchewan’s belief that there continues to be a clear distinction between the use of industry regulation to ensure accessibility to basic telecommunications by all Canadians, and government stimulation of higher speed applications. Saskatchewan also contends that, in the absence of a sustainable infrastructure to carry basic telecommunications services to all communities, government subsidization programs to stimulate the use of advanced services are ineffectual.

Finally, Saskatchewan submits that, given the disproportionate location of high-cost serving areas in certain provinces and territories across Canada, it is fundamentally inequitable to propose that those governments and their local taxpayers should bear the financial burden of providing subsidies to ensure universal access to the national undertaking that is the telecommunication’s network. Such a proposal would only serve to aggravate existing regional and provincial disparities in economic opportunity and performance.³⁵

The submissions filed by the groups I worked for during the proceedings made a similar point — government funding should not be relied on. Instead, equity should be built into the telecommunications infrastructure, so rural and remote areas did not have to rely on the whims of government programs which are here today, gone tomorrow.

35. By issuing Public Notice 97-42, the Commission appeared to finally suggest that it itself had some responsibility for bringing about telecom equality across Canada, and that the responsibility did not lie solely with government and “creative partnerships.” In the terms of reference for these proceedings, the Commission indicated it wished to examine issues such as:

(ii) *the criteria and mechanism for extending and upgrading service in a competitive environment;... [and]*

(v) *whether HCSAs should be subsidized and if so, what would be the appropriate funding mechanism [e.g., a high-cost service fund];³⁶*

36. By asking these questions, we assumed that the Commission was opening the door to such possibilities by at least considering them. Subsidizing HCSAs through a high-cost service fund would appear to be the kind of regulatory intervention and “support” needed by underserved and unserved areas, as described in the following section of the *Competition and Culture* report:

As competition increases, traditional approaches to achieving social goals must be rethought if Canada's information highway is to be accessible and affordable. It is unlikely that market forces, by themselves, will ensure that the benefits of the information highway will roll evenly out to all regions of Canada or satisfy all of the public interest demands made on it. This suggests that the policy objective of universal access at affordable prices will not be realized without some support.....

This suggests that, even as rates move closer to costs in urban centres, regulation and government policies will have to ensure direct and indirect subsidies to allow universal and affordable service.

While basic telephone services can continue to be supported in part by subsidized rates, the Commission considers that decisions on funding and priorities for infrastructure development on the information highway in high-cost areas should be made by governments.³⁷ *(bolding in original)*

37. We would conclude from these paragraphs that rural and remote communities should continue to look to government for assistance with the costs of needed infrastructure development in areas that would not receive such assistance from market forces on their own. At the same time, the phrase “regulation and government policies” (in the middle paragraph above) appears to leave the door open for some kind of role for the Commission in making sure that rates for telecom services remain universally affordable.

38. The Commission discussed this issue in Chapter 2 of the *Competition and Culture* report:

While prices for local business service in urban centres are already at or near costs, residential services are priced below costs. Prices for local service in rural areas are lower than in urban centres, even though the cost is generally higher to provide rural service. Competition in the local market may increase pressures to reduce subsidies from business to residential subscribers and from urban to rural areas (rate restructuring).

Notwithstanding the above, the requirement will continue for subsidies to promote affordable access in some circumstances. The need to maintain some degree of subsidy

*may require regulatory mechanisms to identify its appropriate size and nature, to ascertain which competitors or services will make payments and which will receive support, and to determine how the subsidies will be administered in a more competitive environment. The treatment of subsidies must be addressed in the context of local competition in order to assist prospective entrants in formulating their business plans.*³⁸ (emphasis added)

39. In the time that has passed since the publication of the *Competition and Culture* report, governments at various levels have been investing in telecommunication infrastructure, usually in partnership with an ILEC. Some examples of such investments were documented in our submission filed with the Commission June 8/98 in Timmins³⁹ and in response to an interrogatory we received in the first round from Stentor.⁴⁰ In our response to that interrogatory, we gave as much detail as we could about each of the various government funding programs we were aware of, but concluded that all these programs, taken together, will never be sufficient to meet the needs of unserved and underserved areas:

*..... we would point out that none of these programs, on their own, provide a comprehensive, national solution to the infrastructure shortcomings of regions as vast as Northern Ontario, or the northern portions of other provinces. Nearly all these programs are targeted to individual communities, or businesses, or sectors. Where is the funding for the “backbone” development that these community initiatives must plug into, in order to be truly “connected” to the “Information Highway”? We would suggest that a national fund, derived from a national levy on all telecommunication service providers in Canada, is required to achieve true telecommunications equity in this country.*⁴¹

In that same response to Stentor’s interrogatory, we went on to point out how:

*....the Parliament of Canada amended the Telecommunications Act in 1998 specifically empowering the CRTC to establish a national levy on telecommunications, rather than relying exclusively on government revenues to fund improvements to telecommunications infrastructure.*⁴²

40. In other words, in the time that has elapsed since the Commission published *Competition and Culture on Canada’s Information Highway* in May of 1995, a consensus appears to have emerged among politicians and the general public, that government funding on its own is not enough, and that regulatory intervention by the Commission is now required to establish funding mechanisms to break down both the capital and operating cost barriers which stop high-cost areas from accomplishing the telecommunications equity envisaged in Sections 7 (b) and (h) of the *Telecommunications Act*.⁴³

So the forces for and against building some kind of universal service funding mechanism into the telecommunications infrastructure of Canada were generally lined up with the Stentor group against, and nearly everyone else in the proceedings in favour. The public interest advocacy groups had also called for

national basic minimum standards, so all companies providing service would have to meet the same standards, regardless of geography. This was considered by the public interest groups as a *starting point* towards building truly universal service, not as an ending point. Unfortunately, the majority of the members of the Commission decided that the Stentor companies path was the right one to follow.

Expectations dashed — October 19, 1999: CRTC Telecom decision 99-16

There were months of delay before the high cost ruling came out. The Commission had many other things on its plate, not the least of which was a decision to leave the Internet to market forces completely — to not even *attempt* to regulate this “new medium.”⁴⁴

In that Internet decision, the Commission did however give a hint that perhaps the high cost area ruling, when it did come out, would provide some measure of support to rural and remote communities struggling to get connected to the infobaun.

57. Some of the points raised by parties [in the new media proceedings] go beyond the Commission’s mandate under the Telecommunications Act. The Commission is currently examining certain telecommunications issues related to access and its affordability in the proceeding initiated by Telecom Public Notice CRTC 97-42, *Service to High-Cost Serving Areas*. **The Commission intends to address issues relating to whether access to the Internet should be considered as “basic” service for subsidy purposes in its decision in that proceeding.** ⁴⁵[emphasis added]

This was considered a really hopeful sign at the time, because the Government of Saskatchewan, among other parties, had argued strongly in the high-cost area hearings that “plain old telephone service” (or “POTS”, as it is affectionately known), is really not an adequate minimum standard for this “information age.”

But such hopes were dashed, big time, when the ruling finally came out several months later. The Commission majority basically decided to ignore all the questions it had asked in the high-cost area proceedings about funding mechanisms to assure equitable access to the infobaun across Canada. Instead, it issued (with some horn-blowing) a decision to at least establish minimum telecom standards for all Canadians, regardless of geography. Unfortunately, the “minimum standards” set by the Commission were basically POTS, plus a slow speed connection to the Internet. The ruling required all incumbent local exchange carriers to make sure all subscribers have access (note that they did not say *affordable* access) to the following:

24. The Commission considers that the level of service now available to the vast majority of Canadians should be extended to as many Canadians as feasible in all regions of the country. Accordingly, the Commission is hereby establishing the following basic service objective for local exchange carriers:

- Individual line local service with touch-tone dialing, provided by a digital switch with capability to connect via low speed data transmission to the Internet at local rates;

- Enhanced calling features, including access to emergency services, Voice Message Relay service, and privacy protection features;
- Access to operator and directory assistance services;
- Access to the long distance network; and
- A copy of a current local telephone directory.

25. The basic service objective is independent of the technology used to provide service, and may change over time as service expectations evolve.⁴⁶

This was a modest victory at best. Sure, it was great to have some kind of national standards finally established in Canada, but did we really have to lower the bar to what largely already existed west of the Manitoba-Ontario border? The phone companies in the three prairie provinces had already upgraded their phone systems to eliminate party lines and set up digital switches, so subscribers could use touch tone technology. It was only in the purely market-oriented areas served by Bell Canada or BC Tel where there were still party line subscribers and/or analogue switches. In other words, the Commission had decided, after nearly two years of debate, to order the Bell companies to do what other parts of the country had long since decided was essential “survival” telephone service. They also didn’t require the phone companies to meet even these low standards overnight. Instead, they asked the companies to file plans indicating how they intended to meet the new standards.

The Commission implied that if subscribers in high cost areas were going to have to pay more to fund the phone companies making these improvements, then so be it. Competition in larger urban markets is expected to lower rates for urban subscribers, but letting the market forces have their way with rural and remote areas will likely mean those areas will have to pay more. This is fundamental geographical racism, and the Commission is condoning it. The following are direct quotations from a “Q & A” background briefing document, issued by the CRTC at the same time as the high-cost area ruling:

Will subscribers be expected to pay more (in high cost areas)?

Possibly. When the telephone companies submit their service improvement plans, they will have to justify any suggested rate increases to recover the costs of the service improvements. Again, subscribers will have an opportunity to comment on the service improvement plans and any suggested increases.

Can subscribers living in other than high cost areas expect a rate reduction?

Rate reductions may be experienced in these areas as a result of competition taking hold.⁴⁷
[bolding in original]

The reaction to this decision was mixed. Areas of the country that had been pushing to get rid of party lines, such as northeastern Ontario, were happy to find out they were going to be able to move into the 20th century, just when everyone else was entering the 21st.

For Liberal MP Benoit Serre, whose northern Ontario riding claims 4,800 people without their own phone lines, the news was a victory. Serre has been lobbying the phone companies and government for years to help improve the service in his area. “The service is so bad, we have five people on the same line,” Serre said. “I’ve seen instances where

people needed to call police or the fire department, and because the neighbour has forgotten to hook the phone ... they can't call."⁴⁸

But reaction from the Government of Saskatchewan, and in particular SaskTel, was very negative. The Government of Saskatchewan issued a news release November 10, 1999, supported by most major public interest groups in the province, indicating that it was going to be formally applying to the federal cabinet to have the high cost area ruling amended so rural areas did not have to face exorbitant rate increases:

GOVERNMENT FIGHTS CRTC DECISION

Groups representing rural and northern people have joined with the provincial government to fight a recent CRTC decision that could mean considerably higher telephone rates for people in rural and northern Saskatchewan.

“We are extremely disappointed with the CRTC decision and intend to appeal this decision directly to the federal Cabinet. Rural and Northern residents must continue to have access to affordable telecommunications,” Intergovernmental and Aboriginal Affairs Minister Jack Hillson said.

In its October 19, 1999, decision, the CRTC rejected Saskatchewan's suggestion to create a national Universal Service Fund as a way to ensure access to affordable, high quality telecommunications for people in Saskatchewan's rural and northern areas. As a result, telephone rates for those people could increase significantly.

Other countries around the world, including the United States, Australia and Britain have introduced national universal service plans to make sure everyone can afford phone services.

Saskatchewan is considered the most rural province in Canada. Almost 30 per cent of the population lives on farms, in small towns, villages and in aboriginal communities.

Stakeholder groups in attendance included: Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural Municipalities, Saskatchewan Association of Health Organizations, Saskatchewan School Trustees Association, Saskatchewan Library Trustees Association, Saskatchewan Library Association, National Farmers Union, Federation of Saskatchewan Indian Nations and the Saskatchewan Wheat Pool.⁴⁹

It is significant that this was not just another federal-provincial government squabble. The public interest groups which lined up in support of the Saskatchewan government's position had also taken a stand during the high-cost proceedings, and so were disappointed along with most other residents of the province when the ruling came out. For the benefit of those attending this OLA conference from the library community, I would draw to your attention the support of the appeal coming from the SLTA and the SLA.

The appeal filed by the Governments of Saskatchewan and Manitoba to the federal cabinet, January 17, 2000

The two provincial governments have just recently filed the formal documents for the appeal with the Minister of Industry, John Manley. Anyone else who wants to take a position for or against the appeal can make submissions to Mr. Manley. Legally, the federal cabinet can take up to one year from the date of the original CRTC decision to issue a decision. Interestingly, it is also required by legislation to consult with provinces before making a final decision. Thus, irony of ironies, Ottawa will have to consult Manitoba and Saskatchewan about their own appeal!

The appeal argues, just like Commissioner Cardozo did, that without a national funding mechanism, ordering some basic minimum standard of service across Canada is a hollow act by the Commission. Without a funding mechanism, communities or regions facing high costs for capital improvements will have to make a case to provincial or federal government programs for assistance.

The other major point in the appeal by Manitoba and Saskatchewan is that if the Commission's ruling is allowed to stand, regions will have to fund their own improvements, regardless of how many subscribers are in the serving area. There will be no subsidies from urban to rural areas, and no certainty that rates will be comparable between urban and rural Canada. This was exactly what Parliament asked for when it passed section 7 (b) of the Telecommunications Act, remember? The Commission itself decided, when it faced the realities of phone service north of 60°, that the incumbent carrier for the Yukon, NWT and Nunavut — commonly known as Northwestel, or NWTel — did not have enough potential revenue or subscribers in its vast territory to fund the minimum standards set by the Commission. As a result, the Commission announced when it issued Telecom Decision 99-16 that special proceedings would have to be held to deal with the funding problems of NWTel:

Achieving the basic service objective in the far north

59. The incumbent local carrier, NWTel, serves the Yukon, Nunavut, the Northwest Territories and part of northern British Columbia. As such, it has the largest operating territory in Canada, but the territory's population is only about 110,000, representing less than one half of one per cent of the country's total population.

60. NWTel delivers service to as many as 96 communities, providing them with about 68,000 telephone lines. More than 80 per cent of these communities scattered over NWTel's operating territory have fewer than 500 telephone lines. Many communities are accessible only by air. As a result, NWTel has the lowest telephone line density in the country. This low density, combined with the size and severe climatic conditions of its territory, requires NWTel to operate and maintain a network without the efficiencies available to companies in southern Canada.

61. Providing reasonably priced access to high-quality long distance service is a further challenge for NWTel. The Commission has received complaints regarding the quality of long distance service in NWTel's territory. As well, NWTel's rates for long distance are much higher than those elsewhere in Canada to generate the revenues necessary to provide

local service throughout its territory. While the Commission has permitted competition and refrained from regulating long distance services in most telephone companies' operating territories, it has not yet set terms and conditions allowing for long distance competition in NWTel's territory.

62. Because of the high rates charged by NWTel, some northern customers have engaged in "toll bypass" by conducting long distance telephone calls in a manner that avoids high charges from NWTel. Revenue from long distance calls contributes a significant amount in subsidy towards its cost of providing local service throughout its territory. Toll bypass erodes this important source of revenue. The Commission, therefore, has an immediate concern about the financial impact of toll bypass on NWTel's ability to maintain and improve telecommunications service in northern Canada.

63. *In light of the unique circumstances listed above, NWTel may not have the means to achieve the basic service objective under similar terms and conditions as those for southern Canada. Accordingly, the Commission has begun a public proceeding (NWTel proceeding) Northwestel Inc. Implementation of Toll Competition and Review of Regulatory Framework, Quality of Service and Related Matters, Telecom Public Notice CRTC 99-21, 1 October 1999, that will, among other things, assess NWTel's level of revenue and contribution required to achieve the basic service objective, address the terms and conditions that may permit long distance competition in its territory, and determine if any supplementary funding is required.*⁵⁰

Saskatchewan and Manitoba basically ask in their appeal, as did Commissioner Cardozo in his dissenting opinion, ***what's the real difference on these matters between the area north of 60° and the rural and remote parts of southern Canada?*** Why should the Commission recognize that there are financial problems for north of 60° when it comes to sustaining affordable telecommunication services, and not reach the same conclusion elsewhere? Admittedly one could argue that the issues are all that more extreme north of 60°, but that doesn't mean the problems go away just because you cross a line of latitude. Where is the fairness and equity between urban and rural rates if the Commission ends up deciding that some kind of national subsidy system is required for the far north, but nothing at all south of 60°? Take for example, Uranium City, Saskatchewan, located just south of the 60th parallel, in the far northern part of Saskatchewan. Why should the residents of Uranium City pay a market-driven rate of about \$130 a month for basic phone service just because they are served by SaskTel, when someone living just a few kilometres north of Uranium City, inside the territory served by NWTel, gets a subsidy and has a more affordable phone line? The only solution, Manitoba and Saskatchewan argue, is for one universal national system. The appeal documents ask the federal cabinet to, in effect, order the Commission to hold a set of hearings on how to set up a national funding system — something they really didn't do during the high cost area proceedings.

Manitoba and Saskatchewan request that the Governor in Council vary those parts of the decision that are inadequate in meeting the needs of northern and rural telecommunications users, while preserving those that address the needs of unserved and underserved areas of Canada. The variances requested include a commitment by the Commission to a national

universal service fund modeled on the principles articulated in the U.S. *Telecommunications Act of 1996*. These principles can be outlined as follows:

- Quality services should be available at just, reasonable, and affordable rates to all Canadians;
- Consumers in all regions of Canada, including those in rural and northern regions, should have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and that are available at rates that are reasonably comparable to rates charged for similar services in urban areas;
- All providers of telecommunications services, regardless of their location within Canada, should make an equitable and nondiscriminatory contribution to the preservation and advancement of universal service;
- There should be a specific, predictable, competitively neutral and transparent mechanism to advance and preserve universal service to all regions of Canada; and
- Access to advanced telecommunications services by elementary and secondary schools and classrooms, health care providers, and libraries should be included within the definitions of the eligibility for universal service funding.

The variances requested also ask that the rulings to improve unserved and underserved areas proceed, but be implemented as interim measures pending the outcome of a proceeding to be held in regard to the implementation of the national universal service fund. In that proceeding, a definition of high-cost areas will include all northern and rural areas.⁵¹

Conclusion: what is to be done?

I leave it up to your individual consciences to decide whether you feel like writing a letter to John Manley after hearing from me today. There are two possible outcomes for this case. Either the federal cabinet will grant the appeal by Manitoba and Saskatchewan, or they will turn it down. Pessimists (including friends of mine who work for the Government of Saskatchewan, who would never agree to be quoted saying this out loud) expect to lose this appeal. They have that expectation because of the current climate between Ottawa and the farmers of the Prairies, among other things. In short, they don't think Ottawa gives a hoot about the cost of doing business in rural Canada, or how many farmers go bankrupt. The pessimists see this as just another decision by the government at the centre in favor of agribusiness in the west — larger and larger corporate farms, with fewer and fewer people running them.

If the appeal is denied, then phone rates are expected to rise, over time, to as high as \$130 a month for a single residential subscriber in a high cost area required to pay the full cost of serving that customer. Businesses might be able to afford that kind of rate, but only if they're big enough to pass along such

high operating costs to a wide base of consumers — those who consume the products produced by agribusiness. Small businesses, libraries, schools and health care facilities will have a very tough time paying such rates. Because SaskTel is still owned by the provincial government, political decisions can be made to some extent to keep rates more affordable, but there are regulatory limits to that under CRTC rules which come into effect for SaskTel on June 30, 2000. As well, with competition coming to urban areas, there will be pressure on SaskTel to lower rates in profitable urban areas, thus reducing the cash pool it has to underwrite the losses it has to suffer serving rural and remote areas. Such a situation does not bode well for equitable access to the infobaun, or for an end to geographical racism in Canada.

Let's hope John Manley decides to accept the appeal. Then we can have a real public debate in this country about a universal service fund — the kind of debate we should have had during the high cost hearings. Should we have a universal service fund like the United States? Something more like what they're doing in the European community? Some unique Canadian model to achieve telecom equity? There are many questions about what *kind* of system would work best. But I'd much rather engage in *that* debate, than face the gloomy prospects of life under the existing decision, which we know will lead to an increase in the digital divide in Canada.

What do you think?

Endnotes

¹ One textbook defines “megalopolis” as “a strip of land approximately 750 miles long running from Quebec City on the east to Windsor in the west.” This strip of land contains less than 2 percent of Canada's land mass, but about 40% of the population. 12 of Canada's 25 Census Metropolitan Areas (CMAs) are located within this strip. However, it can also be argued that all 25 of Canada's CMAs are actually “megalopolis” in size, because to be a CMA, you have to be over 100,000 in population. For the purpose of this paper, I use the term “megalopolis” to mean “large urban area” or, to use the Statistics Canada definition, a CMA. Market forces work relatively well in cities of at least this size. It's the people who live outside a CMA who are being treated as second class citizens by the CRTC's present policy framework.

² There are all kinds of terms for the “infobaun” or “information superhighway.” One of them comes from an author connected to an American think tank, the Center for Strategic and International Studies, Wilson P. Dizard. He wrote *Meganet: how the global communications network will connect everyone on earth*. (Published by Westview Press, Boulder Colorado, a division of Harper Collins, 1997. ISBN 0-8133-3017-3). Dizard defines a “meganet” the same way I define the “infobaun” as “a patchwork of networks, big and small, local and global, primitive and high-tech, that fit together because they share compatible technologies.” [page 253] In other words, the world's telecommunication, cable, satellite and computer networks, all rolled into one.

³ Public Notice 1994-130, with hearings held in 1994-95.

⁴ At the time of the Wawatay submissions to the high cost proceedings, the report available was *Falling Through The Net: A Survey of the “Have Nots” in Rural and Urban America*, US Department Of Commerce, July 1995 (available at: <http://www.ntia.doc.gov/ntiahome/fallingthru.html>.) Since the Wawatay work in 1998, there have been further reports written on the “digital divide” widening in the United States. See Johnston, Margaret. 1999

Digital divide achieves higher profile. IDG News Service, December 17, 1999, retrieved through a link on CNN's web site December 23, 1999.

<http://www.idg.net/idgns/1999/12/1...1DivideAchievesHigherProfile.shtml>. This article refers to a report released by the National Telecommunications and Information Administration (NTIA) and the United States Department of Commerce in July 1999 titled *Falling through the Net: defining the digital divide; a report on the telecommunications and information technology gap in America*. This report is available in PDF format through the NTIA web site.

⁵ See European Commission, Directorate-General for employment, industrial relations and social affairs: *Building the European information society for us all: final policy report of the high-level expert group*. April 1997. Available from the EC's "high level expert group's" web site at: <http://www.ispo.cec.be/hleg/hleg.html>

⁶ In Australia the Minister for Communications, the Information Economy and the Arts, Senator Richard Alston, approved a Universal Service Plan May 18, 1998, which is available for review at: <http://www.dca.gov.au/policy/telstrausoplan.html>.

⁷ For example, in the final decision, the Commission failed to make any reference to any of the Saskatchewan hearings, much to the chagrin of all the members of the library and educational communities who had invested considerable effort in making submissions.

⁸ See Surtees, Lawrence 1992. *Pa Bell: Albert Jean de Grandpré and the meteoric rise of Bell Canada Enterprises* Random House 1992. ISBN 0-394-22142-7 or Surtees, Lawrence 1994. *Wire wars: Unitel's fight for telecommunications control*. Prentice-Hall 1994. ISBN 0-13-323767-2

⁹ Collins Publishers, Don Mills, Ontario 1979. ISBN 0-00216167-2

¹⁰ In the *Globe and Mail* book review section published on Saturday January 22, 2000 Douglas Bell wrote a review of four books on the Internet, under the title *The Internet: past, present and future* (see pages D16-17). In that review, he castigated Canadian Internet media guru Jim Carrol for "drooling Internet hype." In the book review section of the same paper published the following week (see page D19, January 29, 2000), Carrol disputed the characterization of himself, but Douglas Bell stood his ground.

¹¹ see McPhail, Thomas 1987. *A history of telecommunications*. Pages 15-30 in *Telecommunications: a strategic perspective on regional, economic and business development. Selected papers from a conference held in Ottawa, November 10-12, 1986*. Sponsored by the Canadian Institute for Research on Regional Development and the federal Department of Communications. Edited by Maurice F. Estabrooks and Rodolphe H. Lamarche. Published by Tribune Press. ISBN 0-88659-011-6. On page 17, McPhail notes that Alexander Graham Bell turned over 75% of his Canadian patents to his father, Melville Bell, who founded the company now known as Bell Canada in 1880.

¹² Canada. The Telecommission. *Instant World: a report on telecommunications in Canada*. Information Canada ©1971. Catalogue No. Co21-1/1971

¹³ author's original footnote: Hon. Francis Fox, *Culture and Communications: Key Elements of Canada's Economic Future*. Ottawa, Supply and Services, 1986.

¹⁴ 2 S.C.R., 225, *Alberta Government Telephones v. Canada, Canadian Radio-television and Telecommunications Commission*, August 14, 1989. File No. 19731. Full text available from the University of Montreal web site, and/or a link on the Supreme Court of Canada's web site.

¹⁵ This took place because the Supreme Court ruled that while telecommunications regulation in general is under jurisdiction of the federal government, Ottawa did not technically have the jurisdiction to

regulate a provincial crown corporation. The subsequent privatization of the provincially-owned Manitoba Telephones and Alberta Government Telephones settled this wrinkle, leaving only SaskTel (owned still by the province of Saskatchewan) under a cloud of jurisdictional uncertainty. SaskTel has been a bargaining chip between Saskatchewan Premier Roy Romanow and Prime Minister Jean Chretien ever since, with Romanow winning several extensions from federal jurisdiction. There does not seem to be any move towards another extension, to extend the current deadline of June 30, 2000, at which time SaskTel will come under the regulatory rules of the CRTC. See Johnstone, Bruce. *SaskTel getting ready for the CRTC. Regina Leader-Post*, Tuesday July 13, 1999. Page C1.

¹⁶ see Babe, bottom of page 241, top of page 242

¹⁷ Information Policy Research Program, Faculty of Information Studies, University of Toronto, Working Paper No. 3. ISBN: 0-7727-04-2.

<http://www.fis.utoronto.ca/research/iprp/dipcii/workpap3.htm>

¹⁸ author's footnote: Canada. Information Highway Advisory Council. (1995). *Access, affordability and universal service on the Canadian information highway*. Ottawa: Industry Canada.

¹⁹ author's footnote: Reddick, Andrew. (1995). *Sharing the road: Convergence and the Canadian Information Highway*. Ottawa: Public Interest Advocacy Centre.

²⁰ author's footnote for source of this material is pages 152-161, Rens, Jean-Guy. (1993). *L'empire invisible: Histoire des télécommunications au Canada de 1846 à 1956*. Québec: Presses de l'Université du Québec.

²¹ *Globe and Mail Report on Business*, March 25, 1998. Page B15. Canadian Press wire item, no byline.

²² Transcript published on CRTC web site, *Service to High-Cost Serving Areas*, consultation held at Northern College of Applied Arts & Technology, Porcupine Campus Lecture Room D-116, Timmins, Ontario 8 June 1998.

²³ Telecom Decision CRTC 99-16. Ottawa, 19 October 1999. Telephone service to high-cost serving areas. File No. 8665-C12-04/97. Dissent by Commissioner Andrew Cardozo.

²⁴ Ottawa, 18 December 1997. Telecom Public Notice CRTC 97-42 *Service to High-Cost Serving Areas* File No. 8665-C12-04/97, paragraph 4.

²⁵ Statutes of Canada Chapter 38, *Telecommunications Act*. From web site version described as current to 1998-10-22

²⁶ from submission of ACA/CAC/FNACQ/NAPO/RDC ("ACA et al") filed May 1, 1998 for the high cost area proceedings. Emphasis added. Footnotes denoting sources can be found in original.

²⁷ see Gutstein, Donald. *e.con: how the Internet undermines democracy*. Chapter One: *Connecting Canadians ... to what?* pages 9-34. For example, Gutstein points out that the Information Highway Advisory Council (IHAC), the body set up by the government to provide advice prior to the present *Connecting Canadians* policy, told the federal government that "an estimated 38 percent of Canadians lack ...basic literacy skills." However, neither the final report of IHAC or *Connecting Canadians* has one word to say about literacy development. A truly comprehensive "national access strategy," at least as conceived by those who had dreams of what the federal government meant when it said it was going to bring such a thing into being, believed that literacy would obviously have to be part of the access strategy. As well as the missing literacy component, the challenge of economic accessibility (the key issue discussed in this paper) is not dealt with in *Connecting Canadians*, but presumably would be part of a really comprehensive national access strategy.

²⁸ Telecom Decision CRTC 97-8. *Local Competition*. May, 1997, paragraph 146. Cited in the appeal of the high cost ruling to the federal cabinet by the governments of Saskatchewan and Manitoba.

²⁹ Ottawa, 18 December 1997. Telecom Public Notice CRTC 97-42 *Service to High-Cost Serving Areas* File No. 8665-C12-04/97, paragraph 3.

³⁰ footnote in original submission: *for example, see Decision 94-19, page 19.*

³¹ footnote in original submission referred to one part of Stentor's case during the proceedings: *For example, see SRCI(CRTC)19Jun98-1312 HCSEA.* The acronym SRCI refers to "Stentor Resource Centre Inc.," the formal body which represented the Stentor group at the CRTC.

³² Telecom Public Notice CRTC 97-42, *Service To High-Cost Serving Areas, Final Argument* by "the companies" (the Stentor group had formally dissolved by the time the hearings ended): BC Tel, Bell Canada, Island Telecom Inc., Maritime Tel & Tel Limited, MTS Communications Inc., NBTel Inc., Newtel Communications Inc. January 29, 1999

³³ footnote in original submission referred to the case filed by Telus, the Alberta phone company since merged with B.C. Tel. The footnote in the Saskatchewan submission read: Telus, submission to *Telecom Public Notice CRTC 97-42: Service to High-Cost Serving Areas*, May 1, 1998 para. 15.

³⁴ The footnote in the Saskatchewan submission read: Stentor Resource Centre, submission to *Telecom Public Notice CRTC 97-42: Service to High-Cost Serving Areas*, May 1, 1998, para. 18.

³⁵ Government of Saskatchewan. Submission to Canadian Radio-Television and Telecommunications Commission, *Final Argument. Telecom Public Notice CRTC 97-42: Service to High-Cost Serving Areas.* January 27, 1999, section V(g), *Government Funding Versus Reliance on Industry Contributions*

³⁶ Ottawa, 18 December 1997. Telecom Public Notice CRTC 97-42 *Service to High-Cost Serving Areas* File No. 8665-C12-04/97, paragraph 4.

³⁷ CRTC, May 19, 1995. *Competition and Culture on Canada's Information Highway: Managing the Realities of Transition*, Introduction. Citations quoted comes from CRTC web site at: <http://www.crtc.gc.ca/eng/highway/hwy9505e.htm>

³⁸ *op. cit.*, *Competition and Culture on Canada's Information Highway*, Chapter 2

³⁹ see particularly section 37, pages 60-63.

⁴⁰ see WNCS(SRCI)19June98-1HCSEA - reply from Wawatay to interrogatory from Stentor

⁴¹ *ibid.*

⁴² *ibid.*

⁴³ Northern Ontario Infrastructure Working Group. Submission to Canadian Radio-television and Telecommunications Commission. *Final Arguments, Telecom Public Notice CRTC 97-42. Service to High Cost Serving Areas.* January 25, 1999

⁴⁴ see O'Connor, Kevin. *CRTC hands-off policy brings mixed reactions. Regina Leader-Post*, Saturday, May 22, 1999 Page D5

⁴⁵ Ottawa, 17 May 1999. Broadcasting Public Notice CRTC 1999-84; Telecom Public Notice CRTC 99-14; *New Media*

⁴⁶ Ottawa, 19 October 1999. Telecom Decision CRTC 99-16. *Telephone Service To High-Cost Serving Areas.* File No.: 8665-C12-04/97

⁴⁷ October 19, 1999. CRTC information package issued with Telecom Decision CRTC 99-16 titled *Telephone service to high cost areas — did you know?* Downloaded 10/19/99 from CRTC web site at <http://www.crtc.gc.ca/ENG/RELEASES/1999/19991019e.htm>

⁴⁸ *Phone companies ordered to service all areas* by Jennifer Ditchburn. Canadian Press wire story carried by several newspapers across Canada, Wednesday 20 October 1999. Citation quoted comes from version which appeared in the *Calgary Herald*, Business section, page D4.

⁴⁹ News release issued November 10, 1999 by Intergovernmental and Aboriginal Affairs - release 834 from Government of Saskatchewan web site, <http://www.gov.sask.ca>

⁵⁰ Ottawa, 19 October 1999. Telecom Decision CRTC 99-16. *Telephone Service To High-Cost Serving Areas*. File No.: 8665-C12-04/97

⁵¹ Petition of the Government of Manitoba and the Government of Saskatchewan to His Excellency, The Governor General In Council dated January 14, 2000. Re: *Telecom Decision 99-16 Telephone Service To High-Cost Serving Areas*