



NEWS RELEASE

SSi Micro stresses critical priorities for new CRTC Broadband Fund

A focus on technology and competitive neutrality, backbone transport, and open gateway access will strongly encourage remote community investment

YELLOWKNIFE, June 28, 2017. Today, SSi Micro Ltd. (“SSi”) submitted recommendations to the Canadian Radio-television and Telecommunications Commission (CRTC) regarding the development of the Commission’s new broadband funding regime. These were filed as an intervention in response to Telecom Notice of Consultation CRTC 2017-112, by which the CRTC is seeking input as it designs the new regime, adhering to the following three guiding principles – i) focus on underserved areas of Canada, ii) align with the broader ecosystem of current and future funding and investments, and iii) manage and administer in a transparent, fair and efficient manner.

In December 2016, with Telecom Regulatory Policy 2016-496, the CRTC established a “universal service objective” (USO), stating that broadband Internet access is a basic essential service, and that all Canadians must have access to voice and broadband Internet services on both fixed and mobile wireless networks, with speeds of at least 50 megabits per second download and 10 megabits per second upload for fixed Internet service subscribers. The Commission further determined that it would establish a new funding mechanism to help ensure access to the basic telecommunications services, and to close the gaps in connectivity. SSi, a pioneer in delivering remote-area broadband solutions, applauds the new USO framework as a revolutionary initiative, and believes it has immense potential to help close the digital divide isolating many parts of the country.

To further strengthen the CRTC’s guiding principles for the USO, SSi strongly recommends the following three **key operating principles** as essential parameters for the new fund’s governance, operating and accountability frameworks, and eligibility and assessment criteria for proposed projects.

1. **Competitive and Technology Neutrality.** The new broadband funding mechanism will best align with the broader ecosystem of both private-sector investment and public-sector funding by guaranteeing both competitive neutrality and technological neutrality. In other words, there should be no privilege afforded Incumbent Local Exchange Carriers (ILECs) to the exclusion and detriment of other competitors, and there should be no favour or priority given to wireline technologies, including those that ILECs have used in the past. Only a neutral approach can maintain focus on Canada’s underserved areas. Moreover, only a fund designed with both



technological and competitive neutrality in mind can meet the Commission's standards for transparency, openness and fairness of management and administration.

2. **Focus Funding on the Backbone.** New funding will contribute best to reaching Canada's underserved areas by prioritizing the creation of transport (backbone) facilities to reach remote areas, not by subsidizing access or last mile facilities. This priority will also align best with the Canadian telecom ecosystem by: leveraging the significant but still limited funding to be available under the new regime; complementing other initiatives, including the Government of Canada's Innovation Agenda; and recognizing developments and the significant investments already made by telecommunications service providers and governments in last mile networks.
3. **Open Access to the Backbone is Essential.** All local service providers must be allowed open and affordable access to backbone connectivity, which in turn will allow for effective competition in the local services market – spurring on greater investment, innovation and choice for fixed and mobile broadband and voice services. This approach aligns best with the structure of Canada's telecom industry and the range of technological options available to it – but, even more important, it is the best way to align with the creativity that Canadian users demand and Canadian innovators can supply.

“As a northern telecom company that has partnered with the federal government and co-invested over \$150 million in Nunavut's communications infrastructure since 2005, SSi has a very significant interest in the development of this new fund”, said Jeff Philipp, SSi's Founder and CEO. “It is critically important that the CRTC structures this fund properly, so that it strongly encourages long-term private investment in the broadband future for all underserved regions.”

SSi's complete intervention to Telecom Notice of Consultation CRTC 2017-112 can be found here: <https://www.ssimicro.com/wp-content/uploads/2017/06/2017-06-intervention.pdf>

For information on Telecom Notice of Consultation CRTC 2017-112, please see <http://www.crtc.gc.ca/eng/archive/2017/2017-112.htm>

For information on Telecom Regulatory Policy CRTC 2016-496 and the decision announced on December 21, 2016 by the CRTC, please see: <http://www.crtc.gc.ca/eng/archive/2016/2016-496.htm>

SSi's History of Success Connecting Nunavut

In 2015, SSi announced a \$75 million three-year investment program into Nunavut's broadband future, including \$35 million through the Government of Canada's Connecting Canadians program. This builds on some \$100 million invested by SSi into Nunavut communications infrastructure over the preceding 10 years, assisted with co-investments by the Government of Canada.



SSi was the first company to launch broadband service in all 25 Nunavut communities, doing so under the “QINIQ” brand name, offering the same service level and pricing to Nunavummiut across the Territory. Since then, the positive impacts of broadband for consumers, organizations and small business have been clearly evident across the North. SSi has also made extensive investments into last mile infrastructure in order to upgrade all 25 communities in Nunavut with 4G-LTE and 2G-GSM last-mile technologies to offer fixed and mobile voice and broadband services.

About SSi: Headquartered in Yellowknife, Northwest Territories, and with a satellite teleport and network operations centre in Ottawa, SSi designs, builds and operates telecommunications networks around the world. SSi understands first-hand the challenges faced in providing effective and affordable communications services to remote and outlying areas. SSi has launched broadband service into many markets where the Internet previously did not exist, and provides a competitive alternative to the incumbent operator in many other small and remote markets.

SSi has deployed advanced satellite and local broadband wireless facilities throughout Nunavut and in communities of the Northwest Territories, an area spanning over three million square kilometres. The network uses state-of-the-art full mesh connectivity and supports broadband Internet, voice and videoconferencing technologies.

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SSi Contact:

David Veniot
Manager, Communications
The SSi Micro Ltd.
Tel: 613-271-6464
Cell: 613-292-8552
Email: davidv@ssimicro.com