



Telecom Notice of Consultation CRTC 2025-10

PDF version

Ottawa–Gatineau, 16 January 2025

Public record: 1011-NOC2025-0010

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

Deadline for submission of interventions: 18 February 2025

Deadline for submission of replies: 28 February 2025

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Summary

The summary of this notice of consultation is available in the following languages: Inuktitut (South Baffin) [in [HTML](#) and [PDF](#)], Inuinnaqtun (in [HTML](#) and [PDF](#)), South Slavey (in [HTML](#) and [PDF](#)), and Tłı̨chǫ (Dogrib) [in [HTML](#) and [PDF](#)].

The Commission contributes to a broad effort by federal, provincial, and territorial governments to help ensure that reliable, affordable, and high-quality telecommunications services are available to Canadians across the country. This work is particularly critical in the Far North, where the remoteness of communities, low population density, and geography make it difficult and expensive to build and maintain telecommunications networks. The high costs of providing telecommunications services in the Far North have translated into high retail prices compared to elsewhere in Canada, making Internet services unaffordable for many residents.

To improve affordability in the Far North, where the cost of living is already higher than elsewhere in Canada, the Commission approved the introduction of a retail Internet subsidy in Telecom Regulatory Policy 2025-9. All households in the Far North will be eligible for the subsidy, regardless of their Internet provider. The subsidy will provide meaningful benefits to residents and help reduce the price gap between Internet services offered in the region and elsewhere in Canada.

The Commission is launching this proceeding to seek comments on how to best implement this subsidy. Specific issues for comment are detailed in the “Call for comments” section of this notice. Information on how to participate in the proceeding can be found at the [end of this notice](#).

Introduction

1. The Far North¹ is an exceptionally challenging region to build and maintain telecommunications infrastructure. The remoteness of communities, low population density, and geography make providing telecommunications services much more expensive than elsewhere in Canada. This has led to unaffordable Internet prices for many residents.
2. The Commission is mandated to act when rates for telecommunications services are too high. Generally, the Commission prioritizes competition to drive down prices. However, given the high costs of delivering Internet services in the Far North, the Commission has determined that competition alone is insufficient to address the issue of affordability.
3. Therefore, in Telecom Regulatory Policy 2025-9, the Commission introduced a retail Internet subsidy to improve Internet affordability in the Far North. This subsidy will be funded through the National Contribution Fund (NCF)² and will be distributed to all Internet service providers (ISPs) operating in the Far North. These ISPs will apply a uniform monthly discount directly to the Internet bills of eligible subscribers, ensuring that they receive the same monthly discount, regardless of their service plan.
4. This proceeding seeks input on how the Commission can best implement the subsidy.
5. Many residents of the Far North are Indigenous, and the outcomes of this proceeding will directly impact their communities. The Commission thanks all Indigenous participants for sharing their views in the proceeding that led to Telecom Regulatory Policy 2025-9 and is seeking their views on a range of issues in this proceeding.

Call for comments

6. The Commission invites comments on the following issues regarding the retail Internet service subsidy in the Far North:
 - subscriber eligibility;
 - monthly amount and calculation method;
 - roles and responsibilities of the Commission and third-party administrators;

¹ For the purposes of this proceeding, the Far North refers to the Northwest Territories, Nunavut, and the Yukon, 19 communities in northern British Columbia, and in Fort Fitzgerald and High Level, Alberta. The following communities in northern British Columbia are included in this consultation: Atlin, Blueberry, Bob Quinn Lake, Dease Lake, Fort Nelson, Fort St. John, Fort Ware (Kwadacha), Good Hope Lake, Iskut, Jade City, Lower Post, Mould Creek, Muncho Lake (Fireside and Liard River), Pink Mountain, Prophet River, Telegraph Creek, Toad River, Upper Halfway, and Wonowon.

² The Commission established the NCF and the corresponding national revenue-based contribution collection mechanism in Decision 2000-745. Currently, telecommunications service providers with \$10 million or more in annual Canadian telecommunications revenues are required to contribute to the NCF.

- distribution of funds;
- measures to promote transparency and accountability; and
- the Commission's approach to monitoring.

Subscriber eligibility

7. In Telecom Regulatory Policy 2025-9, the Commission determined that all residential Internet subscribers, regardless of whether they subscribe to terrestrial or satellite Internet services, will be eligible to receive a monthly discount from their ISP.
8. The Commission noted that small businesses in the Far North face higher Internet costs compared to businesses operating elsewhere in Canada. Accordingly, the Commission provided a preliminary view that small businesses in the Far North should also be eligible to receive the subsidy.
9. Community institutions, such as band offices, community centres, non-profit organizations,³ and schools,⁴ play an important role in the Far North and also need access to affordable Internet services. The Commission seeks to better understand the Internet needs of these institutions and whether they should be eligible for the subsidy.
10. The Commission adopted a uniform discount subsidy model in Telecom Regulatory Policy 2025-9. Under this model, all eligible subscribers will receive the same monthly discount, regardless of their service plan. This approach will offer meaningful benefits to residents of the Far North with the least amount of administrative burden on ISPs.
11. To further reduce administrative burden on ISPs, the Commission is also considering how to best determine the eligibility of non-residential subscribers. ISPs do not necessarily collect information on the nature of their business clients; therefore, determining eligibility for non-residential subscribers like community institutions could be challenging. To address this, the Commission proposes using a monthly bill threshold to determine eligibility. This would allow all subscribers with monthly bills that are equal to or less than a certain amount to qualify for the subsidy.
12. One option raised on the record of the proceeding leading to Telecom Regulatory Policy 2025-9 is to set a monthly threshold at \$2,500 or less, aligning with the Commission for Complaints for Telecom-television Services Inc.'s (CCTS) definition

³ Non-profit organizations contribute to a collective, public, or social benefit. They can be established for any purpose except to generate a profit.

⁴ There are several different school boards in this region that provide educational services to residents. They vary in size and in the types of educational services they provide (e.g., elementary, secondary, post-secondary, or adult learning institutions).

of a small business.⁵ Given that the CCTS’s definition refers to a “telecommunications bill”, this amount could include more than Internet services and may therefore need to be modified for the purposes of the subsidy.

Questions

Q1. Should small businesses and community institutions, such as band offices, community centres, non-profit organizations, and schools, be eligible for the subsidy based on subsection 46.5(1) of the *Telecommunications Act* (the Act)?⁶

Q2. What type of Internet plans do small businesses and community institutions, such as band offices, community centres, non-profit organizations, and schools, operating in the Far North subscribe to (e.g., business plans, enterprise plans)?

- (a) What are the monthly costs for these services?
- (b) Would a subsidy amount distributed under the uniform discount model, which provides the same monthly discount to all eligible subscribers, offer meaningful affordability relief to these organizations?

Q3. How should non-residential subscriber eligibility be determined?

- (a) Should it be based on a threshold amount paid per month?
 - (i) If so, should the threshold be based on a subscriber’s monthly telecommunications bill? Is \$2,500 an appropriate threshold? If not, what should be the threshold?
 - (ii) Alternatively, should the threshold be based on a subscriber’s monthly Internet bill only? If so, what would be an appropriate threshold?

Monthly amount and calculation method

13. The subsidy amount should be calculated based on continuously collected, publicly available data. The Commission’s [Annual Communications Pricing Survey](#),⁷ which collects telecommunications pricing data, is one potential source of data and may facilitate the efficient calculation of the subsidy amount.

⁵ In its [by-laws](#), the CCTS defines a small business as a business whose average monthly telecommunications bill is \$2,500 or less.

⁶ Subsection 46.5(1) of the Act states: “The Commission may require any telecommunications service provider to contribute, subject to any conditions that the Commission may set, to a fund to support continuing access by Canadians to basic telecommunications services.”

⁷ The Annual Communications Pricing Survey contains pricing survey data and is published annually in the “[High-speed broadband](#)” section of the Communications Market Reports.

14. A benchmark or formula based on data from this survey would support an evidence-based approach, in which data collected by the Commission would inform the subsidy amount and allow for adjustments to the amount as needed.
15. The Commission invites proposals on how to calculate the amount of the subsidy. Proposals can be based on currently available data, such as that found in the Annual Communications Pricing Survey or new data that the Commission could collect.
16. When determining the subsidy amount, it is important to consider the affordability of services that meet the universal service objective.⁸ The Commission must also consider the impact on contributions to the NCF.
17. One option raised on the record of the proceeding leading to Telecom Regulatory Policy 2025-9 was to base the subsidy amount on the difference between the price of service that meets the universal service objective in the Far North and that found elsewhere in Canada. From 2021 to 2023, the average difference amounts to \$72 per month.⁹ In an effort to balance the need to meaningfully improve affordability in the Far North with the impact on contributions to the NCF, the Commission will consider what percentage of this difference should be offset by the subsidy.

Questions

- Q4. How should an appropriate monthly subsidy amount be calculated?
- Q5. What publicly available data sources should be used to calculate the subsidy amount?
- Q6. Should the subsidy amount be based on a formula that considers the difference between the average price of services meeting the universal service objective in the Far North and those found elsewhere in Canada? Please provide supporting rationale.
- (a) What percentage of this difference should the subsidy offset? Please provide supporting rationale.
 - (b) The average difference proposed above is based on packages currently available but does not take into consideration customer volume (i.e., the number of customers who subscribe to specific plans). Should customer volume be used to calculate a weighted average for the packages considered in this calculation? If so, how can it be considered while using existing data collection mechanisms?
 - (c) Should the subsidy amount be adjusted using the same formula periodically as new information becomes available? If so, how frequently?

⁸ The Commission established the universal service objective in Telecom Regulatory Policy 2016-496. It states that residential and business fixed broadband Internet access service subscribers be able to access speeds of at least 50 megabits per second (Mbps) download and 10 Mbps upload (50/10 Mbps) with an unlimited data allowance.

⁹ This calculation method is based on data from the Annual Communications Pricing Survey from 2021 to 2023 for Internet plans that offered 50/10 Mbps and unlimited data, except for 2023, which included 50/10 Mbps with limited data from Northwestel Inc.

Roles and responsibilities of the Commission and third-party administrators

18. In the proceeding leading to Telecom Regulatory Policy 2025-9, the Commission determined that the subsidy would be funded through the NCF. In this proceeding, the Commission must decide who will administer the subsidy.¹⁰
19. The Central Fund Administrator (CFA) is the third-party administrator responsible for managing the accounting functions of the NCF. The CFA is responsible for collecting contributions, providing funding to eligible recipients, and overseeing monthly reporting from telecommunications service providers for the NCF. The CFA is also responsible for establishing agreements with eligible funding recipients.
20. The Canadian Telecommunications Contribution Consortium (CTCC), which is comprised of various organizations in the telecommunications industry, acts as an industry intermediary between the Commission and the CFA. The CTCC is responsible for establishing the roles and procedures of the NCF, including the CFA's roles and responsibilities.
21. The CFA and CTCC are well established, well known by participants, and efficient. Therefore, the Commission is of the preliminary view that:
 - the CFA should be responsible for administering and managing the accounting functions of the subsidy; and
 - the CTCC should be responsible for establishing the roles and procedures that the CFA must implement to fulfill its functions.
22. The Commission currently governs certain aspects of existing subsidy programs (e.g., video relay service and the Broadband Fund). The Commission considers that it should have a similar governance role with this subsidy. Therefore, the Commission is of the preliminary view that it should be responsible for:
 - reviewing and approving the accounting functions of the third-party administrator, including how the funds are distributed;
 - providing a list of ISPs that operate in the Far North to which subsidy funds should be distributed and a disbursement schedule to the third-party administrator;
 - monitoring and publishing information on the effectiveness of the subsidy; and
 - enforcing compliance with the subsidy program and imposing any corresponding conditions when necessary.

¹⁰ Under subsection 46.5(2) of the Act, the Commission must designate a third party to administer the subsidy.

Questions

Q7. Should the CFA be the third-party administrator for the subsidy? The CFA's role would include accounting functions such as collecting and disbursing funds to eligible ISPs based on a schedule provided by the Commission. If not, please suggest an alternative and provide a rationale.¹¹

Q8. Should the third-party administrator have additional roles or responsibilities? If so, what should they be?

Q9. How should ISPs register with the Commission to receive this subsidy?

Q10. Are any changes or additions to the Commission's proposed roles and responsibilities needed regarding this subsidy? If so, what are they?

Distribution of funds

23. The Commission considers that the schedule for the disbursement of funds should balance the administrative burden for ISPs against their financial capacity to provide the subsidy to eligible subscribers on a monthly basis.

24. Additionally, if the CFA is selected as the third-party administrator, it should collect and disburse funds according to the current procedures for the operation of the NCF outlined in Telecom Decision 2021-288. This would ensure that implementing the subsidy does not disrupt existing programs funded through the NCF.

25. The Commission invites comments on what data must be provided by ISPs to the third-party administrator for the monthly subsidy payments to be distributed. At a minimum, subscriber counts will be required.

Questions

Q11. Beyond subscriber counts, should any other data be reported by ISPs to the third-party administrator to calculate the amount of subsidy funds to be disbursed? Please provide supporting rationale.

Q12. How frequently should the third-party administrator disburse subsidy funds to ISPs? Please provide supporting rationale.

Measures to promote transparency and accountability

26. The Commission seeks to ensure that the full value of the subsidy is passed along to eligible subscribers. Improving transparency and accountability for all involved parties is intended to support this effort.

¹¹ Subsection 46.5(2) of the Act requires the Commission to designate an administrator for the funds. Paragraph 46.5(3)(a) allows the Commission to regulate how the administrator manages the fund.

27. The Commission has identified the following risks of subsidy funds being diverted from their intended purpose:
- price increases of non-rate regulated services; and
 - overstatements of the number of subscribers.
28. To improve transparency and ensure that the full value of the subsidy is passed on to eligible subscribers, the Commission is of the preliminary view that ISPs should be required to list the subsidy as a separate line item on subscribers' monthly bills.
29. The Commission could also exercise its authority under sections 24 and 24.1 of the Act¹² to impose conditions to prevent price increases following the introduction of the subsidy.
30. To protect against the risk of ISPs overstating their subscriber counts, the Commission could establish an auditing framework for this subsidy.
31. Finally, the Commission could also require ISPs to report additional information in its annual surveys. This would allow the Commission to ensure the accuracy of monthly reports submitted by eligible ISPs to the third-party administrator.

Questions

Q13. To ensure that the full value of the subsidy is passed on to subscribers, should the Commission impose conditions of service under sections 24 and 24.1 of the Act on ISPs?

- (a) If so, identify what conditions would be appropriate, with supporting rationale.

Q14. What other measures beyond conditions of service can the Commission implement to ensure that the full value of the subsidy is passed on to subscribers?

Q15. Should an audit function be introduced to verify the information submitted by ISPs to the third-party administrator?

- (a) Who should be responsible for performing or contracting the audit?

¹² Section 24 of the Act reads: "The offering and provision of any telecommunications service by a Canadian carrier are subject to any conditions imposed by the Commission or included in a tariff approved by the Commission."

Section 24.1 of the Act reads: "The offering and provision of any telecommunications service by any person other than a Canadian carrier are subject to any conditions imposed by the Commission, including those relating to (a) service terms and conditions in contracts with users of telecommunications services; (b) protection of the privacy of those users; (c) access to emergency services; and (d) access to telecommunications services by persons with disabilities."

(b) How frequently should audits occur (e.g., annually, semi-annually, on an ad-hoc basis, etc.)?

Q16. What information should eligible ISPs be required to submit to the Commission to ensure their monthly reporting to the administrator of the subsidy is accurate?

Q17. How can determinations made in this proceeding take into account the requirements of the [Internet Code](#),¹³ particularly the obligation that service providers must ensure that the prices set out in their offers and contracts are clear, including prices related to promotions, discounts, incentives, other time-limited offers, and bundles?

The Commission's approach to monitoring

32. Ongoing monitoring will allow the Commission to determine whether the subsidy is fulfilling its intended goal of improving the affordability of Internet services in the Far North.
33. In the proceeding leading to Telecom Regulatory Policy 2025-9, the Commission decided that it would determine the best approach to monitor the subsidy's ongoing effectiveness in a follow-up proceeding.
34. The Commission has a variety of existing reporting mechanisms that could be used for monitoring purposes, including the Annual Telecommunications Survey¹⁴ and the Annual Pricing Survey.¹⁵

Questions

Q18. How can the Commission most efficiently monitor this subsidy?

Q19. Is there another source of publicly available information, other than the Commission's Annual Pricing Survey and the Annual Telecommunications Survey, that could be appropriate to support the monitoring of the subsidy's effectiveness?

Q20. When should a review of the subsidy take place?

Q21. What should be the scope of the review?

¹³ The Commission created the Internet Code so that customers of retail fixed Internet access services are better informed of their rights and responsibilities contained in their contracts with ISPs.

¹⁴ The Annual Telecommunications Survey is an annual survey completed by all telecommunications entities to collect a variety of annual financial data.

¹⁵ The Annual Pricing Survey is an annual survey completed by service providers that offer either local and access, Internet, broadcasting distribution undertaking, or wireless services to capture a snapshot of monthly plan prices across Canada.

What you need to know to participate in this proceeding

Procedure

35. The [Canadian Radio-television and Telecommunications Commission \[CRTC\] Rules of Practice and Procedure](#) (the Rules of Procedure) apply to this proceeding. The Guidelines on the CRTC Rules of Practice and Procedure (Broadcasting and Telecom Information Bulletin 2010-959) are meant to help members of the public understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.

Submitting an intervention

36. The Commission invites comments that address the issues and questions set out above. The Commission will accept comments that it receives on or before **18 February 2025**.
37. Interested persons who require assistance submitting comments can contact the Commission's Hearings & Public Proceedings group at hearing@crtc.gc.ca.
38. First Nations, Inuit, and Métis peoples and organizations requiring assistance submitting comments, including oral interventions, can contact the Commission's Indigenous Relations Team at era-irt@crtc.gc.ca.
39. Interested persons who file an intervention automatically become a party to this proceeding. Only parties to the proceeding can participate in further stages of the proceeding.
40. Submissions must be filed by sending them to the Secretary General of the Commission using only one of the following means:
- completing the Commission's [intervention form](#);
 - sending a fax to 819-994-0218; or
 - writing by mail to CRTC, Ottawa–Gatineau, Ontario K1A 0N2.
41. Submissions longer than five pages should include a summary. Submissions will be posted in the official language and format in which they are received.
42. The deadline to submit an intervention to the Commission is 5 p.m. Vancouver time (8 p.m. Ottawa–Gatineau time). Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions will not be considered by the Commission and will not be made part of the public record.

Submitting a reply

43. Parties can file replies with the Commission by **28 February 2025**. Their replies can address any matters on the record of the proceeding.
44. The CTCC and telecommunications service providers that contribute to the NCF are made parties to this proceeding.

Privacy notice

45. Please note the following:

- Documents will be posted on the Commission's website exactly as received. This includes any personal information contained in them, such as full names, email addresses, postal/street addresses, and telephone and fax numbers.
- All personal information parties provide as part of this public proceeding, except information designated as confidential, will be posted on the Commission's website and can be accessed by others.
- However, the information parties provide can only be accessed from the web page of this particular public proceeding. As a result, a general search of the Commission's website using either its search engine or a third-party search engine will not provide access to the information that was provided as part of this public proceeding.
- The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission or for a use consistent with that purpose.

Confidentiality

46. The Commission's proceedings are designed to allow members of the public to provide input so that it can make better, more informed decisions. As a result, the general rule is that all information filed with the Commission is placed on the public record and can be reviewed by all parties and members of the public.
47. However, the Commission also often needs detailed information from the companies it regulates and supervises to make an informed decision. This information can be commercially sensitive, especially as the environment in which the companies operate becomes more competitive. The Commission will therefore accept certain information as confidential.
48. Parties can request that information be filed in confidence under subsection 39(1) of the Act with a detailed rationale as to why that information should be considered confidential. The Commission reminds parties that make such a request that when a document is filed with confidential information, an abridged version must also be filed so that it can be included in the public record.

Accessible formats for people with disabilities

49. The Commission requires regulated entities and encourages all parties to file submissions in accessible formats (for example, text-based file formats that enable text to be enlarged or modified or read by screen readers) for this proceeding. To help in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.
50. If submitted documents have not been filed in accessible formats, you can contact the Commission's Hearings & Public Proceedings group at hearing@crtc.gc.ca to request that Commission staff obtain those documents in accessible formats from the party that originally submitted the documents in question.

Accessing documents

51. Links to interventions, as well as other documents referred to in this notice, are available on the Commission's "[Consultations and hearings: have your say](#)" page.
52. Documents are available upon request during normal business hours by contacting:

Documentation Centre
Examinationroom@crtc.gc.ca
Tel.: 819-997-4389
Fax: 819-994-0218

Client Services
Toll-free telephone: 1-877-249-2782
Toll-free TTY: 1-877-909-2782

53. Interested persons can find electronic versions of the documents by clicking on "[\[Submit an intervention or view related documents\]](#)" at the top of this notice.

Conclusion

54. The Commission approved, by majority decision, the issuance of this notice of consultation. The dissenting opinion of Commissioner Claire Anderson is attached.

Secretary General

Related documents

- *Telecommunications in the Far North*, Telecom Regulatory Policy CRTC 2025-9, 16 January 2025
- *Call for comments – Telecommunications in the Far North, Phase II*, Telecom Notice of Consultation CRTC 2022-147, 8 June 2022, as amended by Telecom Notices of Consultation CRTC 2022-147-1, 14 July 2022; 2022-147-2, 24 October 2022; 2022-147-3, 13 October 2023 and 2022-147-4, 24 November 2023

- *Revised Procedures for the Operation of the National Contribution Fund, effective 16 August 2021*, Telecom Decision CRTC 2021-288, 16 August 2021
- *Modern telecommunications services – The path forward for Canada’s digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000

Dissenting opinion of Commissioner Claire Anderson

1. I deeply disagree that the most meaningful and effective means of achieving affordable and accessible telecommunications services in the North is to provide a uniform subsidy to all telecommunications service providers. Throughout the [Telecommunications in the Far North proceeding](#), the strong view expressed by northerners was that the introduction of competition was the preferred path for achieving the regions' important social, economic and consumer objectives rather than a subsidy. Competition was viewed as the better approach to facilitating community-based and Indigenous-owned economic opportunities, which in turn would lead to greater local job creation, better service packages, improved customer service and affordability.
2. Supporting competition in the North would have followed decades of precedent decisions, where the Commission acknowledged that people in the North are entitled to the same benefits of competition and consumer choice as the rest of Canadians.
3. My reasons for supporting a mandated competitive framework are set out in my dissenting opinion attached to Telecom Regulatory Policy 2025-9, which was released today.