

Internet service competition heats up in Yellowknife

by Meagan Wohlberg

With a successful telecommunications board win under its belt, the NWT's second and only internet service provider to compete with Northwestel's monopoly is boosting its services starting this month in Yellowknife.

NWT-based SSi Micro launched four new internet plans for Yellowknife customers last week, reducing entry level service to the lowest price in Yellowknife and increasing usage by 300 per cent on its standard home plan.

The services range from the "Snowshoe," a light internet use plan, to the "Ice Road" package for those who need "truckloads" of data. The "Dog Team" is the standard package, while the "Bush Plane" offers extra bandwidth for downloads and streaming.

The expansion comes after a three-year legal battle led by SSi to lower the costs of using Northwestel's backbone infrastructure in the North, where it has a monopoly on telecommunications.

Northwestel was recently ordered by the Canadian Radio-television Telecommunications Commission (CRTC) to reduce the wholesale rates it charges competitors to use its fibre backbone connecting Yellowknife to the rest of the system.

"They were selling to their own retail customers gigabytes, data, every month at a price that was seven times lower than they were selling to us on a wholesale level," said Dean Proctor, chief development officer with SSi. "That was what the nature of the battle was about, was to make certain that they not use an asset, being their monopoly backbone for which they receive public funding, to squeeze out competitors. That's an outright violation of the Telecommunications Act."

After dropping the cost significantly, SSi was able to increase the usage cap for its residential internet plan from 8GB to 20GB at no cost to customers.

Though an appeal by Northwestel delayed SSi once more in expanding its provision, those matters have since been clarified, meaning SSi will be gradually improving its services throughout the NWT.

Jeff Philipp, founder and CEO of SSi, said the "tons of money" spent on the legal fight and the loss of customers due to Northwestel's old wholesale rates are now worth it, for both customers and competitors.

"Fair competition works across the board," he said. "We'll keep fighting, leveling the playing field one service at a time."

Proctor said barriers still exist to what his company can provide – including backbone prices that he'd like to see come down further – but indicated that SSi continues to chip away at certain areas like mobile internet and landline services.

"Over the last three years, we have acquired spectrum to allow us to provide mobile service, so we'll be rolling into



Photo: SSi Micro

The team of SSi Micro is looking forward to expanding its broadband internet services in Yellowknife.

that, and that leads to smartphones and all sorts of innovative products," Proctor said.

When it comes to voice services to the home and office, SSi will soon be able to compete with Northwestel for the first time now that Northwestel's monopoly on voice – the last in the Western world to be protected by regulation – is being opened up.

"We actually had to intervene with the CRTC to request they open up the North to competition in the voice market, and they agreed to that," Proctor said. "So we have to put in facilities that connect with Northwestel's, so that our customers who are making voice calls can talk to Northwestel customers. That involves a pipe back and forth between our networks, so we're working to put those pipes in place."

Also, because the battle with Northwestel was over all fibre-served communities, SSi will now be able to move back into the remote areas it was pushed out of.

"Up until now, the only fibre-served community that we had was Yellowknife, because that was the only community we could actually afford to put onto the fibre backbone, and even that was far too expensive," Proctor said. "So other communities in the south of the North that are connected to fibre, you can certainly expect us to be expanding into them."

He was unable to give timelines, but said it would be done on a methodical basis.

Despite years of delays, Proctor said SSi stuck with the lengthy and costly process because of its commitment to Northerners, established over 50 years since its foundation in Fort Providence.

"Jeff has always had a passion to make sure that the smaller communities in the North, including the one he comes from, have service equivalent to and even better than one will find in southern Canada or some of the larger centres in the North," Proctor said of Philipp. "So there's a real passion and determination to make certain that no community's left behind in terms of advances in technology."