

SSI Micro vs. Goliath

A Yellowknife ISP is mad as hell and is not going to take it anymore

Northerners are used to paying a premium on everything, but one company is putting that view to the test. Last month, Yellowknife-based Internet provider SSI Micro filed an

application with the CRTC accusing Northwestel of "egregious overpricing." SSI Micro was referring to how Northwestel, which owns the only Internet pipe from the NWT to

Alberta, charges companies like SSI for access to Internet originating from the south.

The problem, according to SSI president Jeff Phillip, is that the price SSI pays for backbone connectivity is "3,000 per cent higher" than what southern-based ISPs pay Northwestel.

So why's this a big deal? Because the lower-efficiency, high-cost types of Internet connectivity made available to SSI Micro by Northwestel are making it harder for SSI to survive in the Yellowknife Internet market, claims Phillip. Services that are par for the course down south, like Voice, can still be offered by SSI, but whether they run smoothly is another story, he added.

"We have no problem competing in the marketplace as long as it's a fair playing field," says Phillip. "But when our costs are significantly higher than Northwestel's, and when they can't be justified, we need somebody to step in and look at those costs."

In addition to asking the CRTC to equalize the rates paid for backbone connectivity among all ISPs - north and south - SSI is also requesting the CRTC revisit a previous decision that deregulated Northwestel's sale of backbone connectivity. "If backbone connectivity is not controlled, and if there is a monopoly allowed to remain controlling it, with no pricing regulation, then there will be no competition," says Phillip.

Comparing the cost of maintaining SSI Micro's closely-intertwined Yellowknife infrastructure with that of Northwestel - which services communities in Alberta, the Yukon, the Northwest Territories and Nunavut - is not fair, says Northwestel rep Emily Younker. "Our operating area covers close to 400 million square kilometres and it's over some of the roughest terrain in Canada."

If SSI Micro wins the argument, other Internet retailers may open shop up north. Bring it on, says Phillip. But if the CRTC doesn't rule in favor of Phillip's company, then SSI will focus on developing its services in other markets like Nunavut. "If nobody wants to step in to say, 'No, this is wrong,' then we won't invest that money into Yellowknife," says Phillip. A decision from the CRTC is not likely to come for another three months, says Peggy Nebout, a spokesperson for the commission. **EN**

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