

January 11, 2000

Governor in Council
c/o The Honourable John Manley
Minister of Industry
Government of Canada
235 Queen Street
OTTAWA ON K1A 0H5

Dear Mr. Manley:

Re: CRTC Telecom Decision 99-16: Telephone Service to High-Cost Serving Areas

With this letter of appeal, the Canadian Co-operative Association, Saskatchewan Region, requests the federal Cabinet to overturn the Canadian Radio-television and Telecommunications Commission's *Telecom Decision 99-16*, dealing with telephone service to high-cost serving areas.

In its decision, the CRTC directed that telephone companies must provide basic telephone service to all Canadians. The Canadian Co-operative Association, Saskatchewan Region (CCA Saskatchewan) supports this concept of universal service, but we believe that without a national subsidy mechanism as advocated in our earlier communications, unacceptable inequities in the cost of service will result.

In our June 2, 1998 submission to the CRTC Hearing in Prince Albert, and in our March 2, 1999 letter to you, we emphasized the importance of a telecommunications system that is accessible by all individuals and businesses, and affordable to all. We advocated for the development of a national universal service fund to which all telecommunications service providers could contribute, in order to equitably provide and sustain service in all areas. In Decision 99-16, the CRTC rejected this concept.

As you know, Mr. Manley, the geography of Saskatchewan provides a challenge to many types of service providers. With a large rural and northern area, and a relatively small urban population, the CRTC decision will likely result in significantly higher rates here than in many other areas of the country. This result would contradict the Canadian government's own desire for universal affordable telecommunications service.

We urge the Cabinet to overturn Decision 99-16, and to direct the CRTC to establish a national universal service fund that would provide all Canadians, regardless of where they live, with high quality service at comparable rates.

Once again we re-iterate that the competitive marketplace alone does not always provide accessible, quality, affordable service to citizens. The federal government and the CRTC have a key responsibility to balance competitive needs with the needs of individuals and small enterprises in rural and northern areas.

This position is shared by the member organizations of CCA Saskatchewan, which represent nearly one million individual co-operative memberships, employ an estimated 14,500 residents, and are active in a wide range of rural and urban sectors including financial services, retail/wholesale, agriculture and agri-food, health care and housing. The members of CCA Saskatchewan are: Federated Co-operatives Limited, Credit Union Central of Saskatchewan, Saskatchewan Wheat Pool, The Co-operators Insurance Group, Co-operative Trust Company of Canada, CUMIS Insurance, Dairyworld Foods, Community Health Co-operative Federation, Saskatchewan Federation of Production Co-operatives, and the Co-operative Housing Federation of Canada.

Sincerely,

Vern Pusch, Chair
Saskatchewan Region Council

copy:

Ms. Francoise Bertrand, Chairperson, CRTC
The Honourable Andy Mitchell, Secretary of State (Rural Development, with
responsibility for co-operatives)
The Honourable Ralph Goodale, Member of Parliament, Wascana
The Honourable Jack Hillson, Minister of Intergovernmental and Aboriginal Affairs
The Honourable Janice MacKinnon, Minister of Economic and Co-operative Development
Mr. Bill Turner, President, Canadian Co-operative Association