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CRTC to open hearing on northern phone rates

By: **Howard Solomon** On: 03 Oct 2011 For: Network World Canada [NetworkWorld+](#)

NorthwestTel, the region's incumbent phone company, is asking for a \$2 a month hike in residential and business fees. But a competitor says it's time to end the monopoly

Northern Canada can be a forbidding place for a telecommunications operator: harsh weather, sparse population and high expenses.

On Wednesday, **NorthwestTel Inc.**, the region's incumbent local carrier, will face the start of a two-day **regulatory hearing** in Yellowknife into its request to raise its rates to businesses and homes by \$2 a month starting Jan. 1.

The hearing should be contentious. NorthwestTel – a division of BCE Inc.'s Bell Canada -- wants the Canadian Radio-television and Telecommunications Commission (CRTC) to extend its monopoly in the north. But at least one competitor, Yellowknife-based fixed wireless operator, SSI Micro Ltd., says things have to change.

"SSi is stymied in the products and services we offer consumers because local competition is still not allowed in NorthwestTel's serving territory," its written submission says in part.

As an example, it says, SSI's Meet Online product is not allowed to connect to NorthwestTel's network, "a regulatory incongruity that stifles innovation, that hurts northern consumers."

SSi has deployed satellite and broadband wireless for VoIP, Internet and related services to organizations and residents in 56 communities in Nunavut and the Northwest Territories. With local interconnection, it says it could offer more competitive voice services.

NorthwestTel says that to implement local competition along the regulatory lines in the rest of Canada it would have to replace 56 of its 78 switches and upgrade other network components.

To help NorthwestTel face its challenges the telco, gets over \$20 million a year in subsidies. In exchange, the CRTC has imposed a five-year price cap on rates.

According to the **SeaBoard Group**, a Montreal-based telecommunications consultancy, people in Yellowknife pay \$31.33 a month for basic phone service compared to \$29.92 a month in Montreal. But Montreal subscribers get call display and call waiting included in their fee.

In a public opinion paper issued Monday, SeaBoard says its time to end NorthwestTel's monopoly in the north and order it to offer facilities to competitors at "reasonable rates."

"Let the sun set on this last vestige of government-sanctioned buccaneering," says SeaBoard.

NorthwestTel provides phone service to 116,000 people in 96 communities across four time zones in the Northwest Territories, Yukon and Nuvaut, British Columbia and Alberta.

No one doubts the challenges NorthwestTel faces: Small communities that can't afford even a part-time technician, 31 communities that can only be reached by air, a dozen communities with roads open five months or less a year, Thirty-nine communities don't have landlines – they have phone service by satellite.

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