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## COMPETITION MAKES NORTHWESTEL IRRELEVANT

I just got off the phone with Vic Istchenko at CBC. We chatted about what the CRTC's ruling regarding competition in North means, and it got me thinking.

Northwestel really only exists for one reason: to exercise that old CRTC monopoly. Without the monopoly, the company quickly loses relevance. After all, it's a wholly-owned subsidiary of Bell Canada Enterprises (BCE), and likely only retains its own brand and identity because of the monopoly.

As a company, Northwestel depends on an absence of competition. It's a grossly bloated and inefficient organization that lacks the skills and know-how to compete in an unprotected market environment. Its inability to provide an expected level of quality of service at an open market rate are demonstrations of this. It's also why the CRTC is pulling the plug on the company.

Northwestel won't go away, but over the next 24 months it will become a much smaller and less relevant organization in the North. The layoffs we've seen over the last few weeks are just the beginning. I'm not certain Northwestel as a brand will exist in the North's major centres for much longer. It would be much wiser for BCE to implement the Bell brand up here, especially if Rogers and Telus begin offering services.

The one thing Northwestel has going for it is the market size of the North. Even in Canada, we're a speck of dust. So competitors may not be overly-eager to invest in efforts to steal a few thousand customers away from Northwestel. We'll certainly see local businesses, such as SSI Micro over in the Northwest Territories, jumping into the market with both feet, though.

Whatever happens, competition represents an identity crisis for Northwestel, and the company is not only going to have to work hard to compete, but also to redefine itself internally and externally. No more resting on laurels for this company.

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