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CRTC decision called ‘a good news story’

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Photo by Whitehorse Star

Roger Rondeau

Northwestel Inc. has been stripped of its long-held monopoly on telephone service across Canada’s North.

The three territories will be thrown open to local telephone competition, the Canadian Radio-television and Telecommunications Commission (CRTC) announced today.

“Residents in many parts of the Yukon, Northwest Territories and Nunavut will have the option to choose from competing telephone service providers as of May 1, 2012,” the commission said from Gatineau, Que.

“For the first time, many northern residents will be able to choose an alternate local telephone service provider,” said Leonard Katz, the CRTC’s vice-chairman of telecommunications.

“Competition will be introduced as soon as possible to bring choice and innovative options to Canada’s North.”

In its ruling, the CRTC has also denied Northwestel’s request to raise by \$2 the monthly rates for residential and business local telephone service.

“Such an increase is not justified at this time and is inconsistent with the current regulatory regime,” the commission said.

“Moreover, the CRTC found that Northwestel has insufficiently invested in its network despite its strong financial performance during the past few years, and is concerned that the company’s aging infrastructure is affecting the quality and reliability of its service.”

Northwestel must provide, within the next six months, a plan detailing how it will modernize its network.

This will form the basis of the CRTC’s comprehensive review of Northwestel’s infrastructure and services over the next two years.

“We are disappointed that Northwestel, which has until now been the sole provider of local telephone service in the North, has not made a greater effort to improve its services,” Katz added.

“Many communities have been plagued by service outages, and certain features are not widely available to customers.

“Northern residents deserve to have access to reliable and high-quality services comparable to those offered in the rest of the country.”

During the next two years, the CRTC will closely monitor the situation in the North as local competition is implemented.

Today’s decision follows a proceeding that included a public hearing that was held Oct. 4-5 in Yellowknife.

The CRTC is an independent public authority that regulates and supervises broadcasting and telecommunications in Canada.

In a move that caught its employees off-guard, Northwestel announced Nov. 22 it was slashing 29 jobs across the North.

It refused to specify how many Yukon-based employees suddenly lost their jobs, calling it “an internal matter.” The company did say not all the positions it has eliminated were staffed.

“We received the decision at the same time as the public,” said Emily Yonker, a spokesperson for Northwestel. “We are going to need some time to review it with our regulatory branch.”

Roger Rondeau of the Whitehorse-based Utilities Consumers’ Group praised the decision.

“It’s a good news story – local competition and no increase in rates are great things,” he told the Star this morning.

“For us, it’s a start. The next thing will be Internet competition.

“Competition in general brings in lower costs for the consumers and also encourages innovation and efficiency.”

Rondeau attended the CRTC hearings in Yellowknife.

“It was very interesting; the CRTC heard it loud and clear from all the intervenors who were there that competition is important and should be allowed in the North,” he said.

Steve Bapty, the president of the International Brotherhood of Electrical Workers union, which represents many Northwestel employees, said late this morning he hadn’t read the CRTC’s decision yet and could not comment on its implications on the company’s estimated 600 employees across the North.

The CRTC is an independent public authority that regulates and supervises broadcasting and telecommunications in Canada.

Northwestel provides telecommunications and entertainment services in the Northwest Territories, Nunavut, the Yukon, northern British Columbia and High Level, Alta.

The company’s operations span nearly four million square kilometres of the most remote and rugged areas of Canada.

– With files from Ashley Joannou.