

A Message to our Customers

Review of Northwestel's Regulatory Framework

The Canadian Radio-television and Telecommunications Commission (CRTC) has initiated a proceeding to review Northwestel's regulatory framework. This includes pricing on services such as your telephone access and calling features. The review will include a public hearing in Yellowknife, Northwest Territories on October 4th, 2011.

Some items to be reviewed are funding for providing service to high-cost serving areas, changes to rates for residential and business local access services, changing rates that competitors pay Northwestel to terminate their long distance toll traffic in the North, and whether the industry should help fund a service improvement program which would bring features such as call display to the remaining communities in the far North that do not have these services today.

Here are highlights of Northwestel's proposal and how you can provide your views to the CRTC. If you would like to review the complete proposal, visit <http://www.nwtel.ca/northwestel-policies/regulatory-framework/>.

Northwestel believes these proposed changes will balance rates that consumers pay, with subsidy paid by the industry, to ensure the following for all residents of the North:

- access to reasonably comparable services at reasonably comparable prices to those available elsewhere in Canada
- access to a northern-based full service provider that can understand and address their unique requirements

Highlights of the proposal include:

Rate Restructuring

Under Northwestel's proposal, to be consistent with other areas of Canada, it is necessary to move rates closer to the cost of providing service.

Proposed rate changes for local telephone service would include:

- \$2.00 per month for individual line residential service; and
- \$2.00 per month for individual line and multi-line business services

There have been no changes to Northwestel's residential local telephone service rates for five years. Although these proposed local rate increases would bring rates closer to the actual costs of providing service, it is Northwestel's view that residential service continues to be priced below cost.

Northwestel is also proposing to reduce the per minute teleconference rate from \$0.35 to \$0.17.

Service Improvement Plan (SIP)

Northwestel is proposing a SIP which, if approved, would provide enhanced calling features like call display to the remaining communities in the far North that do not currently have these services. Northwestel is also proposing to replace facilities in the Upper Halfway region of northern BC. Northwestel is proposing that the telecommunications industry subsidy called the National Contribution Fund help support these projects.



Long Distance Competition

Northwestel is proposing to reduce the per minute rate that long distance competitors pay Northwestel to use its network for their long distance toll traffic. This would reduce the cost to competitors to offer toll plans and other toll services in the North.

Local Competition

Local number portability would allow your number to be moved from one service provider to another if another service provider wanted to offer local services in your community. In the south, customers pay for much of the costs to introduce number portability through rate increases on services, and Northwestel believes higher costs would not justify the benefits of number portability for consumers.

Northwestel believes its proposal is a balanced approach which will help ensure similar availability and quality of services across all communities of the far North.

Further Information

Northwestel's complete proposal is available for review on the company's website and at the following Northwestel offices during normal business hours, in the following locations:

Iqaluit
Building 183
Tel: (867) 979-4917

Whitehorse
301 Lambert Street
Tel: (867) 668-5300

Yellowknife
2nd Floor, 5201 50th Ave.
Tel: (867) 920-3500

As well, you can view the proposal on the CRTC's website at <http://www.crtc.gc.ca/eng/archive/2011/2011-302.htm> by clicking on the file number 8678-C12-201107714.

The public hearing will begin on October 4th, 2011 at 9 a.m. in the Copper Room of The Yellowknife Inn, 5010 49th Street, Yellowknife, Northwest Territories and is expected to last approximately three days. Please note that an audio link will be available throughout the hearing on the CRTC's website at www.crtc.gc.ca.

If you would like to appear at the public hearing, you must submit your comments to the CRTC along with a request to appear at the hearing. If you cannot attend the hearing in person, you may request to appear via teleconference or videoconference. Your comments and request must be received at the CRTC by no later than **August 22, 2011** at 5:00 p.m. Vancouver time (8 p.m. Ottawa time).

Your comments and request may be made on the CRTC's website (see above), or by writing to the Secretary General (by mail: CRTC, Ottawa, Ontario, K1A 0N2; by fax: 819-994-0218). Your comments must include your name, address, email address (if available) and phone number. If you are selected to make a presentation at the hearing, the CRTC will contact you with the details.

Alternatively, if you would like to provide only written comments on the company's proposal, you may do so by using the link on the CRTC's website provided above or by writing to the Secretary General (see above). Written comments must be received by **September 2, 2011**.