

Item

731 DIGITAL COMMUNICATIONS NETWORK SERVICE TO ARDICOM DIGITAL COMMUNICATIONS INC.

(N)

Description

1. This service provides ARDICOM Digital Communications Inc. (ARDICOM) with a frame relay network interconnection 58 communities in the Northwest Territories (the "Service")

Definitions

2. Permanent Virtual Circuits (PVCs) provide connectivity among the distributed customer data equipment using logical connections.
3. **Guaranteed Bandwidth** refers to customer specified bandwidth for which transmission throughout has been guaranteed on a Permanent Virtual Circuit (PVC) basis. Bandwidth is measured in bits per second.
4. **Network Management** provides for monitoring, controlling and documenting system performance and problem resolution. It allows for creation and deletion of Permanent Virtual Circuits (PVCs), reconfiguration to adjust the bandwidth available to each PVC and the priority of
5. **Central Office** refers to the Northwestel telephone exchange building within a community.

Service Conditions

6. Additional terms and conditions apply as stipulated in the Frame Relay Service sub-contract between Northwestel and ARDICOM, including certain exceptions to the Terms of Service.
7. ARDICOM is not permitted to resell the Service to any party other than the Government of the Northwest Territories (GNWT). Pursuant to the Digital Communications Network Agreement between ARDICOM Digital Communications Inc. and the GNWT, no sharing of this Service is permitted.
8. The Service will be provisioned within its operating limitations and equipment capabilities.
9. The initial term shall be for no less than 5 years from the date the service is available to ARDICOM. After the initial contract period has expired, the Service will automatically renew for successive two-year terms unless either party gives written notice to the other 13 months prior to the end of the 5-year term or 210 days from the end of any then current renewal term.

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Service Conditions (cont'd)

10. Physical access to the Frame Relay Service is provided through the Company's Digital Network Access Service (CRTC 3010, Item 732). Alternate physical access arrangements may be provided at the Company's discretion.
11. The customer is solely responsible for the installation, operation and maintenance of customer premise equipment.
12. The Data Serving Unit (DSU) may be provided by Northwestel (as per CRTC 3003, Item 1113 & 1114) or the customer.
13. Customer provided data serving units attached to Northwestel's network must be connected through a certified network protection device in accordance with the terminal attachment standards of Northwestel.
14. Network availability and service level credits are subject to the terms and conditions stipulated in the Frame Relay Services sub-contract between Northwestel and ARDICOM.

15. Service Level Credits

Performance of the network below the service levels specified in the contract between ARDICOM and GNWT will be quantified and assessed as service level credits. Unless otherwise stated herein, the credits will be calculated on a per month, per community basis. The service level credits will be passed onto ARDICOM by Northwestel as specified in Article 2.4 of the agreement.

(a) Network Availability

In the event that a service level for network availability is not met by ARDICOM, the GNWT will be entitled to receive service level credits. The credits will be in the form of a percentage discount applied to the following costs:

- i) Transmission Costs specified in Article 3.1(b);
- ii) Incremental Transmission Costs specified in Schedule "D", Article 2(a); and
- iii) Additional Access Costs specified in Schedule "D", Article 2(b).

In the event that service level credits are due to GNWT, as related to Transmission Costs and Incremental Transmission Costs on a per month, per PVC guaranteed and non-guaranteed basis, discounts will apply as in the following table:

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Months Outside Sun Transit Period		Months Within Sun Transit Period	
Network Availability	Discount – Transmission and Per Month/Per PVC Incremental Transmission Costs	Network Availability	Discount – Transmission and Per Month/Per PVC Incremental Transmission Costs
99.7%	0%	99.5%	0%
99.2%	10%	99.0%	10%
98.7%	20%	98.5%	20%
98.2%	30%	98.0%	30%
97.7%	40%	97.5%	40%
97.2%	50%	97.0%	50%
96.7%	60%	96.5%	60%
96.2%	70%	96.0%	70%
95.7%	80%	95.5%	80%
95.2%	90%	95.0%	90%
<95.0%	100%	<95.0%	100%

Discounts involving Incremental Transmission Costs on a per month, per PVC guaranteed and non-guaranteed basis will only apply to those PVC's for which the specified service levels have not been attained

In the event that service level credits are due to GNWT, as related to Incremental Transmission Costs on a per diem, per PVC guaranteed basis, ARDICOM will credit GNWT at the per diem rate for that guaranteed PVC which was affected by the non-attained service level.

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Service Conditions (cont'd)

In the event that service level credits are due to GNWT, as related to Additional Access costs, ARDICOM will credit GNWT according to Northwestel's current Terms of Service.

Other service level credit arrangements between ARDICOM and GNWT may be developed as required, and according to commercially reasonable expectations.

Rates

16. As an exception to the Terms of Service, the Company's limitations of liability are specified in Article 5.2 of the contract between ARDICOM and Northwestel where such limitations are different from that specified in the Terms of Service.
17. The following rates and charges reflect a long-term service commitment between ARDICOM and Northwestel. Equipment costs are identified in Table 1.0. Transmission, access and implementation charges are identified in Tables 2.0 and 3.0. Network management, training, operation and maintenance costs are provided in Table 4.0. Table 5.0 provides a summary of all five-year contractual requirements.

Table 1.0: Frame Relay Equipment Costs

<i>Services Included</i>	<i>Contract Term</i>	<i>Monthly Rate</i>
Frame Relay Equipment Infrastructure installed in 58 communities (supports transport bandwidth ranging from DS-0 to DS-1 for each community)	5 years	\$94,166.00 per month

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Rates (cont'd)

Table 2.0: Transmission Costs Between Communities – Minimum Contractual Requirement

<u>Services</u>	<u>Contract Term</u>	<u>Rates</u>
Minimum Contractual Requirement for Transmission Bandwidth: Three bi-directional Permanent Virtual Circuits (PVCs) per community. All PVCs hubbed to Yellowknife. No guaranteed bandwidth per PVC.	5 years	\$1,071.00 per month per community (3 bi-directional PVCs)

Note 1: Per community charges apply immediately upon the completion of the core frame-relay installation for that community (i.e. Central Office based electronics). The provision of Digital Network Access (DNA) service and appropriate Customer Premise Equipment (CPE) are not part of the core frame-relay installation.

Note 2: There is no incremental charge for PVCs used locally.

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Rates (cont'd)

Table 3.0: Optional Incremental Transmission Services

<u>Optional Incremental Transmission Services</u> (Note 1)	<u>Contract Term</u>	<u>Rates</u>
Incremental simplex (one-direction) PVCs. All PVCs hubbed to Yellowknife. No guaranteed bandwidth per PVC>	Monthly	\$178.00 per month per simplex PVC.
Guaranteed bandwidth between NWT communities and Yellowknife. All PVCs hubbed to Yellowknife	Per Day (24-hour duration)	\$30.80 per day for each guaranteed simplex DS-0 within a given PVC.
Guaranteed bandwidth between NWT communities and Yellowknife. All PVCs hubbed to Yellowknife.	Per Month	\$308.00 per month for each guaranteed simplex DS-0 within a given PVC.

Note 1: The rates in Table 3.0 are doubled if the PVC is not hubbed to Yellowknife. Each simplex PVC contains a source and a destination Data Link Connection Identifier (DLCI). A separate and chargeable simplex PVC is created each time a unique DLCI pair is assigned.

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Access Costs

Access to the Frame Relay Network is provided via Digital Network Access Service, CRTC 3010, Item 732

Table 4.0: Network Management, Training, Operation and Maintenance Rates

<i>Service Item</i>	<i>Contract Period</i>	<i>Monthly Rate</i>
Network Management	5 Years	Years 1-3: \$8,837.00 Years 4-5: \$4,418.00
Training	5 Years	Years 1-3: \$ 884.00 Years 4-5: \$ 442.00
Operations	5 Years	Years 1-3: \$5,303.00 Years 4-5: \$2,651.00
Maintenance	5 Years	Years 1-3: \$2,651.00 Years 4-5: \$1,326.00

The services included in Table 4.0 are not optional – they must be entered into concurrently with the 5-year contract for the Frame Relay equipment (Table 1.0) and the minimum transmission bandwidth (Table 2.0).

Table 5.0: Summary of 5-Year Contractual Requirements

<i>Service Item</i>	<i>Contract Period</i>	<i>Monthly Rate</i>
Frame Relay Equipment (Table 1.0)	5 Years	\$94,166.00 per month
Minimum Transmission Bandwidth: Three bi-directional PVCs per community (Table 2.0)	5 Years	\$1,071.00 per community
Table 4.0 (Network Management, Training, Operations and Maintenance)	5 Years	Years 1-3: \$17,675.00 Years 4-5: \$8,837.00