







Competitor offers 'reality check' on Northwestel's modernization plan

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YELLOWKNIFE – Broadband provider SSi is urging Canadians to take a close look at incumbent Northwestel's proposed 'modernization plan' which it says may just be too good to be true.

That plan, <u>announced earlier this month</u>, centres around a \$273 million Internet and wireless upgrade over five years to the 96 communities that it serves. But according to Yellowknife-based SSi, the "modernization" focuses on one-time capital expenditures to develop infrastructure, but does not include a plan for ongoing sustainability to ensure that the system will be affordable.



The company also took issue with Northwestel's use of CRTC subsidies to fund its own fibre backbone network, which it alleges are offered to its competitors "at discriminatory rates", and to deploy high speed wireless Internet in communities where competitors already do so.

In addition, Northwestel's suggestion that its plan hinges on the CRTC's approval of the proposed acquisition of Astral Media by parent company Bell Canada, means that "Northerners are being held hostage".

"Upon first glance, Northwestel's plan appears rather clever", said Jeff Phillip, founder and CEO of the SSi Group of Companies, in a statement. "It hints strongly that competition should be kept at bay so that Northwestel can meet its forecast revenues and invest in the promised upgrades. It

also attempts to redirect money for the broadcast industry into Bell's own pockets under the guise of tangible benefits to further block competition. Perhaps they thought nobody would see through it."

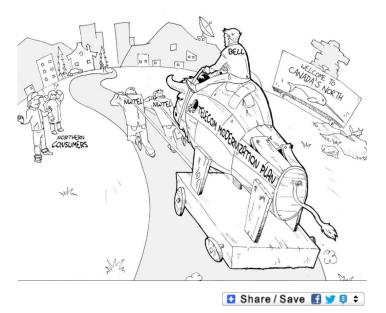
<u>Click here</u> for more on SSi's assessment of Northwestel's plan.

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