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## SSI Micro accuses NorthwesTel of discriminatory pricing

Complaint filed with CRTC against NorthwesTel and appeals to customers for support

**Thandie Vela**

Northern News Services

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### SOMBA K'E/YELLOWKNIFE

Yellowknife-based Internet service provider SSI Micro has filed a complaint with the Canadian Radio-television and Telecommunications Commission (CRTC) against NorthwesTel, accusing the telecommunications provider of discriminatory pricing.

In a letter to subscribers appealing for their support in SSI's application to the CRTC for intervention, the company accuses NorthwesTel of using its position as the sole provider of backbone connectivity services, "to eliminate SSI and other Internet providers as competitors in the Yellowknife Internet market."

To provide retail Internet services in Yellowknife, SSI Micro relies on NorthwesTel -- the owner of all fibre and microwave connectivity to the south -- for the backbone, or "backhaul" services, that connect the local Internet users to the rest of the world. For the service, NorthwesTel charges rates up to 30 times, or 3,000 per cent higher than rates in southern Canada, said Dean Proctor, chief development officer for SSI Micro.

"In the North, people have come to expect a bit of a premium but that does not mean 30 times higher," Proctor said. "It's just a massive disproportion from what pricing should be."

Among the requests in SSI's application to the CRTC, the company is requesting the commission to require NorthwesTel to offer backbone connectivity to Internet service providers operating in the North at no more than twice the market rate in the south.

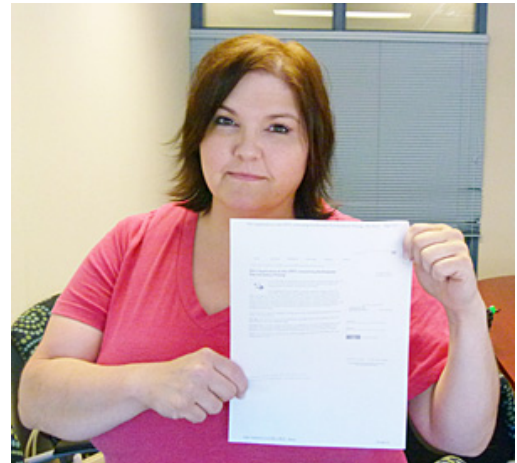
"There is no question that if NorthwesTel is obliged to lower its backhaul rates to rates we are asking the CRTC to put in place, that consumers will benefit from lower rates from us," Proctor said.

To date, the CRTC has taken a light-handed approach to regulation in the North, he added, "thinking that people can negotiate fair rates."

"When pricing is that far off, there is really not much negotiating happening," Proctor said, adding following the expiration of SSI's current backhaul contract with NorthwesTel last August, negotiations were started to renew the contract, to no avail.

"When things are this far out of whack, somebody is taking advantage of the situation because they are the only provider of that service," Proctor said. "Punishing us on that highway transport makes us a less effective competitor locally."

Yellowknifer Jennifer Pagonis, who is a member of SSI's Facebook group called Northern Telecommunications: Finding a fair model, said after 13 years of SSI Internet subscription, she was forced to switch to NorthwesTel to accommodate her family's increasing Internet usage.



Yellowknifer Jennifer Pagonis is writing a letter in support of SSI Micro's complaint against NorthwesTel, filed to the Canadian Radio-television and Telecommunications Commission. - Thandie Vela/NNSL photo

## SSI Micro accuses NorthwesTel of discriminatory pricing

"(SSI Micro) was not able to provide me with the service package that I needed for my usage, at a reasonable rate," Pagonis said. "It's sad that I had to leave after all those years of being a customer with them and it wasn't their fault. Basically their hands were tied," Pagonis said, adding that is why she is submitting a letter to the CRTC in support of SSI Micro's application.

John Ondrack, past president of the Yellowknife Chamber of Commerce, the NWT Chamber of Commerce, and the NTnet Society, is one of the customers that has opted for many years to pay a premium for Internet services in support of SSI Micro.

"I don't believe the general public is very loyal when it comes to price and that's not just in Yellowknife," Ondrack said. "In the longterm that can come back and haunt you when monopolies are formed and price competition ceases."

Ondrack also submitted a letter in support of SSI Micro.

The deadline for submissions was Monday. By the end of the day, CRTC online records showed eight interventions had been filed by Yellowknifers.

The CRTC declined to provide an interview on the weight of citizen interventions in the complaint process because it is still an open file, but confirmed that every submission is considered.

NorthwesTel has also submitted documents based on this case to the CRTC which spokesperson Emily Younker said are confidential. The company had no specific comment on SSI's allegations of discriminatory pricing, she said.

"I think it's up to the CRTC to judge what's fair and we trust they will deal with this accordingly," Younker said, adding NorthwesTel is in support of SSI's appeal to customers.

"I believe they are soliciting support from their customers which we always encourage because we support the work they do," Younker said.



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