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Northwestel to CRTC: we're ready to compete Northern telcom says it's invested \$435 million over past decade

NUNATSIAQ NEWS

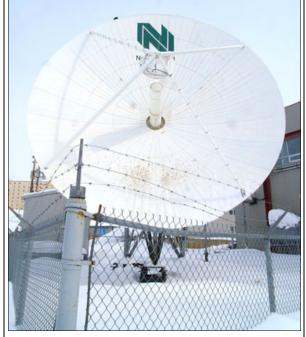
Northwestel said Dec. 16 that it has made significant changes to meet future challenges in the North by spending \$435 million on its northern infrastructure over the past decade, and that they're ready and willing to face competition.

That's part of Northwestel's response to a recent decision of the Canadian Radiotelevision Telecommunications Commission that essentially opened Nunavut and other northern territories to local telephone competition.

The CRTC decision, released Dec. 14, said that Northwestel had not made sufficient investments in its network in recent years.

"We are confused and disappointed with portions of the decision," said Paul Flaherty, Northwestel's president and CEO, in a Dec. 16 company release. "We have invested extensively in our network... far above industry

standards on a per customer basis.



Responding to a CRTC decision this week. Northwestel says it has "invested extensively in our network...far above industry standards on a per customer basis." (FILE PHOTO)

"We continue to review this decision carefully as we decide our next course of action."

Northwestel said the CRTC acknowledged that its capital spending was in line with industry standards, but then said the company had insufficiently invested in its network.

In the release, Northwestel acknowledged that local telephone competition is a result of changing business markets and customer demand.

The company pointed out that residents in Nunavut already have the option to choose other internet, long distance and wireless providers where competitors have entered the market.

"As a company, Northwestel is looking forward to finding ways to offer more products and services at competitive prices," Flaherty said. "Our 600 northern-based employees are the backbone of this company and are up for the challenge to innovate and compete head-on."

But "challenge" is the key word for the communication company.

In its 14-page decision, the CRTC denied Northwestel's request to reduce cross subsidies (rebalance rates) that Northwestel argued would ensure smaller, higher cost communities would continue to receive reliable telephone services at an affordable price.

Northwestel says this is the third time in the last decade the CRTC has rejected its capital investment proposals to meet the commission's basic service objective, which they say includes the provision of basic calling features to northern communities.











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