



Telecom Notice of Consultation CRTC 2020-367

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Ottawa, 2 November 2020

Public record: 1011-NOC2020-0367

Call for comments – Review of the Commission’s regulatory framework for Northwestel Inc. and the state of telecommunications services in Canada’s North

Deadline for submission of interventions: 20 January 2021

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The Commission hereby initiates a proceeding to review certain elements of its regulatory framework for Northwestel. The Commission intends to identify issues within the regulatory framework and put forward solutions (i) with a view to implementing the telecommunications policy objectives set out in the Telecommunications Act, and (ii) in accordance with the 2006 Policy Direction and the 2019 Policy Direction.

In its review, the Commission will assess the state of telecommunications in Canada’s North and will consider, among other things, the affordability of telecommunications services for Canadians living there and whether telecommunications services in the North should be subsidized. Further, the Commission will consider whether additional regulatory measures are required, for example, to improve the resiliency of Northwestel’s network, or to further foster competition and improve wholesale services.

Introduction

1. Northwestel Inc. (Northwestel) is the incumbent local exchange carrier (ILEC) that operates in Canada’s North¹ and provides telecommunications services to 96 communities, many of which are largely Indigenous, and of which 94 are considered high-cost serving areas (HCSAs).² Northwestel’s operating territory has an extremely low population density, vast distances between communities, and an extreme climate, which create challenges in the provision of telecommunications services. As a result, the costs of telecommunications infrastructure and maintenance in Northwestel’s operating territory are generally higher than those in the South.

¹ This proceeding focuses on Northwestel’s operating territory, which includes the Northwest Territories, Nunavut, and Yukon, as well as areas in northern British Columbia and Fort Fitzgerald, Alberta.

² An HCSA is a defined geographical area where the ILEC’s monthly costs to provide residential local exchange service are estimated to be greater than the associated revenues generated by service rates.

2. Notwithstanding these challenges, the Commission has maintained that Canadians living in the North should have access to telecommunications services that are as comparable as possible to those available to Canadians living in the South. To support that objective, the Commission has established a number of regulatory initiatives to improve telecommunications services in the North, such as the implementation of Northwestel's Modernization Plan in 2013. Moreover, the Commission has recently implemented other regulatory measures that will serve to further support this important objective, notably the establishment of the Commission's Broadband Fund, which will provide additional financing to improve telecommunications services in Canada's North.³
3. Despite these initiatives, the Commission recognizes that Canadians living in the North generally continue to have fewer choices of telecommunications service providers (TSPs), pay higher prices, and lack access to fixed broadband networks that meet the universal service objective.⁴ Further, the Commission recognizes that these issues have been compounded by the COVID-19 pandemic, and that the existing telecommunications landscape in the North has hindered the ability of Canadians living there to work from home, to access vital resources, such as distance education and online health services, and to access economic opportunities.
4. In Telecom Regulatory Policy 2020-40, the Commission found that it is likely that the elimination of the local service subsidy⁵ will ultimately result in a material shortfall for Northwestel, potentially resulting in rates that are no longer just and reasonable for Northwestel's residential local voice services. As a result, the Commission indicated its intent to launch a more fulsome review specific to Northwestel, prior to the complete phase-out of the subsidy, in order to consider the appropriate regulatory approach to address this situation.
5. In light of the breadth of the issues associated with telecommunications services in the North, including those noted above, the Commission is today initiating a review of its regulatory framework for Northwestel. The Commission intends to identify issues within its existing regulatory framework for Northwestel and put forward solutions (i) with a view to implementing the telecommunications policy objectives set out in section 7 of the *Telecommunications Act* (the Act), and (ii) in accordance

³ Following the first call for applications of the Commission's Broadband Fund, the Commission issued an introductory decision regarding funding approvals (Telecom Decision 2020-255), and awarded funding to four projects submitted by Northwestel. See Telecom Decisions 2020-257, 2020-258, 2020-259, and 2020-260.

⁴ In Telecom Regulatory Policy 2016-496, the Commission established the universal service objective, indicating that Canadians in urban, rural, and remote areas should have access to voice and broadband Internet access services on both fixed networks (at minimum speeds of 50 megabits per second [Mbps] download and 10 Mbps upload) and mobile wireless networks (via the latest generally deployed mobile wireless technology, which was long-term evolution [LTE]).

⁵ See paragraph 11 below for a description of the local service subsidy regime.

with the 2006 Policy Direction⁶ and the 2019 Policy Direction.⁷ As part of its review, the Commission will assess the state of telecommunications services in the North.

6. Given the potential breadth of issues, the Commission intends to conduct its review in two phases. The first phase, as discussed in this notice, announces the broad scope of issues that the Commission is considering, and invites parties to comment on those issues, as well as raise any other issues that, in their view, should be considered in the scope of the proceeding. Following its review of the submissions in the first phase, the Commission will, in the second phase, identify a more targeted scope of issues to be considered in the proceeding. The proceeding is expected to include a public hearing.

Background

Northwestel's price cap regime

7. Price cap regulation,⁸ which applies only to the ILECs' tariffed services, generally places upward constraints on prices that companies can charge their customers. The services that are subject to price cap regulation are grouped into service baskets, each of which is subject to pricing constraints. The price cap regime provides protection to consumers in the absence of sufficient competition to ensure that rates remain just and reasonable.
8. Northwestel's price cap regime is structured in eight baskets of services.⁹ The Commission's regulatory approach to Northwestel is unique in that Northwestel is the only ILEC for which the Commission regulates terrestrial retail Internet access service rates.
9. In Telecom Regulatory Policy 2013-711, the Commission indicated that Northwestel's price cap regime would remain in effect for a period of four years, until 2017. Subsequently, the Commission extended Northwestel's price cap regime in various decisions.¹⁰

⁶ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁷ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

⁸ See Telecom Decision 2007-5 and Telecom Regulatory Policies 2011-771 and 2013-711 for additional information regarding price cap regulation for Northwestel.

⁹ See Telecom Regulatory Policy 2013-711, Appendix 3.

¹⁰ See Telecom Regulatory Policy 2016-496, Telecom Notice of Consultation 2018-214, and Telecom Regulatory Policy 2020-40.

Regulation of Northwestel's local voice services

10. Where there is insufficient competition to discipline prices and protect the interests of consumers, ILECs' retail telecommunications services are subject to price cap regulation. Because ILECs, including Northwestel, were the sole providers of telephone services in their respective operating territories before the introduction of local competition, regulation was required to ensure that the rates they charged for retail local voice services were just and reasonable.
11. In certain rural and remote areas of Canada, such as within Northwestel's operating territory, the cost to provide residential local voice services exceeds the price that customers pay. As a result, pursuant to subsection 46.5(1) of the Act, the Commission required certain TSPs to contribute to a fund to support continued access by Canadians to basic telecommunications services. The local service subsidy regime was established in Decision 2000-745 to subsidize the provision of residential local voice telephone services in all HCSAs across Canada.
12. In Telecom Regulatory Policy 2016-496, the Commission stated that it would begin to shift the focus of its current regulatory frameworks from local voice services to broadband Internet access services. In particular, to support continued access to broadband Internet access services in underserved areas, the Commission stated its intention to phase out the local service subsidy regime and to establish a new funding mechanism for broadband Internet access services.
13. In Telecom Regulatory Policy 2018-213, the Commission established its plan to phase out the local service subsidy. Among other things, the Commission approved a three-year transition period for the elimination of subsidy for residential services in HCSAs, starting on 1 January 2019 and ending on 31 December 2021. Concurrent with the Commission's plan to phase out the local service subsidy, the Commission also published Telecom Notice of Consultation 2018-214, in which it, among other things, provided the ILECs with the opportunity to present evidence to demonstrate the need for compensation in light of the elimination of the local service subsidy.
14. Subsequently, in Telecom Regulatory Policy 2020-40, the Commission determined, among other things, that the large ILECs had failed to demonstrate that the elimination of the local service subsidy required some form of regulatory or financial compensation. As a result, the phase-out of the local service subsidy is expected to continue and be completed on 31 December 2021.
15. With respect to Northwestel, however, the Commission considered that, on the basis of the limited evidence in the proceeding, it is likely that the elimination of the local service subsidy may ultimately result in a material shortfall for Northwestel, potentially resulting in rates that are no longer just and reasonable. As a result, the Commission indicated its intention to launch a more fulsome review specific to Northwestel, prior to the complete phase-out of the subsidy, in order to consider the appropriate regulatory approach to address this situation.

Regulation of Northwestel's retail Internet access services

16. In Telecom Regulatory Policy 2013-711, the Commission determined that Northwestel's terrestrial retail Internet access services would be subject to the Commission's powers and duties under sections 24, 25, 27, 29, and 31 of the Act. In making its determination, the Commission stated that Northwestel had become the dominant provider of such services in its operating territory. Further, in regard to demand conditions, the Commission noted the presence of few competitive alternatives to Northwestel's terrestrial retail Internet access services. Finally, regarding supply conditions, the Commission considered that the market for such services in Northwestel's operating territory was not characterized by active price competition and rivalrous behaviour, with the Commission finding no evidence of falling prices, vigorous and aggressive marketing activities, or an expanding scope of activities by competitors in terms of products, services, and geographic behaviour.
17. With respect to Northwestel's retail Internet access services provided via satellite transport through a community aggregator access model (hereafter, satellite retail Internet access services),¹¹ in Telecom Regulatory Policy 2013-711, the Commission determined that these services are not substitutes for terrestrial retail Internet access services, and determined that satellite retail Internet access services are in a different relevant product market.¹² While the Commission determined that it would regulate Northwestel's terrestrial retail Internet access services, it made no such determination in regard to Northwestel's satellite retail Internet access services. In making its determination, the Commission noted the presence of a competitor as an alternative to Northwestel for customers, and that Northwestel does not control satellite transport facilities, which competitors require to provide their Internet services via satellite. Ultimately, the Commission considered that Northwestel did not have market power in the market for satellite retail Internet access services, and determined that it would continue to forbear from regulation of those services.
18. As a result, Northwestel's operating territory is the only geographic market in which the Commission regulates terrestrial retail Internet access services and associated rates.

¹¹ In the community aggregator access model, capacity is transported via satellite to a community earth station, which is connected to the local access distribution network. This differs from a direct-to-home (DTH) access model in which each customer premises has an antenna installed, through which traffic is uplinked and downlinked directly to the satellite.

¹² In Telecom Decision 94-19, the Commission established a framework to consider whether to forbear from regulation pursuant to section 34 of the Act. In that decision, the Commission noted that the first step in assessing whether it is appropriate to forbear involves defining the relevant market. The relevant market is essentially the smallest group of products and geographic area in which a firm with market power can profitably impose a sustainable price increase.

Regulation of Northwestel's wholesale services used by competitors

19. Wholesale telecommunications services (hereafter, wholesale services) are the services that TSPs provide to each other, and are integral to the overall development of the Canadian communications system.
20. The provision of wholesale services primarily supports competition in various retail service markets, such as local telephone, television, and Internet access, by enabling competitors to access certain telecommunications facilities and network components from incumbent carriers, such as ILECs and cable companies, so that competitors can provide their own services to consumers. Wholesale services also play a supporting role in the overall telecommunications system – for example, by ensuring the efficient interconnection of competing networks, by providing effective and timely access to emergency services through 9-1-1 networks, and by optimizing the use of support structures such as poles and conduits.
21. Over the years, the Commission has established various policies, rules, and regulations to govern the provision of wholesale services. These regulatory measures are necessary because incumbent carriers have had considerable advantages over competitors. Without wholesale regulation, fewer competitive service options would be available to Canadians.
22. The Commission has implemented various measures to improve competition in Northwestel's operating territory. These measures include the introduction of local competition, the development of local interconnection regions, and requiring Northwestel to file tariffs for various wholesale services.
23. With respect to Northwestel's wholesale services, in Telecom Regulatory Policy 2013-711, the Commission modified the rates for Wholesale Connect service¹³ that were previously approved in Telecom Order 2013-93 to more appropriately balance the need to ensure that Northwestel is reasonably compensated for its costs and continues to invest in its fibre networks with the need to ensure that competitors provide competitive alternatives in the marketplace.
24. In Telecom Regulatory Policy 2015-326, the Commission determined that its regulatory framework for wholesale services would apply only to the large ILECs and the cable carriers. Further, whereas Telecom Decision 2015-320 indicated that the Commission would address the application of the established wholesale framework to Northwestel in a separate follow-up proceeding, to date, the Commission has not made a determination on whether and to what extent the existing regulatory framework for wholesale services should apply to Northwestel.

¹³ Wholesale Connect service provides for the transport of telecommunications traffic across communities served by Northwestel's fibre or high-capacity microwave radio transport links.

Issues to be examined

Price cap and local service subsidy regimes

25. In Telecom Regulatory Policy 2020-40, the Commission considered that, on the basis of the limited evidence available during the proceeding, it is likely that the elimination of the local service subsidy will ultimately result in a material shortfall for Northwestel, potentially resulting in rates that are no longer just and reasonable. Further, the Commission determined that there is likely a need to compensate Northwestel to some degree for the loss of the local service subsidy.
26. The Commission also considered that, while the costing information submitted by Northwestel supported the company's argument that the elimination of the local service subsidy would affect the reasonableness of its rates, the costing information overlooked the incorporation of other factors that could reduce the total amount of any shortfall. Specifically, the Commission indicated that any review of the underlying costs to provision wireline services should include consideration of the costs and revenues of other services that use the same infrastructure.
27. While the Commission made certain changes to its regulatory framework for Northwestel, in light of various proposals discussed in the context of Telecom Regulatory Policy 2020-40, the Commission denied many of Northwestel's proposals for compensation, including rate increases for Northwestel's retail local voice and terrestrial Internet access services, among others. The Commission made that determination in order to assess such requests in the context of a review of the costs to provide certain services in this proceeding, as well as to explore the potential impact of such changes in the context of the Commission's broader assessment of the state of telecommunications services in the North.
28. In light of the above, the Commission will consider, in the current proceeding, (i) the potential shortfall for Northwestel resulting from the elimination of the local service subsidy; (ii) whether Northwestel should be compensated for such a shortfall, if any; and (iii) if necessary, the appropriate regulatory approach to compensation.
29. The Commission recognizes the interrelationship of the matters discussed above, particularly where the local service subsidy, price cap regime, and potential shortfall intersect. As such, the Commission anticipates that other matters related to Northwestel's price cap regime, such as the underlying basket structure, may require modification in order to avoid any unintended consequences or address any effects resulting from the solutions and policies advanced by the Commission, such as with respect to the Commission's approach to addressing a shortfall, if any. Further, the Commission notes that certain other aspects of Northwestel's price cap regime, such as whether and when the regime should expire, may require the Commission's attention.
30. Accordingly, the Commission will consider, in the current proceeding, other matters related to Northwestel's price cap regime, including changes to the underlying basket

structure resulting from addressing the shortfall, if any, and whether and when the price cap regime should expire.

Regulation of satellite retail Internet access services

31. The satellite industry has evolved significantly since the issuance of Telecom Regulatory Policy 2013-711, in which the Commission forbore from the regulation of Northwestel's satellite retail Internet access services. For example, while the number of suppliers of satellite transport services has changed, there have also been advancements regarding low-earth orbit (LEO) satellites, among other things. The Commission is of the view that these developments may have altered or are in the process of altering the competitive landscape for satellite retail Internet access services, and may require the Commission to re-examine the state of competition in the market for such services in Northwestel's operating territory.
32. Accordingly, the Commission will consider in the current proceeding the market for satellite retail Internet access services, and whether there may be a need to regulate that market in Northwestel's operating territory, pursuant to the Commission's various powers and duties under the Act.

Network improvement

33. In Telecom Regulatory Policy 2011-771, the Commission stated, among other things, that it was concerned that Northwestel had failed to make the necessary investments in its network, as evidenced by the company's then-aging infrastructure and the unavailability of services in many remote communities compared to those provided in the rest of Canada. As a result of those findings, the Commission determined that additional regulatory oversight was required in order to ensure that Canadians living in the North benefitted from the price cap regulatory framework to the same extent as Northwestel.
34. Subsequently, in Telecom Regulatory Policy 2013-711, the Commission approved, subject to certain modifications, Northwestel's Modernization Plan. The Commission received Northwestel's final progress report for the Modernization Plan on 31 March 2018, which highlighted the progress that the company had made over the preceding five years. Among other things, Northwestel's Modernization Plan included the following initiatives: The expansion of 4G [fourth generation] wireless coverage in its operating territory, the deployment of broadband Internet access service at a download speed of at least 15 Mbps in all terrestrially served communities, and the provision of local number portability and enhanced calling features.¹⁴
35. While the Commission recognized Northwestel's progress in modernizing its network, and recognizes that Northwestel continues to leverage financing

¹⁴ Northwestel's final progress report on the Modernization Plan can be found in [Follow-up to Telecom Regulatory Policy CRTC 2013-711](#).

opportunities from the Broadband Fund and from across all levels of government, the Commission remains concerned with respect to some aspects of Northwestel's network. In particular, the Commission is concerned with the frequency and duration of service outages and the lack of wireless coverage along major roadways and highways in Northwestel's operating territory, which may pose economic and safety concerns for residents and businesses in the North. The Commission intends to evaluate what measures are planned to improve the resiliency and redundancy of Northwestel's network, what measures are planned to expand wireless coverage, and whether additional regulatory measures and oversight may be required to support those objectives.

36. Accordingly, the Commission will, in the current proceeding, evaluate the state of Northwestel's various networks, and consider whether additional improvements are required. Further, the Commission will consider in this proceeding, if another network improvement plan is the most appropriate approach to address the issues noted above.

Competition and wholesale services used by competitors

37. As discussed above, Canadians living in the North continue to have fewer choices of TSPs compared to Canadians living in the South. That said, the Commission recognizes the unique operating conditions of the North, and the need to balance the availability of competitive alternatives with the need to ensure access to high-quality, affordable telecommunications services, as well as the need for ongoing investment in the networks serving Canada's North. The Commission intends to develop an overall regulatory approach that accounts for competition while recognizing those unique circumstances.
38. As a result, the Commission intends to undertake a broad evaluation of the state of competition in the North and what regulatory measures might be required, including the necessary wholesale services used by competitors to support competition and ongoing investment in high-quality networks. The Commission intends to evaluate the need for modified or additional wholesale services in Northwestel's operating territory and, specifically, whether changes are required to the company's Wholesale Connect service, or whether additional regulatory changes are required to support competitive efforts to better connect Canadians.
39. Currently, the Commission's framework for wholesale wireline services, as established in Telecom Regulatory Policy 2015-326, does not apply to Northwestel. To date, the Commission has not determined whether the framework should apply to Northwestel, and intends to consider the application of the framework, including the essentiality test, to Northwestel in the current proceeding.

Affordability of telecommunications services for Canadians living in the North

40. The Commission considers that the issues to be considered in this proceeding may have a significant impact on residents and businesses in the North. Further, the Commission recognizes the importance of obtaining perspectives from Canadians

living in the North with respect to whether their telecommunications service needs are being met, what challenges they currently face and expect to face in the future, and how these variables should inform the Commission's determinations in this proceeding.

41. More specifically, the Commission continues to have broad concerns with respect to the prices Canadians living in the North pay for telecommunications services. The Commission recognizes that this is in part attributable to the higher costs of providing telecommunications services in the North. Further, given that the costs of goods and services in the North largely differ from those in the South, which may affect the affordability of telecommunications services for Canadians living in the North, the Commission intends to consider how to adapt its regulatory approach to ensure affordability.
42. Accordingly, in this proceeding, the Commission will consider whether local voice services should continue to be subsidized and whether other telecommunications services in the North should be subsidized. If necessary, the Commission will consider revisions to its local service subsidy regime. A review of the regime could include the development of a revised approach to the subsidy for rates for telecommunications services in Northwestel's operating territory and, for instance, whether any subsidy should be portable; that is, whether other TSPs in addition to Northwestel should be eligible to receive any subsidy.

Call for comments

43. The Commission hereby initiates a proceeding to review its regulatory framework for Northwestel, which includes an assessment of the state of telecommunications services in the North. The Commission invites comments on the issues identified above and answers to the specific questions outlined below. Parties are required to include all necessary rationale and supporting evidence with their responses.
44. Further to the issues identified above and the specific questions outlined below, the Commission invites comments on any other relevant issue in relation to Northwestel's regulatory framework.
45. The Commission invites parties to consider the following questions:

Price cap and local service subsidy regimes

Q1 How should the Commission calculate any potential shortfall related to the elimination of the local service subsidy, given the Commission's view that any calculation should take into account the costs and revenues of other services using the same infrastructure?

Q2 Provide your views on the current rates for residential and business local voice services, as well as for the rates for residential and business terrestrial retail Internet access services. Are the current rates appropriate, or should they be adjusted?

Q3 Discuss any other matter related to Northwestel's price cap regime that the Commission should consider in this proceeding. Further, provide your views as to whether and when the price cap regime should expire.

Regulation of satellite retail Internet access services

Q4 Provide your views on recent and forthcoming developments with respect to technology, the number of suppliers of satellite transport services, or other developments, and their influence on satellite retail Internet access services in Northwestel's operating territory. Provide your views as to whether developments in the satellite industry will improve the quality and affordability of Internet services in satellite-dependent communities in the coming years.

Q5 Will these developments be sufficient on their own to improve Internet services in satellite-dependent communities, or are additional regulatory measures required?

Q6 Provide your views on the current level of competition in the market for satellite retail Internet access services in Northwestel's operating territory. Is the current level of competition in the market for retail Internet access services sufficient to warrant the Commission's continued forbearance from the regulation of satellite retail Internet access services?

Network improvement

Q7 Provide your views on the frequency and duration of network outages in the North, and discuss any economic or safety concerns.

Q8 What network upgrades or improvements might the Commission consider as part of any network improvement plan?

Competition and services used by competitors

Q9 Provide your views on the overall level of competition in the North. How might the Commission foster competition in the North?

Q10 Provide your views on Northwestel's Wholesale Connect service. What modifications, if any, should be made to the service?

Q11 Provide your views on any other existing wholesale services provided by Northwestel. What modifications, if any, should be made to those services?

Q12 Should Northwestel be required to provide wholesale services in addition to the ones that it already provides?

Q13 Provide your views on whether and to what extent the Commission's regulatory framework for wholesale services, as established in Telecom Regulatory Policy 2015-326, should apply to Northwestel.

Affordability of telecommunications services for Canadians living in the North

Q14 Provide your views on the affordability of telecommunications services for residents and businesses in Canada's North.

Q15 Are there unique circumstances or characteristics with respect to living or operating a business in the North that the Commission should take into consideration in its assessment of affordability?

Q16 Should the Commission continue to permit the local service subsidy to phase out, as intended in Telecom Regulatory Policy 2018-213, or should local voice services in Canada's North continue to be subsidized?

Q17 Should the Commission introduce a subsidy mechanism for other telecommunications services in Canada's North? If so, which services should be subsidized?

Matters outside the scope of the proceeding

46. Certain matters will not be considered in this proceeding. In particular, the Commission will not be examining issues related to 9-1-1 networks or the development of a local forbearance regime for Northwestel.
47. While the Commission recognizes the importance of reliable 9-1-1 networks, as well as the transition to next-generation 9-1-1 networks, the Commission has addressed and continues to address these matters in separate proceedings. However, matters related to originating networks,¹⁵ that is, the networks on which 9-1-1 calls are placed before the calls travel to the specialized 9-1-1 network, are within scope of this proceeding.
48. With respect to the development of a local forbearance regime for Northwestel, in Telecom Regulatory Policy 2020-40, the Commission noted that the company remains the dominant provider of local voice services to residential and business customers in its operating territory. In light of this, and given that competition is a precondition to consideration of forbearance, the Commission will not consider the development of a local forbearance regime for Northwestel in the current proceeding.
49. In addition to the issues identified above, matters that are already being considered by the Commission in other proceedings, such as the Broadband Fund, mobile wireless services (Telecom Notice of Consultation 2019-57), and potential barriers to the deployment of broadband-capable networks (Telecom Notice of Consultation 2019-406), to the extent that they are already being considered in those proceedings, will not be considered in the context of this proceeding.

¹⁵ Originating networks include traditional wireline, wireless, and local voice over Internet Protocol (VoIP) telephony networks.

Interim local service subsidy

50. As indicated above, the phase-out of the local service subsidy is scheduled to be completed on 31 December 2021. Further, the Commission has stated that it is concerned that the phase-out of the local service subsidy may affect the just and reasonableness of Northwestel's rates for its local voice service. In light of this, effective today, the Commission hereby sets, on an interim basis, the transition subsidy payments for Northwestel for the 14-month period beginning 2 November 2020 and ending 31 December 2021. To be clear, this interim order will maintain the status quo such that Northwestel will continue to receive subsidy in diminishing amounts consistent with Telecom Regulatory Policy 2018-213. Any change to the phase-out of the local service subsidy resulting from this proceeding will only take effect once the Commission makes a final decision. This measure is intended to provide the Commission with the flexibility to ensure that Northwestel's rates for its local voice service are just and reasonable at all times.

Procedure

51. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding. The Rules of Procedure set out, among other things, the rules for the content, format, filing, and service of interventions, answers, replies, and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and related documents, which can be found on the Commission's website at www.crtc.gc.ca, under "[Statutes and regulations](#)." The guidelines set out in Broadcasting and Telecom Information Bulletin 2010-959 provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
52. Northwestel is made a party to this proceeding. Northwestel may file interventions with the Commission by **20 January 2021**.
53. Interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issues by **20 January 2021**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
54. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position. Information on how to file this type of submission, known as a joint supporting intervention, as well as a [template](#) for the accompanying cover letter to be filed by parties, can be found in Telecom Information Bulletin 2011-693.
55. All documents required to be served on parties to the proceeding must be served using the contact information contained in the interventions.
56. All parties may file replies to interventions with the Commission by **24 March 2021**.

57. As needed, requests for information will be issued during the course of the proceeding. Responses to these requests for information will form part of the record of the proceeding.
58. Further, as part of the proceeding, a public opinion research project has been commissioned. The project will involve gathering the opinions of Indigenous and non-Indigenous persons living in Canada's North. The public opinion research will be placed on the public record for parties to comment on and will be taken into account as part of the Commission's decision-making process in this proceeding. It is expected that the public opinion research will be placed on the public record before the date by which parties must file their interventions (i.e. 20 January 2021). The Commission encourages interested persons and parties to monitor the record of this proceeding, available on the Commission's website at www.crtc.gc.ca, for additional information that they may find useful when preparing their submissions.
59. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line *****End of document***** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
60. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations, and encourages all Canadians, to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that enable text to be enlarged or modified, or read by screen readers). To provide assistance in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.
61. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the
[\[Intervention form\]](#)

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax to
819-994-0218

62. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that filing, or where required, service of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed or served. The Commission advises parties who file or serve

documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.

63. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
64. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.

Important notice

65. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, fax, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This includes all personal information, such as full names, email addresses, postal/street addresses, and telephone and fax numbers.
66. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
67. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
68. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

Availability of documents

69. Electronic versions of the interventions and other documents referred to in this notice are available on the Commission's website at www.crtc.gc.ca by using the public record number provided at the beginning of this notice or by visiting the "Consultations and hearings – Have your say!" section, then selecting "our applications and processes that are open for comment." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.

70. Documents are also available at the following address, upon request, during normal business hours.

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage
Gatineau, Quebec
J8X 4B1
Tel.: 819-997-2429
Fax: 819-994-0218

Toll-free telephone: 1-877-249-2782
Toll-free TTY: 1-877-909-2782

Secretary General

Related documents

- *Broadband Fund – Project funding approval for Northwestel Inc.’s Yukon fibre project*, Telecom Decision CRTC 2020-260, 12 August 2020
- *Broadband Fund – Project funding approval for Northwestel Inc.’s Old Crow satellite project*, Telecom Decision CRTC 2020-259, 12 August 2020
- *Broadband Fund – Project funding approval for Northwestel Inc.’s Northwest Territories fibre project*, Telecom Decision CRTC 2020-258, 12 August 2020
- *Broadband Fund – Project funding approval for Northwestel Inc.’s Northwest Territories satellite project*, Telecom Decision CRTC 2020-257, 12 August 2020
- *Broadband Fund – First call for applications – Introductory decision regarding project funding approvals*, Telecom Decision CRTC 2020-255, 12 August 2020
- *Review of the price cap and local forbearance regimes*, Telecom Regulatory Policy CRTC [2020-40](#), 4 February 2020
- *Call for comments regarding potential barriers to the deployment of broadband-capable networks in underserved areas of Canada*, Telecom Notice of Consultation CRTC 2019-406, 10 December 2019; as amended by Telecom Notices of Consultation CRTC 2019-406-1, 20 December 2019; and 2019-406-2, 21 April 2020
- *Review of mobile wireless services*, Telecom Notice of Consultation CRTC 2019-57, 28 February 2019; as amended by Telecom Notices of Consultation CRTC 2019-57-1, 28 October 2019; 2019-57-2, 20 March 2020; and 2019-57-3, 23 June 2020

- *Review of the price cap and local forbearance regimes*, Telecom Notice of Consultation CRTC [2018-214](#), 26 June 2018; as amended by Telecom Notices of Consultation CRTC [2018-214-1](#), 31 July 2018; and [2018-214-2](#), 20 February 2019
- *Phase-out of the local service subsidy regime*, Telecom Regulatory Policy CRTC [2018-213](#), 26 June 2018
- *Modern telecommunications services – The path forward for Canada’s digital economy*, Telecom Regulatory Policy CRTC [2016-496](#), 21 December 2016
- *Review of wholesale wireline services and associated policies*, Telecom Regulatory Policy CRTC [2015-326](#), 22 July 2015; as amended by Telecom Regulatory Policy CRTC 2015-326-1, 9 October 2015
- *SSi Group of Companies – Application requesting implementation of third-party Internet access service in Northwestel Inc.’s operating territory*, Telecom Decision CRTC 2015-320, 20 July 2015
- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC [2015-242](#), 8 June 2015
- *Northwestel Inc. – Regulatory Framework, Modernization Plan, and related matters*, Telecom Regulatory Policy CRTC [2013-711](#), 18 December 2013
- *Northwestel Inc. – Wholesale Connect Service*, Telecom Order CRTC [2013-93](#), 25 February 2013
- *Northwestel Inc. – Review of regulatory framework*, Telecom Regulatory Policy CRTC [2011-771](#), 14 December 2011
- *Filing of joint supporting interventions*, Telecom Information Bulletin CRTC [2011-693](#), 8 November 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC [2010-959](#), 23 December 2010
- *Price cap regulation for Northwestel Inc.*, Telecom Decision CRTC [2007-5](#), 2 February 2007
- *Changes to the contribution regime*, Decision CRTC [2000-745](#), 30 November 2000
- *Review of regulatory framework*, Telecom Decision CRTC [94-19](#), 16 September 1994