



Telecom Notice of Consultation CRTC 2012-669-1

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Additional reference: 2012-669

Ottawa, 15 February 2013

Notice of hearing

17 June 2013

Inuvik, Northwest Territories

19 June 2013

Whitehorse, Yukon

Review of Northwestel Inc.'s Regulatory Framework, Modernization Plan, and related matters

File numbers: 8663-C12-201215302; 8695-J64-201209578

The Commission invites comments on an additional issue in this proceeding. The Commission also announces details regarding the locations for the public hearing.

Inclusion of new issue in the proceeding and supplementary procedure

1. In Telecom Notice of Consultation 2012-669, the Commission initiated a proceeding to review the regulatory framework for Northwestel Inc. (Northwestel) that will go into effect in 2014, as well as review other related matters. In that notice, the Commission called for comments on, among other things, whether there are other services that Northwestel should be providing to competitors in order to facilitate the implementation of local competition.
2. The Commission notes that rates for competitor services are generally set after assessing a carrier's cost information for the provision of the service and determining an appropriate markup¹ for the service. Therefore, the Commission is of the view that the matter of pricing policies – including markups – is relevant to the consideration of any new competitor services that are proposed in this proceeding. Accordingly, the Commission amends paragraph 35 f) 3) of Telecom Notice of Consultation 2012-669 as set out below (changes are in bold italics):

¹ "Markup" is defined as the difference between the cost and rate of a service. For example, if the service cost is \$100 and the markup is 15 percent, then the service rate is \$115. The markup provides a contribution to the carrier's fixed and common costs which do not vary with the offering of a service.

3. whether there are other services that Northwestel should be providing to competitors in order to facilitate the implementation of local competition, *and for those new services, what the appropriate pricing policy – including markups – should be.*
3. In light of the above, the Commission establishes the following process in the proceeding to allow for the consideration of this new issue:
 1. Parties may file a supplementary intervention by **27 February 2013**, limiting their comments to the issue of what the appropriate pricing policy – including markups – should be in respect of any new competitor service that has been proposed.² Interventions are to provide detailed rationale, together with any supporting evidence.
 2. The Commission and parties, including Northwestel, may request information in the form of interrogatories from any party who has filed an intervention on this new issue. In accordance with sections 73 and following of the Rules of Procedure,³ the requesting party must file its request for information with the Commission and must serve the request on the party or parties to whom it is addressed, on or before **13 March 2013**.
 3. Responses to requests for information from parties or the Commission regarding this new issue are to be filed with the Commission and served on the party or parties making the request by **27 March 2013**.
4. The Commission notes that on 4 February 2013, it issued a letter in which it set out a procedure with respect to requests for disclosure of information contained in Northwestel's Modernization Plan that has been designated confidential.⁴
5. All other aspects of Telecom Notice of Consultation 2012-669, including the other issues and deadlines set out therein, remain unchanged.

Public hearing locations

6. In paragraph 53 of Telecom Notice of Consultation 2012-669, the Commission indicated that further details concerning the public hearing would be provided in a follow-up to the notice.

² Proposed in interventions filed on 6 February 2013

³ *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*

⁴ The deadlines established in paragraph 3 of this notice coincide with the deadlines set out in the Commission's 4 February 2013 letter.

7. The Commission hereby announces that the public hearing will begin **on 17 June 2013 in the Community Hall of the Midnight Sun Complex, 95 Gwich'in Road, Inuvik, Northwest Territories**, and will last no more than one day at this location. The public hearing will then reconvene **on 19 June 2013 in Rooms A & B1 of Yukon Convention Centre at 4051 4th Avenue, Whitehorse, Yukon**, and is expected to last approximately two days at this location.

Secretary General

Related document

- *Review of Northwestel Inc.'s Regulatory Framework, Modernization Plan, and related matters*, Telecom Notice of Consultation CRTC 2012-669, 6 December 2012