Telecom Order CRTC 2026-217

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Gatineau, 25 August 2026

Public record: Tariff Notice 1228

Northwestel Inc. – Reductions to Wholesale Connect service rates

Summary

The Commission received an application from Northwestel Inc. (Northwestel) proposing reductions to its Wholesale Connect service rates.

The proposed reductions to Northwestel's Wholesale Connect service rates pass the price floor test and will promote competition. Moreover, consumers in Northwestel's serving area will benefit from additional Internet service options and rates. Accordingly, the Commission approves Northwestel's application.

A dissenting opinion by Commissioner Bram Abramson is attached to this order.

Background

1. On 21 August 2024, the Commission received an application from Northwestel Inc. (Northwestel) proposing reductions to the existing residential cable and fibre-to-the-premises (FTTP) Internet service speed rates for the 300 megabits per second (Mbps) and 500 Mbps residential cable and FTTP Internet packages. It also proposed the introduction of a new 700 Mbps residential cable and FTTP Internet package.

2. The application was forborne from approval and the rates have been in effect since 21 August 2024.[1]

3. As per the procedure outlined in paragraph 111 of Telecom Decision 2022-343, specifically subparagraph 111.vi., Northwestel was required to file a corresponding reduction to its Wholesale Connect service rates reflecting the same percentage reduction as its residential Internet service rates. Accordingly, Northwestel filed a second application, as outlined below.

[1] In compliance with the procedure set out in Telecom Information Bulletin 2010-455-1, this application did not require Commission approval because the revised rates met the Commission's price cap or price regulation rules and the price floor test.

Application

4. The Commission received an application from Northwestel, dated 21 August 2024, proposing changes to Item 300 – Wholesale Connect Service of its Access Services Tariff for the reasons outlined above.

5. Specifically, Northwestel proposed to reduce by 0.8% all of its Wholesale Connect service rates.

6. As per the procedure outlined in Telecom Decision 2022-343, the application was initially forborne from approval.

7. On 23 September 2024, SSi Micro Ltd., doing business as SSi Canada (SSi), filed an intervention raising concerns with Northwestel's application. Northwestel replied to SSi's intervention on 3 October 2024.

8. On 7 November 2024, Commission staff issued a letter to Northwestel indicating that SSi's intervention justified reclassifying the application as one requiring Commission approval.

Positions of parties

9. In its 23 September 2024 intervention, SSi disagreed with the proposed Wholesale Connect service rate reductions. SSi cited larger retail residential and business rate reductions for other Northwestel tariff applications that were filed subsequent to this application. The cited rate reductions included those pertaining to business Internet services and winback promotional residential unlimited Internet packages.

10. SSi took issue with the fact that Northwestel filed in confidence both the data used to calculate its proposed rate reductions as well as the methodology. SSi submitted that the procedure outlined in paragraph 111 of Telecom Decision 2022-343 does not provide insight for competitors regarding how rates are established. SSi further noted that because Northwestel's annual revenues used in its price cap model are confidential, SSi is unable to scrutinize Northwestel's proposed rates and make meaningful interventions.

11. SSi also took particular issue with the rate reductions for residential winback packages that were approved in Telecom Order 2025-74. SSi noted that these winback rate reductions range from 23% to 38%, which are significantly higher than the 0.8% residential rate reductions proposed in the Wholesale Connect application. SSi added that the Wholesale Connect rate reductions are disproportionately low compared with those of the residential winback packages.

12. On 3 October 2024, Northwestel replied to SSi's intervention and submitted that SSi's concerns regarding the percentage reductions were without merit, given that SSi referenced reductions to Northwestel's business Internet services. Northwestel added that, unlike the services considered in this application, business Internet services are not subject to the determinations in Telecom Decision 2022-343.

13. Regarding SSi's comments with respect to the residential winback rate reductions, Northwestel submitted that the winback packages have time-limited rates for the customer that are not available on an ongoing basis, and that unique terms and conditions apply. Northwestel added that winback promotional offers are therefore out of the scope of the current application, and that no further reduction to its Wholesale Connect rates is warranted.

14. Regarding SSi's concerns with respect to the procedure outlined in Telecom Decision 2022-343, Northwestel submitted that SSi had the opportunity to request that the Commission review and vary the decision but chose not to do so.

15. On 9 December 2024, following the reclassification of the application, SSi filed an additional intervention reiterating its concerns regarding the lack of transparency with respect to the procedure outlined in Telecom Decision 2022-343. SSi submitted that the Phase II[2] costing methodology should be used instead.

16. On 19 December 2024, Northwestel replied to SSi's 9 December 2024 intervention. Northwestel reiterated its position that its application complied with the procedure outlined in Telecom Decision 2022-343 and characterized SSi's interventions as being out of scope.

Commission's analysis

17. Subparagraphs 111.ii. to 111.v. of Telecom Decision 2022-343[3] outline the conditions under which Northwestel may decrease rates to existing retail residential cable and FTTP Internet packages and introduce new retail residential cable and FTTP Internet packages without needing to file a new cost study.

18. While the Commission acknowledges the concerns raised by SSi with respect to the magnitude of the discounts offered to business Internet and winback customers, the Commission notes that, in accordance with paragraph 112 of Telecom Decision 2022-343, business Internet services and

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[2] As determined in Telecom Notice of Consultation 2022-147.

[3] The cited conditions are: ii. Regarding Northwestel's existing cable retail residential Internet services, the company is permitted to decrease the rates without a supporting cost study as long as the new rate is above the price floor established by the cost study that was most recently submitted with respect to that service.

iii. Regarding Northwestel's new cable retail residential Internet services, the company is permitted to introduce these without a supporting cost study as long as the proposed rate is no lower than the price floor established by the cost study that was most recently submitted in support of the closest existing approved lower-speed service.

iv. Regarding Northwestel's existing FTTP retail residential Internet services, the company is permitted to decrease the rates without a supporting cost study as long as the new rate is, at most, 35% below the price floor established by the cost study that was most recently submitted with respect to that service.

v. Regarding Northwestel's new FTTP retail residential Internet services, the company is permitted to introduce these without a supporting cost study as long as the rate is, at most, 35% below the price floor established by the cost study submitted in support of the closest existing approved lower-speed service.

winback promotional rates are not subject to the same conditions. The Commission therefore considers that the interventions filed by SSi are out of the scope of this application.

19. The Commission reviewed the proposed tariff pages and related data provided by Northwestel regarding the proposed Wholesale Connect service monthly rate reductions. In its review, the Commission considered the corresponding rate reductions to Northwestel's forborne 300 Mbps cable Internet service, 500 Mbps cable Internet service, and FTTP residential Internet service. The Commission confirmed that the rate reductions to the Wholesale Connect service correspond to those of the concurrent forborne residential Internet service. The Commission therefore finds that Northwestel's application satisfies the conditions set out in Telecom Decision 2022-343.

20. When taken into consideration with the concurrent introduction of the new 700 Mbps cable and FTTP residential Internet packages, the Commission considers that Northwestel has satisfied the procedure outlined in paragraph 111 of Telecom Decision 2022-343.

21. The Commission considers that the proposed changes will advance the policy objectives set out in paragraphs 7(a), (c), and (h) of the *Telecommunications Act*[4] and that approval of these changes will ensure that competitors have access to the revised Wholesale Connect Service rates, thus promoting competition. Consumers in Northwestel's serving area will also benefit from additional Internet service options and rates.

Conclusion

22. In light of all of the above, the Commission approves, by majority decision, Northwestel's application.

23. Revised tariff pages are to be issued within 10 calendar days of the date of this order. Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

Secretary General

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[4] The cited policy objectives are: 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions; (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications; and (h) to respond to the economic and social requirements of users of telecommunications services.

Dissenting opinion of Commissioner Bram Abramson

1. The majority treats compliance with subparagraph 111.vi of Telecom Decision 2022-343 as sufficient to establish that Northwestel Inc.'s (Northwestel) Wholesale Connect rates remain just and reasonable. I do not.

2. The *Telecommunications Act* (the Act) requires more of us than confirming an applicant's arithmetic against a formula we ourselves designed for a narrower purpose. The formula can guide us in doing our work. But especially when its inputs or assumptions no longer map cleanly onto the services being repriced, our work must include testing whether the formula's output remains faithful to its purpose.

3. That distinction only deepens when time wrings change, as it has here. Northwestel has used the exclusion of promotion and winbacks from Telecom Decision 2022-343's wholesale collar, a feature of the formula itself, in a way and at a scale not before us in 2022, discounting residential unlimited packages on SSi Micro Ltd., doing business as SSi Canada's account by 23% to 38%[1] to compete for customers. The Commission has since completed a full review of telecommunications in the Far North, including Wholesale Connect's role in making terrestrial competition viable. Even had subparagraph 111.vi captured everything Telecom Decision 2022-343 set out to achieve, a question I need not resolve, its continuing correctness would remain in doubt.

4. I would therefore have tested Northwestel's application against the competition policy goals that, as we have consistently held, inform what "just and reasonable" means for this service. The majority did not apply that test. I respectfully dissent.

The formula was never enough

5. The law requires the Commission to ensure that rates are just and reasonable.[2] We decide what methods or techniques we default to for testing whether they are, with wide latitude, in furtherance of Canada's telecommunications policy objectives.[3]

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[1] Majority opinion (above), paragraph 11.

[2] *Telecommunications Act*, subsection 27(1). Except where forborne: section 34.

[3] *Telecommunications Act*, subsection 27(5) and section 47; *Bell Canada v. Bell Aliant Regional Communications,* 2009 SCC 40, at paragraph 36; and *Bell Canada v. British Columbia Broadband Association,* 2020 FCA 140 (Broadband Association), at paragraphs 67-78.

6. That latitude turns on two things: what we hope to achieve, and the technique for achieving it. Wholesale Connect, introduced in 2012,[4] relates to the provision of competitive alternatives in the marketplace, notwithstanding the economic infeasibility of competitors building their own transport networks.[5] In giving Northwestel more pricing flexibility, Telecom Decision 2022-343 preserved that commitment through a collar designed to serve two distinct purposes. One was mitigating the impact of rate reductions below Northwestel's price floor. The other was mitigating the impact on competitors of broader rate reductions "implemented since the start of the reference period (2021), which, whether or not Northwestel's application … is granted [,] are likely inevitable in response to Starlink's market entry", a rationale untethered to any price floor.[6]

7. Telecom Decision 2022-343 did not establish subparagraph 111.vi as the exclusive test of whether future Wholesale Connect rates would be just and reasonable. It established the wholesale collar as a mandatory adjustment mechanism, not a complete code as to the rate itself. Training our gaze only on the arithmetic of Northwestel's modernized application of that mechanism, as the majority does, relies exclusively on an administrative policy without regard to our underlying statutory obligation: to satisfy ourselves, on the record before us, that the resulting rates are just and reasonable.

8. Compliance with subparagraph 111.vi is appropriate, but it is not sufficient. To treat it as wholly dispositive substitutes the Commission's own administrative formula for the statutory judgment the Act requires us to make. When treated as dispositive, it becomes the kind of mechanical reliance on administrative precedent the rule against fettering forbids: it mistakes the map for the territory.[7] Parties were equally entitled to expect that, in applying to reprice Wholesale Connect, Tariff Notice 1228's proposed 0.8% reduction would be held up to the policy we said we were pursuing: promoting competitive alternatives in the marketplace.

The formula's continuing correctness

9. The collar's inputs stand still. It measures impact as a revenue-weighted average across Northwestel's residential terrestrial basket, weighted by 2021 revenues. A substantial cut to any single package is diluted by every other rate element that never moved, weighted by a distribution that grows more dated with each year that passes. That is a question about the collar's continuing

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[4] See Telecom Decisions 2012-4 and 2012-644 (packet data backbone service with class-of-service prioritization not forborne by Telecom Order 97-572) and Telecom Orders 2012-203 and 2013-93 (interim and final approval of Wholesale Connect).

[5] Telecom Order 2013-93, paragraphs 14-15.

[6] *Ibid*., paragraph 105.

[7] *Broadband Association*, footnote 3 of this dissent (above) at paragraph 157, citing *Stemijon Investments Ltd. v. Canada (Attorney General)*, [2011 FCA 299](), at paragraphs 24 and 60.

correctness, not its original design.[8] At least three factors place the collar's continuing correctness in doubt.

10. First, and most narrowly: because a literal application of subparagraph 111.vi's 2021 baseline to 2024 cuts to packages that did not exist in 2021 would have produced a discount of zero, Northwestel had to substitute more current weights. It did so as an arithmetic matter, without asking that the Commission vary the formula's wording.

11. The majority accepts the reweighting as true to the collar's spirit, with which I have no quarrel. But that acceptance is itself an exercise of judgment. It is a decision that the number subparagraph 111.vi would otherwise have produced (zero) should not stand because it would not serve the collar's purpose. That is the same kind of judgment I would have applied to the rate the reweighted formula did produce. Having departed from the formula to preserve its purpose, the Commission cannot logically refuse to test the resulting rate against that same purpose. Doing so would have kept the onus on the applicant to provide enough information to test whether the reweighted collar reflected the competitive effects it was meant to capture.

12. Second, while Telecom Decision 2022-343 accepted Northwestel's request to exclude promotions and winbacks from its proposed collar, its own prior use of these tools had been narrow: a fixed-term promotion[9] and, later, a waiver of service charges capped at 12 months and subject to renewed justification.[10] It then deployed them for a new purpose,[11] discounting residential unlimited packages by up to, apparently, 23% to 38%.[12] That is a use Telecom Decision 2022-343 did not consider.

13. Third, the regulatory and competitive environment in Northwestel's serving area has evolved considerably since 2022:

    a) Telecom Decision 2023-196, reviewing our wholesale rate-setting approach more generally, directed that wholesale filings include "the equivalent stand-alone retail rates, promotional and winback retail rates", among other market-level information, so that the Commission could "test the assumptions used in the rate-setting methodology and costing models."[13] Winback rates were not merely relevant to this exercise: we had already told the industry to

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[8] Telecom Information Bulletin 2011-214, paragraphs 10-12 and 16.

[9] Approved in Telecom Order 2021-296, whose footnote 1 sets out the item's regulatory history.

[10] Approved in Telecom Orders 2023-400 and 2025-237. I dissented on the latter, noting that "more than a year into the use of such promotions, Northwestel remains the sole source of competitive evidence on the record". See paragraph 14a) of this dissent (below).

[11] Tariff Notice 1231, the winback filing itself, was approved without a single competitor intervention, a gap Commissioner Anderson and I addressed in our dissent in Telecom Order 2025-74.

[12] Footnote 1 of this dissent and accompanying text (above).

[13] Telecom Decision 2023-196, paragraph 166.

bring them to us for exactly this purpose. This data would have helped test whether a collar adapted to current weighting assumptions continued to reflect competitive conditions. Instead, the evidence that would have permitted such testing is not on the record of this proceeding.

b) Telecom Regulatory Policy 2025-9, completing the Commission's major review of telecommunications in the Far North, acknowledged that, notwithstanding Wholesale Connect's role of "promot[ing] competition in the Far North", and perhaps in contrast to low Earth orbit satellite services' advances, terrestrial competition "remains very limited". The Commission found that further improvements to Wholesale Connect were required to "foster consumer choice by helping existing and prospective competitors enter the market".[14]

14. Our decisions point in one direction: a continuing and, if anything, deepening commitment to Wholesale Connect's role in making terrestrial competition viable in the Far North. That is a commitment the applicant in Tariff Notice 1228 never engaged. Nor, in my view, did the majority in reviewing the application.

15. Taken together, these developments required us to do more than mechanically apply the collar. They required us to ask whether, as adapted to current circumstances, the collar continued to produce rates consistent with Wholesale Connect's competitive purpose and subsection 27(1) of the Act.

Stepping outside the formula

16. I would have tested Northwestel's application against that commitment. I would have moved our inquiry beyond arithmetic fidelity to subparagraph 111.vi of Telecom Decision 2022-343 to ask whether the wholesale rate proposed was, in light of that commitment, just and reasonable. I would have asked whether a 0.8% reduction in Wholesale Connect rates, in a market where the record included allegations of Northwestel promotions and winbacks that reduced the price of unlimited retail packages by 23% to 38%, reasonably fosters consumer choice by helping existing and prospective competitors to enter and compete.

17. That is a serious question raised by the record. The majority[15] does not answer it. Particularly given the Commission's acceptance that subparagraph 111.vi could no longer be applied literally, we should have required evidence sufficient to determine whether the adapted collar produced rates consistent with Wholesale Connect's competitive purpose. Having declined to do so, the

[14] Telecom Regulatory Policy 2025-9, paragraphs 212-213.

[15] Of the Telecommunications Committee, on behalf of the Commission: *Telecommunications Committee*, By-Law No. 10 (CRTC), paragraph (e) ("[a]ny act or thing done by the Telecommunications Committee shall be deemed to be an act or thing done by the members […]"), pursuant to paragraph 11(1)(b) and subsection 12(3) of the *Canadian Radio-television and Telecommunications Commission Act*, R.S.C. 1985, c. C-22 (CRTC Act) (duties delegated to standing committees by by-law, as distinguished from assigning a particular file to a panel: *Shoan v. Canada (Attorney General)*, 2016 FCA 261, para 6, with respect to the CRTC Act, subsection 6(2)).

record does not settle Tariff Notice 1228's satisfaction of the just-and-reasonable standard in subsection 27(1) of the Act. I respectfully dissent from the decision to approve it anyway.

Related documents

- *Northwestel Inc. – Tariff Notice 1234 – Terrestrial Internet Services – Service Charges,* Telecom Order CRTC 2025-237, 11 September 2025
- *Northwestel Inc. – Introduction of Winback Discount for Residential Unlimited Internet Packages*, Telecom Order CRTC 2025-74, 10 March 2025
- *Telecommunications in the Far North,* Telecom Regulatory Policy CRTC 2025-9, 16 January 2025
- *Northwestel Inc. – Waiver of Service Charges for returning customers,* Telecom Order CRTC 2023-400, 4 December 2023
- *Review of the approach to rate setting for wholesale telecommunications services*, Telecom Decision CRTC 2023-196, 7 July 2023
- *Northwestel Inc. – Application to modify the approval process for the company's retail Internet service tariffs*, Telecom Decision CRTC 2022-343, 20 December 2022
- *Call for comments – Telecommunications in the Far North, Phase II*, Telecom Notice of Consultation CRTC 2022-147, 8 June 2022, as amended by Telecom Notices of Consultation CRTC 2022-147-1, 14 July 2022; 2022-147-2, 24 October 2022; 2022-147-3, 13 October 2023; and 2022-147-4, 24 November 2023
- *Northwestel Inc. – Request to extend Try-it-and-Save promotion for an additional year,* Telecom Order CRTC 2021-296, 27 August 2021
- *Northwestel Inc. – Wholesale Connect Service,* Telecom Order CRTC 2013-93, 25 February 2013
- *Northwestel Inc. – Application to review and vary Telecom Decision 2012-4 regarding V-Connect service,* Telecom Decision CRTC 2012-644, 26 November 2012
- *Northwestel Inc. – Introduction of wholesale connect service,* Telecom Order CRTC 2012-203, 3 April 2012
- *SSi Micro Ltd. – Application regarding Northwestel Inc.'s backbone connectivity services,* Telecom Decision CRTC 2012-4, 5 January 2012
- *Revised guidelines for review and vary applications,* Telecom Information Bulletin CRTC 2011-214, 25 March 2011

- *Approval processes for tariff applications and intercarrier agreements*, Telecom Information Bulletin CRTC 2010-455-1, 19 February 2016

- Telecom Order CRTC 97-572, 29 April 1997