



Business, Tourism and Culture  
Box 2703, Whitehorse, Yukon Y1A 2C6

February 20, 2003

Ms. Diane Rhéaume  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, ON K1A 0N2

SECRETARIAT  
APPLICATION TRACKING

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8622-NI-200301359

SECRETARIAT  
SUIVRES LES DEMANDES

Dear Ms. Rhéaume:

**Re: Northwestel Inc. Pursuant to Part VII Application to Remove Joint Marketing and Bundling Prohibitions**

The Yukon Government has had the opportunity to review the application filed by Northwestel on January 31<sup>st</sup>, and wishes to provide the Commission with the following comments.

The interest of the Yukon Government is in ensuring the development of telecommunications services and infrastructure for the benefit of users throughout the Yukon. It is the Government's view that a delicate and somewhat complex balance must be struck to optimize the benefits of the Commission's competition policies in the North. The development of northern-based telecommunications services and suppliers is an important element in achieving this balance.

Northwestel has cited the changes in the regulatory and market environments as reasons for the Commission to reconsider its previous position of limiting Northwestel's ability to jointly market and bundle services with its wireless affiliate. The Yukon Government agrees that there have been significant changes, and for this reason considers that a more comprehensive review of the competitive framework may be appropriate, to ensure that all necessary changes are made. For example, the Commission has recently reviewed the affiliate

rule, and established clear guidelines for ILECs bundling tariff and forborne services within the operating territories. Decision 2002-76 dealt with an environment of local competition by affiliated wireline service providers, and did not specifically refer to Northwestel. The Yukon Government suggests that it may be an appropriate time for the Commission to consider if, and how, this principle should be applied in the North.

The Yukon Government believes that symmetry in the marketplace is important, so that not only Northwestel, but also other potential northern-based communications suppliers, will have the opportunity to compete. Northwestel should not be disadvantaged by regulatory prohibitions that leave the company vulnerable to competition by less-restricted southern-based providers. At the same time however, the Yukon Government is concerned that small local providers, who may be in a position to offer integrated services in small niche markets, are not disadvantaged by the regulatory regime applicable to Northwestel.

The Yukon Government submits that this Part VII application by Northwestel addresses just one aspect of competition in telecommunications services, and that a broader view of the opportunities for competition, and particularly Northern-based competition, is needed. In the view of the Yukon Government, it would be advisable to consider this application in the context of an overall review of the regulatory framework of telecommunications in the North.

Yours truly,



Terry Hayden

cc Northwestel