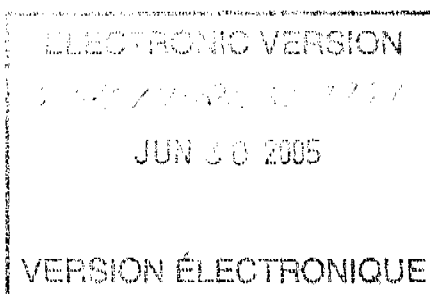




Northwestel Inc.
P.O. Box 2727
Whitchorse, YT
Y1A 4Y4



30 June 2005

Mr. Leonard Katz
Executive Director
Canadian Radio-television and
Telecommunications Commission
OTTAWA, Ontario
K1A 0N2

Dear Mr. Katz:

Re: Northwestel Inc. Tariff Notice 823

Attached for the Commission's approval are proposed revisions to Northwestel's Mobile Telephone Service Tariff (CRTC 3006), Item 201.

Northwestel is proposing to remove the Public Mobile Telephone Service ("PMTS") from the Fort Smith site in Northwest Territories.

The Company is proposing to withdraw the service from this location due to the declining subscriber base (see Attachment A) and low usage at the Fort Smith site. Attachment A demonstrates that the subscriber usage generated by Northwestel manual mobile subscribers associated with this site are negligible, has declined significantly over the past year, and does not recover the costs associated with providing and maintaining the service at this site. Attachment A also demonstrates the associated potential financial savings to Northwestel if this filing is approved. These savings would assist Northwestel in reducing its reliance on supplementary funding.

The Company notes that the cost analysis includes easily identifiable expenses related only to provisioning this service, including: operator services, and equipment maintenance. These costs alone, compared with the revenue generated, warrant removing the service at this site. See Attachment A.

Northwestel submits that removing mobile service from this site will only affect a few remaining "non-fixed subscribers", as no "fixed" customers have had service in Fort Smith since July 2004. As Northwestel demonstrates in Attachment A, there are only two calls being placed from this site per month and it is highly improbable that calling numbers would increase, as the number of PMTS customers overall has continued to decline at a considerable rate throughout 2004 and 2005.

The declining number of customers supports Northwestel's position that PMTS customers are continuing to migrate to alternative services, such as satellite and cellular. Northwestel submitted cost comparisons between PMTS, cellular and satellite service in its proposal to withdraw PMTS from five locations in northeastern British Columbia filed May 11, 2004. (Please see Northwestel's Tariff Notice 808 and corresponding CRTC approval Order 2004-298). As with the five locations previously referenced, customers have access to satellite service, and most of the Fort Smith area also has cellular coverage (see Attachments C and D). Therefore, customers have other alternatives available to them.

Moreover, due to the obsolescence of the technology and manufacturer-discontinued parts, Northwestel cannot guarantee the ability to restore PMTS service in a timely fashion, impacting the reliability of the service. In addition to the difficulties faced by Northwestel in trying to maintain this service, Northwestel expects that over time it will become increasingly difficult for customers to find replacement parts to maintain their radios. Furthermore, Manual mobile service does not provide modern calling features that alternative services provide such as voice mail and call forwarding. Therefore, the Company suggests that it may be in the long-term best interest of the customer to migrate to a more reliable and functional service.

The Company has provided a comparison of the recurring costs for Northwestel PMTS, cellular and satellite services, based on the average amount of calls made by the affected customers (see Attachment B). It is clear that for average use, satellite service is not significantly more expensive, with the added value of being able to subscribe to call management services, such as voicemail and call forwarding. The attachment also shows that cellular service is actually less expensive, even though the service is more advanced than PMTS. Furthermore, due to technological and market advances in cellular and satellite services, the initial start-up and recurring charges have been decreasing at a steady pace, making these services much more financially accessible to customers than in the past.

In summary, considering;

1. the costs and corresponding impact on supplementary funding from maintaining this site,
2. the minimal customer usage of manual mobile service and the availability of substitute services,
3. the quality and functionality issues with this antiquated service,

the Company proposes to withdraw PMTS service from the Fort Smith site.

Due to the specific usage patterns at these sites, timing for this proposal is critical in terms of minimizing any potential difficulty that could result from transition for affected customers. As a result, Northwestel respectfully requests an approval date of August 1, 2005 and an effective date of October 1st, 2005. This would allow the Company approximately two months to inform customers of the decision, and allow these customers adequate time for transition. As of the date of this application, Northwestel has notified all affected customers of this tariff proposal by letter, and will notify customers by way of direct letter if and when this filing is approved. A copy of the notification letter has been submitted with the current filing (see attachment E).

Pursuant to Section 39 of the Telecommunications Act, the information contained in Attachments A is submitted to the Commission in confidence. Release of this information would provide the Company's competitors with an undue competitive advantage by providing them valuable information about the market, which would permit them to establish more effective business and marketing strategies, thereby causing the Company specific direct harm. An abridged version of the Attachment A is provided for the public record.

Yours truly,

Dallas C. Yeulett
Manager, Regulatory Affairs

Attachments



Northwestel Inc.
P.O. Box 2727
Whitehorse, YT
Y1A 4Y4

30 June 2005

Mr. Leonard Katz
Executive Director
Canadian Radio-television and
Telecommunications Commission
OTTAWA, ON
K1A 0N2

Dear Mr. Katz:

Re: Northwestel Inc. Tariff Notice 823

In compliance with the provisions of the *Telecommunications Act* and Section 29 of the *CRTC Telecommunications Rules of Procedure*, Northwestel Inc. applies herewith for approval of the following tariff amendments:

<u>Tariff</u>	<u>Proposed Effective Date</u>	<u>Description</u>
CRTC 3006	01 October 2005	8 th revised page 26

Enclosed herewith are copies of the proposed revised tariff pages and a letter of explanation for the changes requested.

Yours truly,

Dallas C. Yeulett
Manager, Regulatory Affairs

Attachments



PROPOSED TARIFF PAGE

CRTC 3006

8th Revised Page 26

Northwestel Inc.

MOBILE TELEPHONE SERVICE

Cancels 7th Revised Page 26

MANUAL MOBILE TELEPHONE SERVICE

Item

201 MANUAL MOBILE SERVICE (cont'd)

6. Service Areas (cont'd)

A base station is associated with each Mobile Service Area as follows:

Mobile Service Area	Rate Centre	V-H Coordinates*		Revertive Calling Site
		V	H	
<u>Northwest Territories</u>				
Angus.....	Angus			
Arrowhead.....	Arrowhead			
Chick Lake.....	Chick Lake			
Dixon.....	Dixon			
Ebbutt.....	Ebbutt			
Edzo.....	Edzo			
Enterprise.....	Enterprise			
Fort Good Hope.....	Fort Good Hope			
Fort Liard.....	Fort Liard			
Fort Norman.....	Fort Norman			
Fort Providence.....	Fort Providence			
Fort Resolution.....	Fort Resolution			
Fort Simpson.....	Fort Simpson			
Grassy.....	Grassy			
Hay River.....	Hay River			
Inuvik.....	Inuvik.....			Y
Little Chicago.....	Little Chicago			
Morrisey.....	Morrisey			
Norman Wells.....	Norman Wells			
Parsons.....	Parsons			
Payne.....	Payne			
Pine Point.....	Pine Point			
Pointed Mountain.....	Pointed Mountain			
Port Radium.....	Port Radium			
Rae.....	Edzo			
Rat Pass.....	Rat Pass			
Redknife.....	Redknife			
Saline.....	Saline			
Snare.....	Snare			
Taglu.....	Taglu			
Travaillant.....	Travaillant			
Tsiigehtchic.....	Tsiigehtchic			
Tuktoyaktuk.....	Tuktoyaktuk			
Tungsten.....	Tungsten			
Wrigley.....	Wrigley			
Yellowknife.....	Yellowknife			

(C)

(D)

*Provided when different or not given in Tariff CRTC 3002, Item 107.

For explanation of symbols see Page 1

Issued: 30 June 2005

Effective: 01 October 2005

	Jan-04	Feb-04	Mar-04	Apr-04	May-04	Jun-04	Jul-04	Aug-04	Sep-04	Oct-04	Nov-04	Dec-04	Jan-05	Feb-05	Mar-05	Apr-05	Total	
Fixed Customers	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Entire Company	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Fort Smith (Note 1)	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Non Fixed Customers	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Entire Company	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Fort Smith	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Total	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Fort Smith customers as a percentage of total	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Jan-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Feb-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Mar-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Apr-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
May-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Jun-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Jul-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Aug-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Sep-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Oct-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Nov-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Dec-04	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Jan-05	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Feb-05	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Mar-05	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Apr-05	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Number of completed calls (Note 2)	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Number of Unique Customers Placing/Receiving Calls	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Monthly Revenue	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Revenue per Call	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Operator Expense (Note 3)	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Maintenance (Note 4)	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Total Est. Expenses	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Profit / Loss	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	#	
Note 1	In all of 2004, a total of # calls were made to/from PMTS customers in Fort Smith. The one fixed customer in service from January to June accounted for # calls, or # of the annual total.																	
Note 2	The number of "completed" calls includes # types of originating and terminating calls; PMTS to Landline, Landline to PMTS, and PMTS to PMTS																	
Note 3	Operator Expense is calculated at \$ /call, and takes into consideration the ratio of "attempts" vs. "completed" inherent in PMTS.																	
Note 4	Maintenance expense is estimated at # technician-days per year @ \$ 3 /day, with the cost spread across 12 months.																	
	The number of Northwestel PMTS subscribers that have used the affected site throughout 2004 and early 2005 has decreased from a high of # per month in April 2004 to only # per month from January to April 2005. The number of calls per month has decreased significantly to only # during the first four months of 2005, with an average revenue per call during that time of \$#. The single "fixed" customer using PMTS from January to June 2004, accounted for # out of #, or # % of the total number of calls completed for the entire year. The "fixed" customer disconnected service in June, 2004, and has not re-applied.																	

Comparison of Services

Recurring charges*	Northwestel manual mobile	Globalstar satellite phone	NMI cellular
minimum charge per month (note 1)	\$ 35.00	\$ 49.95	\$ 29.95
incremental cost per call (note 2)	\$ 2.52	\$ 7.95	\$ 3.25
number of calls included in minimum charge (note 3)	0	6	6
number of calls made (note 4)	\$ 2	\$ 2	\$ 2
cost for additional calls (note 5)	\$ 5.04	\$ -	\$ -
additional fee (note 6)	\$ -	\$ 6.00	\$ 4.00
Total recurring cost per month	\$ 40.04	\$ 55.95	\$ 33.95

Notes:

1) For Northwestel, this is the network access rate, which does not include any calls in the rate. For Globalstar and NMI, this charge includes access and minutes bundled in the rate.

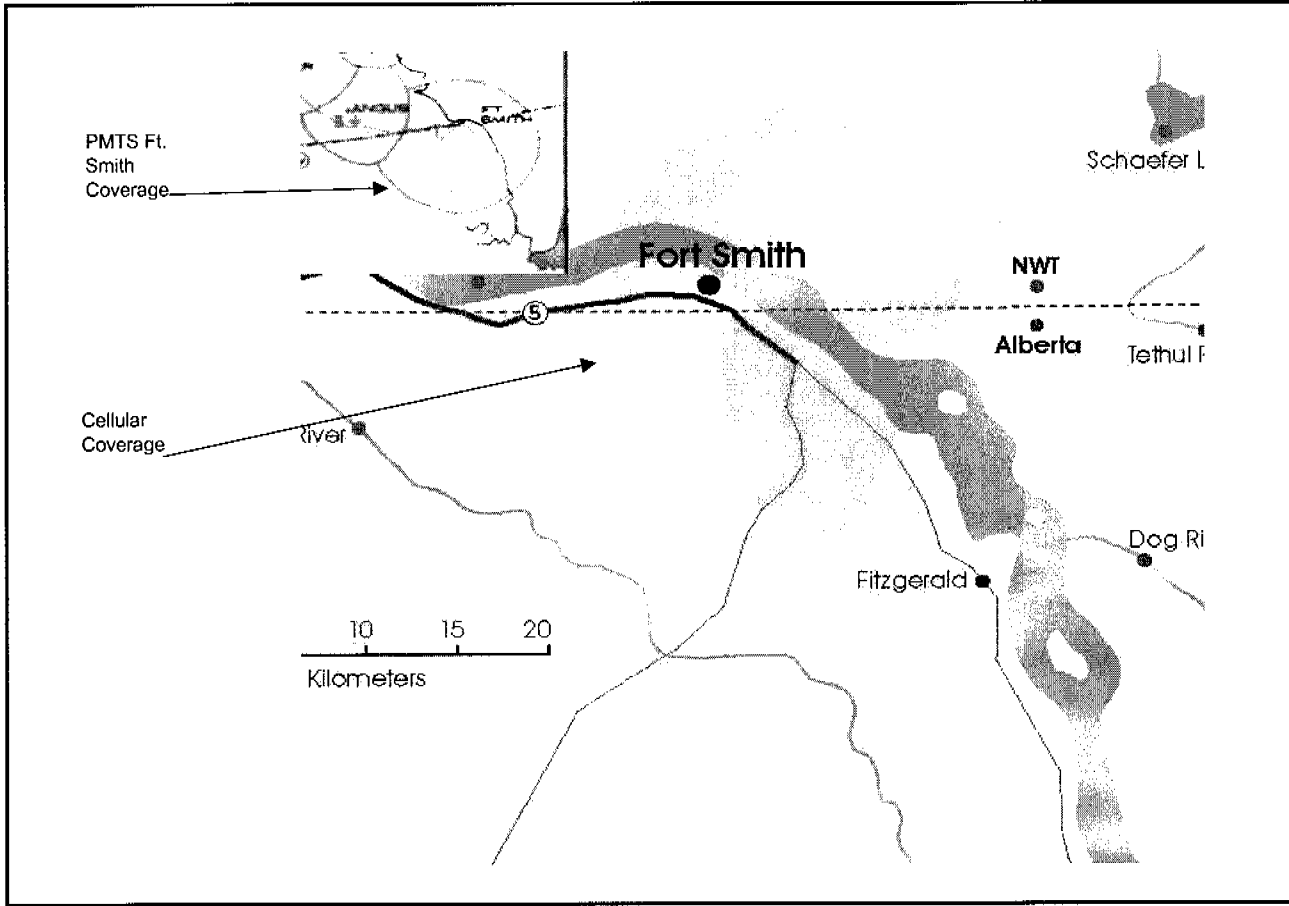
2) For Northwestel manual mobile service, incremental cost per call is based on the average call cost to the affected customers, based on all their calls in 2004. For Globalstar, the incremental cost per call is based on the average call length (5 minutes), multiplied by the additional per minute charge (\$1.59). For NMI, again the incremental cost per call is based on the average call length (5 minutes) multiplied by the additional per minute charge, which is \$0.65.

3) Both NMI and Globalstar have 30 minutes included in their monthly recurring minimum bundle charge. Based on an average call length of 5 minutes, this results in 6 calls included in the minimum charge.






4) Based on 2004 usage, the average number of manual mobile calls made throughout 2004 by the affected customers at the site was 2 calls per month.

5) The reason that manual mobile service is the only service where there is an additional cost for these 2 calls is that no airtime minutes are included in the monthly rate. It should also be noted that if making calls within Canada, satellite customers would not incur long distance charges.

6) For Globalstar, this fee is the government license fee, and for NMI the additional monthly fee is the system access fee.





-  **Globalstar Gateway**
-  **Primary Globalstar Service Area**
-  **Extended Globalstar Service Area**
(Customers may have single satellite coverage and experience a weaker signal)
-  **Fringe Globalstar Service Area**
(Customers may experience weak or sporadic signals)
-  **Globalstar Service Area currently unavailable to North American roamers**

Taken from "www.globalstar.ca"

Note that the Fort Smith site is located fully in the area covered by Globalstar satellite service



Northwestel Inc.
P.O. Box 2727
Whitehorse, YT
Y1A 4Y4

Dear customer,

Due to changes in technology, the low system usage, and the obsolescence of Public Mobile Telephone Service "PMTS"), Northwestel has filed a proposal with the CRTC in order to remove PMTS at the Fort Smith site located in Northwest Territories.

Northwestel has based its decision to discontinue offering PMTS at this location on both financial and technological considerations. With the development and availability of mobile communication systems such as cellular and satellite phones, Northwestel has found that many of our PMTS customers have already migrated to these services. Given the availability of superior alternatives and the diminished customer base, Northwestel would not be in a position to recover its investments for this service without greatly increasing the rates currently charged to you.

At Northwestel, our goal is to ensure that whenever possible, our customers have access to the latest, most efficient telecommunications products and services. At times, this will mean withdrawing obsolete services because newer technologies provide less costly and more efficient solutions.

We are informing you of this proposal because our records indicate that you placed or received a PMTS call at the Fort Smith site during the period of June 2004 to May 2005.

Northwestel's proposal is available for public inspection during normal business hours at Northwestel's office and the offices of the Commission. Should you wish to comment on this application to the CRTC, please send your comments to Northwestel and the CRTC by **MONTH DAY YEAR** by letter, fax or e-mail:

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The application is also available for viewing on the Internet at:
<http://www.crtc.gc.ca/8740/eng/2004/n1.htm> and then clicking on TN 824.

If this proposal is approved by the CRTC, Northwestel will be contacting you immediately to inform you of this decision. If the application is approved, PMTS service will remain available until **MONTH DAY YEAR** so that you may have a sufficient amount of time to make other arrangements.

If you wish to obtain more information on alternate services that are available to you, please contact Northwestel Customer Services at 811.

Northwestel would like to thank you in advance for your understanding.

Sincerely Yours,

Dallas Yeulett
Manager of Regulatory Affairs