



## Telecom Order CRTC 2025-237

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Gatineau, 11 September 2025

*Public record: Tariff Notice 1234*

### **Northwestel Inc. – Tariff Notice 1234 – Terrestrial Internet Services – Service Charges**

#### **Summary**

Canadians need access to reliable, affordable, and high-quality Internet services for every part of their daily lives. Competition is important for increasing Canadians' access to affordable Internet services. Installation fees can be a barrier to competition, as customers who have paid significant installation fees may be less likely to switch to a competitor with its own installation fees. Furthermore, processing fees for changing Internet packages can be a barrier to consumer choice, as these fees can discourage customers from switching to an Internet package that may better meet their needs.

Northwestel Inc. (Northwestel) submitted an application proposing to extend, for one year, its waiver of an Internet installation fee for returning customers of retail residential and business services. It also proposed to remove the order processing charge for Internet package downgrades or the removal of extra data usage blocks for Internet packages without unlimited data.

The Commission did not receive any interventions for this application.

The measures included in the application will reduce barriers to customer switching and allow customers to experiment with different Internet package speeds and data usage blocks without paying service charges. Accordingly, the Commission approves Northwestel's application.

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

#### **Application**

1. On 26 November 2024, the Commission received an application from Northwestel Inc. (Northwestel) proposing changes to Item 301, Service Charges, and Item 1735, Terrestrial Internet Services, of its General Tariff. Specifically, Northwestel proposed to (i) extend the service charge waiver under Item 301.5(i)(6) for one year, from 11 December 2024 to 10 December 2025,<sup>1</sup> and (ii) remove the

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<sup>1</sup> Refer to paragraph 24 for the effective dates of the service charge waiver.

order processing charge for Internet package downgrades or the removal of data usage blocks within the first 90 days for digital subscriber line Internet package subscribers.

### **Service charge waiver**

2. Northwestel noted that the service charge waiver, which was approved in Telecom Order 2023-400, was introduced to address the fact that customers who switch providers typically have to invest in customer-owned equipment. This can create a barrier to switching service providers, especially if the previous service provider also has a significant upfront installation fee. Northwestel submitted that its service charge waiver makes it easier to switch between providers.
3. Northwestel indicated that this benefit to customers who may wish to switch their service back to Northwestel after trying an alternative service provider has not come at a cost to the competitive dynamics in its serving territory. There has been no decrease in the number of competitors since the introduction of the service charge waiver, and no Internet service provider (ISP) offering service within Northwestel's serving territory has adjusted its practice with respect to installation and service charges.
4. For these reasons, Northwestel submitted that a one-year extension of the service charge waiver is appropriate, after which the impact of the service charge waiver could be reassessed.

### **Removal of order processing charges for retail Internet package downgrades**

5. When a Northwestel customer adds a data usage block or upgrades their Internet package, there is an associated order processing charge. When the customer keeps the new package or usage block for at least 90 days, this charge is waived even if they subsequently decide to revert to their previous package or cancel the data usage block. However, if the customer downgrades their package or cancels the additional data usage block within 90 days, they are subject to an order processing charge.
6. Northwestel submitted that these charges act as a barrier for customers who want to try out a higher speed or an unlimited Internet package, particularly those who are price sensitive. The charge may dissuade them from trying a higher speed or an unlimited Internet package because they would have to pay another charge to downgrade should they decide within the first 90 days that the new package does not meet their needs. Given this, the company proposed to entirely remove the order processing charge applicable to downgrades.
7. Northwestel further indicated that the proposed change would have no implications on competition, because the charge is only applicable to existing Northwestel customers who want to make an adjustment to their Internet package. Northwestel submitted that it is therefore reasonable to stop charging the order processing charge for this small subset of service requests.

8. Northwestel noted that its Internet services are classified as capped services pursuant to Telecom Decision 2015-79 and submitted that, because it is not proposing any rate increases, this proposal has no impact on its price cap indices.
9. Northwestel requested an effective date of 11 December 2024.
10. The Commission did not receive any interventions with regard to the application.

## **Commission's analysis**

### **Service charge waiver**

11. Over the years, the Commission has developed various policies with respect to promotions offered by incumbent local exchange carriers (ILECs). As described further below, these policies generally relate to the duration of promotions or below-cost offerings that, in some situations, could have a negative impact on competition.
12. In Telecom Decisions 94-13 and 97-8, the Commission considered that below-cost pricing in the case of market trials and promotions was generally not anti-competitive. In those decisions, it exempted market trials and promotions from the application of a price floor test on the condition that sufficient information is provided by the ILEC to demonstrate that the offering is a legitimate market trial or a promotion of limited duration.
13. When the Commission forbore from the regulation of many promotions for retail residential and business local wireline services in non-forborne areas in Telecom Decision 2008-41, one of the criteria for forbearance was that the promotion's combined enrolment and benefit period did not exceed 12 months. Furthermore, tariff applications would continue to be required for any proposed promotions for residential and business local wireline services that did not meet the criteria, for example, applications proposing to extend the offering period of a promotion other than as permitted by the policy.
14. In Telecom Order 2021-296, which dealt with a promotion for Northwestel's retail Internet services, the Commission was of the view that its past policies with respect to promotions, and particularly the limitations it placed on the length of promotional offerings, provided guidelines as to acceptable practices for promotions and should be considered.
15. The Commission considers that Northwestel's proposal complies with the Commission's policies related to promotions.
16. The Commission notes that Northwestel filed information in confidence regarding the impact of the service charge waiver on customers, as directed by the Commission in Telecom Order 2023-400. This information has provided the Commission with a

better understanding of the impact of the service charge waiver on Northwestel's competitors.<sup>2</sup>

17. The Commission considers that Northwestel's service charge waiver has had minimal impact on competitive ISPs over the 12 months that it was in effect. Competitive ISPs can reduce or waive similar charges, because their rates are not regulated by the Commission. However, none has opted to do so. Accordingly, the Commission is of the view that the Northwestel's proposal to extend the service charge waiver for a 12-month period, after which the company may file an application for the Commission's consideration to extend the waiver, complies with the Commission's previous determinations on promotions.

### **Removal of order processing charges for retail Internet package downgrades**

18. The removal of the order processing charges for retail Internet package downgrades would result in Northwestel not charging customers where they previously would have done so. While the price floor test is generally used to ensure that rates offered by ILECs do not negatively impact competition, in setting rates that are just and reasonable, the Commission has the ability to balance the interests of carriers, consumers, and competitors in the broader context of the Canadian telecommunications industry.
19. Given (i) the benefit to customers, (ii) the fact that this processing charge is only applicable to customers that already subscribe to Northwestel's Internet services, and (iii) that competitors in the region are able to offer such service changes free of charge, the Commission considers that eliminating the charge in this circumstance would not necessarily impact competitors.
20. The Commission is of the view that Northwestel's proposed changes would benefit residential and business retail Internet customers. This would eliminate a potential

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<sup>2</sup> Starlink, a division of SpaceX Canada Corp. (Starlink), provides retail residential Internet services in Canada using low-Earth orbit satellites, including to customers in the Far North. In Telecom Decision 2022-343, the Commission recognized that many customers in the Far North would likely see Starlink's service as a viable substitute for Northwestel's services, particularly given demand conditions where Northwestel's rates are higher than Starlink's, and in communities where Northwestel provides services only via digital subscriber line. Ice Wireless Inc. (Ice Wireless), New North Networks, and SSI Micro Ltd. (SSi) also provide services that are marketed as retail residential Internet services in some communities in the Far North. However, in Telecom Decision 2022-343, the Commission noted that customers in the Far North may not consider those services to be a substitute for the Internet services offered by Northwestel or Starlink, in particular Ice Wireless' and SSI's services, since those are provided over mobile network access infrastructure. When the Commission approved the service charge waiver in Telecom Order 2023-400, it noted that, while Northwestel's proposal was intended to win back customers that have migrated to Starlink, other competitors could be impacted. The Commission therefore limited the service charge waiver to a period of 12 months from the date of that order, after which Northwestel would be able to file an application to extend the waiver if appropriate. The Commission required any such application to include supporting rationale about the impacts of the waiver on customers and the market, and any competitive concerns.

barrier for customers wishing to upgrade their services without incurring order processing charges should they subsequently decide to downgrade their services.

## Conclusion

21. The Commission considers that Northwestel's proposals would benefit customers through cost savings. Furthermore, by reducing potential barriers to customer switching and providing customers with greater flexibility when choosing an ISP, approval of Northwestel's application may promote competition in residential and business Internet services in the Far North.
22. The Commission considers that approval of Northwestel's application would advance the policy objective set out in paragraph 7(h) of the *Telecommunications Act*.<sup>3</sup>
23. In light of all of the above, the Commission approves on a final basis, by majority decision, Northwestel's application.
24. The service charge waiver will be effective from **11 September 2025** to **11 September 2026** to align with the publication date of this order.
25. 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

## Related documents

- *Iristel Inc. – Application to review and vary Telecom Decision 2024-141 regarding notices of disconnection of telecommunications services issued by Bell Canada and Northwestel Inc.*, Telecom Decision CRTC 2025-157, 23 June 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

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<sup>3</sup> The cited policy objective is the following: 7(h) to respond to the economic and social requirements of users of telecommunications services.

- *Northwestel Inc. – Application to modify the approval process for the company’s retail Internet service tariffs*, Telecom Decision CRTC 2022-343, 20 December 2022
- *Northwestel Inc. – Request to extend Try-it-and-Save promotion for an additional year*, Telecom Order CRTC 2021-296, 27 August 2021
- *Northwestel Inc. – Basket structure and pricing constraints for terrestrial retail Internet services*, Telecom Decision CRTC 2015-79, 4 March 2015
- *Regulatory Policy – Forbearance from the regulation of promotions for retail residential and business local wireline services*, Telecom Decision CRTC 2008-41, 22 May 2008
- *Elimination of the winback rules for Digital Subscriber Line Internet and higher speed access services*, Telecom Decision CRTC 2007-97, 5 October 2007
- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15 (consolidated version), 6 April 2006, as amended by Order in Council P.C. 2007-532, 4 April 2007
- *Promotions of local wireline services*, Telecom Decision CRTC 2005-25, 27 April 2005
- *Follow-up to Telecom Decision CRTC 2002-37 – Adoption of digital subscriber line winback rules*, Telecom Decision CRTC 2003-1, 17 January 2003
- *Independent Members of the Canadian Association of Internet Providers – Digital Subscriber Line Internet services by Bell Canada and Bell Nexxia*, Telecom Decision CRTC 2002-37, 27 June 2002
- *Terms and rates approved for large cable carriers' higher speed access service – Follow-up to Order CRTC 2000-789*, Order CRTC 2001-92, 1 February 2001
- *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997
- *Review of regulatory framework – Targeted pricing, anti-competitive pricing and imputation test for telephone company filings*, Telecom Decision CRTC 94-13, 13 July 1994

## Dissenting opinion of Commissioner Bram Abramson

1. Northwestel Inc. (Northwestel) holds market power over retail Internet services in the Far North. Yet, uniquely in Canada over so extensive a territory, there is no mandated wholesale supply of the bottleneck upstream facility, high-speed access.<sup>1</sup> Instead, Northwestel’s retail services are tariffed directly.
2. This double-barrelled tariff application puts before us two issues that are likewise unique. I join the majority on one, which promotes flexibility for consumers. On the other, I dissent, consistent with reasons I have raised in earlier proceedings. The Commission has not taken steps to hear from competitors on an issue that directly engages competitive dynamics. In my view, those steps are essential to our responsibilities under the Act. They call for a broader approach to service of applications, and to the use of Requests for Information when the record lacks independent evidence.

### Downgrade charges should go

3. Northwestel’s price structure currently includes a processing charge to consumers downgrading their speed or bandwidth caps.
4. One barrel to Northwestel’s application would remove that downgrade charge. This change will benefit Northwestel customers. It is consistent with the policy that led Parliament to include, in its legislative scheme, a not-yet-in-force *Telecommunications Act* provision that a provider  
  
must not charge a fee to a subscriber that is related to the [...] modification of a telecommunications service plan, or any other fee whose main purpose is, in the opinion of the Commission, to discourage subscribers from modifying their service plan[.]<sup>2</sup>
5. I join the Telecommunications Committee’s majority<sup>3</sup> in green-lighting this change.

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<sup>1</sup> See Telecom Regulatory Policy 2025-9, Appendix, paragraphs 22 and 32-33, and dissenting opinion of Commissioner Claire Anderson.

<sup>2</sup> S.C. 2024, c. 17, sections 383 (adding subsection 27.04(1) to the *Telecommunications Act*) and 384 (“comes into force on a day to be fixed by order of the Governor in Council”).

<sup>3</sup> *Telecommunications Committee*, By-Law No. 10, paragraph (e) (“Any act or thing done by the Telecommunications Committee shall be deemed to be an act or thing done by the members”), pursuant to *Canadian Radio-television and Telecommunications Commission Act*, R.S.C. 1985, c. C-22 (CRTC Act), subsection 12(3)—as distinguished from a panel struck under subsection 6(2) of the CRTC Act: *Shoan v. Canada (Attorney General)*, 2016 FCA 261, para 6.

## Competition should include competitors

6. I would signal yellow in place of the majority's green, however, on the other barrel to this application: extending for another year Northwestel's targeted winback promotion, which waives installation charges for returning customers only. I do so for procedural reasons. Meaningfully evaluating a practice that engages directly with competitive dynamics requires making some effort to hear from competitors—such as by serving competitors with the application, or eliciting competitor evidence with which to complete the record. The Commission has sought neither. That is not, in my view, consistent with our role and responsibilities.
7. Targeted winbacks and selective promotions are effective ways for dominant firms to undercut rivals in retail markets through strategic pricing rather than overall price competition. Where retail competition is limited, the Commission has therefore set limits on these strategies:
  - In the past, incumbent residential Internet providers were restricted for 90 days from direct marketing to customers that had transferred away, including discounts or other inducements not generally offered to the public. These restrictions were lifted in 2007 for regions with sufficient competition,<sup>4</sup> a condition not present in the Far North.
  - Incumbent local exchange providers had to refrain from discounted phone specials unless—among other restrictions—these were made available, and equally promoted, to all customers in a given rate band, without being limited to customers of competitors; did not exceed six consecutive months; and did not lock the customer into a long-term contract. These restrictions were eliminated in forborne exchanges in 2007 and, in tariffed exchanges like the Far North's, whittled down in 2008.<sup>5</sup>
8. The Commission applied those whittled-down, non-forborne phone restrictions to the Far North's non-forborne Internet access in Telecom Order 2021-296 (upgrades) and again in Telecom Order 2023-400 (winbacks).
9. Northwestel has committed to maintaining these safeguards in the proposed extension. It submits that limited use of the promotion in regions with terrestrial competitors, and the absence of similar promotions by those competitors, support approval. I acknowledge these submissions, which are in good faith. Likewise, I am disposed favourably towards measures to reduce pricing or increase competition for retail

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<sup>4</sup> See Order 2001-92, paragraph 15 (large cable carriers); Telecom Decision 2002-37, paragraph 63, and Telecom Decision 2003-1, paragraph 16 (large incumbent local exchange providers); and Telecom Decision 2007-97, paragraph 35 (ending these restrictions).

<sup>5</sup> See Telecom Decision 2005-25 (restrictions on winback promotions); Order-in-Council P.C. 2007-532, 4 April 2007, substituting paragraphs 483-488 of Telecom Decision 2006-15 (eliminating these restrictions in forborne exchanges); and Telecom Decision 2008-41 (broadening them in non-forborne exchanges).

Internet in the Far North. But I am concerned that, more than a year into the use of such promotions, Northwestel remains the sole source of competitive evidence on the record.

10. In our dissenting opinion to Telecom Order 2025-74, Commissioner Claire Anderson and I argued that tariff applications directly engaging competition ought to be served on affected competitors, which would require varying Rule 59(2).<sup>6</sup> In my concurring opinion to Telecom Order 2025-157, I emphasized that good faith Requests for Information are fundamental to fairly adjudicating contested tariff matters.
11. I continue to hold those views. Here, a dominant firm seeks approval for a targeted promotion with potential exclusionary effects. Without independent input from competitors, our ability to fulfil our responsibility to assess the promotion's market implications is hobbled.

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<sup>6</sup> *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*, SOR/2010-277.