



Delta Voices



Your Beaufort Delta Newspaper.
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Long distance competition moves north of sixty

Long distance rates to drop and local rates to rise as NorthwTel braces for the southern invasion

by Gunnar Blodgett

Welcome to yet another round of changes in the NWT; this time to your phone service.

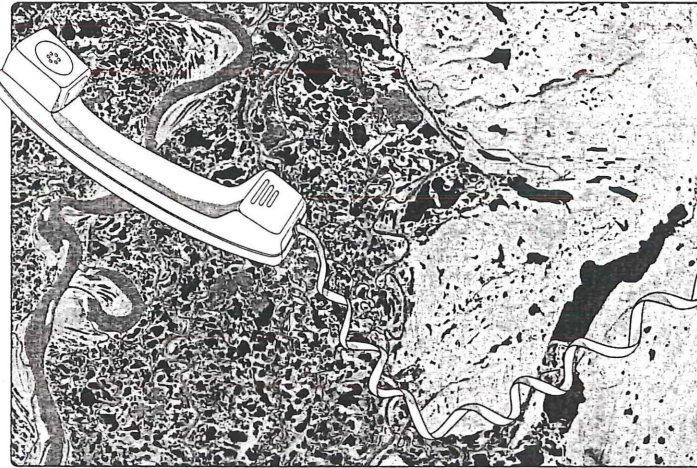
By this time next year, NorthwestTel won't be a monopoly anymore, at least not in the long distance area. That's the good news, and, oddly enough, the bad news.

"The consumer," says vice president Peter Dusolt, in Inuvik last month as a guest of Western Arctic Trade and Tourism, "is the big winner."

The good news is, our long distance rates will be going down. This should happen before Sprint arrives north of sixty.

Which brings us to the bad news; at the same time, local and residential rates will go up. This has already happened in southern Canada and the US, so perhaps it's inevitable here. It's also, according to the Utility, the only way to continue providing services to every community in NorthwTel's area of operation.

NorthwTel provides some 92 communities with both residential and business services, with Jean Marie & Kekisa scheduled to come on line by the end of 1997. Of these, only five -- including Yellowknife and Whitehorse -- are profitable. Effectively, according to company president Jean Poirier, long distance revenues from the five largest com-



How monopolies evolve: from world-spanning satellites to local service, change is happening.

munities make residential and business telephone services available in the remaining communities at "reasonable local rates".

"The profits from the long distance, which are high, makes the rest affordable," explains Dusolt. Actual long distance revenues are presently in the order of \$120 million, with a

net of some \$75 million. If the competitors were to enter the market today, which will not happen until the CRTCC approves such a move, NWTel could stand to lose up to \$21 million in net revenues. With profits standing at some \$11 million, this would severely impact the Utility's ability to service remote communi-

ties and invest in infrastructure.

It may cost NWTel \$100 to provide a dial tone to a residential phone in Old Crow. However, as a public utility, the company can charge only \$10 - \$12 per month for that service at the present ("reasonable local rates"). From a business point of view, it's a loss.

In addition to residential subsidies, NWTel invests some \$25 million annually to maintain and upgrade their telecommunications hardware. One recent upgrade was a \$500,000 fibre optic cable from Inuvik to the Inuvik airport. The cable will provide no increase in revenue; it's simply a part of business.

"What we are trying to do is come up with a model that would allow us to stay competitive," says Dusolt. "That model will be filed by the end of May with the CRTCC."

Which is why local and residential rates will go up. Not so far, says Dusolt that NorthwTel would actually cover its costs in remote communities. Consequently, the Utility will propose to the CRTCC that competitive operations provide a cross-subsidization to maintain residential and business local and long distance services in those communities such as Old Crow, which are not in and of themselves profitable.

"We have to find a model that will allow us to maintain residential and business long distance and local services," Dusolt continues. "It is probably reasonable that some form of cross-subsidization must occur. It is not yet known what form

"Competition" continues on page 12

Bill C-80 Court case a question of business

Legal dispute between Gwich'in and Ottawa timed for election

by Gunnar Blodgett

It's election time in Canada, and in the time honored tradition of Canadian politics, it's also time for issues that the outgoing parliament has not laid to rest.

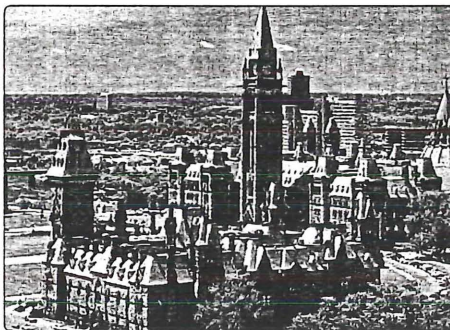
In the Beaufort Delta, one big issue is the Mackenzie Valley Resource Management Act (Bill C-80). On April 18, the Gwich'in Tribal Council announced legal action against Ottawa because C-80 had not been passed.

The legal action seeks compensation for damages as follows:

- 1) declaration that Canada is in breach of the Agreement and of the Implementation Plan;
- 2) declaration that the Minister should renegotiate the Implementation Plan and comply with the Agreement;
- 3) damages in the amount of two million dollars;
- 4) legal costs.

Bill C-80 is in some ways a business proposition for the Gwich'in, and by extension, the Beaufort Delta. The Act outlines the rules by which the Gwich'in and the Sahtu can enter into agreements with companies like Grand River for the extraction of oil and other resources from the Gwich'in Settlement Area. Until the Bill is passed, the Gwich'in feel they cannot bargain in good faith with interested companies. As a result, they have decided to apply pressure.

Gwich'in Tribal Council president



Mackenzie Valley Management Act: The Ottawa-Beaufort Axis?

Richard Nerysoo sees the Act as a framework for economic development. "My view would be that the whole concept of the legislation is to establish processes through which industry and business and northern people can co-operate in developing the north," he explains. "At least the rules are there. The existing situation in the north is that there are no clear processes anywhere."

The failure to pass the Bill, says Nerysoo, is a breach of trust. "I think that there's a constitutional obligation for them to deal with it."

"The question that arises in my view is whether or not the breach of

the agreement invalidates the agreement and allows us to get back to the bargaining table. I think there has to be some serious commitment on the part of the government."

Re-opening the Land Claim Agreement is a major step, after the years of work in land use implementation. The suggestion that this could be considered is a reflection of the frustration felt by the Gwich'in.

"We've been waiting for the legislation for two and a half years," says Nerysoo. "It received first reading in December of '96. It was our understanding that it would receive second reading in January or Febru-

ary (of this year) ... I was quite patient about it with the view that there was the commitment that the government would make every effort to get the work done. We filed a case on the 19th of April, but we're still waiting with the view that hopefully that we can see some legislation. Obviously that can't happen because of the election.

"I have had occasion to deal with this with our present MP and she has done some good work for us. She is not the Minister of Indian Affairs and that minister must bear the responsibility for proceeding with this legislation. That's in my view a simple process."

Nerysoo also recognizes that the result of the court case will not force the government into acting. However, he raises the question of why C-80 was missed and similar bills were passed into law. "We need a serious commitment on the part of the government as soon as possible. In the case of other claimant groups, they moved very quickly on these issues. There seems to be a certain amount of discrimination directed towards the Gwich'in."

Bill C-80 is a major part of the Gwich'in self-government strategy. "I think what we are in the position where we can be part of the decision making process," Nerysoo

"Court case" continues on page 12

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When I grown up,
I wanna be a T31.
Not a T21; not a T41.
A T31.
Got it?

