



André Bergevin, C.A., C.M.A.
Financial Control and Bill 198
Compliance Project Director
Bell Nordiq Group Inc.
7151 Jean-Talon Street East, 6^e floor
Anjou (Quebec) H1M 3N8
Phone : (514) 493-5347
Fax: (514) 493-5629
abergevin@telebec.com

May 25th, 2005

John Stevenson, Secretary
Ontario Securities Commission
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

Anne-Marie Beaudoin, Directrice du secretariat
Autorité des marchés financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22^e étage
Montréal, Québec, H4Z 1G3

Submission of comments relating to proposed multilateral instrument 52-111 (and companion policy 52-111CP) and addressed to the following securities regulatory authorities:

Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

Dear members,

The comments provided in this letter should be read as being those of the following registrants: Bell Nordiq Income Fund, Bell Nordiq Group Inc. and Telebec and NorthernTel Limited Partnerships.

Specific Request for Comment # 15:

Is the phased-in implementation of the Proposed Internal Control Instrument appropriate?

We think that the phased-in implementation concept is appropriate as it reduces the impact of having all public companies fighting for limited skilled resources in the same period to support on-time compliance.



André Bergevin, C.A., C.M.A.
Financial Control and Bill 198
Compliance Project Director
Bell Nordiq Group Inc.
7151 Jean-Talon Street East, 6^e floor
Anjou (Quebec) H1M 3N8
Phone : (514) 493-5347
Fax: (514) 493-5629
abergevin@telebec.com

However, we are not in favour of the instrument's proposed date of application, which is presently for financial years ending on or after June 30, 2006. Our opinion is that the implementation date must be delayed by at least one year due to the following:

- The US SOX 404 implementation experience clearly shows that the compliance exercise is very time consuming and costly and that human and capital resources are diverted away from the core business. The proposed duration given to comply with MI 52-111 is similar to that given to US companies to comply with SOX 404 rules. To avoid the negative consequences found in the US, relating to the short implementation period, Canadian companies need more time to comply.
- Recognizing the complexity to implement SOX 404, the US SEC recently delayed the implementation date for foreign investors from 2005 to 2006. Although this change was welcomed, it creates additional pressures (increased costs, fewer available skilled resources) as now both SOX 404 and MI 52-111 must be completed in the same year. For example, our parent company (Bell Canada) recently advised us that resources from their SOX team would no longer be available to assist us in the completion of our Bill 198 compliance project.
- In general, the Canadian only registrants are smaller than the Canadian SEC registrants. The financial and human impact, to comply with 52-111 in such a short period, is lot more intense for smaller companies, as they do not have the same financial and human capacity or flexibility. Spreading the impact over a longer period makes more sense. In our case, we have a market cap of over \$500 million and thus have no exemption. However, with revenues of only \$350 million, we are really a medium sized business with limited human and financial resources. At the same time, being in the telecommunication business, our level of complexity (including processes and systems) resembles that of a larger company.

Specific Request for Comment # 16:

Does the phased-in implementation adequately address the concerns regarding the cost and limited availability of appropriate expertise within issuers and among external advisors and auditors? If not, how can these concerns be addressed?

We agree with the intent, objective and usefulness of the phased-in implementation approach to address these concerns. However, with foreign issuers now being given a one-year delay to comply with SOX 404 rules, the benefits of the phased in approach cannot be met with a 2006 implementation date.

In addition, the short delay given before the application of 52-111, for companies over \$500 million of market cap, does not properly address the concerns regarding the cost and limited availability of appropriate expertise for issuers.



André Bergevin, C.A., C.M.A.
Financial Control and Bill 198
Compliance Project Director
Bell Nordiq Group Inc.
7151 Jean-Talon Street East, 6^e floor
Anjou (Quebec) H1M 3N8
Phone : (514) 493-5347
Fax: (514) 493-5629
abergevin@telebec.com

In conclusion, we suggest the date when the Proposed Internal Control instrument will come into force be extended by at least one year.

Finally, we have found all others elements proposed in the Instrument to be appropriate and have no further comments on them.

Sincerely,

André Bergevin, C.A., C.M.A.
Financial Control and Bill 198 Compliance Project Director
Bell Nordiq Group Inc.