

[Home](#) > [038 September 2009](#)

Internet or Internet?

By Brent Reaney -- Live years ago, while working at an Iqaluit-based newspaper without a freelance budget or roads into communities, I often relied on photo contributions from anyone with a digital camera. E-mailing a digital photo in Nunavut was an onerous task. On deadline, I'd plead with whomever had the photos to trudge across town to the library -- often during a blizzard -- and spend a couple of hours sending shots.



In tiny Grise Fjord way up on Ellesmere Island, Jimmie Qaapik often helped me out. A community economic development officer, he owned a decent digital camera and had a good eye. He'd send everything from shots of a beached Greenland shark to pics of tiny cod-like fish on the shore of Lancaster Sound in the summertime. "I'd have to try sending it so many times until it finally got through," says Qaapik of his old dial-up Internet line that cut in and out. "It would also be slow when there were too many people on at the same time. You would try to catch it early when not too many people were online."

Then, in the summer of 2005, along came Qiniq. Translating from Inuktitut as "to search," the network was a miracle and an instant hit. No longer did you have to work for the government or head to the library to get online. Qiniq used a portable wireless Internet modem that worked in

any Nunavut community. A photo could be sent in a matter of minutes, not hours. And no longer were you surfing the Internet one agonizing page at a time. You could have multiple pages open, flipping back and forth with reasonable ease. And the basic package was an easy-to-swallow \$60 a month.

But strangely, its popularity was almost its undoing. Within a year of its launch, Qiniq was overloaded and underfunded by the federal government. Despite a recent federal commitment to pour millions into much-needed bandwidth, more money is needed if many Nunavummiut are going to avoid a return to the dark days of 2004.

NORTHERNERS OFTEN wonder why southern Internet service is so much cheaper and faster. But comparing the two isn't fair. First, buying bandwidth -- essentially the speed at which you can move data around the Internet -- over a system of satellites, which the North must do, is a few hundred times more expensive than on the cable or fibre optic lines used in the south. Second, southern ISPs often operate in urban centres with capital costs spread over huge customer bases, not tiny towns spread across two million kilometres in one of the world's most isolated regions.

Federal funds have been an integral part of the operation since the start. To get the network going, Ottawa offered roughly \$3.9-million of the \$9-million needed for satellite equipment. It also came through with a satellite bandwidth subsidy through something called the National Satellite Initiative. Qiniq's original federal bandwidth subsidy was troublesome largely because the deal was only good for the first 2,000 accounts. But by last year, Qiniq had more than 4,000 accounts. That meant each new customer was costing Yellowknife-based service provider SSI Micro \$1,000 a year

"Last June I threatened to shut it down if the federal government didn't smarten up," SSI president Jeff Philipp says of the network on which his company spent millions to keep going. "Eight months into it we started losing money because we weren't getting any contribution for satellite subsidy and we couldn't stop adding users without pissing off the end users and our agents and ourselves. It took us a year and a bit to get the feds back to the table. Meanwhile, we had to continue to pay."

Now with \$21-million in new federal bandwidth funding starting to flow, things appear to be back on track. Philipp says the next year will be a big one, with SSI spending about \$6-million on system-wide upgrades. "The capacity increase is going to be staggering and it's going to finally do what we've always wanted it to do," he says. "I have no interest in building this network and operating it if it isn't going to hum."

Despite challenges in speed and cost, Qiniq and the broadband services that followed have helped change life in Nunavut. Hunters now hop online to find weather forecasts before heading out on the land. Kids flock to social networks like Facebook and Bebo, while southern teachers blog like no one's reading.

Qiniq has also helped more Nunavut residents and businesses access what many Canadians consider an essential service: banking. About 40 per cent of the Royal Bank of Canada's customers in this country bank online. In Nunavut, that number is 60 per cent, and it's doubled since Qiniq's launch, which makes sense considering only three Nunavut communities have physical branches. "And we expect to see more Northerners access online banking services," says RBC vice-president Michelle Docking. "It just makes sense given our geography and the remoteness of some of our communities."

The march toward a Nunavut-wide broadband network really took shape in the mid-1990s during a time when only a few government offices had access to services such as e-mail. Conferences and research papers followed. Then in 2001, the federal government launched a subsidy program aimed at connecting rural and Northern communities to the Internet. Soon after, the Nunavut Broadband Development Corp. was formed. NBDC is a community-focused group that acts not only as a watchdog over the network but the funnel through which federal and other funding sources flow. In 2003, the tender for construction and operation of Qiniq was awarded to SSI Micro, which had experience providing Internet service in the North.



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The business side of Qiniq has always been a strange beast, partly because Nunavut's population of roughly 31,000 spread among 25 communities isn't large enough to support a purely private model. "The question as a society is do you make your decisions on a business case for providing what we consider essential services?" asks Lorraine Thomas, the acting executive director of the NBDC. "If we had to build a business case for every road in Canada, we wouldn't have very many roads. We'd only have roads going from the factories to the large urban centres."

Even so, SSI is a for-profit company that has to sell new and improved services to customers to make money. It's something Thomas says puts the company in a tough position. "If you made a whole bunch of money, (the federal government) would say, 'You don't need this money,'" she says. "But if you don't make enough money to meet your costs, you have to stop offering the service."

Aside from dealing with ever-increasing demands for bandwidth, Qiniq also has broadband competitors. Northwestel offers its Netkaster service in many Nunavut communities. Offering the same technology but in fewer communities is a company called Xplornet. "Qiniq's upload speeds are horrendous. You're talking dial-up for the most part," says Stephen Ambrusz, a certified Xplornet dealer in Igloolik. "For businesses or for users that want to upload media, or upload large files, even sending e-mails, Xplornet trumps the upload speed of Qiniq."

Both Xplornet and Netkaster charge similar monthly fees to Qiniq, but require a small satellite dish to be mounted on the side of the house. The total cost of this, including installation, can approach \$1,000. With Qiniq, a \$150 refundable deposit on a wireless modem at your local dealer gets you online as soon as you get home. The difference is big enough that a loss of Qiniq would mean the loss of Internet for many Nunavummiut.

Having a sales representative in every community is an important piece of the Qiniq puzzle. Called Community Service Providers, they store and distribute the modems and also deal with the first stage of troubleshooting. In addition, they collect payments and earn a 20 per cent commission. In a territory where staff turnover is the norm, the retention rate for these positions has been high, with 18 of 25 of the original CSPs remaining from the 2005 network launch. "It's worked extremely well and it's made it so easy because everybody knows who the CSP is," says the NBDC's Thomas.

CSPs are just one Nunavut-friendly adaptation designed to make the system work in the territory. Another is Qiniq's prepayment system. In a region where banks are nearly non-existent and many households are cash-strapped, Qiniq customers pay their monthly service fee up front every month. "The advice we got from people who were living in communities who had run services or retail operations was, 'If you make this a credit service, it will fail,'" says Thomas, adding some households may only pay for the service when money is available.

Today, people in Nunavut have seen what the Internet can do, and they want more. "What's happened is, all the things in the south, people want to do them in the North," says Thomas, referring to bandwidth-hungry video and many-gigabyte gaming downloads.

That's why 2012 is important. That's when the federal government's National Satellite Initiative – that all-important bandwidth subsidy – is scheduled to sunset. "In June 2012, we fall off a cliff," says Thomas. "If there is no program to replace that support for the purchase of satellite bandwidth for Nunavut, the price customers pay will at least triple."

Nowadays, Grise Fiord's Qaapik regularly uploads folders full of photos on Facebook and is posting video online. However, he's considering switching to another Internet provider because he doesn't feel the network has lived up to its original promises in terms of speed and service. "It's a great thing to have Qiniq," he says, quite simply. "But it's not the best." Like so many Nunavummiut, Qaapik has begun to expect, rather than hope for, fast Internet – just like everyone else.

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