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Nunavut plagued by high-cost, low-speed Internet, CRTC hears

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With 37,000 people living in 25 communities without road access sprawled across one-fifth of Canada's land mass, high-speed Internet is a crucial tool to address isolation in Nunavut. But service providers, advocates and the territory's government say that can't be achieved without greater investments in infrastructure to connect the region to the south.

"It is overwhelmingly remote, indigenous communities that are at the bottom of all metrics when it comes to telecommunications services.

Specific efforts should be made to ensure that indigenous communities in particular do not continue to be left behind," Oana Spinu, executive director of the non-profit Nunavut Broadband Development Corporation, told a panel of commissioners from the Canadian Radio-television and Telecommunications Commission (CRTC) on Tuesday.

The regulator is holding a three-week hearing in Gatineau to review "basic telecom services" and considering whether to include broadband Internet in that definition. If it does, the next question is how to pay for expanded Internet access in rural and remote parts of Canada, a particular challenge in the Far North.

SSi Micro Ltd., which has been the recipient of several rounds of government funding, is the only Internet service provider to serve all 25 communities in Nunavut. Executives from the company told the CRTC Tuesday that the region needs a "backbone assistance program" to improve the network infrastructure needed to provide connections into remote communities, initially through satellite backhaul and eventually, ideally, through fibre-optic connections.

"Unfortunately, while last-mile infrastructure in remote communities can match that in southern Canada, the barrier is, and remains, the backbone transport connecting those same remote communities to the rest of the world," said SSi Micro chief development officer Dean Proctor.

SSi's proposal – which would support the creation of one backbone operator that sells its connectivity services on a wholesale basis to retail Internet providers in the communities – would

entail the creation of a new subsidy funded by industry revenues.

Funding drawn from the telecom revenues of residents living primarily in southern Canada could be a tough sell for urban Canadians wary of their own bills increasing. But representatives of the government of Nunavut said Tuesday that a recent CRTC survey conducted by Ekos Research Associates showed that “by and large, Canadians agree that pricing for Internet services in rural and remote areas should be the same as for urban areas of the country.”

SSi Micro currently offers Nunavut residents a basic package with download speeds of 1.5 megabits per second (Mbps), and plans to upgrade that to three Mbps following the latest instalment of government funding (the company received \$35-million from the Connecting Canadians program and is committing \$40-million of its own money to invest in infrastructure upgrades and purchase more satellite capacity). Those speeds are far slower than what Canadians in the south can typically access, but CEO Jeff Philipp says speed is a “red herring” and the problem is really about network congestion.

“It’s wonderful that you can go 220 on the autobahn in Europe, but it would not be wonderful if there were five times as many cars on the autobahn – you just couldn’t get those speeds,” he said.

“Usage caps are a major problem. When somebody has to worry about whether or not they should watch this Netflix episode or download that movie because they may not be able to finish their homework, that’s not a basic service, that’s not a viable service long-term. I’m not happy as a service provider delivering it.”

At \$80 a month for 20 gigabytes of bandwidth and high charges for overages, Mr. Philipp readily admitted that the service is not affordable, especially for Nunavut residents who typically live paycheck to paycheck and often can’t make bill payments on time, particularly when faced with serious food-scarcity issues. “Is [the service] being bought by thousands of subscribers? Absolutely. But should we be doing more? No question,” he said.

Ms. Spinu argued there is a market failure in Nunavut, which she says only has what Internet access it does thanks to government funding. “Private-sector providers are competing for subsidies and not customers.”

Many of Canada’s largest Internet providers have argued in this proceeding that market forces and government funding are sufficient to deliver broadband access across the country. They point to Xplornet Communications Inc., the New Brunswick-based rural Internet provider with plans to provide download speeds of 25 Mbps to all Canadians by the middle of 2017, in part through adding new capacity from two satellites coming online over the next year.

But Ms. Spinu said Nunavut has received satellite coverage from Xplornet later than other regions in the past and, she asked the commission, “Who will install the dishes for direct-to-home satellite service in Nunavut’s 25 fly-in communities spread over two million square kilometres?”

Ms. Spinu noted that digital literacy and adoption are low in the territory and in a discussion

around ordering computer equipment online, she illustrated how Nunavut's isolation can compound problems. Only a handful of communities have banks, she said, and without access to banking services, it is impossible to develop a credit history and get a credit card, which you usually need for online shopping.

“But it's interrelated, because you need better Internet access so you can engage in online banking and develop a credit history to be able to get credit cards and order things online,” she added.

Quick facts about Nunavut

- The territory covers 1.9 million square kilometres of land.
- Twenty-five communities are home to 37,000 people, 86 per cent of whom are Inuit.
- There are no roads to or between communities; there is sea access a maximum of four months a year (some places only weeks).
- There are no cables linking communities; all non-terrestrially served.
- There are no banks or doctors in most communities. Life expectancy is almost 10 years shorter than in the rest of Canada.
- In 2011, 39 per cent of Inuit in Nunavut lived in crowded housing, as per National Occupancy Standards, and 35 per cent lived in housing in need of major repairs.

Source: Government of Nunavut presentation to the CRTC

Here is an example comparing a typical package of plans from Rogers available in southern Canada with prices for plans coming soon from SSi Micro in Nunavut

COMPANY	PLAN	MONTHLY DATA USAGE (GB)	DOWNLOAD SPEED (Mbps)	PRICE
Rogers (Ontario pricing)	Ignite 20	25	20	\$32.99*
	Ignite 30	125	30	\$67.99*
	Ignite 60	200	60	\$77.99*
Qiniq (SSi Micro) (Nunavut)	Atii Home	20	1.5	\$80.00
	Taki Home	20	3	\$80.00
	Taki Plus	30	3	\$180.00
	Taki Pro	50	5	\$399.00

Number of usage hours before typical wireline monthly broadband capacity thresholds are reached

Using Netflix (lowest bandwidth setting), 2014



JOHN SOPINSKI/THE GLOBE AND MAIL } SOURCE: COMPANY WEBSITES; CRTC

*After three-month introductory rate expires

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