



ᐅᑎᐱᑦ ᐅᓇᓕᓕᓯᑦ ᐅᑲᓯᓯᑦ
Administration régionale KATIVIK Regional Government
P.O. Box 9 KUUJJUAQ (QUÉBEC) CANADA J0M 1C0

TAMAANI INTERNET SECTION, ADMINISTRATION DEPARTMENT

June 14, 2013

Robert McMahon
First Mile Connectivity Consortium

Dear Mr. McMahon,

I am writing to support the First Mile Connectivity Consortium's intervention at the CRTC hearings concerning *Review of Northwestel Inc.'s Regulatory Framework, Modernization Plan and related matters* Telecom Notice of Consultation CRTC 2012-669.

The Kativik Regional Government (KRG) operates a satellite based Internet network in Nunavik, the region of Quebec north of the 55th parallel. This network is operated in partnership with Keewaytinook Okimakanak Kuh-ke-nah Network (Knet) in northwestern Ontario and Broadband Communications North in northern Manitoba through the Northern Indigenous Community Satellite Network (NICSN) joint venture. The KRG provides, through its Tamaani Internet service, broadband Internet service to fourteen communities with a total population of approximately 12,000 people, the majority of whom are Inuit. Tamaani Internet's services range from residential broadband services to highly specialized data transport services for the region's large organisations. None of Nunavik's villages are accessible by road, and none are connected to Hydro-Quebec's electrical network. This has, to date, made satellite technology the only viable means of providing broadband services to the region.

In spite of the very high cost of satellite technology and the enormous financial and logistical challenges posed by network operations in the Arctic, the KRG has been able to provide the region with acceptable, though minimal, broadband services at reasonable costs for almost a decade. This has been possible thanks to the government's targeted initiatives, such as the *National Satellite Initiative* and the *Broadband Canada: Connecting Rural Canadians* programs.

Although Nunavik is not located within Northwestel's service area, the socio-economic similarities between Nunavik and Nunavut make it appropriate for the KRG to support the First Mile Connectivity Consortium's intervention at these hearings. The Nunavik experience has shown that a regional organisation is at least as capable as a large private sector corporation of providing broadband services that are adapted to the region's specific needs and providing its consumers with reliable and affordable services. In a country as diverse as Canada, remote communities are different from one region to the next and differ in language, culture, geography, cost of living, and population size,



ᑕᑎᑕᑦ ᑕᑦᑕᑦᑕᑦᑕᑦ ᑕᑦᑕᑦᑕᑦ
Administration régionale KATIVIK Regional Government
P.O. Box 9 KUUJJUAQ (QUÉBEC) CANADA J0M 1C0

among other factors. This is why we believe that local and regional organisations are best suited to meet local needs.

The KRG agrees with the CRTC policy recommendation (Telecom Regulatory Policy CRTC 2011-291) not to include broadband as part of Basic Obligation, and therefore not to force ILECs to provide broadband in high cost serving areas; the KRG does not believe that ILECs are necessarily the best organizations to provide this service in remote areas.

However, the KRG strongly disagrees with the CRTC's conclusion that this necessarily implies that no recurring funding mechanism be established to support those organizations that provide broadband service to remote areas. The conclusion that a recurring funding mechanism would be needed only if broadband was included in Basic Service Obligation is flawed and implies that only ILECs could or should access recurring funding. This policy undermines efforts by local and regional organizations, public or private, to provide broadband services in remote areas.

The "targeted initiatives" carried out by the federal government have been absolutely vital for regional and local organisations to provide broadband services and without these targeted initiatives it is likely that many remote regions would not today have access to even basic broadband service. However, this model has been problematic in several respects. The initiatives thus far:

- have occurred irregularly;
- provide matching funds requirements that differ between initiatives;
- involve different program rules that in some cases have disqualified certain types of organizations in one program who were qualified in a previous program;
- have had insufficient funds to meet the demand of all applicants;
- create competition for subsidies instead of competition for customers;
- have been managed by different government branches from one program to the next.

All of these factors create a great deal of uncertainty for the organisations that rely on these initiatives to provide service and this uncertainty prevents them from effectively planning out future service development. The lengthy period between initiatives and the fixed durations of programs that expire create a step effect with regard to upgrading network capacity to meet the needs of consumers, where broadband services function well immediately after the implementation of an initiative but invariably degrade as the network requirements increase over time. By the time the next initiative is announced and implemented, the service providers are in crisis with critically low network capacity. Ultimately, it is the consumers that pay the price for this uncertainty: either financially, or through poor service, or both. It should be noted that as of June 2013, no further initiative has been announced by the federal government, leaving those organisations



ᑕᑎᑕᑦ ᑭᑦᑕᑦᑕᑦᑕᑦ ᑕᑦᑕᑦᑕᑦ
Administration régionale KATIVIK Regional Government
P.O. Box 9 KUJJUAQ (QUÉBEC) CANADA J0M 1C0

that depend on targeted initiatives wondering how they will continue to provide their regions with as service that is becoming increasingly more essential in daily life.

A recurring funding model program that is managed fairly, encourages reasonably priced access to transport networks, and includes local community initiatives is essential for remote consumers to access broadband services.

I would like to thank you and the First Mile Connectivity Consortium for taking the time and effort to bring these concerns to the CRTC on behalf of the remote communities that you represent.

Sincerely,

Jean-François Dumoulin
Assistant Director, Administration Department, Tamaani Internet Section