

CRTC 2020-367

Review of the Commission's regulatory framework for Northwestel Inc. and the state of telecommunications services in Canada's North

Comments submitted by the First Mile Connectivity Consortium

1. The First Mile Connectivity Consortium (FMCC) is an incorporated independent not-for-profit national association. Our members are First Nations Internet service providers known as “community/regional intermediary organizations.” Our associate members are university and private sector researchers and others interested in Indigenous and community communications and telecommunication services for the public good. Our work focuses on innovative solutions to digital infrastructure and services with and in rural and remote regions and communities across Canada. More details about our members and activities are available: <http://firstmile.ca>
2. In 2013, the FMCC participated in the CRTC's first hearing in the North in Whitehorse (CRTC 2012-669). At that proceeding, we presented testimony from Indigenous Internet providers from the NWT and other Northern and remote Canadian regions. We also summarized the experience in Alaska, which has remote Indigenous villages similar to communities in the Canadian North.
3. Since then, there have been many changes in technologies and user demand in the North. Fibre backbone has been built in some regions, although many communities are still dependent on satellite services or fixed wireless backhaul. Several government funding programs have helped to extend or upgrade broadband services. Most importantly, broadband has truly become an essential service, especially during the COVID-19 pandemic, when Northerners have relied on telecommunications for health care and for school-at-home and work-from-home, as well as for ecommerce to order supplies and for online access to government services.
4. Of course, expectations have also changed. The Universal Service Objective set by the CRTC is now 50 mbps down and 10 mbps as opposed to only 5/1 mbps in 2013, but as in 2013, most people in the North cannot access what is considered basic service. It is now more important than ever that the CRTC require the provision of 50/10 mbps broadband service as mandated in its Basic Service decision in ALL communities.
5. In reviewing our recommendations from 2013, we believe several are still relevant. In 2013, the CRTC approved Northwestel's Modernization Plan. At that time, we stated: “In addition to requiring an annual progress report from Northwestel on its modernization activities, the CRTC should require an annual external review or audit to document progress on the plan and specifics on how NCF subsidies have been spent.”¹ We note that Northwestel submitted its final progress report on its modernization activities under the Plan in 2018. (CRTC 2020-

¹ Quotations below are from our 2013 submission: “Final comments submitted on behalf of the First Mile Connectivity Consortium”. CRTC Consultation CRTC 2012-669-1: Review of Northwestel Inc.'s Regulatory Framework, Modernization Plan, and related matters. Submitted 8 July 2013.

367, para 34) We would like to know if there has been an external review or audit of Northwestel's modernization activities carried out under the plan.

Subsidy Regimes

6. We have no conclusive opinion on the need for subsidies at this point. We note that in general, the costs of connectivity are decreasing, with extensions of fibre and higher bandwidth satellites. However, any proposed subsidies should be carefully monitored to ensure that the benefits are passed on to users in the form of lower and predictable prices.

Network Improvement and Oversight

7. In 2013, we also stated that: "The CRTC should require more thorough monitoring of Northwestel's quality of service. There have been many complaints from interveners that the service provided does not reach even minimum advertised speeds. Regular monitoring of actual upload and download speeds and services outages should be required." Unfortunately, this is still very much the case. While there have been efforts by some third parties to monitor QOS including download and upload speeds and outages, there appears to have been no enforcement of any QOS standards on Northwestel.
8. Also concerning QOS, in 2016, FMCC researchers conducted a pilot study for ISED of digital technology use and adoption in Indigenous communities including Iskut First Nation, a Tahltan community in the Stikine region of north central BC which is served by Northwestel. We learned that connectivity seemed adequate for basic business and organizational tasks, but additional bandwidth and service quality were insufficient to stream videos for classroom use. The health centre was unable to use the telehealth videoconferencing equipment that was installed by Health Canada because of the lack of bandwidth and inadequate quality of service. The local teachers and health centre employees were unable to participate in webinars or other online professional development activities. The education manager pointed out that a teacher would have to miss a week of teaching to drive and then fly to meetings in Vancouver.²
9. We believe that there should be regular monitoring of QOS conducted or authorized by the CRTC in communities served by Northwestel, including those in northern BC, and that QOS standards should be mandated and enforced.
10. We emphasize that telecommunications providers have a duty to consult with First Nations and other Indigenous communities before undertaking work on their lands. We note that Northwestel has received funding for four projects under the Commission's Broadband Fund. (CRTC 2020-367, fn. 3) We reiterate our recommendations to the Broadband Fund that any projects receiving funding to serve Indigenous communities must provide meaningful and documented consultation with Indigenous communities. We also draw attention to the FCC's requirements in the US that to qualify for government funding, carriers providing

² First Mile Connectivity Consortium (FMCC). *Digital Technology Adoption in Northern and Remote Indigenous Communities in Canada*. Report to ISED, April 2016.

services on Tribal land must show that they have fulfilled a Tribal Government Engagement Obligation.³

11. Infrastructure cost proposals, proposed subsidies and implementation of infrastructure projects funded through the CRTC and other public sector sources should be reviewed and monitored by independent experts with experience in the North. Engineers and other professionals without northern experience are unlikely to be able to adequately assess proposed costs or reported expenditures.
12. Northwestel should be required to use local labour where ever possible, rather than flying in crews. This requirement would reduce operating and maintenance costs and create local jobs. (See Training below)

Competition and Services used by Competitors

13. In 2013, we pointed out that Indigenous providers require access to existing transport infrastructure that has been built using public and subsidized funds, and more generally that the CRTC should guarantee Open Access to transport infrastructure. Based on information we have received about connectivity in Indigenous communities along the Mackenzie River, it appears that Northwestel, which manages the publicly financed Mackenzie Valley Fibre Link (MVFL), has not provided open and affordable access to providers who could serve these communities. The cost and terms of leasing capacity on the MVFL should be made public. Further, the CRTC should establish regulated wholesale pricing for access to the MVFL so that competitive ISPs can offer services using the MVFL backbone. In general, the Commission should prioritize policies that make it possible for local or regional service providers based in the North to provide services to their communities.
14. Non-incumbents that want to provide services within Northwestel's territory should be able to identify and locate existing infrastructure including dark fibre and conduit as well as tower space and co-location sites.

Affordability

15. In 2013, we emphasized: "Ensure that communication services are AFFORDABLE in the North, using data on Northern costs of living, incomes, and household size to determine affordability." Today, affordability remains a critical issue.
16. The increased reliance on broadband during the pandemic has demonstrated the limitations of existing networks in both capacity and reliability. Further, it has shown that connectivity is unaffordable to many who have to pay high overage charges for school, work, and other necessary usage. In many cases, several family members must share one unreliable connection.

³ See: <https://www.usac.org/wp-content/uploads/high-cost/documents/Forms/FCC-Form-481-Template.pdf>

17. Although the CRTC now requires more information on data charges to be provided to subscribers, data caps remain an issue, especially because many young people rely on mobile phones for data access, including for schoolwork. Unlimited plans are now available, but they are far too expensive for most households or small businesses and organizations. We urge the Commission to review Northwestel's pricing for data including overage charges.
18. Anchor tenants such as schools and local governments often lease capacity that is used primarily during the daytime. To address the need for more bandwidth for homework and other online activities, we propose that the Commission explore how this leased capacity can be made available for use by the whole community during non-business hours.
19. We also suggest that local providers should be encouraged and funded to establish community intranets to share online resources such as school instruction throughout the community during the pandemic and in the future, as needed. For example, Alaska has introduced intranets in some villages to compensate for limited broadband network capacity so that local teachers can use Zoom and other software to connect with homebound students.⁴

Local Training and Hiring

20. Telecommunications providers should train Indigenous and other community residents who can then be hired for operations and maintenance in remote communities. This training would both reduce costs to providers and create jobs in the communities. Specifically:
 - Northwestel should be required to hire and train people from the communities they serve for construction projects and ongoing operations and maintenance.
 - In the case of commercial providers such as Northwestel, government should not fund training, but rather should make training and subsequent employment a condition of accessing public funding.
 - The CRTC should require Northwestel to report annually on the number of Indigenous people hired and trained by community and by job description and whether short term, permanent full time, or permanent part time.

Support for Digital Literacy and Community Engagement:

21. The CRTC should provide support for digital literacy activities, particularly in small communities outside of Whitehorse, Yellowknife, Inuvik, and Iqaluit. These activities should focus on both opportunities and challenges that arise with the deployment of digital infrastructures and services. They should include consideration of issues related to access, affordability, speed, and reliability of service. There should also be support for Northern community members who wish to contribute to the consultations regarding telecommunications services held by the Commission and other entities.
22. The CRTC should also support research projects that can engage Northern community members to collect data for activities such as performance tests, monitoring of local service

⁴ See: <https://www.kyuk.org/post/lksd-teachers-hope-intranet-will-rescue-school-year-crippled-pandemic>

quality, and contribution to more complete and up-to-date maps that show the location of facilities and wireless spectrum coverage.

Other Issues

23. **Northwestel corporate information:** BCE does not break out any financial information for Northwestel in its annual reports or other documentation. The CRTC should require Northwestel to make public financial information such as construction and operating costs and annual revenues.
24. **Lessons from Alaska:** We recommend that the Commission examine the experience of broadband funding, pricing, and services in Alaska, which, as we pointed out above, has many remote Indigenous villages that are similar to communities in the Canadian North. US rural broadband programs, the E-rate subsidies for schools and libraries, the Rural Health Care subsidy, and Lifeline subsidies for low income users of voice and data are all relevant for Canada.⁵
25. **Other northern regions:** We note that conditions in many northern parts of the provinces are similar to those in Northwestel's service area: small isolated communities, no year-round roads, harsh climate and geography, etc. The CRTC should therefore consider implementing a similar regulatory framework for Bell companies serving remote regions of northern Manitoba, northern Ontario, Northern Quebec/Nunavik, and Labrador.
26. **Indigenous affairs and policy:** We propose that the CRTC establish a department within the Commission with responsibility for Indigenous and remote regions, that would address issues across the remote and Indigenous North including the northern regions of the provinces as well as the territories. As we note above, these regions have much in common including Indigenous populations, small communities, lack of year-round road access, and challenging climate and geography. We note that the FCC has established an Office of Native Affairs and Policy.⁶
27. We thank the Commission for the opportunity to participate, and intend to provide more detailed comments in future submissions.

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⁵ See: Hudson, Heather E. (2015) *Connecting Alaskans: Telecommunications in Alaska from Telegraph to Broadband*. Fairbanks: University of Alaska Press.

⁶ See: www.fcc.gov/general/native-nations.