



## ***Research on Telecommunications Services in Northern Canada***

### **Executive Summary**

#### **Prepared for the Canadian Radio-television and Telecommunications Commission (CRTC)**

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March 2023

This public opinion research report presents the results of focus groups conducted by Environics Research on behalf of the Canadian Radio-television and Telecommunications Commission. The research study was conducted between October 2022 and February 2023.

Cette publication est aussi disponible en français sous le titre *Recherche sur les services de télécommunication dans le Grand Nord du Canada*.

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Canadian Radio-television and Telecommunications Commission  
1, promenade du Portage  
Gatineau, Quebec J8X 4B1

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## Executive Summary

### Background and Objectives

#### Background

The CRTC is currently in Phase II of a public process to examine the telecommunications needs of consumers and small businesses in Canada's Far North. Research in this second phase will build on learnings from Phase I, which found that telecommunications services in the Far North are of lower quality and less affordable than what is available in the South, resulting in possible exclusion from social and economic opportunities. During Phase II, the CRTC will explore potential solutions to improve affordability, reliability, and enhance competition in the Far North telecommunications marketplace. Phase II will also further reconciliation with Indigenous Peoples by enabling their participation, recognizing that the policy outcomes of this process will affect Indigenous communities.

#### Research rationale and objectives

Public opinion research has been identified as a way for the CRTC to supplement its existing datasets and expand its knowledge of the needs of Canadians living in the Far North. It will consist of qualitative research, which will build on previous research and the Phase I public record to obtain their views on what actions the CRTC should take to ensure that telecommunication services best meet the needs of communities in the Far North.

In Phase II of the proceeding, the CRTC wished to obtain views from:

- Indigenous residents in the Far North; and
- Non-Indigenous residents in the Far North.

The focus group discussions were designed to address the following specific research objectives:

1. To obtain views from residents of the Far North on what actions the CRTC should take to improve: affordability, reliability, and quality of retail services in the Far North; improve how telecommunications service providers engage with local Indigenous communities in the Far North; and improve competition and wholesale services;
2. To capture a broader range of views from parties who will be impacted by the outcome of the proceeding. This may include those who live in Indigenous communities, whose primary language is an Indigenous language, who have limited or no internet access, or those who may not otherwise be likely or able to share their views by means of traditional CRTC procedure.

In particular, as parties noted during Phase I, the participation of Indigenous peoples is critical to conversations about telecommunications services and related policy outcomes that directly affect them. To this end, the following considerations are at the core of the research approach:

- Take into account the Government of Canada's commitment to reconciliation with Indigenous peoples;

- Encourage participation from those who might otherwise not participate;
- Ensure the public record includes community-specific discussions of issues and possible solutions to be explored in Phase II;
- Occur in a culturally-safe and welcoming environment (for instance, one that includes face-to-face discussions, trusted moderators, and/or are held in an accessible, safe setting), which will enable participants to feel comfortable to share their views with each other and the CRTC.

## Methodology

Environics Research conducted a series of eight (8) in-person focus groups across the three territories (three in each), and three (3) virtual focus groups in Cambridge Bay and Northern British Columbia, with adult residents between November 22, 2022, and February 21, 2023.

Date and Time	Group Location	Total Participants
November 22, 2022, 10:00 MST	Yellowknife, Northwest Territories	6
November 24, 2022, 10:00 MST	Hay River, Northwest Territories	5
November 25, 2022, 11:00 MST	Behchoko, Northwest Territories	5
November 28, 2022, 10:00 MST	Whitehorse, Yukon	6
December 2, 2022, 10:00 MST	Dawson City, Yukon	5
January 26, 2023, 12:00 MST	Carmacks, Yukon	7
January 17, 2023, 1:30 EST	Iqaluit, Nunavut	7
January 30, 2023, 4:30 CST	Rankin Inlet, Nunavut	7
February 21, 2023, 4:30 CST	Cambridge Bay, Nunavut (Virtual)	5
December 15, 2022, 1:00 MST	British Columbia (Virtual)	6
January 25, 2023, 10:00 PST	British Columbia (Virtual)	7

Each group lasted approximately 90 minutes and consisted of between five and seven participants (out of ten people recruited for each group). Sessions included Indigenous and non-Indigenous residents of each area. All sessions were conducted in English.

Across all regions, 66 individuals participated in focus groups; 27 individuals identified as Indigenous (First Nations, Metis, or Inuit), and there were similar proportions of men and women in attendance (32 women, 34 men). Participants ranged in age from 18 to 65. The research methodology was designed specifically to capture the perspectives of urban, rural, and remote communities, as well as to provide space for both Indigenous and non-Indigenous voices.

### Statement of Limitations

Qualitative research provides insight into the range of opinions held within a population, rather than the weights of the opinions held, as measured in a quantitative study. The results of this type of research should be viewed as indicative rather than projectable to the population.

### Contract Value

The contract value was \$188, 879.50 (including HST).

## Key Findings

The Phase I report identified affordability, reliability, and quality of service as the three biggest problems faced by participants with respect to their telecommunications services in the north, with an emphasis on internet services. The Phase II research was designed to further explore these themes, as well as to delve into some potential solutions identified by residents in the Canadian North.

Participants in all focus groups were critical of their internet services; affordability was the most common criticism in each of the focus groups, however the quality and reliability of the networks were often major points of concern within communities as well. While home phones were mentioned in each discussion, many participants no longer use these services and had little to say about them.

A trend noted during focus group engagements involved the level of development within a community and the priority area noted afterwards. In Yellowknife and Whitehorse, participants were more concerned about the affordability of the services, while in other communities, boosting the quality and reliability of the networks was of greater concern. This pattern is related to fibre optic infrastructure; the communities with fibre optic had strong internet service packages available to them, though the costs attached to them were often prohibitively expensive. The presence of fibre optic or other high-speed networks in a community also influences the willingness of participants to consider purchasing Low Earth Orbit (LEO) services like Starlink; individuals in more remote communities were more likely to accept a high upfront cost for a fast and reliable connection; those in larger communities were less interested in LEO, and would prefer to see existing services improved and made more affordable.

### Affordability

Affordability was the most common criticism from each of the focus groups. Participants often noted that the internet packages in their communities were substantially more expensive than those in the south, with many reporting that even when the basic monthly rate was manageable, additional data overage charges made their bills unaffordable at times. Further, many participants noted that a lack of reliable service (inconsistent networks and/or slow speeds) forced them to use mobile data on their cell phones in order to participate in the workforce or attend classes virtually, which added more costs. Participants also frequently commented on the impact of high prices on more vulnerable members of the community.

While affordability in general was a universal concern, specific issues varied based on network reliability and the presence of fibre optic infrastructure. In remote communities, participants were accustomed to high internet bills, but described their dissatisfaction with the value of the service relative to the prices they were paying (slow speeds, low data caps, poor reliability). High costs were often attributed to a lack of competition in the market and poor accountability for providers, which created the perception that service providers were disincentivized to improve their prices or the quality of service.

The price of internet services in northern Canada was often described with terms like expensive and prohibitive by participants in every community. Participants widely felt that giving any sort of subsidies to current telecommunications providers instead of directly to customers would not be effective, but that individual subsidies would permit individual customers to choose how to improve their internet services to meet their needs. For example, in Cambridge Bay and Rankin Inlet, participants said they were more likely to use a subsidy to offset the cost of installing an LEO service like Starlink, whereas in

Whitehorse and Yellowknife participants said they were more likely to use a subsidy to increase their current internet package to include higher speeds and/or unlimited data. These regional variances are important to consider in this context, as the unique needs of each community make it difficult to implement a “one size fits all” solution. However, there seemed to be a broad consensus that something in the range of \$50 to \$100 per month would provide real relief for those struggling to keep up with bills, and would open up possibilities for customers who felt they could benefit from an upgraded service package. The interest in individual subsidies, as opposed to provider-level subsidies, was also tied to a lack of trust in telecommunications companies and a concern that subsidies given to companies would not effectively result in relief for the consumer.

### **Quality and Reliability**

Quality and reliability of the network was an important priority for participants. This was often linked to concerns about affordability; there was a general sentiment among participants that prices would be manageable if the services provided consistent speed and reliability in the network.

Reliability was of high concern for those who rely on the internet for remote studies. Student participants mentioned examples of disruption that included being disconnected from classes, difficulties completing coursework, and missing deadlines for important applications. Those who use internet for work talked about missing out on meetings, and losing sales when transactions couldn't go through. Many participants in the focus groups noted they were in the habit of keeping their cameras off and reducing screen resolution in order to reduce data use and lower the risk of disconnection and interruption during calls. Thus, even when they were able to participate in virtual activities, their participation was hampered due to inconsistent and unreliable connections.

Participants also noted that network quality and reliability issues were stifling to business and industry across all communities specifically because of the impact on banking services, health care access, social supports, and emergency services, with remote communities describing the most severe limitations. Individuals in smaller communities all described connectivity as a significant current challenge to the community as a whole, and a barrier to future economic development. Even in larger centres with fibre optic plans available, where network quality and reliability were somewhat less concerning to the participants, the reliability was still not comparable to southern communities and the high costs associated with the fibre optic plans were a challenge for individuals and businesses.

### **Competition and Choice**

For participants, the key advantage of having more competition in telecommunications services is that it creates a degree of accountability for service providers by providing real alternatives and giving consumers the power to switch between companies in response to poor customer service. While participants were realistic about the challenges inherent in providing internet services to their Far North communities, they felt that competition and choice in the marketplace might help to stabilize prices for internet plans, lead providers to invest in better infrastructure, and force companies to audit their practices and provide better training to customer-facing employees.

The lack of competition in the north was viewed as a pivotal issue in all regions, however this issue was more prevalent in smaller communities. Individuals in the more remote communities described feelings of helplessness, because the internet is so critical but there are no realistic alternatives available. This

resulted in a more favorable view of Low Earth Orbit satellite technologies in these communities; participants are already used to paying high telecommunications bills and are more amenable to spending that money on a different service that promises a more reliable connection. In urban settings (Whitehorse and Yellowknife), the lack of competition was framed as a customer service issue rather than a network reliability concern, and participants felt that competition would incentivize telecommunications providers to improve their client relations.

### **Investments and Infrastructure**

Some felt that investing in telecommunications infrastructure was an important consideration for their communities, especially Hay River where investment to make services faster, more reliable, and reduce outages was even more important than affordability to focus group participants. Some participants believed that as infrastructure becomes more advanced, services using the older technology will be made available at a lower price. In the more remote communities, however, investments in new infrastructure were often perceived in a negative light, as participants felt the high costs associated with developing advanced infrastructure would simply result in higher telecommunications bills. Participants often felt that investment would be better spent by addressing issues with existing services.

### **Political neutrality statement and contact information**

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Stephanie Coulter  
Senior Research Associate, Corporate and Public Affairs  
[stephanie.coulter@environics.ca](mailto:stephanie.coulter@environics.ca)

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For more information, contact the CRTC at: [ROP-POR@crtc.gc.ca](mailto:ROP-POR@crtc.gc.ca)