



## Telecom Order CRTC 2024-58

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Reference: 2020-257

Ottawa, 14 March 2024

*Public record: 1011-NOC2019-0191*

### **Broadband Fund – Change request – Northwestel Inc.’s Northwest Territories satellite project**

#### **Summary**

Canadians need reliable, affordable, and high-quality Internet and cellphone services for every part of their daily lives.

Through its Broadband Fund, the Commission contributes to a broad effort by federal, provincial, and territorial governments to address the gap in connectivity in underserved Indigenous, rural, and remote communities across Canada.

With this order, the Commission grants Northwestel Inc.’s request to postpone the start date of its Northwest Territories satellite project and suspend its associated quarterly reporting until the project begins.

#### **Background**

1. In Telecom Decision 2020-257, the Commission approved partial funding for Northwestel Inc.’s (Northwestel) project to build earth stations and install terminals to connect eight satellite-dependent communities in the Northwest Territories<sup>1</sup> to low-earth orbit (LEO) satellites. The Commission later received written acceptance of this funding award from Northwestel and approved the company’s related statement of work in Telecom Order 2021-134, subject to the conditions of funding set out in Telecom Decision 2020-257.
2. Among the conditions of funding is the requirement, set out at paragraph 17 of Telecom Decision 2020-257, that any material changes to the project be approved by the Commission. In the Application Guide appended to Telecom Notice of Consultation 2019-191, the Commission defined a material change as including a major change in the cost or scope of a project. That notice initiated the first call for

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<sup>1</sup> The eight satellite-dependent communities are Colville Lake, Gamèti, Łutselk’e, Paulatuk, Sachs Harbour, Sambaa K’e (Trout Lake), Ulukhaktok, and Wekweètì.

applications and led to Telecom Decision 2020-257 and other decisions introduced in Telecom Decision 2020-255.

### **Change request**

3. On 29 June 2023, Northwestel submitted a change request for its project approved in Telecom Decision 2020-257. Specifically, Northwestel requested approval to
  - postpone the project start date for four years due to unanticipated delays in the deployment of another party's satellite services necessary to complete the project; and
  - suspend the requirement to provide quarterly progress reports to the Commission until the project begins.
4. Northwestel indicated that it expects the project to be complete by the end of 2027.

### **Commission's analysis**

5. The Commission notes that the communities affected by this project are currently receiving broadband Internet services, but not at the levels of the universal service objective set out by the Commission in Telecom Regulatory Policy 2016-496.
6. The proposed change request relates to delays in the launch of LEO satellites, for which reasonable alternatives have not been identified. The Commission notes that the end of 2027 is significantly later than the expected completion date. The Commission has reviewed the materials submitted and unforeseen factors described and underlines the importance of the recipient's commitment to continuing to search for interim solutions that could offer the required capacity.
7. The Commission highlights the importance of addressing connectivity gaps quickly by completing Broadband Fund projects in a timely manner.<sup>2</sup> The Commission expects that Northwestel will notify it promptly in writing of any alternative solution it is able to identify in line with its commitment. The Commission also notes that it is open to all parties to identify interim or expedient solutions as they become feasible.
8. Under the circumstances, and in view of continued work to identify interim or expedient solutions, the Commission considers that approving the change request would preserve the current project's eligibility and, therefore, satisfy the objectives identified by the approach set out in Telecom Regulatory Policy 2018-377. The Commission understands that the delay is due to circumstances beyond the control of Northwestel, which the company had flagged as a risk in its statement of work.

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<sup>2</sup> Detailed operational information in respect of funded Broadband Fund projects is generally treated in confidence. See Telecom Regulatory Policy 2018-377, paragraphs 405–408, and section 11 (“Confidentiality”) of the Application Guide cited in paragraph 2 of this order.

## Conclusion

9. In light of the above, the Commission **approves** Northwestel's change request, reiterates its expectation that the recipient work to identify potential interim solutions, and encourages parties with alternative approaches to come forward. All funding conditions and conditions imposed under section 24 of the *Telecommunications Act*, as set out in Telecom Decision 2020-257, continue to apply.

Secretary General

## Related documents

- *Broadband Fund – Acceptance of statement of work for Northwestel Inc.'s Northwest Territories satellite project*, Telecom Order CRTC 2021-134, 16 April 2021
- *Broadband Fund – Project funding approval for Northwestel Inc.'s Northwest Territories satellite project*, Telecom Decision CRTC 2020-257, 12 August 2020
- *Broadband Fund – First call for applications – Introductory decision regarding project funding approvals*, Telecom Decision CRTC 2020-255, 12 August 2020
- *Broadband Fund – Call for applications*, Telecom Notice of Consultation CRTC 2019-191, 3 June 2019
- *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016