
Nunavut Broadband

Community Service Provider Request for Expression of Interest



**Photo of Pangnirtung, one of
25 Nunavut Communities**

June 04, 2004

Nunavut Broadband Development Corporation (NBDC)

c/o Baffin Business Development Centre

Igluvut Building

PO Box 1480

Iqaluit, NU X0A 0H0

www.nunavut-broadband.ca

Contents

1	OVERVIEW	3
2	NUNAVUT BROADBAND	3
2.1	The Broadband Market in Nunavut	3
2.2	The Broadband Service to be Provided.....	4
3	ROLE OF THE COMMUNITY SERVICE PROVIDER (CSP)	4
4	OTHER ROLES IN PROVIDING NUNAVUT BROADBAND	6
4.1	NBDC Role.....	6
4.2	SSI Micro Ltd.	7
5	CSP QUALIFICATIONS	7
6	SELECTION OF POTENTIAL CSPS	9
7	POLICIES RELATED TO INUIT FIRMS AND OPEN ACCESS	9
7.1	Nunavummi Nangminiqagtunik Ikajuuti (NNI).....	10
7.2	Open Access	10
8	THREE SELECTION ROUNDS FOR CSPS	11
8.1	Round 1 -- CSPs Selected by RFP in 2003.....	11
8.2	Round 2 – CSPs to be Selected before Implementation	11
8.3	Round 3 – CSPs to be Qualified after Implementation.....	12
9	CSP COMMITMENTS AND COMPENSATION	13
9.1	CSP Commitments	13
9.2	CSPs Compensation	13
9.3	CSP Expectations	14
9.4	NBDC Expectations.....	14
10	CSP EXPRESSION OF INTEREST	15

1 Overview

NBDC is looking for Community Service Providers (CSPs) to support the Broadband Network in every Nunavut community. Some communities are already covered from the RFP activity in 2003 but many communities have no identified CSP including:

Arctic Bay	Coral Harbour	Pond Inlet
Arviat	Grise Fiord	Qikiqtarjuaq
Baker Lake	Hall Beach	Repulse Bay
Capt Dorset	Igloolik	Resolute Bay
Chesterfield Inlet	Kimmirut	Whale Cove
Clyde River	Pangnirtung	

If you have an interest in providing computer and network support in one of the above communities, please review Section 5 – CSP Qualifications.

If you wish to respond, please follow the instructions in Section 10 – CSP Expression of Interest.

2 Nunavut Broadband

The purpose of Nunavut Broadband Development Corporation is to enable high speed Internet services in all Nunavut communities. Our objective is to make broadband available to every home and building in Nunavut, at prices that are comparable to those found in southern markets. For more detail, please visit our web site at www.nunavut-broadband.ca.

2.1 The Broadband Market in Nunavut

From the perspective of NBDC, the broadband market we are addressing includes all the potential customers in Nunavut that were not served adequately as of June of 2003, when we prepared our initial Business Plan. This includes residential users, small business, NGOs and municipalities in all 25 communities.

Government of Nunavut, Government of Canada and large commercial users are well served in some communities for certain applications and are not a target for our services. However, if local offices of these governments or businesses wish to purchase services from Community Service Providers on a community by community basis, they may do so.

2.2 The Broadband Service to be Provided

The broadband service to be provided will cover all homes and buildings in all 25 Nunavut communities. The service delivery target is to deliver broadband access to all buildings that are served with electrical power.

Broadband connectivity will be delivered to each community using an advanced satellite delivery platform. In each community, there will be a “Point of Presence” (PoP), usually on Nunavut Power Corporation premises. The POP will house the satellite electronics and other equipment necessary to deliver this service.

To distribute the broadband service within each community, wireless equipment and one or more wireless antennas will be used. Each customer in the community will be equipped with a wireless modem and that modem will communicate with the wireless antenna at the PoP. Service delivery will be done completely via wireless (except in special cases) and will not require the use of any cabling or other infrastructure.

Each community will be equipped with a local email server, web server, a video conferencing server (MCU) and a video conferencing capability. This will allow for a greater level of local performance and will eliminate the need to transmit locally-destined information (e-mail files, FTP files, etc) through the satellite.

Additionally, the network fully supports roaming. Customers who travel between communities may take their modem with them and it will work in other Nunavut communities and in certain southern markets.

3 Role of the Community Service Provider (CSP)

The overall object of NBDC is to enable a local technology capability in every Nunavut community. In some communities this capability is already present. In others all technology support is provided from outside the community and NBDC will work to enable a local organization or individual.

Sales and Support Role

More specifically, the Community Service Provider’s role is to provide first level sales and support for the local community using staff resident in the same community as the customers as follows:

- a) Maintain a community-based inventory of modems to ensure that a new customer can be installed quickly and that a failed modem can be replaced without waiting for modems from outside;

- b) Seek out potential new customers in a community;
- c) Register new customers and update existing customer records as required;
- d) Assist new and existing customers in installing the required modem and in dealing with any related technical problems that may arise;
- e) Collect and bank cash and cheques provided by customers for payment of services.

Role in Customer Payments

The role of the Community Service Provider in customer payments is critical to the success of the overall system. The pricing model to be used is based on pre-payments by the customer, ensuring that clients do not have the ability to accrue large debt by ensuring that they pay for services prior to receiving them. At the end of the pre-paid month, if the account is not refreshed with a recurring credit card charge or another one-time credit card payment, the customer account will be automatically disabled until another customer payment is made and recorded in the system. Email for disabled customers will be held pending payment. When they restart the service, customers will only pay for the use of the modem during the disabled period.

For a customer with a credit card they need only enter their credit card information once and the card is automatically charged every month, one month in advance. While not all customers will have a credit card, it is a condition of being a CSP that the CSP have a valid credit card. In the case of a customer paying by cash or cheque, the CSP will accept payment in cash or cheque, bank the payment in his or her own account in a local bank or by mail if no bank is available in the community and enter his or her own credit card number against the customer account for the period pre-paid by the customer. For the most part, this will be an entirely automated process, and will follow these general steps:

- (1) Customer decided to purchase service;
- (2) Customer visits local CSP, fills in appropriate paperwork and acquires his account information;
- (3) CSP creates the customer account in the management system. At this time, the CSP credit card will be billed for the service he has just sold;
- (4) While the customer will be reminded by email to make a payment, it is up to the customer to ensure that the CSP is paid for his next month of

service. If the customer is using his own credit card, this will be an automated process. If not, it is up to the customer to make a payment to the CSP prior to the following months billing. If the CSP does not receive a customer payment and enter this payment into the management system, the customer account will automatically be suspended.

This overall process ensures that all revenue is collected so that the overall system is properly financed, ensures that the local CSP is not blamed when the customer account is disabled for non-payment while at the same time providing for payment by cash and cheque.

Role in Service Issues

Typically a customer question or problem will be reported by the customer via the management system (the portal/web page where the customers can check usage, etc.). Once a problem/service request is logged a copy will be sent to the CSP or agent who works for a CSP.

The CSP or his agent will be able to log in, see the issue and respond via the management system (if it is a simple question). The response will be logged and the issue ticket closed when the customer is satisfied.

If the CSP does work on the customer site or has some interaction not through the web interface they will be required to update the ticket and close it when the problem is resolved.

The system will track the time from ticket opening to response and closing. Tickets that are not resolved in a timely fashion will be escalated first to SSI Micro for attention and if still not resolved to NBDC. Statistics on the timely resolution of customer issues will be a part of the evaluation of CSPs. CSPs that consistently show poor customer support will be replaced as a last resort.

4 Other Roles in Providing Nunavut Broadband

CSPs will be expected to work with other organizations involved in Nunavut Broadband as follows:

4.1 NBDC Role

The customer payments fund only a portion of the equipment and the ongoing expenses of Nunavut Broadband. The role of NBDC is to finance

the overall network by means of grants and contributions from governments and by borrowing funds that will be repaid out of future revenue.

The second function of NBDC is to monitor the performance and usage of the network to ensure that a high level of service is provided and that the conditions of the partners that invested in this project are met.

4.2 SSI Micro Ltd.

Based on an RFP issued in 2003 under rules defined by Industry Canada, SSI Micro won the competitive contract to build and operate the network for Nunavut Broadband.

SSI Micro is responsible for maintaining all the equipment and operating the network on a territory-wide basis to meet the standards defined in the RFP. To carry out this responsibility, SSI Micro will be contracting with technical staff in each community for situations where equipment in the community must be serviced (this is not expected to occur very often and would not form a significant or regular form of revenue for staff in a community). This service role is not part of the CSP role but could be carried out by the CSP organization or staff from time to time at the option of SSI Micro depending on technical skills available.

SSI Micro is also responsible for providing training and second level support to CSPs (this means that CSPs may call SSI Micro when they have customer situations or questions that they can't service).

5 CSP Qualifications

The overall Nunavut Broadband business plan depends on local Community Service Providers selling and supporting customers on the NBDC wireless "last mile" in every community. CSP's and their staff may have access to customer data, may attend customers in their home and will have access to financial and administrative processes in the overall system. CSP's are expected to support a number of customers, not just their own family or friends and to meet market penetration rates that are similar to other CSPs in other Nunavut communities.

CSP's are expected to meet the following minimum criteria:

- Have a place of business in the community they serve (could be in their home), a business phone, a fax, a bank account, a valid credit card, a computer and a broadband account;

- Have the appropriate business licenses and be registered with Worker's Compensation, CCRA for a Business Number, GST, etc, all depending on the requirements of your community and your circumstances;
- Be financially stable (e.g. not bankrupt in the previous 3 years);
- Be able to pass a police reference check similar to that required for an education or health care worker;
- Be prepared to commit to selling and supporting a reasonable percentage of the customers in their community;
- Be prepared to undertake and complete training that is offered by NBDC or SSI Micro from time to time to ensure required levels on technical and customer service skills;
- Be prepared to be monitored in terms of service and response levels related to customer questions and issues.

The above guidelines are common across Nunavut and will be used to qualify new CSPs and to monitor and measure existing CSPs in a similar fashion across all communities.

Applicants may express an interest without having all items listed above already in place (e.g. business phone or computer) but all applicants should understand that they will not be introduced as a CSP until they meet the minimum requirements. Applicants should further understand that falling below the minimum requirements after beginning as a CSP could result in loss of the CSP status. Should this happen, the client base of the CSP will be transferred to another CSP or to the network operator.

Additional credentials and skills that will be considered include the following:

- Technology skills and experience that will improve broadband customer service and will encourage the use of Nunavut Broadband. These skills and experience could be in computer and communications technology or in broadband applications such as distance education, geosciences, digital and video cameras, web page development, Internet banking and related services, etc.
- Business, financial or marketing experience to ensure a well-managed CSP and to assist broadband customers;
- Other lines of business that could provide synergy with broadband (e.g. sale of computer or electronic equipment, production or sale of digital content).

6 Selection of Potential CSPs

The overall objective of NBDC is to enable Broadband in every community in Nunavut. To meet this objective it is mandatory that every community have a local technology support capability. This local support is important for the following reasons:

- The customers are served the best with local, community-based support people who know the local community and it's needs;
- Service is required in Inuktitut;
- The maximum amount of economic development and the most local jobs will be generated by local community-based support.

The support person or organization that deals directly with the customer is called Level 1 or First Level Support and should be in the customer's community. Where the First Level Support person cannot answer a question or fix a problem, that support person (**not the customer**) calls a Second Level or Level 2 support person.

NBDC will make every effort to set up relationships within Nunavut so that the second level support person is in Nunavut, perhaps at a region support centre. This is to ensure the appropriate language skills are available and to ensure that support jobs stay within Nunavut.

Finally, Level 3 support for unusual problems or questions will be available from SSI Micro in Yellowknife but this should be needed rarely and only after a second level support person in Nunavut has tried to address the issue.

Candidates for CSPs should note that NBDC will be selecting potential CSPs to cover all communities but also to cover both Level 1 and Level 2 support needs. CSPs in very small communities may be allocated to regional centres for Level 2 support by NBDC. In addition, the NBDC investors have placed certain restrictions on the selection of CSPs as described in the following section.

7 Policies related to Inuit Firms and Open Access

The funds used to build the Nunavut Broadband network are provided as interest bearing, repayable debt by land claim organizations in Nunavut and as contributions from the Government of Canada (Industry Canada) that do

not have to be repaid. These investors have applied certain conditions to the investments that apply to the selection of CSPs as follows:

7.1 Nunavummi Nangminiqaqtunik Ikajuuti (NNI)

Where there is a competition for the role of CSP for a community, the principles reflected in the NNI policies of the Government of Nunavut as outlined in documents available on the government web site will be applied.

7.2 Open Access

Industry Canada's contribution has been made available provided that NBDC allows "open access" to the infrastructure paid for by Industry Canada. Open Access is defined by Industry Canada as follows:

"A valid competitive service provider will be able to connect to the POP to provide services through a different "last mile" technology or may provide last mile services using the proposed wireless infrastructure in one or more than one community as the only service provider in a community or in competition with existing community service providers."

The Open Access policy provides for two options for potential CSPs:

- If you are or aspire to become an existing Internet service provider with another form of "last mile" distribution (e.g. cable TV, phone lines), you may connect to the community PoP and compete with the Nunavut Broadband wireless CSP for the customers in a community. If you are interested in this form of local competition please contact NBDC and we will provide you with the approved prices to connect to the PoP.
- NBDC may award the status of CSP for the purpose of selling and supporting the Nunavut Broadband wireless option to more than one CSP in a community. Essentially, competing CSPs may exist and compete in the same community selling and servicing exactly the same network offering at the same consumer price. This situation may arise most often in the larger communities.

8 Three Selection Rounds for CSPs

8.1 Round 1 -- CSPs Selected by RFP in 2003

NBDC issued an RFP for services in 2003. See www.nunavut-broadband.ca for details and documents from this period. Based on the 2003 RFP and based on rules established by Industry Canada, an overall network operator was selected (SSI Micro Limited). The SSI Micro proposal included partners to carry out the role of CSP in some but not all of the Nunavut communities. In one community an organization independent of SSI Micro was determined to have the best community distribution proposal.

Together, the SSI Micro proposal, the SSI Micro CSP partners and the one independent CSP were described in the Business Plan reviewed by Industry Canada and this Business Plan is the basis for all the funding NBDC has obtained.

These CSPs that were named in the NBDC Business Plan dated June 6, 2003 have already been awarded the status of CSP. These CSPs and the communities they cover are listed in Table 1 – CSP Status in Nunavut Communities at the end of this section.

8.2 Round 2 – CSPs to be Selected before Implementation

The selection of CSPs as a result of this Expression of Interest is known as Round 2.

The purpose of Round 2 is to identify one CSP for each community that did not have a CSP awarded in Round 1 (see Table 1 – CSP Status in Nunavut Communities at the end of this section) and to determine second level support capabilities where necessary. The set of CSPs from Round 1 and Round 2 will be the CSPs that are involved in the implementation of the network starting this summer and planned for completion by March 2005.

During the evaluation of Round 2 responses NBDC may find that there are still communities with no interested or qualified CSP candidate. In these circumstances NBDC will attempt to convince a nearby or regional CSP to look after a community while we continue to search for a local CSP candidate.

8.3 Round 3 – CSPs to be Qualified after Implementation

Once the network is operational and the peak of the implementation activity is over, a subsequent CSP selection round will be carried out to open up the network to the competition required in the Industry Canada Open Access provisions as outlined in a previous section.

Candidates that wish to compete in a community that already has a CSP from Round 1 or candidates who are not selected in Round 2 will be automatically considered for Round 3.

Table 1: CSP Status in Nunavut Communities

Community	Round 1 2003 RFP and Business Plan	Round 2 Expression of Interest	Round 3 After Implementation
Arctic Bay		1 CSP to be selected	Open Access Policy
Arviat		1 CSP to be selected	Open Access Policy
Baker Lake		1 CSP to be selected	Open Access Policy
Cambridge	PolarNet	Review in Round 3	Open Access Policy
Cape Dorset		1 CSP to be selected	Open Access Policy
Chesterfield Inlet		1 CSP to be selected	Open Access Policy
Clyde River		1 CSP to be selected	Open Access Policy
Coral Harbour		1 CSP to be selected	Open Access Policy
Gjoa Haven	PolarNet	Review in Round 3	Open Access Policy
Grise Fiord		1 CSP to be selected	Open Access Policy
Hall Beach		1 CSP to be selected	Open Access Policy
Igloolik		1 CSP to be selected	Open Access Policy
Iqaluit	Nunanet	Review in Round 3	Open Access na*
Kimmirut		1 CSP to be selected	Open Access Policy
Kugaaruk	PolarNet	Review in Round 3	Open Access Policy
Kukluktuk	PolarNet	Review in Round 3	Open Access Policy
Pangnirtung		1 CSP to be selected	Open Access Policy
Pond Inlet		1 CSP to be selected	Open Access Policy
Qikiqtarjuaq		1 CSP to be selected	Open Access Policy
Rankin Inlet	Sakku	Review in Round 3	Open Access Policy
Repulse Bay		1 CSP to be selected	Open Access Policy
Resolute Bay		1 CSP to be selected	Open Access Policy
Sanikiluaq	Sanni Internet	Review in Round 3	Open Access Policy
Taloyoak	PolarNet	Review in Round 3	Open Access Policy
Whale Cove		1 CSP to be selected	Open Access Policy
Total	8	17	25

* Iqaluit is not within the scope of the Industry Canada project. As a result, the Open Access Policy is not applicable.

9 CSP Commitments and Compensation

9.1 CSP Commitments

Organizations or individuals wishing to be named as a CSP must make an overall commitment to continue meeting the minimum requirements for a CSP as outlined in a previous section. Falling below the minimum (e.g. no phone, no computer, no credit card) may result in withdrawal of the CSP status.

In addition to the minimum requirements, the CSP must make the following commitments:

- **Customer Service Commitments** – All interaction with customers must be logged in the management system, and published service levels to deal with customer's questions and problems must be met. These service levels will be defined by NBDC and SSI Micro, will be published to all CSPs and will be common across Nunavut. Repeated breach of the service levels by a CSP may result in loss of the CSP status.
- **Sales Quota** – An annual quota for the number of customers in a community will be negotiated for each CSP based on the population of the community and other factors such as the unemployment rate and the number of businesses and other employers in the community. The quota will be expressed in the form of the number of customer modems active in a community at any point in time. CSPs will be expected to pay a nominal charge per month for each customer modem that was planned to be active but has not been taken up by a customer. This payment will be deducted from revenue earned from paying customers. The intent is to encourage the CSP to sell the planned number of customers as soon as possible so that revenue is earned by the system as quickly as possible.

CSPs do not require any other investment or commitment.

9.2 CSPs Compensation

Individual customers in a community are allocated to the CSP that sold and installed the customer. All communication with the customer by the network will be in the name of the customer's CSP.

When a customer has a problem the customer's CSP is expected to handle the problem. In the longer term if there is competition in a community,

customers may switch between CSPs in a community if they choose to do so – it is entirely the choice of the customer where there is more than one CSP active in a community.

CSPs will receive a percentage of the revenue paid by the customer on a monthly basis. The payment due to the CSP will be deposited into the CSP's bank account after receipt from the customer (less any charges resulting from missing the CSP's sales quota as described above).

The percentage of the revenue that is allocated to the CSP has not been finalized but will probably be about 25%. In the short term, in some very small communities the support person may be an agent of a regional CSP. As an example, an agent may simply hand out modems and handle administrative tasks with no technical support provided. In that case the regional CSP would handle the technical support over the telephone and the agent's compensation would be set by the CSP. NBDC views this situation as temporary while we continue to enable a full CSP in every community.

9.3 CSP Expectations

Potential CSPs should carefully evaluate the potential customers and revenue in the community they intend to service. In very small communities there may only be 10 or 20 potential customers in the early years and at \$60 per month the total revenue and the payment to the CSP will be very small. On the other hand, the CSP has no ongoing expense and with only a few customers the CSP effort will not be onerous.

In larger communities, it is more likely that a CSP could come closer to a full time position. But potential CSPs should note that NBDC and SSI Micro are obligated to provide Open Access and during Round 3 may approve more than one CSP so that competition may occur.

9.4 NBDC Expectations

In the long term, NBDC expects to enable the very best CSPs in every community. Based on Industry Canada Open Access commitments, we are required to appoint more than one CSP where more than one candidate is qualified and expresses an interest.

NBDC and SSI Micro are both committed to enabling and mentoring at least one CSP or CSP agent in every Nunavut community. There are other sources of technology service and support revenue in every community and

we will make every effort to encourage the businesses and governments that need this service to use our CSP whenever possible.

Potential CSPs should note that in the larger communities we expect to have one and perhaps more than one professional business that will act as the CSP. In some smaller communities, it may be difficult to find a potential CSP.

10 CSP Expression of Interest

If you do not have all the expected skills but live in a smaller community and want to apply, please do so.

As a potential CSP can be an individual, private business, coop, NGO, municipality, CAP site, etc, it is difficult to define the exact form that you should fill out to express interest in this Round 2. We need as much information as you can give us.

At a minimum, write us a letter covering the following items:

- Your name (and the name of your organization if appropriate) and how we can contact you (community, your address, phone, email, etc.);
- Your skills and background (and the capabilities of your organization if appropriate).
- Your other business or employment activities in your community that may fit in with the CSP activities (in most communities the CSP will not be a full-time position in the early years).

Expressions of Interest should be sent to NBDC on or before June 25, 2004 by one of the following means:

- Email – rfp@nunavut-broadband.ca
- Fax – 867-979-4622 Attention: Dave Smith, President, NBDC
- Mail – NBDC, P.O. Box 1480, Iqaluit, NU X0A 0H0

Please leave a voice mail with Lorraine at 867-979-0575 when you submit your proposal to ensure that we know it is coming and that all proposals are received and logged.

If you have questions about this document or the process please contact:

Lorraine Thomas 867-979-0575 lorraine@nunanet.com
Dave Smith 613-230-8870 dave.smith@e-serve.com