

Summary of Ardicom / De
97/10/14 + Network

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Last Tuesday afternoon, in a long overdue meeting, the planned "Digital Network" for the NWT was discussed. Included were GNWT, Ardicom and NorthwesTel representatives, as well as a number of private enterprise Internet Service Providers from Yellowknife and many other NWT communities, connected via conference call.

From the outset, the private sector participants were united in their condemnation of the approach by the GNWT in setting up its own proprietary computer network. They were critical of the plan to link all government offices in all communities in an approach, which excludes the use of local computer businesses and Internet providers in its installation and long term operation.

In addition, many probing and critical questions were asked about the GNWT's commitment to Ardicom to create the digital and communications infrastructure intended to carry us into the 21st century. Experienced and knowledgeable Northerners who work in this field brought these questions and concerns forward. We are close to the point of no return on this venture - the point at which our government should assess its position and ensure a proper analysis is carried out with all the relevant data on the table. We must be assured the commitment we are making is the right path to chose.

There are two main considerations that came out of this meeting:

Firstly, by not using private enterprise solutions offered in the larger communities in the NWT by Internet Service Providers and computer firms, the GNWT is making a very large error.

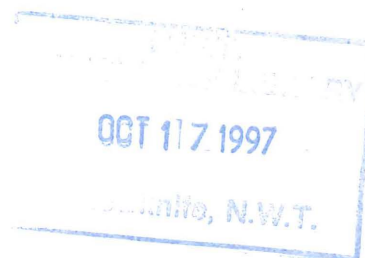
- The local ISPs in the communities are an important resource - home grown Northern expertise that is not being taken advantage of by the GNWT;
- In the process of developing its own proprietary, closed system - a corporate network model - the GNWT is building its own internal expertise and creating new government jobs in competition with the private sector - contrary to all the principals that have rationalized the many down-sizing initiatives of the government for the past two years;
- Private enterprise ventures have naturally evolved in this field on the understanding it is the GNWT's policy and intent to support the private sector. Unfortunately, those who have taken the initiative and made sizable investments to grow their businesses in this field, expecting the government to be a major, or even cornerstone client, are being relegated to marginal or even money losing status;
- In not supporting the private sector at the community level as its solution for the provision of bandwidth, networking expertise and Internet access, there is a resulting loss of jobs that would otherwise be created in this, the fastest growing segment of the job market in the Canadian economy;
- In not using its power as the largest force in this government-based economy to support and help grow the computer firms and Internet providers that are struggling to get going at the community level, the GNWT is depriving these same communities of having a professional level of expertise available to service local needs in these critical areas of technology;
- Local ISPs and computer firms represent the beginnings of a digital communications industry in the NWT. To not utilize them at this embryonic stage will effectively guarantee their inability to grow, and ensure the dependence of the North on southern expertise in these areas forever.

Conclusion:

The GNWT's planned use, or rather lack of use, of local Internet Service Providers and computer firms in the larger NWT communities for a future government network, is ill-conceived and unwise. Furthermore, it goes against everything our government has stood for in its efforts to foster job creation and develop home grown Northern industry.

Secondly, and this is linked intrinsically to everything listed above, many people are questioning the choice of Ardicom to install a digital network across the NWT, and perhaps more important, there is a great deal of doubt regarding the grand vision of the digital network as it is currently conceived. Perhaps we need a smaller, leaner, more flexible system that can grow and evolve to accommodate this rapidly growing technological area. Our government, by guaranteeing to be the cornerstone client for Ardicom (something it will not do with the small local ISPs) is making a long term commitment to use this, and only this company as its source for growth and development in this vital area.

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The Ardicom initiative has faltered, even prior to start-up. Little information is available to show how it will fulfill its plans and whether or not it can make the grand vision of a digital network a reality. Further, many doubt Ardicom can honor all its claims, and stay within the promised price. It is time this plan was analyzed and re-assessed - before it is too late and we find we have become locked into an expensive dinosaur that relegates the NWT to a technological backwater for the coming decade.

The following should be considered in any commitment we make in bankrolling a digital network, Ardicom's way, or any other:

- Ardicom has yet to come forward with any definitive plan showing technical details of conception, implementation and finished product. In other words, it is still "selling air," which we are committed to buying, at a hefty price. Should we not know by now exactly what we are getting for our money?
- We are committing to a five-year contract with Ardicom. Although some say confidently there will be a re-assessment at the end of that period, we all know that it would take more than dynamite to remove a contractor in an undertaking of this magnitude, no matter how poor its performance might be. In fact the typical solution is to throw more money at the problem. We can safely assume that once we are committed to Ardicom, we are stuck with them for a long, long time. Let us look carefully at what we are getting into before it is too late;
- Ardicom is a child of NorthwesTel. As a key shareholder in the Ardicom venture, all of NorthwesTel's operations are intrinsically related to those of Ardicom. Although it has shown in the creation of Ardicom it is wise in choosing partners that are politically influential, NorthwesTel has yet to earn the confidence of many Northerners in its ability to offer high quality, reliable service. This utility company that has a monopoly in the communications industry in the NWT, also has ambitions to take over all cable television services in the NWT. Now through the good graces of Ardicom, NorthwesTel also expects to provide all the infrastructure for the supply of Internet access in the NWT - and of course accrue all the revenue that will flow from that. Are we wise to create such a dependency on one supplier in so many areas - especially one whose performance record leaves much to be desired?
- Most of the ISPs in the communities started out using NorthwesTel as their bandwidth provider, as Ardicom has indicated it intends to do. A number of the community ISPs have opted for other sources for their bandwidth, purchasing satellite ground stations that give them access to bigger, better, faster, cheaper bandwidth. Seeking alternative, more reliable, lower cost suppliers does not appear to be an option under the Ardicom initiative. We will be locked in.
- One of the characteristics of the plan that Ardicom is not too successfully trying to implement at this time, is that it is not flexible. Not only are we going to be locked into a single supplier with a single solution, we are also potentially closing ourselves off from other innovative sources of technological development;
- Ardicom, by definition, will be an Internet Service Provider. It will sell bandwidth to the GNWT, supplying schools, hospitals, municipal governments, government agencies such as Aurora College, the NWT Housing Corp and the NWT Power Corp, among others. Yet Ardicom claims not to be an ISP and it proclaims loudly it will never be in competition with the local ISPs. Obviously, Ardicom will become the NWT's largest ISP; and it will be in competition with all others, supported and bank-rolled by the GNWT;
- Local Internet providers in the communities could be an integral part of a digital network infrastructure, a hometown solution, as it were, yet this has never been given consideration. Instead of acknowledging and using what is, in its many private-enterprise forms, attempting to flourish in many NWT communities, we have gone instead to a ambitious, yet unwieldy solution, promised by a large corporation.
- Local Internet Service Providers who offer high quality Internet access at competitive prices already service at least nine NWT communities. Unlike Ardicom, they will be driven by competition to provide higher quality and lower prices. Why not use them as the foundation of a digital network?

Conclusion: It is time for Ardicom to provide an implementation plan supported in detail by technical data, as well as a cost projection analysis. With that finally on the table, a serious public analysis involving all players and stakeholders should take place, to determine if Ardicom's offering is the right way to go, or if indeed we should take a step back and rethink this process - before it is too late.