



# **Alternative Internet Service Provider Data Caps Summary Report**

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## Introduction

In this follow-up to June's Canadian Data Caps Summary Report,<sup>1</sup> we examine data caps and overage charges from alternative Canadian Internet and wireless providers. "Alternative" refers to independent or regional wireless carriers and Internet service providers (ISPs) that are distinct from large national incumbents, such as Bell, Rogers, Telus, Shaw, and Cogeco.

The information presented in this report was publicly available on ISP websites as of July 22, 2016. We have recorded the quantity, size, and nature of data caps and overage fees to compare with both incumbents and similar alternative carriers, and make note of the level of restriction these policies place on customers.

Utilizing findings from our previous report, we also analyze the differences between alternative and incumbent ISPs. Common pro-data cap arguments portray caps as a necessary and universal method of restricting bandwidth abuse. With the CRTC's consultation on the subject currently underway, this report aims to refute these arguments with an analysis of alternative offerings in the current market.

## Residential Internet Service

As some of the most popular providers of broadband in Canada, the biggest providers hold a significant advantage over smaller competitors. In 2014, incumbent ISPs held 91 per cent of the residential Internet market.<sup>2</sup> Even though alternative providers are meant to be their main source of competition, they hold less than 10 per cent of the market.

However, this doesn't indicate incumbents offer better service than independent Internet service providers. A table of residential Internet data caps across independent providers in Figure 1 shows that most alternative companies have less restrictive data caps and more regions with unlimited data across all packages than their national competitors. A detailed comparison can be found in Appendix A.

For example, the minimum amount of data allocated by an indie ISP is 50GB from Distributel in Ontario and Quebec.<sup>3</sup> This is more than twice the size of the lowest incumbent data cap, which is a mere 20GB from Bell's Quebec Fibe 5 package.<sup>1</sup>

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<sup>1</sup> Canadian Data Caps Summary Report, June 2016.

<https://openmedia.org/sites/default/files/end-data-caps-canada-report.pdf>

<sup>2</sup> OpenMedia, Submission to the Governor in Council and the Cabinet Re: Notice No. DGTP-002-2015, Article ES3, December 2015.

[https://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapj/DGTP-002-2015-OpenMedia.pdf/\\$FILE/DGTP-002-2015-OpenMedia.pdf](https://www.ic.gc.ca/eic/site/smt-gst.nsf/vwapj/DGTP-002-2015-OpenMedia.pdf/$FILE/DGTP-002-2015-OpenMedia.pdf)

<sup>3</sup> Distributel, Internet Cable 5 Package, July 2016.

[https://www.distributel.ca/EN-ON/G/Internet\\_cable\\_5](https://www.distributel.ca/EN-ON/G/Internet_cable_5)

**Figure 1: Indie ISP Data Caps by Region**

Provider	Region	Data Caps (GB)
Teksavvy	AB/BC	300, Unlimited
	ON	150, 400, Unlimited
	QC	150, 400, Unlimited
	Atlantic	Unlimited
Distributel	AB/BC	Unlimited
	ON	50, 60, 100, 120, 200, 300, 500, 600, 1000, Unlimited
	QC	50, 60, 100, 120, 200, 300, 500, 700, 1000, Unlimited
Acanac	ON	150, 250, 350, Unlimited
	QC	150, 250, 350, Unlimited
VMedia	AB/BC	Unlimited
	ON	Unlimited
	QC	Unlimited
	Atlantic	Unlimited
Start	ON	200, 300, 400, 500, Unlimited
Primus	AB, BC, ON, QC	100, 200, Unlimited

Several indie ISPs have eliminated data caps in certain regions of service. All of VMedia's packages, which offer DSL and cable speeds between 5 and 120 Mbps,<sup>4</sup> have unlimited data. Distributel has no data caps in British Columbia and Alberta, and the same can be found in Atlantic Canada with TekSavvy.

The penalties for exceeding your data cap, known as overage charges, are less expensive on average with indie ISPs (Figure 2). The average overage fee for alternative providers examined in this report is \$0.70/GB, compared to an average of approximately \$2.20/GB across several incumbents — a difference of more than three times.

<sup>4</sup> VMedia, Internet Packages, July 2016. <http://www.vmedia.ca/en/internet>

**Figure 2: Indie ISP Overage Fees and Policies**

Provider	Overage Fee	Policy
TekSavvy	\$0.25/GB	Overage cap is \$25-\$50 per month, depending on package. Unlimited usage window between 2 a.m. and 8 a.m. where no usage counts towards the customer's data cap. Packages of 50Mbps or higher do not have a maximum overage limit.
Distributel	\$1.00/GB	Overage cap is \$50 per month.
Acanac	\$1.00/GB	Overage cap is \$50 per month.
Start	\$0.50/GB	Overage cap is \$50 per month. Unlimited usage window between 2 a.m. and 8 a.m. where no usage counts towards the customer's data cap.
VMedia	N/A	No overage fees because there are no data caps.
Primus	\$0.25/GB	Overage cap is \$50 per month.

Although many indie ISPs cap their users' data in some form, some do not differentiate plans based on data allowance alone. In fact, providers such as TekSavvy allow customers to choose any speed of plan for the same amount of data.<sup>5</sup>

Unlike several incumbent ISPs, who require you to purchase faster and more expensive plans to receive more data, TekSavvy carries the same data caps across all of their plans in a region. For example, as shown in Figure 3, TekSavvy's Alberta and British Columbia cable packages all have the same available data caps — an unlimited option, and a cheaper 300GB option, which can still provide a whopping 15 times more data than Bell's 20GB Fibe 5 plan in Quebec.<sup>1</sup>

**Figure 3: TekSavvy Alberta/British Columbia Data Caps by Package**

Provider	Region	Package	Speed (Mbps)	Data Caps (GB)
Teksavvy	AB/BC	High Speed DSL 6	6	300, Unlimited
		High Speed DSL 15	15	
		High Speed DSL 25	25	
		Cable 5	5	
		Cable 15	15	
		Cable 30	30	
		Cable 60	60	

<sup>5</sup> TekSavvy, Internet Plans, July 2016. <https://teksavvy.com/en/residential/internet/cable/cable-30-3>

Our findings in Figure 4 show that several incumbents are offering less data than indie connections of the same speed. The smallest indie data cap at 15 Mbps is 100GB from Distributel in Ontario; this is close to twice as big as the smallest incumbent data cap, which is 60GB from Bell in Quebec<sup>1</sup>. Three of the indie providers studied have no data caps on their 15 Mbps plans, while no incumbents can say the same. The closest Rogers has to a 15 Mbps package is 5 Mbps at a 25GB cap, and a 30Mbps package at a 125GB cap.

**Figure 4. 15 Mbps Data Caps Comparison: Indie ISPs vs. Incumbent ISPs**

Provider	Package	Data Cap (GB)*	Region
<b>Indie ISPs</b>			
TekSavvy	Highspeed DSL 15	150	ON/QC
Distributel	Cable 15	100	ON
Acanac	DSL Speed 15	150	ON/QC
	Cable 15	Unlimited	ON
Start	Cable 15	200	ON
	ADSL 15	300	ON
Vmedia	Cable 15	Unlimited	All Regions
Primus	Internet 15	Unlimited	ON
<b>Incumbent ISP</b>			
Bell	Fibe 15	75	ON
	Fibe 15	60	QC
Telus	Internet 15	200	AB/BC
Cogeco	Express 15	70	QC
	Express 15	95	ON

Shaw	Internet 15	150	AB/BC/SK/MB
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Indie packages in many cases are also cheaper than comparable incumbent plans. Start's Cable 15 package with 200GB of data begins at \$40 per month in Ontario.<sup>6</sup> Telus Internet 15, with the same speed and data allowance, costs \$63 per month at regular price in Alberta.<sup>7</sup> Another example shows the same trend. With TekSavvy's Highspeed DSL 15, you receive 150GB of data for \$34.99 per month.<sup>8</sup> In a comparable plan from Shaw, Internet 15, 150GB of data will cost you \$66 per month.<sup>9</sup>

A fair observation would be that most large incumbent ISPs offer fibre connections to many of their customers, while indie providers have yet to significantly break into the fibre market. As DSL and copper wire are different physical platforms than fibre, a direct comparison between Bell's Fibe 50 and TekSavvy's Cable 55 plans would have to take into consideration the infrastructure capabilities of each.

However, Ontario provider Start — one of the few indie ISPs to offer fibre — has no data caps on any of their fibre plans. Figure 5 compares Bell's available Ontario packages with Start's fibre packages, where customers can enjoy unlimited data with the choice of 10 Mbps, 100 Mbps, and 250 Mbps speeds. In comparison with Bell, Start has a smaller selection of speed, but provides much more data for equivalent and similar plans.

**Figure 5: Ontario Fibre Comparison, Start vs. Bell**

Provider	Plan	Speed (Mbps)	Data Cap (GB)
Start	Home Fibre 10	10	Unlimited
	Home Fibre 100	100	Unlimited
	Home Fibre 250	250	Unlimited
Bell	Fibe 5	5	125
	Fibe 10	10	125
	Fibe 15	15	75
	Fibe 25	25	125

<sup>6</sup> Start, High Speed Packages, September 2016

<https://www.start.ca/services/highspeed>

<sup>7</sup> Telus, Internet 15 Package, September 2016

[http://www.telus.com/en/ab/internet/?INTCMP=LNK\\_frmCTA\\_TopNavigationAll\\_toHomeInternet](http://www.telus.com/en/ab/internet/?INTCMP=LNK_frmCTA_TopNavigationAll_toHomeInternet)

<sup>8</sup> TekSavvy, Highspeed DSL 15 Package, September 2016

<https://teksavvy.com/en/residential/internet/dsl/high-speed-dsl-15-2>

<sup>9</sup> Shaw, Internet 15, September 2016

<http://www.shaw.ca/internet/highspeed-15/>

	Fibe 50	50	250
	Fibe 150	150	250
	Fibe 300	300	750
	Gigabit Fibe	940	Unlimited

### Northern Region Residential Internet

Canada's north — Nunavut, Yukon, Northwest Territories, and some areas of the provinces — is significantly lacking in connectivity. A recent study showed that in Nunavut, only one in three communities can connect to the Internet,<sup>10</sup> proving that the territories are leagues behind in telecommunications infrastructure. What little services can be accessed are offered by a select few providers.

Northwestel operates under its parent company Bell, serving as a proxy for the incumbent in the region. Northwestel's wireless services webpage redirects to Bell Canada.<sup>11</sup> Its residential Internet offerings are distinct, however, and have substantial selection. Its regional competitor, SSi, offers very basic plans in comparison. In Nunavut, however, they offer cheaper coverage and more data than Northwestel as shown in Figure 6. This comparison is visualized in Appendix B.

**Figure 6. Northern Residential Internet Data Caps, Comprehensive List**

Provider	Region	Package	Speed (Mbps)	Data Caps (GB)	Overage
Northwestel	Nunavut	Nunavut Internet Lite	512 Kbps	2	\$25/GB
		Nunavut Internet Classic	768 Kbps	10	\$20/GB
		Nunavut Internet 1	1.5	20	\$17.50/GB
		Nunavut Internet 2	2.5	30	\$15/GB
		Nunavut Internet 5	5	50	\$10/GB
	N. Alberta	Internet 1	1	10	\$2/GB
		Internet 8	8	80	

<sup>10</sup> The Huffington Post, "Canada's Digital Divide Persists, CIRA Report Shows", March 2014 [http://www.huffingtonpost.ca/2014/03/20/digital-divide-canada-broadband-access\\_n\\_4995560.html](http://www.huffingtonpost.ca/2014/03/20/digital-divide-canada-broadband-access_n_4995560.html)

<sup>11</sup> Northwestel, Mobility, July 2016 <http://www.nwtel.ca/shop/mobility>

		Internet 16	16	110	
		Internet 50	50	200	
	Yukon	Internet 1	1	10	\$2/GB
		Internet 8	8	80	
		Internet 16	16	110	
		Internet 50	50	200	
		Internet 100	100	300	\$1.50/GB
		Internet 125	125	400	
		DSL Internet Lite	768 Kbps	10	\$2.50/GB
		DSL Internet 2	2.5	40	
		DSL Internet 5	5	125	
		DSL Internet 15	15	200	
	NWT	Internet 1	1	10	\$2/GB
		Internet 8	8	80	
		Internet 16	16	110	
		Internet 50	50	200	
		Internet 100	100	300	\$1.50/GB
		Internet 125	125	400	
		DSL Internet Lite	768 Kbps	10	\$2.50/GB
DSL Internet 2		2.5	40		
DSL Internet 5		5	125		
DSL Internet 15		15	200		
SSi	NWT	Snowshoe	384 Kbps	2	\$3/GB



		Dog Team	2.56	30
		Bush Plane	2.56	50
		Ice Road	2.56	100
	Nunavut	Snowshoe	384 Kbps	2
		Dog Team	2.56	30
		Bush Plane	2.56	50
		Ice Road	2.56	100

### Regional Wireless Services

June’s Canadian Data Caps Summary Report touched on the presence of regional carriers in the wireless market and their effects on variation in pricing from incumbents.<sup>1</sup> Figures 7a and 7b below detail the offerings from Bring Your Own Device/No Tab plans from regional carriers in Manitoba, Saskatchewan, Quebec, and Atlantic Canada, all of whom compete with the Big Three — Bell, Telus, and Rogers.

**Figure 7a. Data Costs by Regional Wireless Carrier**

	Manitoba	Saskatchewan	Eastern Canada	Quebec
	<b>MTS**</b>	<b>Sasktel</b>	<b>Eastlink***</b>	<b>Videotron</b>
<b>&lt;1GB</b>	\$45.00		\$55.00	\$28.95
				\$37.95
<b>1 GB</b>	\$52.50	\$65.00	\$60.00	\$41.95
<b>2 GB</b>				\$50.54
<b>2.5 GB</b>			\$70.00	
<b>3 GB</b>	\$55.00			\$58.54
<b>4 GB</b>			\$85.00	

<b>5 GB</b>	\$60.00			\$64.54
<b>6 GB</b>			\$100.00	
<b>10 GB</b>		\$75.00	\$120.00	
<b>13GB</b>		\$90.00		
<b>UNLIMITED</b>	\$62.50	\$105.00		

\*Plans compared at the minimum calling minutes offered, No Tab/Bring Your Own Device options

\*\*MTS plans compared using Build Your MyPlan online tool

\*\*\*Eastlink plans compared using Data Plus online plan-building tool

**Figure 7b: Data Caps and Overage Fees by Regional Carrier**

<b>Provider</b>	<b>Region</b>	<b>Data Caps (GB)</b>	<b>Overage Fees</b>
MTS	MB	300MB, 1, 3, 5, Unlimited	\$10/GB Manitoba data, \$0.25/MB Canada data
Sasktel	SK	1, 10, 13, Unlimited	\$0.06/MB
Videotron	QC	50 MB, 500 MB, 1, 2, 3, 5	\$0.05/MB
Eastlink	Eastern	500 MB, 1, 2.5, 4, 6, 10	\$0.05/MB

The importance of regional carriers becomes clear when the prices of these data caps are compared nationally. Although data caps are similarly restrictive for regional wireless carriers as they are with the Big Three, the price of data a customer receives in a competitive regional market can be nearly half as expensive as a plan elsewhere. When compared with the variation in pricing across the country, it becomes clear that differences in incumbent rate plans correlate with the presence of additional providers in the market.

In Manitoba, for example, we see unusually low prices from Bell compared to its rates in Ontario, Alberta, and British Columbia. Bell's Manitoba pricing is most similar to that of regional

carrier MTS, as seen in Figure 8, to whom the province's overall low data costs are attributed by experts.<sup>12</sup>

**Figure 8. Wireless Pricing, MTS vs. Bell Manitoba vs. Bell Ontario**

<b>Case Study: Regional Carrier vs. Incumbent Data Plans</b>			
<b>Data Cap</b>	<b>MTS (Manitoba Regional Carrier)</b>	<b>Bell (Manitoba Incumbent)</b>	<b>Bell (Ontario Incumbent)</b>
<b>&lt;1GB</b>	\$45		\$70
<b>1GB</b>	\$53		\$75
<b>2GB</b>		\$45	
<b>2.5GB</b>			\$85
<b>3GB</b>	\$55		
<b>4GB</b>			
<b>5GB</b>	\$60		\$100
<b>6GB</b>		\$55	
<b>7GB</b>			\$115
<b>10GB</b>		\$65	\$130
<b>13GB</b>			
<b>15GB</b>		\$75	\$150
<b>UNLIMITED</b>	\$63		

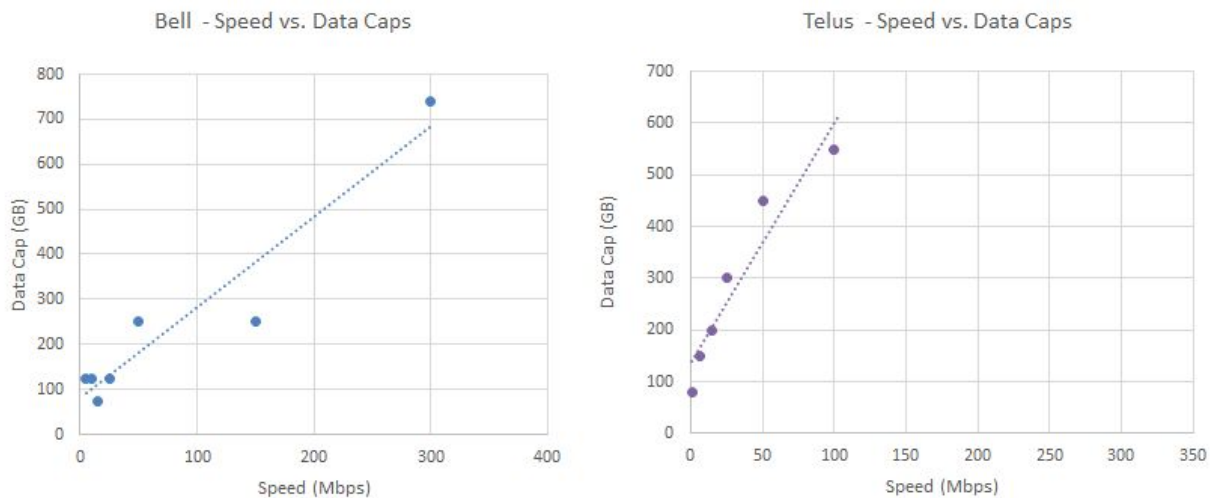
Regional carriers also offer unlimited data plans. Both MTS and Sasktel give the option of unlimited data, which can also be used Canada-wide — allowing their wireless customers to use their smartphones across the country without the restrictions of data caps. None of the Big Three currently offer unlimited wireless data in any region.

<sup>12</sup> Dwayne Winseck, <https://dwmw.wordpress.com/2016/05/10/why-bells-bid-to-buy-mts-is-bad-news/>

## Incumbent Speed and Data Cap Trends

Trends show that incumbents seem to believe faster speeds should equal more data, as the positive correlation between speed and data in Figure 9 shows. Nonetheless, many of these providers are currently offering smaller data caps than indie DSL, copper, or cable packages.

**Figure 9. Trends in Incumbent Speeds and Corresponding Data Caps**



If faster speeds correlate with more data, caps should be less restrictive for fibre-to-the-home (FTTH) subscribers. This is because fibre optic cable has much more bandwidth capacity than other platforms and can accommodate more traffic, therefore resulting in a faster connection. DSL, copper, and cable, on average, are not able to compete with fibre's lightning-fast speed.

By that logic, we should see fibre plans with less restriction on data than packages from other platforms, as fibre users could be eating up data up to 1,000 times faster than your run-of-the-mill DSL package. However, this is not the case. Many FTTH packages from incumbents have smaller data caps than indie ISP's offerings on less advanced platforms.

## Conclusion

As an analogy, if telecom was instead a vehicle rental company, a lawnmower would be given 100 kilometres to drive before paying, but a sports car only 20 kilometres. If the company was able to charge you every time you drove past your cap, they could make much more money off of the customer in the sports car than the lawnmower. This is a cash grab, and follows the same model as the data caps pricing tool.







In essence, data caps are a punitive practice designed to gouge customers for more money, and are not the regulatory tools that incumbent ISPs claim. When compared with the offerings

from regional and independent providers, the excuses for the existence of restrictive data caps are unsubstantiated.

Appendix A





## Indie Residential Internet Data Caps

Provider	Data Cap (GB)	Overage
	150 300 400 Unlimited	\$0.25/GB. Overage cap is \$25 per month, no usage limit for 50 Mbps and greater. Unlimited usage window between 2am and 8am where no usage counts towards the customer's data cap.
	50 60 100 120 200 300 500 600 1000 Unlimited	\$1.00/GB. Overage cap is \$50 per month.
	150 250 350 Unlimited	\$1.00/GB. Overage cap is \$50 per month.
	200 300 400 500 Unlimited	\$0.50/GB. Overage cap is \$50 per month.
	Unlimited	No overage fees because there are no data caps.
	100 200 Unlimited	\$0.25/GB. Overage cap is \$50 per month.

Appendix B

# Northern Canada Residential Internet Data Caps

Provider	Data Cap (GB)	Overage
	2	Overage fee differs by plan. List of fees: \$25/GB, \$20/GB, \$17.50/GB, \$15/GB, \$10/GB, \$2/GB, \$1.50/GB \$2.50/GB
	10	
	20	
	30	
	40	
	50	
	80	
	110	
	125	
	200	
	2	\$3.15/GB
	30	
	50	
	100	