



Canadians: Elon Musk Offers You High-Speed Internet!

Description

Earlier this year, Elon Musk revealed that he was bringing high-speed internet to rural Canadians. Through his company **SpaceX**, he intended to provide high speed service to areas with spotty internet access.

Now, Musk's plan is starting to move forward. Recently, the *CBC* reported that "Starlink" internet was already streaming to select homes in rural New Brunswick. Although the current rollout is just a test, it's a major step forward. Early users of Musk's high-speed internet are reporting extremely fast speeds and an easy user experience. If early users are any indication, the service may catch on in Canada.

In fact, Starlink may even become a competitor to Canadian telecoms. The company is already in implicit competition with the private Canadian firm **Telesat**, and as you're about to see, that may imply competition with [telecom giants](#) down the road. I'll explore that in just a minute. First, let's look at how Musk's Starlink service actually works.

Musk's high-speed internet

Starlink internet is built on satellite technology. It uses a constellation of satellites in low-earth orbit to beam content to satellite dishes, which it transmits to the end user's modem. While satellite internet tends to be expensive, it allows high-speed internet access in rural areas where telecom infrastructure is lacking.

A threat to Canadian telecoms?

One interesting angle on the Starlink development is the possibility that it's in competition with Canadian telcos.

At first glance, you wouldn't think that Starlink is in competition with a company with **Rogers Communications Inc** ([TSX:RCI.B](#))([NYSE:RCI](#)). The whole reason Starlink's service is being offered is because big telcos like Rogers aren't serving remote rural areas. So on paper, it would seem like these

telcos aren't even interested in Starlink's market.

But that isn't necessarily the case. There's a private Canadian company called **Telesat** that's partnering with Telcos to deliver high speed internet in rural areas. Like Starlink, it transmits internet to homes via satellite. Where it differs is the business model. Unlike Starlink, which aims to provide service directly, Telesat seeks to partner with telcos on infrastructure. So, once its service is rolled out, it would partner with a company like Rogers and offer service jointly.

So far, there haven't been any big announcements between Telesat and major Canadian telecoms. Its service is still in the development stage. But the company's website is already advertising its high-speed internet service as a revenue booster—clearly indicating that it wants internet service providers as clients.

If Rogers — or any other telecom — teams up with Telesat on satellite internet, they'll be in competition with Musk and Starlink — an intimidating prospect, but one with potential rewards for investors.

If Telesat and the Canadian telco giants like Rogers beat Starlink to mass satellite internet deployment, they'll be one step ahead, potentially adding to the thesis for investing in them. On that note, you'll soon be able to invest in Telesat itself, as it's set to go public in 2021.

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