

## **Including low-income consumers as recipients of telecommunications services: how does Canada rate?**

*Executive summary  
June 2009*

The main feature of telecommunications services to be considered, when speaking of access to such services by low-income households, is economic accessibility. (The Canadian Radio-television and Telecommunications Commission (CRTC), when addressing the issue of economic accessibility, calls it “affordability”; we have also used this term in the present report.) Our study will focus on measures to increase the affordability of telecommunications services for low-income households.

The first part of the study examines the access to telecommunications services of low-income families in Canada. We draw a general portrait of low-income people, with special attention to problems related to affordability. We also examine the main reasons why some low-income people have no telecommunications services.

In this first part, we also consider how the Canadian Radio-television and Telecommunications Commission defines the affordability of telecommunications services; we present a few measures decreed by the CRTC and established by telecommunications service providers, whether incumbent local service companies, small incumbent local service companies or competing local service companies, as a result of decrees or voluntarily.

The second part of our study focuses on measures and programs established in a number of countries, such as the United States, France, Belgium, Austria, the United Kingdom and Australia, to facilitate economic access to telecommunications services. We have detailed those programs to determine whether they result from legislative or regulatory intervention or are set up voluntarily by companies, to identify the programs’ access criteria and funding methods, etc. When applicable, we have examined the results and criticisms of the programs.

This second part also considers the possibility and relevance of adopting such measures in Canada. We close this second part with a summary that proposes the application of certain seminal measures.

Generally, we observe that telecommunications services programs intended for low-income people have been established in many countries. In addition, a country such as the United States, which certainly can’t be considered a country favouring increased communications regulations, has set up much more programs addressed to low-income people than Canada. To justify this situation, some will argue that the penetration rate of residential telephony in the United States is lower than in Canada, so that the necessity of specific measures here would not be justified. This argument neglects the fact that wireless telecommunications services have a greater penetration rate in the United States than in Canada<sup>1</sup>, which doesn’t prevent our

<sup>1</sup> In 2007, the percentage of wireless telecommunications subscribers is 83.5% in the United States, whereas it is only 61.7% in Canada. Source: Measuring the Information Society: The ICT Development

neighbours from offering low-income households a specific program for such services.

Following Europe's example, Canada has to recognize that nowadays, telecommunications services are essential services. Their role not only in maintaining social links, but also as an integration factor and engine for freedom of expression, is now recognized. It's time to act to guarantee everyone (not just everywhere) in Canada access to these essential services, even if we have to put aside "normal market conditions", given that the free market alone will admittedly not guarantee universal access.

It's time to become aware of the digital gap that has grown over time, and is still growing, and to start filling it by taking necessary action. Canada can no longer tolerate that low-income households are refused access to information, to remote government services, and to everything offered today by modern communications services. We can no longer accept that these populations are deprived of tools that can help foster better integration, maintain social links, acquire information, find a job, etc.

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French version available on our website.

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Index, International Telecommunication Union 2009, p. 101, document available on the site of the International Telecommunication Union, Geneva, Switzerland. [Online] [http://www.itu.int/ITU-D/ict/publications/idi/2009/material/IDI2009\\_w5.pdf](http://www.itu.int/ITU-D/ict/publications/idi/2009/material/IDI2009_w5.pdf) (last visit June 3, 2009).