



The Eventual Death of Wireline Telephony in Canada

Summary of the final report of the research project presented by UC to the Office of Consumers Affairs on Innovation, Science and Economic Development Canada

The Potential Death of Wireline Telephony: What This Could Mean for Canadian Customers (September 2022)

Summary

While wireless is now popular, Canada still has one of the lowest rates of consumers subscribing exclusively to this service and the good old landline phone is still popular. But more and more households are discontinuing their wireline service. Some providers have begun to dismantle their wireline network in favor of fibre optics. In this context, which indicates the almost inevitable end of this service, the report studies the impact that the disappearance of wireline telephony will have, especially on the most vulnerable consumers.

The report paints a picture of the state of fixed telephone services in the country and the warning signs of the end of wireline services. It details the multiple contributions of telephony to society and the socio-economic risks that the end of wireline service could generate. The report analyzes the replacement options and assesses the extent to which they meet the needs and expectations of Canadian consumers. After a portrait of the current regulatory framework and the rules that could apply in the event of service termination, the report examines the wireline network discontinuation processes already underway in France, the United Kingdom and the United States, in order to reflect on the measures required in Canada to ensure a smooth transition to other telephone technologies.

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While providers are announcing, implicitly or explicitly, the end of wireline telephony, customers who still subscribe to it are being pushed, discreetly or not, toward the exit – increases in the service's price, tempting offers to proceed with a change of technology – without necessarily being adequately informed of the ins and outs of the changes. Some even report that the change of technology was imposed on them and made without their knowledge when they subscribed to the Internet.

Even when providers do make clear announcements that they are going to end their wireline service, these announcements are generally made in a rather low-key and unstructured way. There does not appear to be a comprehensive picture in this country of the state of wireline networks and their future.

The situation in Canada seems to be an almost identical replay, but a few years behind, that of other Western countries that have recently shut down their wireline infrastructure or are in the process of doing so.

Because this technological transition is not without risk, raises concerns for consumers, and can be a source of potential disruption, it should not be done in a haphazard fashion. This is the conclusion that many jurisdictions have reached, and we believe Canada should follow their lead.

The risks for consumers of the disappearance of wireline telephony are numerous and have been widely identified and documented. The one that is mentioned most frequently relates to security. IP telephony, which is the replacement service most often adopted by consumers, does not offer the same guarantees as traditional wireline telephony regarding location options when calling emergency lines (911) and access to service in case of power failure.

The risk of social exclusion is very real for consumers who will lose access to wireline telephony and who will not be able to afford any of the alternative options, for economic, technical or other reasons. And they will also lose access to emergency services altogether.

These issues of accessibility and affordability cannot be ignored or their importance minimized. Telephony is an essential service; these issues must necessarily be addressed and a solution found and applied for all. These concerns are all the more pressing because a significant proportion of wireline subscribers have particular vulnerabilities, so that government has an increased responsibility to protect those subscribers from the effects of possible market failures.

The regulator has a key role to play in coordinating, regulating and monitoring the inevitable transition to new technologies for residential telephony. It is also in a position to put pressure on providers to ensure certain protections for consumers (free equipment, price maintenance, personalized support for vulnerable consumers, information and notices, etc.). However, very few rules limit or regulate the approaches and practices of providers in this country.

Perhaps the time has come for tighter regulation; it is not realistic to believe that free market forces will provide the necessary protections and ensure the proper treatment of consumers in the context of the termination of a service that many want and need.

Union des consommateurs therefore recommends that the CRTC proactively regulate all termination practices for wireline telephony services and adopt a formal framework to that effect.

Union des consommateurs also recommends that incumbent infrastructure providers who want to terminate their wireline network:

- 1) Proceed in a progressive way, first encouraging voluntary transfers toward other technologies in order to avoid forced transfers or disconnections as much as possible;
- 2) Develop educational materials and use a variety of communication tools with affected subscribers in order to avoid surprises, forced transfers and transfers to inappropriate services;
- 3) Maintain similar rates for a reasonable period of time when transferring a subscriber from a wireline telephony service to another telephony service;
- 4) Provide the necessary IP telephony connection devices at no cost;
- 5) Provide IP subscribers with at least one simple, low-cost, customized solution that maintains continuous access to emergency services for a reasonable period of time in the event of a power outage.