

LOW-INCOME CANADIANS LOCKED OUT

Canada needs affordable mobile services – report goes to CRTC

***Report attached**

FOR IMMEDIATE RELEASE – THURSDAY, June 14th 2018

WINNIPEG, MB – Poor internet for poor people? That is the central question addressed in a new report submitted to the Canadian Radio-television and Telecommunications Commission (CRTC). Prepared by Benjamin Klass and Dwayne Winseck for the Consumers' Association of Canada (Manitoba) and the Aboriginal Council of Winnipeg, represented by the Public Interest Law Centre, the report details how mobile services remain unaffordable for too many people.

Canadian mobile service prices are uniformly amongst the highest in developed nations, and sometimes remarkably higher than those found in comparable countries. Canada also does not compare well to other countries when it comes to adoption of modern mobile wireless services. Comparing standard plans that include both voice and data, Canada ranks 23rd out of 34 countries, well below average and behind Australia, the United Kingdom and much of Europe. At the same time, Canadian prices for these standard plans are higher than those found in any of the other G7 countries and Australia.

Quite simply: the data shows that mobile wireless services in Canada are substantially less affordable than those found in comparable countries. This is true across all provinces. As a result, low income people in Canada subscribe to mobile services at a drastically lower rate -- 68.7% compared to the average at 87.9%.

Canada's mobile industry remains highly concentrated by three big players: Telus, Rogers and Bell. Canada's national mobile carriers—who should be the champions of increasing adoption—appear to show little interest in remedying the problem. The report outlines that while the big three have submitted proposals to the CRTC, “they are disappointing and unlikely to move the needle when it comes to addressing the affordability gap.”

“Our submission to the CRTC details that in the absence of a credible and affordable industry plan, the Commissioners must act to protect the public interest, and especially, low-income Canadians who are being locked out of our digital-based economy and daily activities,” said Gloria Desorcy, Executive Director, Consumers' Association of Canada, Manitoba.

“We know that Indigenous people in Canada are disproportionately impacted by poverty. Excessive fees for internet and smartphones is yet one more barrier to full participation in our society, and goes against the spirit of reconciliation that we are collectively trying to achieve,” said Damon Johnston, President, Aboriginal Council of Winnipeg.

The Klass and Winseck report recommends that the CRTC reject the carriers' proposals, and instead adopt a flexible, affordable, and sustainable model called the “**CRTC Flex Plan**.” It would allow people to access a small amount of data (250 MB) at an affordable entry level price of \$5 a month. The advantage of this plan is that it provides smaller amounts of mobile data at affordable rates, while at the same time ensuring that people who require larger amounts of data pay existing market rates.

Canada still stands out amongst its peers as a nation in which adoption of the latest mobile services is unacceptably low. As we show in this report, Canada's low mobile adoption — particularly among society's most vulnerable members-- is explained by the market's failure to offer useful services at rates that are affordable for everyone. It is a failure the CRTC needs to address.

MEDIA CONTACTS - AVAILABLE NOW FOR ONE-ON-ONE INTERVIEWS

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