

TELECOMMUNICATIONS IN CANADA



PHONE AND INTERNET

Canadians pay some of the highest prices for phone and internet services in the world.¹⁻³ The pandemic made clear that affordable, reliable internet is not only essential for access to information — for work, school, and life — but a human right — a right recognized by the United Nations and several countries including Spain, France, and Finland.⁴⁻⁶ Without equitable access to the internet, a tiered system is created for accessing information and services. Additionally, the monopolization of these services in the hands of two or three telecommunication providers leaves students forced to accept price gouging.

For students, the reality of where they live has an impact on their phone and internet budget — in urban centres, where many

students live, they may have the option to go with a subsidiary with little difference in bills or lesser services, and in rural and northern areas often have no choice but to go with one of the big companies.

Internet is especially essential for students because it is central to research and class work, learning portals, and even to hosting classrooms themselves. Younger

Canadians are also more likely to be heavy mobile internet users, particularly those who are students or are

Black, Indigenous, and racialized.⁷ Black, Indigenous, and racialized people in Canada are disproportionately less likely to have access to digital literacy education, equipment and infrastructure, thereby making it more expensive to attain mobile and internet services that are same or lesser-quality than the average mobile and internet user.⁸ This further illustrates the need for an equitable approach to

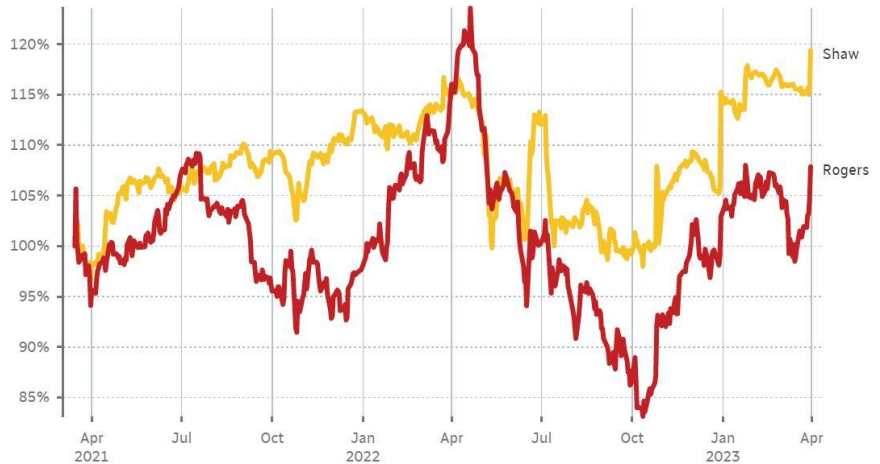
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both phone and internet pricing as well as the accessibility of the internet.

COMPETITION IN CANADA

Under the *Telecommunications Act*, the federal regulator, the Canadian Radio-television and Telecommunications Commission (CRTC), is the institution responsible for overseeing policy and has the power to step in to halt potential mergers or actions by corporations that would make markets less equal. A significant responsibility of the CRTC is to regulate the control market share of phone and internet service providers so that there are options for Canadians to choose from and lower prices. In 2022, the CRTC approved a merger between Rogers and Shaw, totalling \$26-billion and would shrink the market of major phone and internet providers to only three (Bell, Rogers and Telus) known as the “Big Three”. The Competition Bureau (a law enforcement regulatory agency tasked with enforcing competition regulation) filed a challenge to the deal citing the merger would “likely harm millions of Canadian consumers in Alberta and British Columbia, through higher prices, lower quality service, and lost innovation

for wireless services - an essential service that Canadians expect to be affordable and high quality.”¹



The chart above shows the significant increases in stock prices for the companies from the news of the deal being announced and the approval of the merger respective to each spike in stock price (CBC 2023).²

DISPROPORTIONATE EFFECT ON NORTHERN CAMPUSES

Internet accessibility in Canada is highly dependent on an individual’s location and

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<https://www.canada.ca/en/competition-bureau/news/2023/01/statement-from-the-commissioner-of-competition-on-the-federal-court-of-appeals-decision-regarding-the-rogers-shaw-merger.html>

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<https://www.cbc.ca/news/business/rogers-shaw-approval-1.6797175>

proximity to a major urban center. Rural areas lag significantly behind Canada's broadband accessibility goals, with only 40.8% of rural areas reporting internet speeds sufficient enough to use online resources, compared to 87% for other Canadians.³ This means that many students studying at universities and colleges in the northern parts of the country struggle to find a reliable source of internet access, especially if they live off-campus.

Communities and post-secondary institutions in northern areas have a higher proportion of Indigenous individuals, meaning many Indigenous students face chronic internet accessibility challenges. Consistent and reliable internet access is a key tool for an increasingly digitized world, and is crucial to the success of students.

DISPARITY OF ACCESS AMONG DIFFERENT COMMUNITIES

Not only is internet reliability dictated by geographical location, it also ranges widely among socio-economic groups and minority communities. While 98% of

³ <https://technologyhelps.org/resources/what-is-technology-poverty/>

households in Canada's highest income brackets have reliable internet access, only 59% of households in the lowest income brackets can say the same.⁴ In 2021, the lowest advertised cost for broadband

internet at
CRTC-recommended
speeds was
\$78/month, which



combined with other bills and the cost of purchasing a phone, tablet, or computer, pushes internet access out of reach for many lower-income families.⁵ Newcomers to Canada and international students, who often have very tight budgets, are also significantly less likely to have internet access.⁶

The federal and provincial governments have sought to address internet accessibility disparity through a variety of programs, most notably the *Connecting Families* and *Connecting Families 2.0* initiatives that sought to offset the cost of

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<https://technologyhelps.org/resources/what-is-technology-poverty/>

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<https://www.socialconnectedness.org/canadas-digital-divide-and-the-path-to-digital-equity-for-all-ages/>

⁶https://www.researchgate.net/publication/263307792_Revisiting_the_digital_divide_in_Canada_The_impact_of_demographic_factors_on_access_to_the_internet_level_of_online_activity_and_social_networking_site_usage

high speed internet for low income households. However, these programs have been limited by a narrow scope (only 220,000 were able to participate in the first phase), and internet speeds provided are not adequate. Additionally, not all telecom companies signed on to the program, which has meant that some areas continue to be ineligible for the program.⁷ These programs have shown that while there is great appetite for lowered costs or subsidized options, internet accessibility cannot be addressed without also considering the lack of infrastructure currently in place.

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