



# ACORN Canada

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ACORN Canada submission to the Review of the Canadian Communications Legislative Framework

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**ACORN would like to thank Innovation, Science and Economic Development Canada for the opportunity to provide comments to the Review of the Canadian Communications Legislative Framework.**

## ACORN Canada

ACORN Canada (Association of Community Organizations for Reform Now) is an independent national organization of low and moderate income families. We have over 113,000 members organized into twenty neighbourhood chapters in nine cities across Canada. We believe that social and economic justice can best be achieved with a national active membership who are invested in their organization and focused on building power for change. ACORN has a deep history of working with low-income communities. Our presence in these communities has enabled us to offer financial literacy, digital literacy, and low-income tax preparation services to the people who are most in need, but often hardest to reach.

ACORN Canada members feel strongly that access to home internet is essential and a right. Since 2013, ACORN members have been organizing on our Internet for All campaign, after members identified the high cost of home internet as a major barrier to low-income earners' participation and success in the digital economy. ACORN Canada is fighting for affordable home access to high-speed home internet for all Canadians.

ACORN members are specifically asking for:

- \$10/month internet for all people below the low-income measure;
- The Connecting Families program to be made mandatory for all internet service providers;
- Legislate a Universal Service Obligation within the Telecommunications Act;
- Strengthen consumer protections;
- Improve privacy and security requirements;
- Support for community and consumer organizations working with low-income consumers.

In this submission, ACORN will address the questions provided in the call for comments that are most relevant to our membership.

## Universal Access and Deployment

Are the right legislative tools in place to further the objective of affordable high quality access for all Canadians, including those in rural, remote and Indigenous communities?

### **Universal Service Obligation**

To ensure all Canadians benefit from telecommunications services, we encourage a universal service obligation. Such an obligation is standard in many countries around the world. For example, the United States Telecommunications Act of 1996 outlines the government's goal of increasing access to telecommunications services, including high-speed internet. According to the Federal Communications Commission, "The Act established principles for universal service that specifically focused on increasing access to evolving services for consumers living in rural and insular areas, and for consumers with low-incomes."<sup>1</sup>

Currently, despite efforts to increase access to telecommunications services<sup>2</sup>, CRTC lacks the tools required to make universal service a reality. Instead, the focus has been on a universal service "objective". There must clear requirements for adequate and affordable services to be made available to consumers to enable Canadians to connect to fair, affordable services that meet their needs.

ACORN calls for a legislation that places a universal service obligation within the Telecommunications Act, to give CRTC real power to overcome barriers to affordable, universal access to telecommunications services.

### **Affordability**

ACORN members are deeply concerned about the cost of telecommunications services. In 2014, CIRA reported that only 62% of Canadians in the lowest income quartile have internet access, compared with 95% of Canadians in the highest income quartile<sup>3</sup>. Most people understand that high-speed internet access is vital for meaningful participation in society. So vital, that the Canadian Radio-television and Telecommunications (CRTC) declared internet access a basic right, and acknowledged that affordability is an issue, in 2016. Internet access is crucial for job applications, schoolwork, and accessing government forms. Yet, many low and moderate income Canadians are still forced to choose between putting food on the table or accessing the opportunities that result from participation in the digital economy. As a result, a digital divide exists where only those who can afford these services benefit from the opportunities that arise from the digital economy. A 2016 survey of 394 ACORN members found that more than 4 in 5 respondents found the cost of internet to be "extremely high", while almost 60% revealed that they had to cut back on other necessities to afford the cost internet connection.

ACORN members recognize that the federal government has taken leadership to address the digital divide by creating the Connecting Families program, which targets National Child

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<sup>1</sup> <https://www.fcc.gov/general/universal-service>

<sup>2</sup> [www.piac.ca/wp-content/uploads/2016/09/PIAC\\_No-Consumer-Left-Behind-Part-II-Website-Version.pdf](http://www.piac.ca/wp-content/uploads/2016/09/PIAC_No-Consumer-Left-Behind-Part-II-Website-Version.pdf)

<sup>3</sup> <https://cira.ca/factbook/2014/the-canadian-internet.html>

Benefit recipients and provides 10Mbps internet with 100gb usage for \$10 per month. Around 220,000 households are expected to benefit. However, the Connecting Families program is voluntary, so will not be offered by all internet service providers. Participating providers include Rogers, Bell, TELUS, Shaw, Vidéotron, SaskTel, and Cogeco. This results in a postal code lottery, where Canadians living in certain areas will not be served by the Connecting Families program. ACORN members call for an inclusive, affordable internet program that allows racialized individuals and people with disabilities who do not have kids, seniors, and other low-income individuals to participate in the digital economy.

Affordability also impacts low-income consumers' ability to access cell phone services, and a similar divide between low-income and high-income consumers exists. The cell phone penetration rate for the lowest income quintile of Canadians is only 68%; compared to almost 100% for those in the higher income quintiles<sup>4</sup>. More must be done to encourage the creation of lower-cost wireless services. There must also be affordable prepaid options available to low-income consumers, as for many who cannot afford or qualify for postpay options, a lack of affordable prepaid offerings can mean no service.

## Consumer Protection, Rights and Accessibility

Are further improvements pertaining to consumer protection, rights, and accessibility required in legislation?

A key factor in affordability is the provision of transparent and stable pricing. Consumers should be protected against bill shock. Caps on data roaming and overage charges offer some protections against bill shock. However, more can be done to offer consumers greater protections against disproportionate billing as a result of high costs or misleading pricing.

In August 2018, ACORN members provided comments to the CRTC's Inquiry into the Retail Sales Practices of Canada's Large Telecommunications Carriers.<sup>5</sup> ACORN members are primarily on low or moderate incomes; low-wage workers or recipients of either income or disability assistance. Eighteen respondents identified as a person with a disability, ten participants identified as seniors, three respondents identified as a young person aged 18 - 19 years old and two respondents identified as a language minority. Three respondents indicated that being a member of a one or more of the groups we identified (senior, 18-19 years of age, language minority, person with a disability) impacted how they were treated by their telecommunications Company. Three key themes were clear: cost and billing issues, misleading sales practices and poor service (including aggressive sales practices).

### Comments from respondents regarding cost and billing issues include:

*"They offer 3 services for 99.00 and they increase the price every month. Now my bill is 134.00."* - Gustavo, Ottawa

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<sup>4</sup> [http://www.piac.ca/wp-content/uploads/2016/09/PIAC\\_No-Consumer-Left-Behind-Part-II-Website-Version.pdf](http://www.piac.ca/wp-content/uploads/2016/09/PIAC_No-Consumer-Left-Behind-Part-II-Website-Version.pdf)

<sup>5</sup>

*"I have been promised a fixed price for the year and it goes up \$50 after a few months. Bell representative of the loyalty department says all companies go up in price. The bill is impossible to figure out." - Jade, Scarborough*

*"When I first signed up with Bell for internet service, they charged me as soon as I signed up even though I did not receive the turbo hub ten days later. They charged me late fees when I had given them my credit card to do automated payments."*  
- Carla, Forest Glade

### **Comments from respondents regarding misleading sales practices include:**

*"A Shaw rep. called from their loyalty department to offer me a free PVR. It wasn't free. They wanted to charge me 20.00 per month for it after 2 years. Eventually, I did get it for free, but with much complaining." - Susan, Port Coquitlam*

*"Both Rogers & Bell have been very difficult to deal with. What I signed up for was not what I got. Both companies also raise prices & change plans without informing their customers." - Lisa, Ottawa*

*"I signed up for a TV, internet and home phone service bundle from Bell Canada. My monthly bill supposed to be "fixed price" of \$99.00 a month for three years. But I was lied to and my bill was going up every month." - Ayan, Ottawa*

## **Safety, Security and Privacy**

Keeping in mind the broader legislative framework, to what extent should the concepts of safety and security be included in the Telecommunications Act/Radiocommunication Act?

To benefit from access to the digital economy, low and moderate income consumers must be protected against digital safety, security and privacy concerns. In 2016, ACORN was supported by the Office of the Privacy Commissioner to provide digital literacy workshops in relation to online privacy. During this project, we found that the lowest-income participants reported the lowest levels of confidence in using the internet safely. Currently, Canadians are vulnerable to privacy breaches from communications service providers, due to the OPC's lack of enforcement powers and vague consent provisions under PIPEDA. PIPEDA provides a broad range for the type of consent that is required depending on the information being collected, used, and disclosed. Section 4.3.6 states, "An organization should generally seek express consent when the information is likely to be considered sensitive. Implied consent would generally be appropriate when the information is less sensitive..."<sup>6</sup> Other standards for consent from PIPEDA are similarly vague. Without further direction from the OPC or CRTC, it leaves room for telecommunications providers to use implied or opt-out consent for data collection, use, and disclosure practices. Safety, privacy and security requirements must be improved to ensure that all Canadians are protected. In addition, support should be provided

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<sup>6</sup> PIPEDA, Schedule 1, section 4.3.6

for community and consumer organizations so that they are well-resourced to help low and moderate income Canadians to navigate their rights.