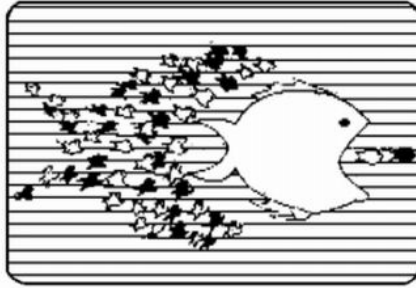


**The
British Columbia
Public Interest
Advocacy Centre**

208-1090 West Pender Street
Vancouver, BC V6E 2N7
Tel: (604) 687-3063 Fax: (604) 682-7896
email: bcpiac@bcpiac.com
<http://www.bcpiac.com>



Sarah Khan 687-4134
Patricia MacDonald 687-3017
James L. Quail 687-3034
Ros Salvador 488-1315
Leigha Worth 687-3044
Barristers & Solicitors
Zara Suleman
Articled Student

Via email

May 25, 2007

Director General
Telecommunications Policy Branch
Industry Canada, 1612A, 300 Slater St.
Ottawa, Ontario K1A 0C8

**Re: Canada Gazette Part 1 Vol. 141, No. 7 published February 17, 2007
Notice No. DGTP-002-07 - Consultation on a Framework to Auction Spectrum in the
2 GHz Range including Advanced Wireless Services**

These are the comments of BC Old Age Pensioners' Organization, Council of Senior Citizens' Organizations, federated anti-poverty groups of BC, End Legislated Poverty, BC Coalition of People with Disabilities, Active Support Against Poverty, and Tenants Rights Action Coalition (collectively "BCOAPO")

BCOAPO members are the most vulnerable of consumers – the elderly, those who are disabled, persons who live in poverty and tenants. Basic telephone service is an essential service. Having a telephone connects people to family, friends, employment, and a multitude of providers, including government, doctors, and emergency services. It is vital that all Canadians have this essential service.

Many of BCOAPO members are on fixed incomes. For these Canadians, access to affordable telephone services is paramount. While many consumers want choice and are willing to pay a premium for it, BCOAPO members do not have that luxury. These consumers are the least likely to have access to alternatives for telephone service.

The Government of Canada has determined that residential landline service will be deregulated where competitors are serving the market and are capable of serving 75 percent of the number of lines that the monopoly provider can serve. The Government recognizes that this decision increases reliance on market forces.¹ Accordingly, it is imperative that a robust market develops. Without it, consumers will have no protection from the problems of inadequate competition: unreliable service and skyrocketing prices.

BCOAPO intervened in the October 2006 Canadian Radio-television and Telecommunications Commission Act Price Cap Hearing. In that hearing, the evidence showed that the vast majority of Canadians - over 92% - obtain phone service via a landline from the regulated monopoly providers².

There are two alternatives to this regulated service: voice over internet service through cable or computer and mobile phone service. Voice over internet service is still in its infancy, being approximately 4.5% of the market in B.C. and Alberta³.

Although many consumers have mobile phones, only 5 to 6 % of consumers in B.C. and Alberta use a mobile phone exclusively⁴. Why do the vast majority of Canadians prefer their regulated telephone service?

The cost of residential landline service from the monopoly provider in BC ranges from \$23 to \$29 per month⁵. The price for mobile phone service is significantly more expensive. A customer must obtain a mobile phone and then purchase a monthly package of minutes or a pre-paid plan. Both pre-paid plans and monthly plans are expensive⁶. A Telus survey reported that, on average, consumers spend \$79.00 a month on mobile phone service⁷.

The evidence in the hearing also revealed that mobile phones have other problems besides price:

¹<http://www.ic.gc.ca/cmb/welcomeic.nsf/af913527c10aeb6a852564820068dc6c/85256a5d006b9720852572b400524ba5!OpenDocument>

² Transcript vol. 4, para. 7231

³ Transcript vol. 4, paras. 7283-7284

⁴ Transcript vol. 4, paras. 7240-7245

⁵ Telus (CRTC) 202

⁶ For pre-paid service, a \$30.00 pre-paid card purchases approximately two hours of telephone use at \$0.25 a minute or nine hours if they had a plan that allowed them to call weekends and evenings at \$0.05 a minute.

⁷ Telus (Consumer Groups) 4, Attachment 1 - page 12

Mobiles can be more difficult for the elderly and disabled persons to use;

- Multiple mobile phones are needed for families to switch their service;
- Consumers need a reasonable credit rating or must pay a large deposit; and
- Pre-paid plans have limited use⁸.

It is a false assumption that the presence of competition equals competition. Despite having a choice of switching to mobile phone or voice over internet service, over 92% of Canadians have not done so. BCOAPO submits that the service and pricing of mobile telephones and the other alternatives are not yet comparable and therefore, there is no competition in the minds of consumers.

We have reviewed the Gazette Notice. BCOAPO submits that the framework to auction spectrum in the 2GHz range must be one that ensures that competition in service and pricing develops. BCOAPO does not have the resources to determine the appropriate framework that will do this and is relying on Industry Canada to make that decision. Competition must develop, as this will be the only way that all Canadians will continue to have access to reliable and affordable telephone service.

All of which is respectfully submitted.

Yours truly,

BC PUBLIC INTEREST ADVOCACY CENTRE

original signed by

Patricia L. MacDonald
Counsel for BCOAPO

⁸Testimony of Trevor R. Roycroft on behalf of Consumer Groups, paras. 67-69