

# More affordable cell phone bills

Canadians pay too much for their cell phone bills. While unique factors like the size of our country has an impact, the current way a few large corporate players drive up prices is unfair to Canadians, and there's lots of room for improvement. For instance, Canadian telecom companies generate the highest revenue per gigabyte (GB) in the developed world.<sup>1</sup>

A re-elected Liberal government will take strong action to see cell phone bills come down by 25 per cent. This will save a family of four almost \$1,000 a year.

## Cutting costs for Canadians

In a typical open market, prices are set through competition — with Canadians choosing a product or service at a price that works for them. But according to Canada's Commissioner of Competition, consistently higher prices in the telecom market reflects a lack of vigorous competition among the three national wireless carriers<sup>2</sup> — and Canadian carriers have higher profit returns than in any other country.<sup>3</sup>

A re-elected Liberal government will reduce costs by 25 percent and bring Canada in line with prices across the G7 and Australia. To achieve this, we will:

- Work with telecom companies to offer plans comparable to global prices<sup>4</sup>, plus an unlimited family plan; and
- Encourage competition by expanding the entry of Canadian Mobile Virtual Network Operators (MVNO) in the market.
  - MVNOs lease wireless capacity at wholesale prices and resell it to consumers at reduced retail prices under their own business brands.

- Major network operators will be required to lease their available capacity to qualified competitors. "Qualified" will be determined by more than just the network's physical infrastructure — but also their commitment to creating jobs, developing skills or investing in research.

If at the end of two years we don't see prices come down, we'll consider expanding MVNO qualifying rules. This could include:

- Lowering the entry and investment threshold for MVNOs;
- Lowering the rates at which MVNOs get access to networks; and
- Expanding the CRTC mandate to make affordable pricing for consumers a core objective, and giving it the tools it needs to meet that objective.

Average savings for a family of four, per year			
	Current average price	Price with the mandated reduction	Savings
2 unlimited nationwide talk and text phone plans, more than two optional features, and 5 GB of data usage per month	\$2,095.68	\$1,571.76	\$523.92
2 unlimited nationwide talk and text phone plans, more than two optional features, and 2 GB of data usage per month	\$1,810.56	\$1,357.92	\$452.64
		<b>Total:</b>	<b>\$976.56</b>

### Prioritizing affordability and access

To develop a high-speed, 5G network in Canada, we've been working to expand "spectrum" capacity – that is, the waves that cell and internet services are delivered through.

Right now, access to those spectrums are awarded to the highest bidders. To promote competition and lower prices for Canadians, a re-elected Liberal government will:

- Award spectrum access based on consumer choice, affordability and broad access;
  - We'll also reserve spaces for new entrants;
  - If these commitments are not met, companies would face penalties and potentially lose their spectrum access.

→ Commit one billion over five years to deliver high-speed<sup>5</sup> internet to 100 per cent of Canadian homes and businesses by 2030, within existing Infrastructure Bank of Canada funds.

- This is on top of the \$1.7 billion investment in Budget 2019 to bring universal high-speed internet access to rural and remote communities.

### Costing

Further details regarding costing will be released over the course of the campaign.

<sup>1</sup> <https://tefficient.com/wp-content/uploads/2018/07/tefficient-industry-analysis-1-2018-mobile-data-usage-and-revenue-FY-2017-per-country-10-July-2018.pdf>

<sup>2</sup> <https://www.competitionbureau.gc.ca/eic/site/cb-bc.nsf/eng/04431.html>

<sup>3</sup> Bank of America Merrill Lynch Global Research estimates, IMF World Economic Outlook Database, April 2018. Data is as of 2Q18. Countries classified according to MSCI classification as of September 27, 2016.

<sup>4</sup> As determined by Innovation, Science and Economic Development Canada in Price Comparison of Wireline, Wireless and Internet Services in Canada and Foreign Jurisdictions

<sup>5</sup> A speed of at least 50/10 Mbit/s