



PUBLIC INTEREST ADVOCACY CENTRE  
LE CENTRE POUR LA DÉFENSE DE L'INTÉRÊT PUBLIC

285 McLeod Street, Suite 200, Ottawa, ON K2P 1A1

15 July 2021

Mr. Claude Doucet  
Secretary General  
Canadian Radio-television and  
Telecommunications Commission  
Ottawa, ON K1A 0N2

**Re: CRTC TNC 2019-57 – *Review of mobile wireless services* – Low-Cost Plans Launch – Compliance**

Dear Mr. Doucet,

The Public Interest Advocacy Centre (PIAC), which was part of the Coalition for Cheaper Wireless Service (CCWS)<sup>1</sup> in the above-noted proceeding, writes to you today with serious concerns regarding the actions to date of Bell Mobility (“Bell”), TELUS Mobility (“TELUS”), Rogers Wireless (“Rogers”) regarding their low-cost plans.

In Telecommunications Regulatory Policy CRTC 2021-130, *Review of mobile wireless services* (15 April 2021), the Commission ordered Bell, TELUS, Rogers (and SaskTel) in the areas where they had market power to offer certain low-cost wireless plans within 90 days of the decision, which was 14 July 2021.

The Commission’s order included several conditions and expectations regarding the three types of mandated low-cost plans. However, one expectation that was made clear, and which applied to all three types of low-cost plan and for all carriers, was that they make these plans available on their “premium” brands (for example, for the \$35/3GB plan detailed at para. 545). These “premium” brands were clearly differentiated from the carriers’ “flanker” brands, which the Commission in part listed and defined in footnote 3 to the decision. The carriers specifically resisted the requirement to provide these plans on the “premium” brands (Bell Mobility, TELUS Mobility and Rogers Wireless - summarized at para. 503) but the Commission ordered this regardless, stating that lower-income Canadians were reluctant to sign up for flanker brand offers or would not even look to those brands (paras. 542-544):

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<sup>1</sup> The Coalition for Cheaper Wireless Service (CCWS): (Public Interest Advocacy Centre (PIAC); ACORN Canada (ACORN); National Pensioners Federation (NPF); and Canadian Association of Retired Persons (CARP)).

542. However, the Phoenix telephone survey indicates that many Canadians, and those with lower incomes in particular, are reluctant to sign up for flanker brand service. About 50% of respondents reporting an annual household income under \$40,000 indicated that they would not switch to a flanker brand, in comparison to between 35% and 40% for people in the \$40,000 to \$80,000 income bracket. The fact that low-cost plans appear to be offered and promoted only on the national wireless carriers' flanker brands likely makes it harder for consumers to find a low-cost plan that meets their needs on the service brand of their choice.

543. In the Commission's view, this creates an unnecessary barrier to consumers who are looking for low-cost plans to find an option that meets their needs, and likely leads to some consumers being upsold, that is, subscribing to a plan the attributes and cost of which exceed their actual needs and budget. The Commission is of the view that it is crucial to ensure that consumers, and in particular lower-income individuals, looking for a low-cost plan find an affordable plan that meets their needs on the service brand of their choice.

544. In light of the above, the Commission considers that it would be appropriate, at this time, to adopt clear expectations and let the market respond to these expectations. Should the market not develop in a manner that adequately responds to these expectations, the Commission could then revisit the issue. **Accordingly, the Commission expects that at least one postpaid, low-cost plan will be offered and promoted by SaskTel and each of the national wireless carriers, on their premium brands, in the geographic areas where they were found to exercise retail market power.** [Emphasis added.]

This means the Commission expected that the incumbents provide at least one low-cost plan on their premium brands.

PIAC has scanned the websites of Bell, TELUS and Rogers' premium brands to the date of this letter. We find no such plans on these incumbents' "premium" brand websites. We do find the mandated plans on the incumbents' flanker brands: Virgin Mobile and Lucky Mobile (Bell); FIDO and Chatr (Rogers); Koodo and Public Mobile (TELUS).

While these incumbents may be preparing their one plan for their premium brands, PIAC submits that the Commission should be concerned that these incumbents appear to be reticent to implement the Commission's clear expectations on day 1. We do not understand, on behalf of those consumers who may be reluctant to trust flanker brands, why the Commission should allow the incumbents to avoid offering low-cost plans on their premium brands for any period of time. This means the incumbents will use this period to attempt to move most of the low-cost plan subscribers to their flanker brands until such time as the Commission stirs itself to turn this expectation into an enforceable order. Other customers who are reticent to use flanker brands will simply not have low-cost plans available to them from a trusted brand until the CRTC acts. We request such action now. Leaving this key expectation unfulfilled allows these incumbents to restrict the numbers of customers benefitting from these plans.

PIAC is also evaluating the other details of the flanker-brand offerings of the low-cost plans to date xfor potential non-compliance and for aspects that may indicate abusive terms and conditions or charges and excessive upselling or other problematic marketing behaviour and we intend to bring an application on these, if necessary, once we have sufficient evidence of any potential problems.

Sincerely,

John Lawford

Counsel to PIAC

cc: Parties to TNC CRTC 2019-57

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