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## **Regulation of the Local Telephone Market and Related Issues**

Prepared for the Department of Industry Canada

October, 2006

E60CY-030001/003/CY

POR Registration Number: POR-150-06

Contract Number: U1400-061542/001/CY

Contract Awarded: August 16, 2006

*Rapport disponible en français*

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## Introduction

Decima Research Inc. is pleased to present the following report to Industry Canada. Industry Canada was interested in gauging Canadians' opinions on various facets of the telecommunications industry, including telecommunications regulation, foreign ownership, high speed Internet access and issues surrounding the cellular phone industry.

In total, 10 focus groups were conducted over three evenings, from August 21 to August 23, 2006. Two sessions were conducted in each of the following locations:

- Squamish, British Columbia
- Calgary, Alberta
- Toronto, Ontario
- Montreal, Quebec
- Truro, Nova Scotia

All sessions were in English except for Montreal where the sessions were conducted in French. Decima was responsible for the recruitment, design, moderation, and reporting for this assignment.

For the purposes of this report, it is important to note that focus group research is a form of scientific, social, policy and public opinion research. As structured group interviews that proceed according to a careful research design and attention to the principles of group dynamics, focus groups should be distinguished from "discussion groups", "problem-solving groups", "buzz groups", or "brainstorming groups". They are not designed to help a group reach a consensus or to make decisions, but rather to elicit the full range of ideas, attitudes, experiences and opinions of a selected sample of participants on a defined topic. Because of the small numbers involved, however, the participants cannot be expected to be thoroughly representative in a statistical sense of the larger population from which they are drawn and findings cannot reliably be generalized beyond their number.

Because qualitative research is exploratory in nature, MRIA (Market Research and Intelligence Association) guidelines preclude researchers from using any quantifiable terms to describe data (i.e. two out of ten, one in four). Rather, it is more appropriate to use terms such as "few", "many", "almost all", or other generic terms. These are the terms that are presented in this report.

Decima Research designed and directed all elements of the research including design, recruitment, moderation and analysis.

## Executive Summary

These focus groups reveal that the Canadian public sees the telecommunications sector in Canada as an important part of the economy, but one that is in the midst of significant change, with the recent introduction of new services, new providers, and new ways of doing business.

People are generally quite satisfied with the level of competition and choice, price, and value for money in the telecommunications services market today. With the exception of customer service, which is seen by some to not be keeping pace with improvements in other areas, most believe they are well served by this sector. In the long distance and cellular businesses specifically, there is a sense that there is a strong and viable competitive environment in place.

This research confirms quantitative data collected by Decima and was submitted to the Telecommunications Policy Review in August 2005.

### Awareness and First Impressions of Telecommunications Regulation

As a point of departure, many participants did not have a clear understanding of the term "telecommunications". They were often unsure if the term includes Internet and broadcasting services, or whether it includes information technology services.

While in the marketplace these providers refer to themselves as telecommunications companies, a lot of people view them as "telephone companies", even when they recognize that many of these firms offer much more than telephone service, and are very large companies.

Awareness and understanding of telecommunications regulation and related issues is very low. Most assumed there is some form of regulation in the telecommunications business, but when asked to further explain what exactly

is regulated, few could articulate what those services are on an unaided basis.

Only a small handful of participants could cite or recognized the CRTC as the regulator in this sphere, and there does not seem to be a clear understanding of the CRTC's specific role and involvement in the telecommunications market. Most people know the CRTC in its role as regulator of Canadian content in the broadcast sphere, and know relatively little (or nothing) about its role in telecommunications.

While most did not know what specific services are regulated or not, most believed that all telecommunications services, including long distance, cellular and local telephone service, were regulated in some fashion and that these regulations applied to all service providers. There was confusion around what they considered to be services that fall under the jurisdiction of the CRTC and which services, if any, are in fact unregulated. For example, there was little awareness that only local service is regulated (not cell phone service), and similarly little awareness that some regulations applied to certain companies but not to others.

Among the few who were aware of regulation, the areas most often cited as being regulated involve mandatory "consumer rights" services like 911 or disability services. While many did not raise them on an unaided basis, when raised in discussion people were quite aware of these services. It was clear that people just assume that these services are provided to Canadians.

On an unprompted basis, there is even lower awareness of local service price regulation than of social regulations like 911 service.

Participants understand and view price regulation very differently than "consumer rights" regulations like 911 and disability services.

Prompted discussions around "consumer rights" regulations revealed participants do recognize and value these services, but that they almost treat them as "table stakes" in the telephone service business. Participants were more likely to perceive the "consumer rights" regulations as being more *legislated* than *regulated*. That is to say, they assume that providers were legally obligated to provide these services.

Due to these assumptions, participants don't initially connect the CRTC to these functions, since they don't see the rules as something that might change over time or that require judgment in terms of deciding whether a standard is met or not (like Canadian content regulations where someone has to judge whether a show has met the 30% content standard).

When prompted directly on price regulation, there is some vague awareness that steps have been taken to ensure that there is competition in the marketplace, but there is no real knowledge of the substance of what the price regulatory system entails.

When given a brief summary of the price regulatory system, some recognized it, but many did not.

At first blush, there was near-consensus that price regulation of the local telephone market didn't make sense as it was constituted. Most felt that the business was quite competitive now, and that it didn't make sense that regulations in place would only apply to the traditional telephone companies.

### **Regulatory System - Preferences**

There is a clear preference when it comes to the way in which Canadians would prefer government to set policy and regulation in the local telephone market. The broad consensus is that the market should be deciding prices and services, and that the Government of Canada's role should focus on ensuring access to consumer rights such as universal access to those with disabilities and those in remote areas, privacy protection, and provision of



911 services. Most do not see themselves as being at risk of having price, competition, or value for money worsen if price regulation were lifted – in fact, just the opposite – most believe they will benefit in those areas from price deregulation.

In short, people were generally comfortable with the idea of the government “deregulating” price regulations for local service, but maintaining its current regulatory functions in the consumer rights sphere. In this sense, it is important to recognize that to many people, the word “deregulation” can connote the broad range of price regulations and consumer rights, rather than one specific aspect of regulations. Some may take the word “deregulation” as an inference that there would be no controls in areas of consumer rights as well as price, which would likely garner negative public reaction.

Although a “free market” in terms of price regulation was broadly preferred, it was felt that if price regulation were to persist, it should apply to all local service providers, and not just to traditional telephone companies.

### **Foreign Ownership**

The subject of foreign ownership is one that yields some polarized opinion. At a philosophical level, many participants revealed openness to the idea of foreign investment, and even foreign ownership in certain sectors of the economy. Others, particularly those in the Montreal focus groups, expressed high levels of resistance to the idea, owing in large part to concerns that foreign ownership would cede control over Canada’s economic independence.

However, participants were fairly uniform in their resistance to the idea of any more foreign ownership of Canadian telecommunications companies. For most, the resistance had to do with concerns about large Canadian companies losing their economic power and “brain power” to parent companies in other countries. Telecommunications is seen as a strategic

sector, a sector that drives innovation in terms of products, and high value added jobs. The prevailing concern is that if sectors like telecommunications are allowed to be foreign controlled, the R&D aspects of that business will be moved to other places, taking the innovation and high value jobs with them, and the Canadian operation would be reduced to serving a sales function. This concern about being a "branch-plant" economy pervaded groups in all parts of the country.

Again, in the Montreal groups, there was higher resistance to this idea. In addition to the concerns above, there was much concern in Montreal that foreign ownership of telecom would mean less Canadian content. The moderator reminded participants that the discussion was focused on telecommunications vehicles (not content), but these underlying concerns nonetheless coloured the discussion.

#### **Wireless/Cellular services**

Similar to high speed Internet, cellular service subscribers agree that the variety of providers, quality of access and competitiveness of pricing have improved over the past few years. Most believe that service quality, price, and value for money of cell phone services are very good.

Of note, there was very little top of mind awareness that the cell phone market was deregulated. Indeed, it was the deregulation of the long distance telephone market that was a more useful reference point for the benefits and drawbacks of local service deregulation.

When given direct prompting about the cellular market deregulation, that process generally gave people confidence that local market deregulation would result in a net positive for consumers, as long as providers had to maintain the consumer right services like 911.

While most liked their cell phone service, they would not personally abandon their traditional landline. Many could relate to the wireless-only argument

since they knew someone who had abandoned their landline in favour of their cellular phone, but they still felt that there was value in maintaining a landline.

### **Wireless Ombudsman**

Overall, focus group respondents did not express a strong need for an industry-led wireless ombudsman. In terms of filing complaints to or about their wireless carrier, most participants believed they would begin by contacting the carrier and, as needed, elevate their cause to organizations such as the Better Business Bureau, the CRTC or small claims court. Few participants had in fact experienced any serious issues with their wireless carrier so the idea of needing to file a complaint about their carrier, or not knowing who they should contact to file such a complaint, did not seem particularly important to them.

### **High Speed Internet**

High speed Internet is seen as a revolutionary aspect of an already important technology. Nonetheless, while many recognized that some communities in Canada are in some way disadvantaged compared to communities with access, they did not see access to high speed Internet as nearly as vital as basic local telephone service.

There was fairly clear resistance to the idea of government making a major investment to bring high speed Internet to communities that do not have it yet. This resistance was founded on two principles: concerns of high cost to the taxpayer, as well as a perception that there will be a market or technological solution (such as satellite technology) that will likely serve this purpose within the next few years, without the need for government to make the investment.

## 2005 Quantitative Research: Comparisons

The findings of this study closely mirror the results of a quantitative study that Decima completed for the Telecommunications Policy Review in 2005. The full report of that study is attached to this report.

In some areas, the qualitative work helps to illuminate results. In one area, specifically the idea of introducing a wireless sector ombudsman, the qualitative work suggests something slightly different than what the quantitative research indicated. The difference between the two studies is discussed (in bold) below.

Key findings from that quantitative study were:

- Canadians expressed a high degree of satisfaction with telecommunications services. Quality (80% satisfied), billing (80%), and customer service (75%) were leading areas of satisfaction.
- There was a sense among Canadians that in most areas of telecommunications they benefit from an adequate amount of competition and choice, meaning that they feel they have leverage (because they have options) as buyers of those services. This perception is more firmly held in the areas of telephony, especially long distance and wireless, where more than 70% of respondents indicated that they have adequate competition and choice. In local service, 56% said they have adequate competition and choice.
- The large majority of Canadian consumers said they can afford the telecom services they need (82%), and almost as many say they can afford the services they "want" (78%). The areas where service is seen as being most affordable are long distance, local, and Internet services.
- While people want the benefits of competition, they do not like the idea of competition being achieved by using federal policy or regulatory tools to provide either a "leg up" to new entrants in a particular field, or by holding back incumbents. Seventy-seven percent (77%) of respondents indicated

that all companies should be treated equally, and 18% said that federal policy should give advantage to new entrants.

- Notwithstanding good satisfaction levels in most areas, the idea of a public ombudsman in the sphere of wireless service tested quite well (23% said it would play a very useful role), characterized as an “office that could receive, review and take action on public complaints regarding telecommunications services, such as concerns about billing and customer service.” **In the qualitative research, results indicated that since service in most areas was quite good, and given that consumers have the ability to “vote with their feet” with regard to providers, that there was no strong need for a wireless sector ombudsman.**
- In general, people believe that government should ensure that there is a competitive marketplace and then let market forces determine prices, rather than setting prices that providers can charge.
  - Eighteen percent (18%) said that government should set the prices that companies can charge consumers for telecommunication services, while 79% indicated that government should ensure that there is adequate competition and let competition determine prices.
  - There is a strong sense that government policy should create level playing fields, not treat competitors differently in the interests of engineering more competition (77% vs. 18% respectively).
  - Most people think that government should only regulate the more essential telephone services people need, and let competition determine prices for optional services such as call waiting, forwarding, etc. (74%).

## Detailed Analysis: Qualitative Findings

### 1. Attitudes on Telecommunications Regulation

#### A. Perceptions of Telecommunications Services

*The introductory segment of the discussions focused on awareness and impressions of telecommunications services, exploring issues like service availability, quality, and value for money.*

As a point of departure, many participants did not have a clear understanding of the term "telecommunications". They were often unsure if the term includes Internet and broadcasting services, or whether it includes information technology services.

While in the marketplace these providers refer to themselves as telecommunications companies, a lot of people view them as "telephone companies", even when they recognize that many of these firms offer much more than telephone service. For purposes of the discussions, the moderator consistently clarified that "telecommunications" referred to telephony services such as local, long distance and cellular telephone services, but this was not necessarily the nomenclature that people would typically use to describe the respective companies.

The dominant view in the groups was that telecommunications services across the country have improved over the past few years on many levels, including a greater availability of offers, more service providers and better products and services. The only exception to this is in the area of customer service – there is a widespread feeling that customer service is believed to have worsened, which is an irritant in the marketplace.

Perceptions of the range of provider alternatives for local telephone services varied somewhat across the country. Participants in Montreal and Truro felt they had the fewest options, with only two service providers to choose from. In other centres, respondents perceived greater choice by including Voice Over Internet Protocol (VoIP) providers, cable companies, cellular companies and traditional telephone companies as possible alternatives.

Some participants, particularly in rural locations (Squamish and Truro) felt that coverage of cellular and high speed Internet services has expanded to include areas outside urban centres, and this is viewed as a positive.

Despite a general decrease in prices across most telecommunications services, participants feel that with the increasing number of new service options available (such as call waiting, call answer, call forward, etc.), they are paying more for telecom services than they have the past.

## **B. Awareness of the Current Telecommunications Regulation Regime**

*This segment of the groups explored base understandings of what services are regulated, and by what organizations/institutions.*

Awareness and understanding of telecommunications regulation and related issues is very low. Most assumed there is some form of regulation in the telecommunications business, but when asked to further explain what exactly is regulated, responses varied widely. Most importantly, there are some notable differences in awareness and impressions of social regulations like 911 and disability services, versus price regulations.

Only a small handful of participants could cite or recognize the CRTC as the regulator in this sphere, and there does not seem to be a clear understanding of its specific role and involvement in the telecommunications market. Most people know the CRTC in its role as regulator of Canadian content in the

broadcast sphere, and know relatively little (or nothing) about its role in telecommunications.

While most did not know what specific services are regulated or not, most believed that all telecommunications services, including long distance, cellular and local telephone service, were regulated in some fashion and that these regulations applied to all service providers. There was confusion around what they considered to be services that fall under the jurisdiction of the CRTC and which services, if any, are in fact unregulated. For example, there was little awareness that only local service is regulated (not cell phone service), and similarly little awareness that some regulations applied to certain companies but not to others.

Among the few who were aware of regulation, the areas most often cited as being regulated involve mandatory "consumer rights" services like 911 or disability services. While many did not raise them on an unaided basis, when raised in discussion people were quite aware of these services. It was clear that people just assume that these services are provided to Canadians

On an unprompted basis, there is even lower awareness of local service price regulation than of social regulations like 911 service.

### **C. Attitudes towards Telecommunications Regulation**

*The moderator provided a clear and simple explanation of which services are in fact regulated, how they are regulated and to whom the regulations apply. Based on this new information, participants expressed the following regarding regulation.*

Participants understand and view price regulation very differently than "consumer rights" regulations like 911 and disability services.



## Consumer Rights Regulations

Prompted discussions around "consumer rights" regulations revealed participants do recognize and value these services, but that they almost treat them as "table stakes". Participants were more likely to perceive the "consumer rights" regulations more as being more *legislated* than *regulated*. That is to say, they assume that providers were legally obligated to provide these services. Due to these assumptions, participants don't initially connect the CRTC to these functions, since they don't see the rules as something that might change over time or that require judgment in terms of deciding whether a standard is met or not (like Canadian content regulations where someone has to judge whether a show has met the 30% content standard).

## Price Regulation

When prompted directly on price regulation, there is some vague awareness that steps have been taken to ensure that there is competition in the marketplace, but there is no real knowledge of the substance of what the price regulatory system entails.

When given a brief summary of the price regulatory system, some recognized it, but many did not.

- At first blush, there was near-consensus that price regulation of the local telephone market didn't make sense as it was constituted. Most felt that the business was quite competitive now, and that it didn't make sense that regulations in place would only apply to the traditional telephone companies.

**"If a whole bunch of competitors get out there and there's no regulation and Telus had regulation, let's watch the action. But who's it good for?"**

**If I was Telus, I'd say that's not a fair playing field here...for me, competition is always good."**

- A few had an initial sense that "there must be a reason" why these regulations are in place, and hypothesized that price regulation was probably enforced on these specific providers of local telephone services to ensure that prices do not *exceed* a certain ceiling.

*Participants were asked to explain what advantages and disadvantages could exist for consumers in the event of deregulation of the local telephone market.*

Key findings:

- When considering the potential implications of deregulation of the local telephone market, it was clear that participants thought more about the price implications of deregulation than the consumer "rights" implications of deregulation. (See section 2: Perceived Impact on Consumer Rights for responses to consumer issues in particular).
- There was no clear consensus on whether or not prices for local services would ultimately increase or decrease in a deregulated environment. In urban areas, where there is more competition now, most felt that price would decrease. In rural areas, where there is less competition, there was uncertainty. Overall, there was not a significant level of anxiety about the idea of deregulating price in the local market.
- While some in Toronto and Montreal argued that the traditional telephone companies would likely lower their prices to better compete with new service providers, possibly resulting in a price war, some others seemed to believe that the traditional telephone companies would take advantage of their newfound liberty and increase prices, at which

point competitors would follow suit to stay in line with the traditional telephone company.

- Some participants drew parallels between what has happened in the long distance market to what could happen in the local service market.

**"If you take a look at the past, when they took regulation away from long distance, we used to pay 24 cents a minute to call Calgary.**

**Now we're paying 4 cents a minute just because there is competition, so I can't see deregulation as being a bad thing.**

**Competition brings down the price."**

An important area of concern for participants was the potential impact that deregulation of the local telephone market would have on customer service. This was an area where participants were split on whether or not quality would increase or decrease. While some felt that customer service would decrease because competitors would focus on competing on price, others felt that customer service could actually become a competitive differentiator and as such, customer service would actually become more important to service providers.

Other advantages and disadvantages discussed in the sessions are summarized below:

<b>Advantages to Deregulation</b>	<b>Disadvantages to Deregulation</b>
<ul style="list-style-type: none"><li>• More competition</li><li>• More innovation / more investment in technology and new features</li><li>• Market for local service would be more responsive to supply and demand / more responsive to market forces</li></ul>	<ul style="list-style-type: none"><li>• Potential for a return to a monopoly or the creation of an oligopoly / small players can't keep up</li><li>• Too many offers / offer clutter</li><li>• Cartel behaviour – price fixing among a limited set of service providers</li></ul>

- More innovative offers (i.e. bundling)
  - Decreased investment in infrastructure
  - More contracts to deal with
  - Service providers abusing consumers / taking advantage of consumers
  - Foreign cash-rich firms squeezing out local firms
  - More instability in the local service market
- 

Participants did not seem to make an immediate connection between deregulation of the local telephone market and consumer privacy. Most tended to believe that other regulatory or legal mechanisms would continue to protect consumer privacy, irrespective of local market deregulation.

When probed on bundling, there was a general sense that there would be more and better bundles in a deregulated marketplace. This did not always imply that consumers would be better off since there existed an undertone of frustration with bundles – these are perceived by some as a tool for service providers to force unwanted services and features onto consumers.

## 2. Perceived Impact on Consumer Rights

*A key part of the deregulation discussions focused on the potential impact of deregulation on consumer rights, and the importance of protecting those rights.*

Participants definitely sensed that their “rights” (including minimum service performance requirements, services for the disabled, etc.) could fall by the wayside in a fully deregulated market where competitors will be “focused on the bottom-line.”

Participants were especially concerned that Canadians with disabilities would be neglected since they only represent a small proportion of the market and

that it would be expensive to properly service them. The remote possibility that disabled Canadians would not be adequately looked after was an unacceptable proposition for many participants.

**“If regulation means that these minimum service requirements and standards remain in place, then I support regulation.”**

- Most couldn't imagine that consumer rights would be changed at all in a “deregulated” context, either because they perceived that they are covered legislatively, or because suppliers would continue to provide the consumer rights services due to market pressures. However, it was clear that there was no willingness to loosen consumer rights aspects of regulation in any way. As such, a “deregulated” environment would be widely resisted if there was potential for weakening the universality of consumer rights like 911 service or services for persons with disabilities.

Participants were less concerned with service quality objectives being enforced since they felt market forces would punish the providers who decide to compromise on these standards.

## **A. Perceived Impact on Rural and Remote Communities**

Participants also expressed concerns with service to rural and remote communities. Although concern with these communities was not always volunteered by participants, there was near-unanimous concern once the moderator raised the issue explicitly. The concern resided in the fear that service providers would not service these communities unless the Government of Canada mandated companies to service them. These concerns were equally pronounced in urban and rural groups.

When asked about the best way to address this issue in a deregulated context, most felt that the involvement should probably take the shape of subsidies rather than forcing service providers to bear the cost of servicing remote communities.

It was clear that respondents were in agreement that universal access to a basic telephone service should be perceived as a right in today's day and age rather than as a privilege.

## **B. Perceived Role for the Government of Canada in Local Market**

*Respondents were then directly asked what the most appropriate role would be for the government in the context of local market regulation.*

The overall consensus across the groups was that the market should be deciding prices and services in the local market, and that the Government of Canada's role should focus on ensuring access to consumer rights such as universal access to those with disabilities and those in remote areas, privacy protection, and provision of 911 services. In other words, people were generally comfortable with the idea of the government "deregulating" prices, but maintaining its regulatory functions in the consumer rights sphere.

Although a "free market" in terms of price regulation was preferred, it was felt that if price regulation were to persist, it should apply to all local service providers, and not just to traditional telephone companies. In fact, the only circumstance where this type of price regulation was considered essential was if service providers decided to increase prices for local service, in which case these increases would need to be regulated consistently across all providers.

### 3. High Speed Internet Access

*Respondents were invited to discuss issues involving high speed Internet access, and specifically the potential role of government in providing or financing broader access to high speed Internet access to communities that are currently not served by a high speed provider.*

Many participants in the sessions have high speed Internet access at home and most would agree that the variety of providers, quality of access and competitiveness of pricing have improved over the past few years.

Most participants are aware of communities in their province or in Canada that do not have access to high speed Internet. While many recognized that these communities are in some way disadvantaged compared to communities with access, they did not see access to high speed Internet as nearly as vital as basic local telephone service, especially if the Government of Canada was planning on playing a role in this area.

Recognition of possible advantages of high speed Internet was in many cases very advanced – in some sessions, participants were able to explain in great detail how education and health services could be enhanced with access to high speed Internet. As well, participants explained that businesses would be more likely to invest or settle in a community with access and that safety and security services (police and fire) could become more efficient with high speed Internet access.

Despite these arguments, many participants still insisted that the Government of Canada should not shoulder the brunt of extreme costs associated with providing access to these communities.

- It should be noted that some participants became somewhat more accepting of universal high speed Internet access once arguments relating to "community" benefits (e.g. distance health and distance education) were presented and that high speed Internet access would not just benefit personal usage.
- Furthermore, participants believed that technological progress could soon allow remote communities to access high speed Internet at an affordable price (e.g. satellite access). Some participants were open to having Government provide access to remote communities insofar as the costs were acceptable.



## 4. Foreign Ownership

*Focus group discussions turned to consideration of foreign ownership, and specifically foreign ownership in the telecommunications sector. Participants were encouraged to raise, and discuss some of the pros and cons of foreign ownership in this sector.*

*In addition, respondents were prompted with information about the current foreign ownership rules that apply to the telecommunications sector, and asked to react to that information.*

Foreign investment and foreign ownership were one of the most contentious issues discussed in the groups. In discussing the issues and considerations, participants presented a combination of emotional and practical arguments against and for foreign investment.

At a philosophical level, many participants revealed an openness to the idea of foreign investment, and even foreign ownership in certain sectors of the economy. Others, particularly those in the Montreal focus groups, expressed high levels of resistance to the idea, owing in large part to concerns that foreign ownership would cede control over Canada's economic independence.

However, participants were fairly uniform in their resistance to the idea of any more foreign ownership of Canadian telecommunications companies. For most, the resistance had to do with concerns about large Canadian companies losing their economic power and "brain power" to parent companies in other countries. Telecommunications is seen as a strategic sector, a sector that drives innovation in terms of products, and high value added jobs. The prevailing concern is that if sectors like telecommunications are allowed to be foreign controlled, the R&D aspects of that business will be moved to other places, taking the innovation and high value jobs with them, and the Canadian operation would be reduced to serving a sales function.

This concern about being a "branch-plant" economy pervaded groups in all parts of the country.

Again, in the Montreal groups, there was higher resistance to this idea. In addition to the concerns above, there was much concern in Montreal that foreign ownership of telecom would mean less Canadian content. The moderator reminded participants that the discussion was focused on vehicles (not content), but these underlying concerns nonetheless coloured the discussion.

The quotes below illustrate just how much polarization there is on these issues.

**"I don't think we have to fear foreign ownership as we do.... Foreign ownership might be very good for us."**

**"It takes away the control of Canada running Canada."**

**"Foreign ownership of Canadian telecommunications companies? I'm leery of that, but foreign investment, why not?"**

However, participants were fairly uniform in their resistance to the idea of any more foreign ownership of Canadian telecommunications companies. Telecommunications is seen as a strategic sector, a sector that drives innovation in terms of products, and high value added jobs. The prevailing concern is that if sectors like telecommunications are allowed to be foreign controlled, the R&D aspects of that business will be moved to other places, taking the innovation and high value jobs with them, and the Canadian operation will be reduced to serving a sales function. This concern about being a "branch-plant" economy pervaded groups in all parts of the country.

Groups revealed that there is little middle ground on this issue, and those opposed to foreign ownership are very passionate about it.

"I hear of things moving to India...it's a loss of jobs. We're going to end up without any jobs for ourselves because we're just going for a better deal."

"The problem with foreign ownership is it's always going to benefit somebody else."

For the most part, participants were not aware of the foreign investment limit and upon being informed of it, most automatically agreed with it, and felt it should not be increased.

The only group that seemed remotely open to the idea was in Calgary, where participants explained that most of their town is owned by foreigners and that Calgarians are prospering, and so the same could apply to telecommunications.

The most common **volunteered** advantages and disadvantages of foreign ownership included:

Advantages to Foreign Ownership	Disadvantages to Foreign Ownership
<ul style="list-style-type: none"> <li>• Increased competition / more choice of providers</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of control / can no longer determine our own destiny</li> </ul>
<ul style="list-style-type: none"> <li>• Greater investment in innovation</li> </ul>	<ul style="list-style-type: none"> <li>• Negative impact on Canadian pride – "lose a little piece of ourselves when one of our companies is taken over"</li> </ul>
<ul style="list-style-type: none"> <li>• Technology sharing / access technology from other technologies</li> </ul>	<ul style="list-style-type: none"> <li>• Loss of jobs / offshoring / cuts due to overlap with the controlling company</li> </ul>
<ul style="list-style-type: none"> <li>• Acquire foreign currency</li> </ul>	<ul style="list-style-type: none"> <li>• Revenues and profits do not stay in Canada</li> </ul>
<ul style="list-style-type: none"> <li>• Access to foreign financing for expansion or even survival</li> </ul>	<ul style="list-style-type: none"> <li>• "Americanization"</li> </ul>
<ul style="list-style-type: none"> <li>• Lower prices due to economies of scale</li> </ul>	<ul style="list-style-type: none"> <li>• Lower salaries because salaries are lower in other countries</li> </ul>
<ul style="list-style-type: none"> <li>• Canadian shareholders gain through</li> </ul>	<ul style="list-style-type: none"> <li>• Decrease in customer service – this</li> </ul>

<b>Advantages to Foreign Ownership</b>	<b>Disadvantages to Foreign Ownership</b>
<p>increased valuation and being part of a greater organization</p> <ul style="list-style-type: none"> <li>• Shared best practices / introduction of new ideas</li> </ul>	<p>will either be offshored or the controlling company may not have the same customer service philosophy as the Canadian company</p> <ul style="list-style-type: none"> <li>• Local interests are not taken into consideration when decision are taken, e.g. decreased or no service in remote areas</li> <li>• Harder to enforce privacy regulations since these regulations vary from country to country</li> <li>• Decrease in tax revenues</li> <li>• Senior positions or high paying jobs being transferred outside Canada</li> </ul>

## 5. Cellular Phones

*Groups were asked to discuss their perceptions of the cellular phone market. To gather insights about how that impacts the way they view the potential impact of local market deregulation, they were reminded that the cellular telephone market is an example of a market that is price deregulated.*

Similar to high speed Internet, cellular service subscribers agree that the variety of providers, quality of access and competitiveness of pricing have improved over the past few years. Most believe that service quality, price, and value for money of cell phone services are very good.

In this context, the cellular market generally gave people confidence that local market deregulation would be a net positive for consumers, as long as providers had to maintain the consumer right services like 911.

While most liked their cell phone service, they would not personally abandon their traditional landline. Many could relate to the wireless-only argument since they knew someone who had abandoned their landline in favour of their cellular phone, but they still felt that there was value in maintaining a landline.

Feedback on this would suggest that there remain a number of obstacles, inconveniences and special situations that still make it difficult for most Canadians to completely abandon their landline and resort to a cell phone exclusively. The most common arguments included:

- Cost of cellular phone service, especially for long distance;
- Confusing nature of cellular plans;
- Inadequacy of cellular plans (they do not adequately meet their calling needs and patterns);

- Inconsistency of wireless signals, including dead zones, battery failure, bad coverage in rural and remote areas, etc.;
- Many people in the household so difficult to assign the "local line" to one person;
- Requirement of a local line for things such as fax machines, home businesses, security systems, apartment building access systems and the Internet connection (for those using a telephone company for Internet access);
- General dislike of cellular phones;
- Enjoy having multiple phones in the house connected to a single line and telephone number, which would become impossible with a cellular;
- Would not feel safe without a basic local service that would be available and fully functioning in all situations.

Although subscribers were aware of the inability to port their number between carriers, few believed that this was an obstacle to them considering a cellular service instead of a landline. Even once wireless number portability (WNP) is implemented in early 2007, participants did not believe their attitudes towards cellular phones as an alternative to a landline would change significantly. WNP was seen as removing an inconvenience to switching cellular providers rather than removing a serious obstacle to abandoning their landline.

Nonetheless, WNP was seen as a positive evolution for the wireless industry and does provide greater flexibility for consumers.

## **A. Perceptions of a Wireless Industry Ombudsman**

*Participants were invited to discuss the idea of introducing an industry-led ombudsman to which complaints could be lodged about service issues in the cellular telephone business.*

Overall, focus group respondents did not express a strong need for an industry-led wireless ombudsman. In terms of filing complaints to or about their wireless carrier, most participants believed they would begin by contacting the carrier and, as needed, elevate their cause to organizations such as the Better Business Bureau, the CRTC or small claims court. Few participants had in fact experienced any serious issues with their wireless carrier so the idea of needing to file a complaint about their carrier, or not knowing who they should contact to file such a complaint, did not seem particularly important to them.

**"Don't we have that already?" Another: "Ya, it's called our court system."**

**"I'm not sure I can agree with that. They're selling a service. It's up to us to be educated...the government would be over-stepping its bounds in an area where it really isn't necessary."**

Participants seemed fairly familiar with the concept of an ombudsman, but a further definition or explanation would still be needed if the concept is implemented.

The idea of an ombudsman was only somewhat appealing and was seen as more of a convenience rather than as an urgent requirement. Amid this mild support, the following concerns were voiced:

- The ombudsman would have to be neutral, which, according to some, might be compromised if this office is industry-led;
- The ombudsman would need to have credible enforcement capabilities;
- The volume of complaints could overwhelm this sort of office – participants believed that wireless subscribers would be constantly contacting this office for any and all types of disagreements with their carrier.

Ultimately, a fair number of participants simply believed that, as consumers with options available to them, they would exercise their right to switch as a means of seeking justice with their existing provider.



## Conclusions

These focus groups reveal that the Canadian public sees the telecommunications sector in Canada as a key sector of the economy. They see this sector as being in the midst of significant change, with the recent introduction of new services, new providers, and new ways of doing business.

People are generally quite satisfied with the level of competition and choice, price, and value for money available in the telecommunications services market today. With the exception of customer service, which is seen to not be keeping pace with improvements in other areas, most believe they are well served by this sector. In the long distance and cellular businesses specifically, there is a sense that there is a strong and viable competitive environment in place.

This research confirms and expands upon quantitative data collected by Decima and was submitted to the Telecommunications Policy Review in August 2005.

### **Deregulation**

There is a clear preference when it comes to the way in which Canadians would prefer government to set policy and regulation in the local telephone market. The broad consensus is that the market should be deciding prices and services, and that the Government of Canada's role should focus on ensuring access to consumer rights such as universal access to those with disabilities and those in remote areas, privacy protection, and provision of 911 services. Most do not see themselves as being at risk of having price, competition, or value for money worsen if price regulation were lifted – in fact, just the opposite – most believe they will benefit in those areas from price deregulation.

In short, people were generally comfortable with the idea of the government “deregulating” price regulations for local service, but maintaining its current regulatory functions in the consumer rights sphere. In this sense, it is important to recognize that to many people, the word “deregulation” can connote the broad range of price regulations and consumer rights, rather than one specific aspect of regulations. Some may take the word “deregulation” as an inference that there will be no controls in areas of consumer rights or price. This would likely garner negative public reaction.

Although a “free market” in terms of price regulation was preferred, it was felt that if price regulation were to persist, it should apply to all local service providers, and not just to traditional telephone companies.

### **Foreign Ownership**

The subject of foreign ownership is one that yields some polarized opinion. At a philosophical level, many participants revealed an openness to the idea of foreign investment, and even foreign ownership in certain sectors of the economy. Others, particularly those in the Montreal focus groups, expressed high levels of resistance to the idea, owing in large part to concerns that foreign ownership would cede control over Canada’s economic independence.

However, participants were fairly uniform in their resistance to the idea of any more foreign ownership of Canadian telecommunications companies. For most, the resistance had to do with concerns about large Canadian companies losing their economic power and “brain power” to parent companies in other countries. Telecommunications is seen as a strategic sector, a sector that drives innovation in terms of products, and high value added jobs. The prevailing concern is that if sectors like telecommunications are allowed to be foreign controlled, the R&D aspects of that business will be moved to other places, taking the innovation and high value jobs with them, and the Canadian operation would be reduced to serving a sales function.

This concern about being a “branch-plant” economy pervaded groups in all parts of the country.

### **Wireless/Cellular services**

Similar to high speed Internet, cellular service subscribers agree that the variety of providers, quality of access and competitiveness of pricing have improved over the past few years. Most believe that service quality, price, and value for money of cell phone services are very good.

In this context, the cellular market generally gave people confidence that local market deregulation would net positive for consumers, as long as providers had to maintain the consumer right services like 911.

While most liked their cell phone service, they would not personally abandon their traditional landline. Many could relate to the wireless-only argument since they knew someone who had abandoned their landline in favour of their cellular phone, but they still felt that there was value in maintaining a landline.

### **Wireless Ombudsman**

Overall, focus group respondents did not express a strong need for a wireless industry ombudsman. In terms of filing complaints to or about their wireless carrier, most participants believed they would begin by contacting the carrier and, as needed, elevate their cause to organizations such as the Better Business Bureau, the CRTC or small claims court. Few participants had in fact experienced any serious issues with their wireless carrier so the idea of needing to file a complaint about their carrier, or not knowing who they should contact to file such a complaint, did not seem particularly important to them.

## **High Speed Internet**

High speed Internet is seen as a revolutionary aspect of an already important technology. Nonetheless, while many recognized that some communities in Canada are in some way disadvantaged compared to communities with access, they did not see access to high speed Internet as nearly as vital as basic local telephone service, especially if the Government of Canada was planning on playing a role in this area. There was fairly clear resistance to the idea of government making a major investment to bring high speed Internet to communities that do not have it yet. This resistance was founded on two principles: concerns of high cost to the taxpayer, as well as a perception that there will be a market or technological solution (such as satellite technology) that will likely serve this purpose within the next few years, without the need for government to make the investment.

## Appendix A: Moderator's Guide - English

<b>Discussion Item</b>	<b><i>Allotted Time</i></b>
Introduction	5 minutes
Participant Presentation / Warm-Up	5 minutes
Attitudes on Telecommunications Regulation	65 minutes
High-Speed Internet Access	15 minutes
Foreign Ownership	10 minutes
Cellular Phones	15 minutes
Conclusion / Wrap-Up	5 minutes
<b>TOTAL</b>	<b>120 minutes</b>

### 1. Introduction (5)

Welcome. You are about to be part of an important process in assisting the Government of Canada gain further insight into the attitudes of Canadians towards telecommunications services in your region. Your experience and views are extremely important.

Before we begin, allow me to introduce myself. My name is Rick and I have been hired to lead this discussion with you. I am not an employee of the Government of Canada.

I'll be asking you a number of different questions about telecommunications services available to Canadians today. It is important to remember that there are no right or wrong answers and that nothing you say will hurt or offend me. It is your honest opinion that counts.

During our discussion, I may take notes and I will audio record this interview. This is standard procedure for interviews of this nature. These audio tapes will only be used to help me recall details and report people's opinions accurately. Nothing you say or do will be identified to you as an individual and you will never be contacted in connection with this session. Anything you say is protected under the Government of Canada's Privacy Act and the Access to Information Act.

**(As needed)** One final note, this room is equipped with a one-way mirror. A client is back there to hear firsthand your ideas and thoughts.

We want this discussion to be open and frank. We want to hear your honest views and suggestions. If you have an idea, do not hold back.

Do you have any questions before we begin?

## **2. Participant Presentation / Warm-Up (5)**

What I would like to do now is get to know you a little. Could you please tell me your first name and a little something about yourself?

Since our discussion is going to relate to telecommunications services, could you also tell me about the following types of services you may be using at home (if you use the service and who your supplier is):

- Local telephone service
- Cellular phone service
- Internet service

## **3. Attitudes on Telecommunications Regulation (65)**

I'd like to start off the discussion with a few general questions about the telecommunications industry.

- Is it clear to you what is meant when you hear "telecommunications industry"? What comes to mind – what types of companies and services come to mind?
- What do you think of the telecommunications services in your area?
  - Compared to a few years ago, do you feel that you are better off, worse off or neither when it comes to the availability, quality and price of your telecommunications services?
  - Do you feel you have access to different service providers for your telecommunications services? **If so**, what options do you have?
  - Do you feel you have access to more service provider alternatives today than a few years ago?
  - Do you think will have access to more service provider alternatives in the near future? Why do say so?
  - Do you find yourself discussing telecommunications with friends, coworkers or family more today than a few years ago? Why do you think so?
- Were you aware that certain telecommunications services are regulated by the federal government?
  - Which ones are you aware of? How are they regulated?
  - Do you think there should be regulation of telecommunications services?
  - Did you know there's competition in local telephone service from e.g. cable companies and others?

- Were you aware that the only telecommunications service currently regulated is local telephone service? (*Note for moderator – this applies at the retail level not wholesale*) For example, cell phone and Internet prices are not regulated.
- Did you know only traditional telcos like Bell, Telus and Aliant are price regulated? That the new ones like Shaw, Rogers, Primus don't need price approval?
- Based on what you (now) know, do you feel this regulation is fair for consumers? ...fair for the companies?
- Should there be regulation of telecommunications services at all?
  - **IF SO:** should they all be regulated or just the big traditional telcos?
- How would you feel if there was no regulation of local telephone services at all?
  - What advantages do you see to that?
  - What concerns would you have? What other concerns would you have?
  - Specifically, how do you think deregulation of local telephone services would affect you personally?
- **IF NOT ALREADY EXPLORED – PROBE:**
  - Do you think deregulation of local telephone services will affect what you pay? **IF SO:** How?
  - Do you think it will affect customer service? **IF SO:** How?
  - Do you think it will affect consumer privacy? **IF SO:** How?
  - Do you think it will affect bundling of telecommunications services (that is discount packages combining services related to the Internet and cellular services for example)? Do you think you would get better deals?
  - How do you think it will affect consistency of service?
- Do you think deregulation would change things you now expect with your local telephone service?
- What is your understanding of consumer rights in the telecommunications marketplace today?
- What consumer rights should Canadians expect re: telecommunications services?
  - **AS NEEDED, PROBE:** ...are you aware that traditional telecommunication companies have to meet service quality objectives for service they provide? But competitors don't?
  - Are you aware of any other consumer rights regarding telecommunications?
  - Did you know all local telecommunications companies have to provide 911, service for hearing impaired, and documents in a format for the blind?
  - Do you think that in a deregulated marketplace, you would still have these same consumer rights? Do you feel others should be added – if so, which ones?

- How would you expect to have your rights as a telecommunications consumer protected in an unregulated market? Do you have any concerns on that issue?
- Have any of you filed a formal complaint about your telephone service? Do you know how to do it or whom to call?
  - **FOLLOW UP AMONG THOSE WHO FILED COMPLAINTS:** Would you expect the process you followed to change if the local telephone service market was deregulated? **IF SO:** How would you expect the process to change?
  - **AMONG THOSE WHO DID NOT FILE COMPLAINTS:** How would you expect to file a formal complaint about telephone issues today? ...and would you see that changing if the market were deregulated?
- With many possible service providers in the marketplace prepared to sell you local telephone services, would you have any concerns with your ability to access reliable information? Where or who would you expect to turn to in order to access reliable information on telecommunications issues, including issues related to your local telephone service? To whom would you **want** to turn?
- What role, if any, would you expect the Government of Canada to play in the local telecommunications market? **AS NEEDED:** What are your views on having the Government set prices and determine which services should be offered vs. letting the market dictate prices and services?
  - Should federal Government involvement be more focused on specific elements of local telephone services, and if so, which ones and why? **AS NEEDED:** For instance, should the Government of Canada ensure access to essential service elements such as 911? Should the federal government ensure basic consumer rights protection?
  - Should the Government of Canada be focused on access to services for Canadians in certain situations versus others, and if so, which ones and why? (**If not already explored,** probe for "certain rural or remote regions, issues concerning people with disabilities...")
- Did you know that since 1997, there's been no regulation of long distance calling prices? How have you found it? If you were to assess the pros and cons of deregulating the long distance market, what would they be? What impact did it have on you personally?
- Are there other industries that come to mind that were deregulated? ...can you give me examples and how you would have been affected? ...how the given marketplace was affected?
  - Can you tell me a bit about how that unfolded and how it would have affected you? ...how it affected the marketplace?



#### 4. High-speed Internet Access

(15)

I'd like to shift gears a bit and talk about high speed Internet access. A number of Internet service providers, including most major telephone and cable companies provide this service.

- To begin, who among you subscribes to this service at home? ...and do you have access elsewhere – such as school, library, at work?
- What are your general views on access to high speed Internet in your community?
  - What are your thoughts on the quality of the service and the variety and price offered by providers in your region? Has this situation been improving, worsening or stayed the same over the past few years?
  - Do you have any concerns with access in your region?
  - Can you tell me a bit of what you know of availability of high speed Internet across the country? **IF NOT MENTIONED:** Do you believe it is an issue for rural and remote communities?
  - Some people think all communities should have access to high speed Internet. Others think that because it costs more to provide high speed Internet in small / remote communities, those who choose to live there, should pay more. What are your thoughts on these universal access issues?
  - What role, if any, do you expect the Government of Canada to play re: costs associated with universal access? Should the government subsidize those in rural or remote communities to guarantee affordable access for all?
  - There are in fact some communities that still do not have access to high speed Internet. Is this a concern for you? Should all communities in Canada have access to high speed Internet?
    - **IF SO:** Why? Whose responsibility is it to ensure that access?
    - **IF NOT:** Why not?
    - Is there a role for the Government to play to ensure universal access? What kind of role should they play? Why should the Government have a specific role to play?

## 5. Foreign Ownership

(10)

Thinking about all types of industries in Canada, what is your view on foreign investment and foreign ownership of Canadian companies?

Some people feel that foreign investment and ownership can foster more competition, greater competitiveness, innovation and the introduction of new technologies and jobs.

Others worry about losing sovereignty/loss of domestic control/major decisions being made by people outside the country etc.

- What, in your opinion, are the advantages of foreign ownership? What are your concerns?
- Were you aware that Canadian telecommunications companies have to be controlled and majority-owned by Canadians?
- If this restriction was dropped, what advantages and disadvantages come to mind?

## 6. Cellular Phones

(15)

Let's spend a few minutes discussing cellular phones:

- What are your general views on access to cellular services in your community?
  - What are your thoughts on the quality of the service and the variety and price of providers in your region? Has this situation been improving, worsening or stayed the same over the past few years?
  - Have you ever filed a formal complaint to the provider of your cell phone service? Do you know how or whom to call?
  - Do you have any concerns with access in your region?
  - What do you think of the cost for cellular service in your region? Have prices been improving, worsening or stayed the same over the past few years?
  - Do you believe it is easy to switch cellular service providers? **IF NOT:** What are the challenges?
  - Do you believe that cellular phones are a viable alternative to your traditional local telephone service at home? **IF SO:** What makes them good alternatives? **IF NOT:** Why are they not acceptable alternatives?
  - As of April of next year, many cell subscribers will be able to switch service providers without needing to change their cellular phone number. Soon after, Canadians will also be able to carry-over their home phone number to a cellular phone and vice versa. Does this development have an impact on your perceptions of cellular phones as an acceptable alternative to your traditional local telephone service at home?

- Do you see yourself substituting your traditional land line telephone service for cell phone services now? A few years down the road? Why (not)?
- Among those of you who currently **personally** subscribe to a cellular service, what are your views on the availability and quality of the information you can access if you want to...
  - ...change cellular packages?
  - ...change service providers?
  - ...buy a new cellular phone?
  - ...cancel your cellular plan (not the full service – just the plan)?
  - ...find out about your contract?
- Do you feel there is a need for the Government of Canada to provide information on any of these issues?
- What are your views on the idea of an industry-led ombudsman's office to deal with telephone service issues?

## 7. Conclusions (5)

Do you have any final views on how telecommunications is evolving in your region?

How would you sum up your views on your local phone service?

How would you sum up your views on the role of the federal government in regulating your local phone service?

Do you have any final views on the role the Federal Government should be playing in regards to telecommunications industry?

Thank you and have a nice evening!

## Appendix B: Moderator's Guide – French

<b>Déroulement</b>	<b>Durée</b>
Introduction	5 minutes
Présentation des participants	5 minutes
Règlementation des services de télécommunications	65 minutes
Internet haute vitesse	15 minutes
Propriété étrangère	10 minutes
Téléphonie cellulaire	15 minutes
Conclusion	5 minutes
<b>TOTAL</b>	<b>120 minutes</b>

### 1. Introduction (5)

Bienvenue à tous. Vous êtes ici pour aider le gouvernement du Canada à mieux comprendre l'opinion de la population du pays à l'égard des services de télécommunications de votre région. Votre expérience et votre opinion sont très importantes.

Avant de commencer, permettez-moi de me présenter. Je m'appelle Rick et j'ai été embauché pour animer la discussion de ce soir. Je ne travaille pas pour le gouvernement fédéral.

Je vais vous poser diverses questions sur les services de télécommunications actuellement offerts sur le marché canadien. Rappelez-vous qu'il n'y a pas de bonne ou de mauvaise réponse. Rien de ce que vous direz ne pourra me blesser ou m'offenser. Seule votre opinion franche et honnête compte ce soir.

Pendant la discussion, il se pourrait que je prenne des notes et je ferai un enregistrement audio. Il s'agit de la procédure normale lors d'un groupe de discussion. Je n'utiliserai les enregistrements que pour me rappeler suffisamment de détails pour rapporter votre opinion le plus fidèlement possible. Nous respecterons votre anonymat et personne ne communiquera avec vous concernant cette recherche une fois la discussion terminée. Toutes vos réponses sont protégées en vertu de la Loi sur la protection des renseignements personnels du gouvernement du Canada ainsi que de la Loi sur l'accès à l'information.

**(Au besoin)** Un dernier point, la salle est équipée d'un miroir d'observation. Un client se trouve derrière pour entendre vos commentaires de vive voix.

Nous désirons une discussion ouverte et franche. Formulez vos suggestions et vos idées en toute honnêteté. Exprimez-vous librement.

Avez-vous des questions avant de poursuivre?

## 2. Présentation des participants (5)

J'aimerais en savoir un peu plus sur vous. Pourriez-vous me dire votre prénom et quelque chose sur vous?

Puisque la discussion portera sur les services de télécommunications, pourriez-vous me dire lesquels des services suivants vous utilisez à la maison (et qui est votre fournisseur, le cas échéant) :

- Service de téléphonie locale
- Service de téléphonie cellulaire
- Service Internet

## 3. Réglementation des services de télécommunications(65)

J'aimerais amorcer la discussion par quelques questions d'ordre général sur l'industrie des télécommunications.

- Savez-vous exactement ce qu'est « l'industrie des télécommunications »? Qu'est-ce qui vous vient en tête, quels types de sociétés et de services vous viennent en tête?
- Que pensez-vous des services de télécommunications de votre région?
  - Par rapport à il y a quelques années, croyez-vous que l'accessibilité, la qualité et le prix des services de télécommunications se sont améliorés, se sont détériorés ou sont demeurés les mêmes?
  - Selon vous, avez-vous accès à plusieurs fournisseurs de services de télécommunications? **Si oui** : Quelles sont vos options?
  - Selon vous, avez-vous accès à plus de fournisseurs de services de télécommunications qu'il y a quelques années?
  - Selon vous, aurez-vous accès à plus de fournisseurs de services de télécommunications au cours des prochaines années? Pourquoi dites-vous cela?
  - Discutez-vous davantage de télécommunications avec vos amis, vos collègues ou vos parents qu'il y a quelques années? Pourquoi croyez-vous?

- Saviez-vous que le gouvernement fédéral réglemente certains services de télécommunications?
  - Selon vous, quels sont ceux qui sont réglementés? Comment sont-ils réglementés?
  - Croyez-vous que les services de télécommunications doivent être réglementés?
  - Saviez-vous que les câblodistributeurs et d'autres sociétés sont entrés dans le marché de la téléphonie locale?
  - Saviez-vous qu'à l'heure actuelle, seuls les services de téléphonie locale sont réglementés? (*Note au modérateur : uniquement pour la vente au détail*) Par exemple, le tarif des services de téléphonie cellulaire et d'Internet n'est pas réglementé.
  - Saviez-vous que seuls les tarifs des sociétés de télécommunications traditionnelles comme Bell, Telus et Aliant sont réglementés? Et que les tarifs des sociétés comme Shaw, Rogers et Primus ne sont pas réglementés?
  - (Maintenant,) À votre avis, croyez-vous que cette réglementation est juste pour les consommateurs? Pour les sociétés?
  - Selon vous, les services de télécommunications devraient-ils être réglementés?
    - **SI OUI** : Les services de toutes les sociétés ou seulement ceux des grandes sociétés traditionnelles?
- Que diriez-vous si les services de téléphonie locale n'étaient pas réglementés?
  - Quels seraient les avantages de la non-réglementation?
  - Qu'est-ce qui vous préoccuperait? Auriez-vous d'autres préoccupations?
  - Plus précisément, quel effet la déréglementation des services de téléphonie locale aurait-elle pour vous personnellement?
- **SI NON ABORDÉ, SONDEZ :**
  - Croyez-vous que la déréglementation des services de téléphonie locale aura un effet sur le montant que vous payez? **SI OUI** : Quel effet?
  - Croyez-vous que cela aura un effet sur le service à la clientèle? **SI OUI** : Quel effet?
  - Croyez-vous que cela aura un effet sur la protection des renseignements personnels des clients? **SI OUI** : Quel effet?
  - Croyez-vous que cela aura un effet sur les forfaits groupés de services de télécommunication (c'est-à-dire les forfaits assortis de rabais sur les services Internet et de téléphonie cellulaire par exemple)? Croyez-vous que l'on vous fera de meilleures offres?
  - Quel effet la déréglementation aura-t-elle sur la constance du service?
- Croyez-vous que la déréglementation changera quoi que ce soit au service de téléphonie locale auquel vous êtes habitué(e)?

- D'après ce que vous en savez, quels sont les droits des consommateurs en matière de télécommunications au pays?
- Quels devraient être les droits des consommateurs au pays concernant les services de télécommunications?
  - **AU BESOIN, SONDEZ** : Saviez-vous que les sociétés de télécommunications traditionnelles doivent offrir des services qui répondent à un certain niveau de qualité? Et que leurs concurrentes n'ont pas à le faire?
  - Êtes-vous au courant d'autres droits qu'ont les consommateurs en matière de télécommunications?
  - Saviez-vous que toutes les sociétés de télécommunications doivent offrir le service 911, le service aux personnes malentendantes ainsi que de la documentation en braille?
  - Croyez-vous que vous auriez les mêmes droits dans un marché déréglementé? Croyez-vous que l'on devrait accorder d'autres droits aux consommateurs? Si oui, lesquels?
  - Comment pourrait-on protéger vos droits en tant que consommateur dans un marché déréglementé? Avez-vous des préoccupations à cet égard?
- Avez-vous déjà porté plainte officiellement concernant votre service de téléphonie locale? Savez-vous comment le faire et qui contacter?
  - **CEUX QUI ONT PORTÉ PLAINTÉ** : Croyez-vous qu'il y aurait une procédure différente advenant une déréglementation des services de téléphonie locale? **SI OUI** : Qu'est-ce qui serait différent selon vous?
  - **CEUX QUI N'ONT JAMAIS PORTÉ PLAINTÉ** : Comment pouvez-vous porter plainte à l'heure actuelle concernant le service de téléphonie locale? Et la procédure serait-elle différente si le marché était déréglementé?
- Avec plusieurs fournisseurs de service de téléphonie locale sur le marché, seriez-vous inquiet de la fiabilité des renseignements que l'on vous donnerait? Vers qui ou vers quoi vous tourneriez-vous pour obtenir des renseignements fiables en matière de télécommunications, dont votre service de téléphonie locale? Vers qui **aimeriez-vous pouvoir** vous tourner?
- Selon vous, quel devrait être le rôle du gouvernement fédéral dans le marché de la téléphonie locale? **AU BESOIN** : Que pensez-vous de l'idée que les prix et les services soient fixés par le gouvernement par opposition l'idée que les prix et les services soient dictés par l'offre et la demande?
  - Le gouvernement fédéral devrait-il se concentrer davantage sur certains éléments des services de téléphonie locale et, si oui, lesquels et pourquoi? **AU BESOIN** : Par exemple, le gouvernement fédéral devrait-il s'assurer que tous les consommateurs aient accès aux services essentiels comme le 911? Devrait-il assurer la protection des droits de base des consommateurs?

- Le gouvernement fédéral devrait-il se concentrer davantage sur l'accès aux services dans certaines situations et, si oui, pourquoi? (**Si non abordé** : dans les régions rurales et les régions éloignées, pour les personnes handicapées, etc.)
- Saviez-vous que depuis 1997, les interurbains ne sont plus réglementés? Comment l'avez-vous appris? Quels sont les avantages et les inconvénients de la déréglementation du marché des interurbains selon vous? Quel a été l'effet de la déréglementation sur vous personnellement?
- Connaissez-vous d'autres industries qui ont été déréglementées? Pouvez-vous me donner des exemples? Quel a été l'effet sur vous personnellement? Quel a été l'effet sur le marché?
  - Comment le processus s'est-il déroulé et quel effet cela a-t-il eu pour vous? Quel a été l'effet sur le marché?

#### 4. Internet haute vitesse

(15)

J'aimerais maintenant passer à l'accès à Internet haute vitesse. Bon nombre de sociétés, notamment des sociétés de téléphonie et des câblodistributeurs, font office de fournisseur de service Internet.

- Qui a un accès Internet haute vitesse à la maison? Avez-vous accès à Internet ailleurs, par exemple à l'école, à la bibliothèque, au travail?
- Que pensez-vous de l'accès à Internet haute vitesse dans votre région?
  - Que pensez-vous de la qualité, de la variété et du tarif du service Internet haute vitesse dans votre région? Diriez-vous que la situation s'est améliorée, s'est détériorée ou est demeurée la même au cours des dernières années?
  - Vous préoccupez-vous de l'accès Internet dans votre région?
  - Pouvez-vous me parler un peu de ce que vous savez de l'accès Internet haute vitesse dans l'ensemble du pays? **SI NON MENTIONNÉ** : Croyez-vous qu'il s'agit d'une problématique dans les régions rurales et les régions éloignées?
  - Certains croient que toutes les collectivités devraient avoir accès à Internet haute vitesse. D'autres croient qu'en raison du coût élevé de l'accès Internet haute vitesse dans les régions rurales et les régions éloignées, ceux qui font le choix d'y habiter devraient payer plus cher. Que pensez-vous de l'accès universel à Internet haute vitesse?
  - Quel rôle le gouvernement fédéral devrait-il jouer concernant les coûts associés à l'accès universel? Le gouvernement devrait-il subventionner les gens dans les régions rurales et les régions éloignées pour leur garantir un accès haute vitesse à prix abordable?
  - À l'heure actuelle, il existe toujours des endroits où les gens n'ont pas accès à Internet haute vitesse. Est-ce quelque



chose qui vous préoccupe? Est-ce que l'ensemble de la population du pays devrait avoir accès à Internet haute vitesse?

- **SI OUI** : Pourquoi? Qui devrait s'assurer que tous ont accès à Internet haute vitesse?
- **SI NON** : Pourquoi pas?
- Le gouvernement fédéral devrait-il jouer un rôle pour garantir l'accès universel? Quel rôle devrait-il jouer? Pourquoi le gouvernement devrait-il s'impliquer?

## 5. Propriété étrangère (10)

En général, que pensez-vous des investissements provenant de l'étranger et des entreprises canadiennes détenues par des intérêts étrangers?

Certains croient que les investissements provenant de l'étranger et les entreprises canadiennes détenues par des intérêts étrangers favorisent la concurrence, suscitent l'innovation, permettent l'introduction de nouveaux produits et créent de nouveaux emplois.

D'autres y voient une perte de souveraineté ou une perte de contrôle, parce que les décisions sont prises à l'étranger, etc.

- Selon vous, quels sont les avantages de la propriété étrangère? Quelles préoccupations soulève-t-elle?
- Saviez-vous que les sociétés de télécommunications canadiennes doivent être contrôlées et détenues en majorité par des intérêts canadiens?
- Si cette restriction était abolie, quels seraient les avantages et les inconvénients selon vous?

## 6. Téléphonie cellulaire (15)

Passons maintenant à la téléphonie cellulaire :

- Que pensez-vous de l'accès à la téléphonie cellulaire dans votre région?
  - Que pensez-vous de la qualité, de la variété et des tarifs de la téléphonie cellulaire dans votre région? Diriez-vous que la situation s'est améliorée, s'est détériorée ou est demeurée la même au cours des dernières années?
  - Avez-vous déjà porté plainte officiellement à votre fournisseur de service de téléphonie cellulaire? Savez-vous comment le faire et qui contacter?
  - Vous préoccupez-vous de l'accès à la téléphonie cellulaire dans votre région?

- Que pensez-vous des tarifs du service de la téléphonie cellulaire dans votre région? Les prix se sont-ils meilleurs, pires ou les mêmes aujourd'hui?
- Croyez-vous qu'il est facile de changer de fournisseur de téléphonie cellulaire? **SI NON** : Quelle est la principale difficulté?
- Croyez-vous que la téléphonie cellulaire soit une alternative valable à la téléphonie locale traditionnelle que vous utilisez à la maison? **SI OUI** : Qu'est-ce qui en fait une bonne alternative? **SI NON** : Pourquoi pas?
- À partir d'avril prochain, un grand nombre d'utilisateurs de cellulaires pourront changer de fournisseur et conserver leur numéro de téléphone. Peu après, les Canadiens pourront transférer leur numéro de téléphone local à un appareil cellulaire et vice versa. Cette nouveauté influencera-t-elle votre perception de la téléphonie cellulaire comme alternative valable à la téléphonie locale traditionnelle que vous utilisez à la maison?
- À l'heure actuelle, accepteriez-vous d'abandonner la téléphonie locale traditionnelle pour n'utiliser que la téléphonie cellulaire? Et dans quelques années? Pourquoi (pas)?
- Pour ceux qui ont leur **propre** abonnement à un service de téléphonie cellulaire : Que pensez-vous des renseignements disponibles et de leur qualité lorsque vous voulez...
  - ...changer de forfaits de téléphonie cellulaire?
  - ...changer de fournisseur de téléphonie cellulaire?
  - ...acheter un nouveau téléphone cellulaire?
  - ...annuler un plan de téléphonie cellulaire (pas le service au complet, mais seulement le plan)?
  - ...en savoir plus sur votre contrat de service?
- Croyez-vous que le gouvernement fédéral devrait fournir de l'information à ce sujet?
- Que pensez-vous de l'idée d'un ombudsman nommé par l'industrie qui serait chargé de traiter les problèmes de téléphonie?

## 7. Conclusion

(5)

Avez-vous des commentaires sur l'évolution des services de télécommunications dans votre région?

Dans l'ensemble, que pensez-vous des services de téléphonie locale?

Dans l'ensemble, que pensez-vous du rôle du gouvernement fédéral dans la réglementation des services de téléphonie locale?

Avez-vous des commentaires concernant le rôle que le gouvernement fédéral devrait jouer dans l'industrie des télécommunications?

**Merci et bonne soirée!**



## Appendix C: Recruitment screeners – French and English

### Industry Canada (Regulation of Local Telephone Market)

#### Screener

<u>Squamish, BC: August 21, 2006</u> English General Population: 5:30 pm \$ 75 English General Population: 7:30 pm \$ 75  <u>Toronto: August 21, 2006</u> English General Population: 5:30 pm \$ 75 English General Population: 7:30 pm \$ 75  <u>Calgary: August 22, 2006</u> English General Population: 5:30 pm \$ 75 English General Population: 7:30 pm \$ 75  <u>Truro: August 22, 2006</u> English General Population: 5:30 pm \$ 75 English General Population: 7:30 pm \$ 75	Rec. 10  Honorarium: \$75.00  Study# 90082 LD Code 458
Respondent's name: _____ Respondent's phone #: _____ (home) Respondent's phone #: _____ (work) Respondent's fax #: _____ sent? _____ or Respondent's e-mail : _____ sent? _____ Sample source (circle): eVox      random      client      referral	Interviewer: _____ Date: _____ Validated: _____ Quality Central: On List: _____ On Quotas: _____

**\*\*\*\*PLEASE BE VERY CORDIAL AS THIS IS A GOVERNMENT STUDY AND SOME RESPONDENTS MAY BE CONTACTING THE GOVERNMENT OF CANADA TO VALIDATE THIS STUDY\*\*\*\***

Hello, my name is \_\_\_\_\_. I'm calling from Decima Research on behalf of the Government of Canada. We're organizing a series of discussion groups to explore Canadians' understanding of issues related to local telephone service. **EXPLAIN FOCUS GROUPS.** About 8 to 10 people like yourself will be taking part, all of them randomly recruited by telephone just like you. For their time, participants will receive \$75. But before we invite you to attend, we need to ask you a few questions to ensure that we get a good mix/variety of people. May I ask you a few questions?

Participation is voluntary and all your answers will be kept confidential and will be used for research purposes only. We are simply interested in hearing your opinions, no attempt will be made to sell you anything. The format is a conversation with a research professional.

Yes 1 CONTINUE  
No 2 THANK & DISCONTINUE

**Note:** if they would like to speak to a Government of Canada representative to validate the call, they can contact:

XXXX

Industry Canada

613-XXX

**READ TO ALL:** "This call may be monitored or audio taped for quality control and evaluation purposes."

**ADDITIONAL CLARIFICATION IF NEEDED:**

- to ensure that I (the interviewer) am reading the questions correctly and collecting your answers accurately;
- to assess my (the interviewer) work for performance evaluation;
- to ensure that the questionnaire is accurate/correct (i.e. evaluation of CATI programming and methodology – we're asking the right questions to meet our clients' research requirements – kind of like pre-testing).
- If the call is audio taped, it is only for the purposes of playback to the interviewer for a performance evaluation immediately after the interview is conducted or it can be used by the Project Manager/client to evaluate the questionnaire if they were unavailable at the time of the interview – all audio tapes are destroyed after the evaluation.

I have a few questions to ask to see if you qualify for a session.

1) Would you be available to attend a discussion group [INSERT DATE]? (It will last no more than 2 hours and you will receive \$75 for your time)

Yes 1 CONTINUE  
No 2 ASK FOR REFERRAL, THANK & TERMINATE

2) Are you the person in your household who makes decisions about your household's telecommunications services?

Main decision-maker 1  
Joint decision-maker 2  
An Influencer who provides their opinion to the decision makers 3  
Not involved in making the decisions at all THANK & TERM.

3) Have you ever attended a consumer group discussion, an interview or survey which was arranged in advance and for which you received a sum of money?

Yes 1

No 2 **SKIP TO Q6**

4) How long ago was it? \_\_\_\_\_

**TERMINATE IF IN THE PAST 6 MONTHS**

5) And how many such groups have you ever attended?

2 or less 1 **CONTINUE**  
3 or more 2 **THANK & TERMINATE**

6) Do you or does anyone in your household work in any of the following areas:

**READ LIST...**

	<b>YES</b>	<b>NO</b>
Marketing Research/Marketing Department/ Marketing Advertising	1	2
Media Organization (TV, Radio, Newspaper, Magazine)	1	2
Telecommunications	1	2

**IF YES TO ANY OF THE ABOVE OCCUPATIONS, THANK & TERMINATE**

**SKIP TO Q8 IF TORONTO, CALGARY OR MONTREAL**

	<b>YES</b>	<b>NO</b>
7a) (ASK IF SQUAMISH) Do you regularly commute to Vancouver to go to work	1	2
7b) (ASK IF TRURO) Do you regularly commute to Halifax to go to work	1	2

**IF YES, THANK & TERMINATE**

8) In the next 12 months, how likely is your household to change your local residential telephone service, either by switching to a different provider or by cancelling your residential telephone service completely?

Very likely 1  
Somewhat likely 2  
Not very likely 3  
Not likely at all 4  
Don't know 9

9) Wireless phones, also known as cellular phones are telephones that are either installed in cars or carried from place to place (not cordless phones). Some people also use a PDA such as a Blackberry as a wireless phone. Do you or someone else in your household own or have access to a wireless phone?

**IF YES CLASSIFY AS CELL USER**

Yes1      **SKIP TO Q11**  
 No        2

10) And, how likely is it that you or someone else in your household will acquire a wireless phone within the next year? Is it very likely, somewhat likely, not very likely, or not likely at all?

Very likely	1	}	<b>CLASSIFY AS INTENDER</b>
Somewhat likely	2		
Not very likely	3	}	<b>CLASSIFY AS NON-INTENDER</b>
Not likely at all	4		
Don't know	9		

11) What type of Internet access do you have at home?

Do not have Internet access at home	1
Dial Up	2
High Speed DSL (for example, Bell Sympatico)	3
Cable High Speed	4
Don't know	9

**IF NECESSARY:**

With a 'high speed' subscription, the Internet is always on because you're connected directly to the Internet either automatically or by clicking on an icon. High speed DSL is through a telephone company, while cable high speed is through a cable company.

With a "Dial up" subscription you hear your computer dialing a number and the sound of a modem when you connect to the Internet. Also, while you are on-line with a dial-up service, you cannot receive or make calls from the same line

12) How old are you?

Under 18	1	<b>THANK &amp; TERMINATE</b>
18-24	2	
25-34 years	3	
35-45 years	4	
46-54	5	<b>ENSURE A GOOD MIX</b>
55-64	6	
65 years and older	7	
Refuse	9	

13) What is the highest level of education that you have completed?

Some high school or less	1
Completed high school	2



Some CGEP	3
Some university/college	4
Complete CGEP	5
Completed University (B.A.)/college degree	6
M.A./Ph.D. Degree or Higher	7
DK/RF	9

**ENSURE A  
GOOD MIX**

14) Note respondent's gender (By observation, do not ask):

Male	1
Female	2

**ENSURE A  
GOOD MIX**

15) Sometimes participants are also asked to write out their answers to a questionnaire or read material. Is there any reason why you could not participate?

Yes	1	<b>THANK &amp; TERMINATE</b>
No	2	

**TERMINATE IF RESPONDENT OFFERS ANY REASON SUCH AS A WRITTEN OR VERBAL LANGUAGE PROBLEM, A CONCERN WITH NOT BEING ABLE TO COMMUNICATE EFFECTIVELY OR IF YOU HAVE A CONCERN.**

As I mentioned earlier, the group discussion will take place the evening of, **Day, Month, Date @ Time** for 2 hours. Would you be willing to attend?

Yes	1	
No	2	<b>THANK &amp; DISCONTINUE</b>

<u>Squamish, BC: August 21, 2006</u>		
English General Population:	5:30 pm	\$ 75
English General Population:	7:30 pm	\$ 75
<u>Toronto: August 21, 2006</u>		
English General Population:	5:30 pm	\$ 75
English General Population:	7:30 pm	\$ 75
<u>Calgary: August 22, 2006</u>		
English General Population:	5:30 pm	\$ 75
English General Population:	7:30 pm	\$ 75
<u>Truro: August 22, 2006</u>		
English General Population:	5:30 pm	\$ 75
English General Population:	7:30 pm	\$ 75

**PRIVACY QUESTIONS**

Now I have a few questions that relate to privacy, your personal information and the research process. We will need your consent on a few issues that enable us to conduct our research. As I run through these questions, please feel free to ask me any questions you would like clarified.

P1) First, we will be providing the hosting facility and session moderator with a list of respondents' names and profiles (screener responses) so that they can sign you into the group. Do we have your permission to do this? I assure you it will be kept strictly confidential.

- Yes 1 GO TO P2
- No 2 READ RESPONDENT INFO BELOW

Unfortunately we need to provide the facility hosting the session and the moderator with the names and background of the people attending the focus group because only the individuals invited are allowed in the session and the facility and moderator must have this information for verification purposes. Please be assured that this information will be kept strictly confidential. **GO TO P1A**

P1a) Now that I've explained this, do I have your permission to provide your name and profile to the facility?

- Yes 1 GO TO P2
- No 2 THANK & TERMINATE

P2) An audio and/or video tape of the group session will be produced for research purposes. The tapes will be used only by the research professional to assist in preparing a report on the research findings and will be destroyed once the report is completed.

Do you agree to be audio and/or video taped for research purposes only?

- Yes 1 THANK & GO TO P3
- No 2 READ RESPONDENT INFO BELOW

Unfortunately it is necessary for the research process for us to audio/video tape the session as the researcher needs this material to complete his report. I assure you it is kept strictly confidential and it will be destroyed as when the research is complete. **GO TO P2A**

P2a) Now that I've explained this, do I have your permission for audio/video taping?

- Yes 1 THANK & GO TO P3
- No 2 THANK & TERMINATE

P3) Each month FocusSearch submits the names of individuals that have participated in our focus groups to the Marketing Research and Intelligence Association ([www.mria-arim.ca](http://www.mria-arim.ca)<[http:// www.mria-arim.ca](http://www.mria-arim.ca) >) Qualitative Central system. Qualitative Central serves as a centralized database to review participation in qualitative research and focus groups. You will not be contacted for any reason whatsoever as a result of being on this list.

Do we have your permission to submit your name and phone number to MRIA's Qualitative Central system?

- Yes 1 THANK & GO TO INVITATION

No

2

**GO TO P3A**

P3a) Unfortunately, to participate in this focus group we must have your permission to add your name to the Qualitative Central system as it is the only way for us to ensure the integrity of the research process and track participation in qualitative research. The system is maintained by the industry body, the Professional Marketing Research Society, and is solely used to track your participation in qualitative research (such as focus groups). You will not be contacted for any reason whatsoever as a result of being on this list.

**Now that I've explained this do I have your permission to add your name to our qualitative central list?**

Yes

1

**THANK & GO TO INVITATION**

**AS REQUIRED, ADDITIONAL INFO FOR THE INTERVIEWER:**

Please be assured that this information is kept confidential and is strictly accessed and used by professional market research firm to review participation and prevent "professional respondents" from attending sessions. Research firms participating in MRIA's Qualitative Central require your consent to be eligible to participate in the focus group - the system helps ensure the integrity of the research process.

**AS REQUIRED, NOTE ABOUT MRIA:**

**The Marketing Research and Intelligence Association is a non-profit organization for marketing research professionals engaged in marketing, advertising, social, and political research. The Society's mission is to be the leader in promoting excellence in the practice of marketing and social research and in the value of market information.**

**INVITATION**

Do you have a pen handy so that I can give you the address where the group will be held? It will be held at:

City:	Squamish (BC)	Toronto	Truro (NS)	Calgary
Group Dates	Monday, August 21 <sup>st</sup> , 2006	Monday, August 21 <sup>st</sup> , 2006	Tuesday, August 22 <sup>nd</sup> , 2006	Tuesday, August 22 <sup>nd</sup> , 2006
Facility	<p>Howe Sound Inn &amp; Brewing Co</p> <p>37801 Cleveland, Squamish BC V0N 3G0</p> <p><i>Focus Grp: Skylight Room</i></p> <p><i>Viewing: Map Room</i></p> <p>Entry Instructions to Building: Through the main hotel lobby and proceed to reception.</p> <p>Directions: Exit 1 HWY-99 N, toward Squamish/Whistler) to Sea To Sky Hwy (HWY-99). Turn left (W) on Cleveland Ave. Continue SW on Cleveland Ave for 1.34 km until you reach (37801 Cleveland)(on right)</p> <p>Parking: <b>Hotel parking.</b></p>	<p>Opinion Search Inc.</p> <p><b>2345 Yonge Street,</b></p> <p><b>Suite 704, Toronto</b></p> <p>ON M4P 2E5</p> <p>Entry Instructions to Building: <b>"Edison Building"</b></p> <p><b>(1) Enter on Yonge Street. Take escalator up to elevator</b></p> <p><b>(2) Off Broadway underground parking, take Edison elevators</b></p> <p>Directions: <b>2nd block north of Eglinton, east side of Yonge between Roehampton and Broadway Avenues. South of Shoppers Drug Market. Eglinton subway station.</b></p> <p>Parking: <b>Street, municipal and attached parking.</b></p>	<p>Howard Johnson Hotel And Convention Centre</p> <p>437 Prince Street, Truro NS B2N 1E6</p> <p><i>Focus Grp:</i></p> <p><i>Viewing:</i></p> <p>Entry Instructions to Building: Enter through the main doors of the hotel and proceed to the reception area.</p> <p>Directions: Traveling from Halifax on the 102, take exit 14 to Robie Street and turn right. Proceed on Robie past the fast food places and malls and keep in the right lane. The right lane will turn onto Juniper Street. (Ford dealership on the corner) Go down Juniper Street to the stop sign and turn left onto Prince Street. The hotel will be on the left, about ½ miles.</p> <p>Parking: Hotel parking.</p>	<p>Qualitative Coordination</p> <p><b>707-10<sup>th</sup> Avenue SW,</b></p> <p><b>Suite 120, Calgary</b></p> <p><b>AB T2R 0B3</b></p> <p>Entry Instructions to Building: Entry to suite 120 is right on 10<sup>th</sup> Avenue.</p> <p>Directions: Located at the corner of 6<sup>th</sup> street SW and 10<sup>th</sup> Avenue SW.</p> <p>Parking: Day - 4 visitor stalls available in attached lot, Metered parking on 10th Ave &amp; pay lot across the street (\$10/day)</p> <p><b>After 5:00pm - Free parking in stalls 36 and up in the attached lot</b></p>

The discussion would last approximately **2 hours** and you will be given \$75.00 to thank you for your time.

We ask that you arrive fifteen minutes early to be sure you find parking, locate the facility and have time to check-in with the hosts. The hosts may be checking respondents' identification prior to the group, so please be sure to bring some personal identification with you (for example, a driver's license). If you require glasses for reading make sure you bring them with you as well.

As we are only inviting a small number of people, your participation is very important to us. If for some reason you are unable to attend, please call us so that we may get someone to replace you. You can reach us at **1-800-363-4229 x5068** at our office. Please ask for **Carol Smith**. Someone will call you the day before to remind you about the discussion.

So that we can call you to remind you about the focus group or contact you should there be any changes,

Can you please confirm your name and contact information for me? **[READ INFO WE HAVE AND CHANGE AS NECESSARY.]**

First name \_\_\_\_\_

Last Name \_\_\_\_\_

Email \_\_\_\_\_

Day time phone number \_\_\_\_\_

Night time phone number \_\_\_\_\_

If the respondent refuses to give his/her first or last name or phone number please assure them that this information will be kept strictly confidential in accordance with the privacy law and that it is used strictly to contact them to confirm their attendance and to inform them of any changes to the focus group. If they still refuse THANK & TERMINATE

## Industrie Canada (Règlementation du marché de la téléphonie locale)

<p><u>Montréal : le 23 août 2006</u></p> <p>Français Grand public : 17 h 30</p> <p>Français Grand public : 19 h 30</p>	<p>Etude n° : 90082</p> <p>Recrutez 10</p>
<p>Nom du répondant :</p> <p>N° de téléphone du répondant : (maison)</p> <p>N° de téléphone du répondant : (bureau)</p> <p>N° de télécopieur du répondant : envoyé? ou</p> <p>Courriel du répondant : envoyé?</p> <p>Source de l'échantillon (<i>encerclez</i>) :</p> <p>client      base de données      aléatoire      référence</p>	<p>Intervieweur :</p> <p>Date :</p> <p>Validé :</p> <p>Fichiers centraux :</p> <p>Listes :</p> <p>Quotas :</p>

**SOYEZ EXCEPTIONNELLEMENT CORDIAL CAR LES REpondENTS PEUVENT COMMUNIQUER DIRECTEMENT AVEC LE GOUVERNEMENT DU Canada A PROPOS DE CETTE ETUDE!!!**

Bonjour, je m'appelle \_\_\_\_\_ et je vous téléphone du Centre de recherche Décima, pour le compte du gouvernement du Canada. Nous organisons des groupes de discussion pour mieux comprendre le niveau de compréhension des Canadiens et des Canadiennes à l'égard du marché de la téléphonie locale. **EXPLIQUEZ LES GROUPES DE DISCUSSION.** De 8 à 10 personnes seront invitées à y participer, toutes ayant été recrutées au hasard par téléphone. En guise de remerciement pour leur temps, les participants recevront une prime en argent de 75 \$. Toutefois, avant de vous inviter à vous joindre à nous, j'aimerais vous poser quelques questions pour m'assurer de la diversité du groupe. Puis-je poursuivre?

*Votre participation est volontaire. Toutes vos réponses demeureront strictement confidentielles et seront uniquement utilisées à des fins de recherche. Seule votre opinion compte pour nous. Nous ne tenterons pas de vous vendre quoi que ce soit. La discussion se déroulera sous forme de table ronde et sera dirigée par un professionnel de la recherche.*

**Note :** Si le répondant désire parler à un représentant du gouvernement du Canada pour vérifier la validité de la recherche, donnez-lui les coordonnées suivantes :

XXXX

Industrie Canada

613 XXX

Oui	1	<b>CONTINUEZ</b>
Non	2	<b>REMERCIEZ ET CONTINUEZ</b>

**LISEZ À TOUS** : « Cet appel peut être écouté ou enregistré à des fins d'évaluation ou de contrôle de la qualité. »

**CLARIFICATIONS SUPPLÉMENTAIRES AU BESOIN :**

- Pour s'assurer que je (l'intervieweur) lise les questions correctement et que je recueille vos réponses avec précision;
- Pour évaluer mon (l'intervieweur) travail aux fins d'évaluation du rendement;
- Pour vérifier que le questionnaire est exact/correct (c.-à-d. évaluation de la programmation ITAO et de la méthodologie – que nous posons les bonnes questions pour répondre aux exigences de nos clients en matière de recherche – comme un prétest).
- Si l'appel est enregistré, l'enregistrement sert uniquement à évaluer le travail de l'intervieweur et est écouté immédiatement après la fin de l'entrevue. Il peut également être utilisé par le gestionnaire de projet ou le client pour évaluer le questionnaire si ces personnes n'étaient pas disponibles au moment de l'entrevue. Tous les enregistrements sont détruits après l'évaluation.

Je dois tout d'abord vérifier votre admissibilité aux groupes.

- 1) Êtes-vous disponible le **[INSÉREZ LA DATE]**? (La séance durera tout au plus 2 heures et vous recevrez 75 \$ en guise de remerciement pour votre temps.)

Oui 1 **CONTINUEZ**  
Non 2 **DEMANDEZ UNE RÉFÉRENCE, REMERCIEZ ET TERMINEZ**

- 2) Êtes-vous la personne qui prend les décisions en matière de services de télécommunications chez vous?

Prend les décisions seul(e) 1  
Prend les décisions avec quelqu'un 2  
Donne son opinion aux décideurs 3  
Ne participe pas à la décision **REMERCIEZ ET TERMINEZ**

- 3) Avez-vous déjà participé à un groupe discussion de consommateurs, à une entrevue ou à un sondage pour lequel vous avez été recruté(e) à l'avance et avez reçu une somme d'argent?

Oui 1  
Non 2 **PASSEZ À Q6**

- 4) Il y a combien de temps de cela? \_\_\_\_\_

**TERMINEZ SI AU COURS DES 6 DERNIERS MOIS.**

- 5) Et à combien de séances de la sorte avez-vous participé?

2 ou moins 1 **CONTINUEZ**  
3 ou plus 2 **REMERCIEZ ET TERMINEZ**

6) Est-ce que vous, ou quelqu'un d'autre chez vous, travaillez dans l'un des domaines suivants :

**LISEZ LA LISTE.**

	<b>OUI</b>	<b>NON</b>
Recherche marketing/Service de marketing/Marketing	1	2
Publicité	1	2
Médias (télévision, radio, presse écrite)	1	2
Télécommunications	1	2

**SI OUI À L'UNE DE CES OPTIONS, REMERCIEZ ET TERMINEZ.**

**PASSEZ À Q8 SI TORONTO, CALGARY OU MONTRÉAL.**

	<b>OUI</b>	<b>NON</b>
7a) (POSEZ SI SQUAMISH) Vous rendez-vous régulièrement à Vancouver pour travailler?	1	2
7b) (POSEZ SI TRURO) Vous rendez-vous régulièrement à Halifax pour travailler?	1	2

**SI OUI, REMERCIEZ ET TERMINEZ.**

8) Au cours des 12 prochains mois, quelle est la probabilité que votre ménage change de fournisseur de service de téléphonie locale ou annule complètement son service de téléphonie locale?

Très probable	1
Plutôt probable	2
Pas très probable	3
Pas du tout probable	4
Ne sait pas	9

9) Les téléphones mobiles, que l'on appelle également téléphones cellulaires, peuvent être utilisés dans la voiture ou à tout autre endroit. Certaines personnes utilisent également un ANP, par exemple un Blackberry, comme téléphone mobile. Est-ce que vous, ou quelqu'un d'autre chez vous, avez accès à un téléphone mobile?

Oui 1  
Non 2

**PASSEZ À Q11**

**UTILISATEURS DE CELLULAIRES**

10) Et quelle est la probabilité que vous, ou quelqu'un d'autre chez vous, fassiez l'acquisition d'un téléphone mobile d'ici un an? Diriez-vous que c'est...

Très probable 1  
Plutôt probable 2

**INTENDER**

Pas très probable 3

**NON-INTENDER**



Pas du tout probable 4

Ne sait pas 9

11) Quel type de connexion Internet avez-vous à la maison?

N'a pas accès à Internet à la maison	1
Connexion de base	2
Connexion haute vitesse DSL (p. ex. Sympatico)	3
Connexion haute vitesse par câble	4
Ne sait pas	9

AU BESOIN :

Avec une connexion haute vitesse, votre ordinateur est connecté à Internet en permanence soit automatiquement, soit après que vous ayez cliqué sur une icône. Les sociétés de téléphonie fournissent le service haute vitesse DSL et les câblodistributeurs fournissent le service haute vitesse par câble.

Avec une connexion de base, l'abonné entend une tonalité lorsque le modem compose un numéro de téléphone pour se brancher à Internet. En outre, l'abonné ne peut utiliser le téléphone lorsqu'il est en ligne.

12) Quel âge avez-vous?

Moins de 18 ans	1
18 à 24 ans	2
25 à 34 ans	3
35 à 45 ans	4
46 à 54 ans	5
55 à 64 ans	6
65 ans ou plus	7
Refuse	9

**REMERCIEZ ET TERMINEZ**

**BONNE  
VARIÉTÉ**

13) Quel est le plus haut niveau de scolarité que vous avez atteint?

Études secondaires non terminées	1
Études secondaires terminées	2
Études collégiales non terminées	3
Études universitaires non terminées	4
Études collégiales terminées	5
Études universitaires (baccalauréat)	6
Études supérieures (maîtrise, doctorat, etc.)	7
NSP/REF	9

**BONNE  
VARIÉTÉ**

14) Notez le sexe du répondant (Par observation, ne demandez pas) :

Homme	1
Femme	2

**BONNE  
VARIÉTÉ**

15) Il arrive que les participants doivent écrire leurs réponses ou lire des documents. Y a-t-il une raison qui vous empêcherait de participer?

Oui 1 **REMERCIEZ ET TERMINEZ**  
Non 2

**TERMINEZ SI LE RÉPONDANT DONNE UNE RAISON COMME UN PROBLÈME DE L'OUÏE, DE LA VUE, D'ALPHABÉTISME, UNE PRÉOCCUPATION À NE PAS POUVOIR COMMUNIQUER EFFICACEMENT OU SI VOUS AVEZ UN DOUTE.**

**Group table :**

EXCELLENT! VOUS RÉPONDEZ AUX CRITÈRES D'ADMISSIBILITÉ POUR CE GROUPE. Comme je l'ai mentionner plus tot, le groupe de discussion aura lieu le, **Day, Month, Date @ Time** et durera **X hours**. Accepteriez-vous d'y participer?

Yes 1  
No 2 **THANK & DISCONTINUE**

Montréal : le 23 août 2006

Français Grand public : 17 h 30

Français Grand public : 19 h 30

**Privacy questions :**

**ENJEUX RELATIFS À LA CONFIDENTIALITÉ (**

J'aurais maintenant quelques questions à vous poser à propos de la confidentialité, de vos renseignements personnels et du processus de recherche. Nous devons obtenir votre permission par rapport à certains sujets afin que nous puissions effectuer notre recherche. Lorsque je vous poserai ces questions, n'hésitez pas à me demander de les clarifier si vous en ressentez le besoin.

P1) Tout d'abord, nous fournirons une liste des noms et des profils (réponses au questionnaire) des participants aux hôtes du groupe de discussion et au modérateur, afin qu'ils puissent vous inscrire au groupe. Acceptez-vous que nous leur transmettions ces renseignements? Je peux vous assurer que ceux-ci demeureront strictement confidentiels.

Oui 1 **PASSEZ À P2**  
Non 2 **LISEZ L'INFORMATION SUIVANTE AU RÉPONDANT**

Malheureusement, nous devons donner votre nom et votre profil aux hôtes et au modérateur du groupe de discussion, puisque seuls les gens qui sont invités à participer peuvent prendre part à la discussion. Les hôtes et le modérateur ont besoin de ces renseignements à des fins de vérification uniquement. Soyez assuré(e) que ces renseignements demeureront strictement confidentiels. **PASSEZ À P1A**

P1a) Maintenant que je vous ai expliqué cela, acceptez-vous que nous transmettions votre nom et votre profil aux hôtes et au modérateur du groupe de discussion?

Oui 1 **PASSEZ À P2**

Non 2 **REMERCIEZ ET TERMINEZ**

P2) Il y aura un enregistrement audio/vidéo du groupe de discussion et celui-ci servira uniquement à des fins de recherche. Les enregistrements seront uniquement utilisés par un professionnel de la recherche pour préparer le rapport sur les résultats de la recherche. Les enregistrements seront détruits lorsque le rapport sera terminé.

Acceptez-vous qu'un enregistrement audio/vidéo du groupe de discussion soit effectué uniquement à des fins de recherche?

Oui 1 **REMERCIEZ ET PASSEZ À P3**

Non 2 **LISEZ L'INFORMATION SUIVANTE AU RÉPONDANT**

Malheureusement, nous devons faire un enregistrement audio/vidéo du groupe de discussion puisque le professionnel de la recherche a besoin de ce matériel pour rédiger son rapport. Je peux vous assurer que ces enregistrements demeureront strictement confidentiels et qu'ils seront détruits dès que le rapport sera terminé. **PASSEZ À P2A**

P2a) Maintenant que je vous ai expliqué cela, acceptez-vous que nous fassions un enregistrement audio/vidéo du groupe de discussion?

Oui 1 **REMERCIEZ ET PASSEZ À P3**

Non 2 **REMERCIEZ ET TERMINEZ**

P3) Chaque mois, FocusSearch soumet le nom des personnes qui ont participé à nos groupes de discussion au Registre central de recherche qualitative de l'Association de recherche et d'intelligence marketing ([www.mria-arim.ca](http://www.mria-arim.ca)). Le Registre central de recherche qualitative est une base de données centrale qui vérifie la participation aux groupes de discussion de recherches qualitatives. Personne ne communiquera avec vous parce que votre nom se trouve sur cette liste.

Nous permettez-vous de soumettre votre nom et votre numéro de téléphone au Registre central de recherche qualitative de l'ARIM?

Oui 1 **REMERCIEZ ET PASSEZ À L'INVITATION**

Non 2 **PASSEZ À P3A**

P3a) Malheureusement, afin de participer à ce groupe de discussion nous devons avoir votre permission pour ajouter votre nom au Registre central de recherche qualitative puisqu'il s'agit du seul moyen qui nous permettra d'assurer l'intégrité du processus de recherche et de faire le suivi de la participation aux recherches qualitatives. Le système est tenu à jour par l'Association professionnelle de recherche en marketing et il est uniquement utilisé pour faire le suivi de votre participation aux recherches qualitatives (comme les groupes de discussion). Vous ne serez jamais contacté parce que votre nom se trouve sur cette liste.

Maintenant que je vous ai expliqué cela, acceptez-vous que nous ajoutions votre nom à notre liste centrale de recherche qualitative?

Oui	1	<b>REMERCIEZ ET PASSEZ À L'INVITATION</b>
Non	2	<b>REMERCIEZ ET TERMINEZ</b>

**AU BESOIN, INFORMATIONS SUPPLÉMENTAIRES POUR L'INTERVIEWEUR :**

*Veillez être assuré que cette information demeurera confidentielle et seules les firmes d'études de marchés professionnelles pourront y accéder et l'utiliser pour vérifier la participation et empêcher les « répondants professionnels » de participer aux groupes. Les firmes de recherche qui participent au Registre central de recherche qualitative de l'APRM ont besoin de votre autorisation pour que vous soyez admissible à participer au groupe de discussion – ce système aide à assurer l'intégrité du processus de la recherche.*

**AU BESOIN, NOTE À PROPOS DE L'APRM :**

*L'Association professionnelle de recherche en marketing est un organisme à but non lucratif qui regroupe des professionnels de la recherche en marketing impliqués dans le marketing, la publicité, les recherches sociales et politiques. La mission de l'Association est d'être le leader dans la promotion de l'excellence dans la pratique du marketing et des recherches sociales ainsi que dans la valeur de l'information sur les marchés.*

**INVITATION**

Avez-vous un crayon à portée de la main pour prendre en note l'adresse de l'endroit où se tiendra le groupe de discussion? Il aura lieu :

**Montreal**

**Wednesday, August 23<sup>rd</sup>, 2006**

**Opinion Search Inc.**

1080 Beaver Hall Hill, Suite 400, Montreal  
QC H2Z 1S8

**Entry Instructions to Building:**

Street-level entrance on Beaver Hall Hill.

**Directions:**

Located on Beaver Hall Hill between Blvd. René Levesque O. and De La Gauchetière streets. Take Blvd. René Levesque O. street eastbound until you hit Côte du Beaver Hall. Turn right onto Côte du Beaver Hall.

**Parking:**

Street parking and attached parking.

La discussion durera environ **2 heures** et vous recevrez une prime de 75 \$ en guise de remerciement pour le temps que vous nous aurez accordé.

Nous vous demandons d'arriver quinze minutes avant l'heure prévue pour vous permettre de stationner votre voiture, de trouver nos bureaux et de vous présenter à nos hôtes. Il est possible qu'on vous demande de vous identifier avant la tenue du groupe. Par conséquent, assurez-vous d'avoir une pièce d'identité avec vous. (ex. permis de conduire). De plus, si vous avez besoin de lunettes de lecture, veuillez les apporter avec vous.

Comme nous n'invitons qu'un petit nombre de personnes, votre participation est très importante pour nous. Si, pour une raison ou une autre vous ne pouvez pas vous présenter, veuillez nous en aviser pour que nous puissions vous remplacer. Vous pouvez nous joindre au 1 800 363-4229, poste 5068. Demandez à parler à **Carol Smith**. Quelqu'un communiquera avec vous la veille du groupe de discussion pour confirmer votre présence.

Afin que nous puissions vous appeler pour confirmer votre présence ou pour vous informer si des changements survenaient, pourriez-vous me confirmer votre nom et vos coordonnées? **[LISEZ LES COORDONNÉES QUE NOUS AVONS ET MODIFIEZ AU BESOIN.]**

Prénom \_\_\_\_\_

Nom de famille \_\_\_\_\_

Courriel \_\_\_\_\_

N° de téléphone de jour \_\_\_\_\_

N° de téléphone en soirée \_\_\_\_\_

**Si le répondant refuse de donner son prénom, son nom ou son numéro de téléphone, (1 n° de téléphone c'est bien, 2 c'est mieux) veuillez lui dire que ces renseignements demeureront strictement confidentiels en vertu de la loi sur le respect de la vie privée et que ceux-ci seront uniquement utilisés pour le contacter afin de confirmer sa présence et pour l'informer de tout changement concernant le groupe de discussion. S'il refuse toujours, REMERCIEZ ET TERMINEZ.**

**Merci beaucoup de votre collaboration!**

# Appendix D: Presentation

## Regulation of the Local Telephone Market and Related Issues

Qualitative Research Results  
October 25, 2006

Jeff Walker, Senior Vice President

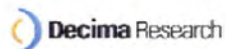


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[decima.com](http://decima.com)

### Methodology

- Decima conducted 10 focus groups in 5 cities, August 21 to 23, 2006
- The targeted centres included a mix of urban and rural communities
  - Squamish
  - Calgary
  - Montreal
  - Toronto
  - Truro
- This data touches on similar issues that Decima has explored in the recent past
  - For the telecom policy review



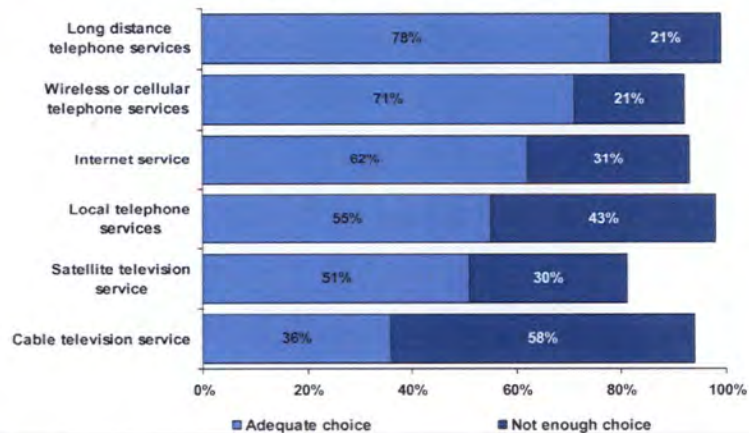
2

## Perceptions of The Telecommunications Sector

- Most see this sector as a major industry undergoing significant change
  - Lots of new entrants, falling prices (for long distance), new products, bundles
- Most believe they are fairly well served by this sector
  - People are generally satisfied with the level of competition and choice, price, and value for money in the telecommunications services market
  - Most will say that their bills have gone up, but acknowledge that there are more services
- Customer service is seen by many to not be keeping pace with improvements in other areas
  - But service levels no worse than in other sectors
  - No real evidence of "urgent" problems in this area

## Adequacy of Consumer Choice

Please tell me, in each of the following areas, if you feel that you have an adequate choice of competitors from which you can buy this service, or not enough choice?



## Perceptions of The Telecommunications Sector

- In rural areas, satisfaction is somewhat lower, because there are fewer players
  - But that doesn't translate into markedly lower levels of satisfaction with price and value
- In the long distance and cellular businesses specifically, there is a sense that there is a strong and viable competitive environment in place
  - Although at first blush, more ascribe that to technological than regulatory factors
- Worth noting is that most don't know this sector as "telecommunications"
  - They know it as the telephone companies

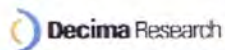
## Awareness and Impressions of Telecom Service Regulation

- Awareness and understanding of telecommunications regulation is very low
  - Most assume there are some rules that govern the sector
  - But few can articulate what those are on an unaided basis
- Most assumed that there were rules which telecommunications services had to follow, that were mandated by government
  - They don't make distinctions between whether these are "regulations" or "legislation"
- Virtually no participants could cite the CRTC as the telecom regulator
  - On an aided basis, a handful could
- Most people know the CRTC, but know it in its capacity as regulator of Canadian content in the broadcast sphere
  - Specifically, its role in enforcing Canadian content regulations in broadcasting
  - But know relatively little (or nothing) about its role in telecommunications



## Awareness and Impressions of Telecom Service Regulation

- When prompted, there was little awareness that only local service is regulated
  - In contrast to long distance or cell phone service
- Among the few who were aware of telecommunications regulation, the areas most often cited as being regulated involve mandatory "consumer rights" services like 911 or disability services
  - While many did not raise them on an unaided basis, when mentioned by the moderator virtually all participants were quite aware of these services
  - It was clear that people just assume that these services are provided to Canadians
- There was very little awareness of local service price regulation
  - That there were regulations at all, and that the CRTC had a role in this area
  - On a prompted basis, about two in ten knew that there were price regulations in place
- Participants don't connect the CRTC to these regulatory functions
  - Since they don't see the rules as something that might change over time, or that require judgement in terms of deciding whether a standard is met or not
    - Like Canadian content regulations in the broadcast sphere



7

## Deconstructing Impressions of the Regulatory Regime

- Discussions revealed that participants view **price regulation** very *differently* than **consumer rights regulations** like 911 and disability services
- Participants recognize and strongly value the consumer rights set of regulations/services
  - They want to ensure that 911, disability, and rural services are provided, and if it requires regulations to ensure they are provided, that is important
- But many did not assign very much value to the price regulatory system
  - That price regulations applied to certain companies but not to others
  - That price regulations regulate minimum prices, rather than maximum prices
- Upon discussion, there was near-consensus that price regulation of the local telephone market didn't make sense as it was constituted
  - Most felt that the business was quite competitive now
  - That their experience in long distance deregulation was positive for the consumer
  - And that it didn't make sense that regulations in place would only apply to the traditional telephone companies



8

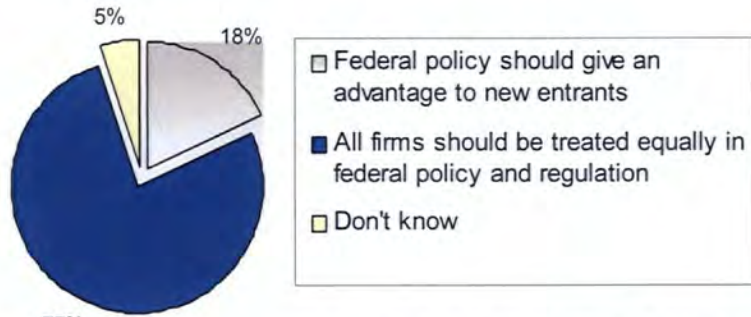
## Preferred approach to Regulatory System (1)

- Participants across all groups expressed very clear and consistent preferences with regard to government regulation of the local telephone market
- The broad consensus is that the marketplace should be deciding prices, and that the Government of Canada's role should focus on consumer rights, such as:
  - Universal access for those with disabilities
  - Service to rural areas
  - Privacy protection
  - 911 services
  - It is clear that many people see availability of local service as a "right" rather than a privilege
- Most do not see much risk of having price, competition, or value for money worsen if price regulation were lifted
  - For most, the opposite is the case – most believe they will *benefit* in those areas from price deregulation, as they have observed in the long distance market
  - Although there were some exceptions, such as some concern about price gouging in rural areas where one provider dominates

## Preferred approach to Regulatory System (2)

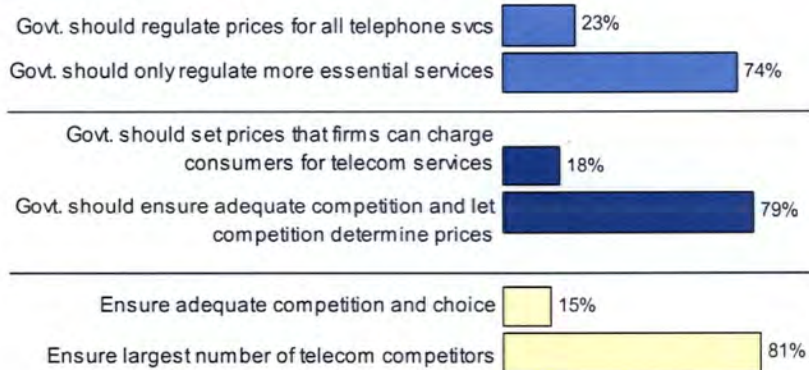
- In short, people were generally comfortable with the idea of the government "deregulating" price regulations for local service
  - But maintaining its current regulatory functions in the consumer rights sphere
- It is very important to recognize that to many people, the word "deregulation" connotes the broad range of price regulations *and* consumer rights
  - Some may take the word "deregulation" as an inference that there would be no controls in areas of consumer rights as well as price
  - This would likely garner negative public reaction
- Although a "free market" in terms of price regulation was broadly preferred, it was universally felt that if price regulation were to persist, it should apply to all local service providers, and not just to traditional telephone companies
  - Some suggested that if a change were made to the price regulatory system, it might be worthwhile to monitor impacts to ensure consumers were not being negatively affected, as a "check"
  - Particularly in areas of the country where there are few providers

## Preferred Role for Government of Canada



77%  
Consumer Attitudes on Telecommunications Regulation, Decima, July 2005

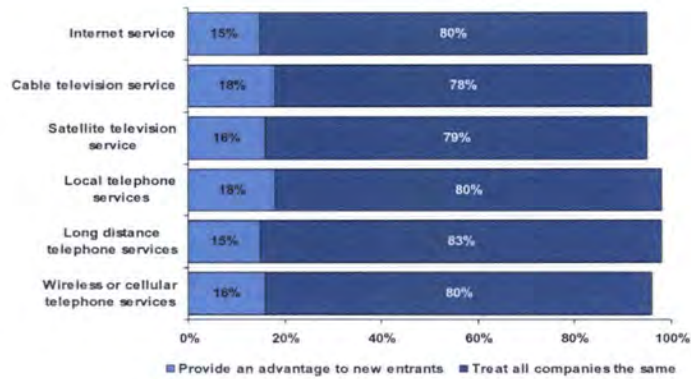
## Preferred Role for Government of Canada



Consumer Attitudes on Telecommunications Regulation, Decima, July 2005

## Treatment of New Entrants in Different Markets

How about in terms of ... Should federal policy provide an advantage to new entrants, or should it treat all existing and new competitors the same way?



## Advantages and Disadvantages of Deregulation – Focus groups

Advantages to Deregulation	Disadvantages to Deregulation
Lower prices (market forces to prevail)	Increase in prices
Increase in customer service (market forces to prevail)	Decrease in customer service (competitors would focus on price vs. service)
More competition	Potential for a return to a monopoly or the creation of an oligopoly / small players can't keep up
More innovation / more investment in technology and new features	Too many offers / offer clutter
Market for local service would be more responsive to supply and demand / more responsive to market forces	Cartel behaviour – price fixing among a limited set of service providers
More innovative offers	Decreased investment in infrastructure
More and better bundles	Unwanted services and features will be forced onto consumers in the form of bundles
	More contracts to deal with
	Service providers abusing/taking advantage of consumers
	Foreign cash-rich firms squeezing out local firms
	More instability in the local service market

(Local Telephone Market Regulation Focus Groups, Decima, August 2006)

## Issue Focus: Foreign Ownership

- The subject of foreign ownership is one that yielded polarized opinion
  - At a philosophical level, many participants revealed a general openness to the idea of foreign *investment*, but a fair degree of resistance to foreign *ownership*
  - Resistance was strongest in Montreal, owing to concern that foreign ownership would cede control over Canada's economic independence
- Participants were fairly uniform in their resistance to the idea of any more foreign ownership of Canadian telecommunications companies
  - Resistance primarily had to do with concerns about large Canadian companies losing their economic power and "brain power" to parent companies in other countries

## Issue Focus: Foreign Ownership

- Telecommunications is seen as a sector that drives innovation in terms of products, and high value added jobs, and foreign ownership is seen as something that could undermine that
  - Fear that R&D aspects of that business will be moved to other places
  - Fear that a Canadian operation would be reduced to serving a sales function
  - This concern about being a "branch-plant" economy pervaded groups in all parts of the country
  - Fear that there would be a loss of investment in infrastructure
- Again, in the Montreal groups, there was almost universal resistance to the idea
  - Which was fuelled in part by concerns about protecting Canadian/Quebec culture

## Foreign Ownership – Advantages and Disadvantages

Advantages to Foreign Ownership	Disadvantages to Foreign Ownership
Increased competition/more choice of providers	Loss of control/can no longer determine our own destiny
Greater investment in innovation	Negative impact on Canadian pride – "lose a little piece of ourselves when one of our companies is taken over"
Technology sharing/access	Loss of jobs/off shoring/cuts due to overlap with controlling company
Acquire foreign currency	Revenues and profits do not stay in Canada
Access to foreign financing for expansion/survival	"Americanization"
Lower prices due to economies of scale	Lower salaries because salaries are lower in other countries
Canadian shareholders gain through increased valuation and being part of a greater organization	Decrease in customer service- this will either be off shored or the controlling company may not have the same customer service philosophy
Shared best practices/introduction of new ideas	Local interests are not taken into consideration when decisions are taken
	Harder to enforce privacy regulations
	Decrease in tax revenues
	Senior positions transferred off shore

## Issue Focus: Cellular Service

- Cellular service subscribers perceive that the variety of providers, quality of access and competitiveness of pricing have improved over the past few years
  - Most think that service quality, price, and value for money are good
- There was little top of mind awareness that the cellular market had been deregulated
  - It was the deregulation of the long distance telephone market that was a more useful reference point for the benefits and drawbacks of local service deregulation

## Issue Focus: Cellular Service

- Wireless number portability was seen as a positive evolution for the wireless industry
- But a number of hurdles and practicalities persist, making it difficult for most consumers to completely abandon their landline for a cellular phone
  - Land lines will work in emergencies, while cell phones will not
  - Multiple users/one phone
  - Sound quality of cell phones compared to land lines
- Although they are concerned about consumer protection, they generally don't feel that there are enough consumer protection concerns to warrant an industry led ombudsman
- Additional reasons why the industry led ombudsman idea was not embraced:
  - Ombudsman would have to be neutral, which, according to some, might be compromised if office is industry-led;
  - Ombudsman would need to have credible enforcement capabilities;
  - Consumer can voice their displeasure with an existing suppliers by switching carriers

## Issue Focus: High Speed Internet

- High speed Internet is seen as a revolutionary aspect of an already important technology, and at an individual level, people like it and want to use it
- But there was fairly broad resistance to the idea of government making a major investment to bring high speed Internet to communities that do not have it yet
  - They do not see it as an "essential service" the way they view the telephone
- This resistance was founded on two grounds:
  - Concerns of high cost to the taxpayer
  - A perception that there will be a market or technological solution (such as satellite technology) that will likely serve this purpose within the next few years, without the need for government to make the investment
- When prompted with the idea of remote health care and remote education services, participants were more able to see value in this idea
  - But not enough value to outweigh the concerns that were in evidence
  - Unless a strong case could be made that the cost would be low, and that no other current or "near future" technological solutions exist



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## **Consumer Attitudes on Telecommunications Regulation**

August 5, 2005

A study sponsored by





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## Background and Methodology

This report is based on the findings and subsequent analysis of a survey sponsored by the Public Interest Advocacy Centre (PIAC), Bell Canada, and Telus. A total of 1,227 telephone interviews were completed between July 15 and July 24, 2005 with Canadian residents on competition and regulation in the telecommunications industry. The associated statistical margin of error at a 95% level of confidence for each question asked to all respondents is  $\pm 2.8\%$ .

## Introduction / Executive Summary

When it comes to telecommunications, Canadians believe that regulation can serve a number of public interests, but they do not believe that it is a cure for all matters. The role of government is important, but it should be targeted, limited and selective in the matters to which it applies.

At the same time, Canadians also believe that the nature of the sector is one of dynamic change, and therefore, they believe it is important to have an evolving, flexible regulatory and policy regime.

As things currently stand, most Canadians appear to feel as though they are reasonably well served by the telecommunications sector in Canada. There is a sense that in most areas of telecommunications they benefit from an adequate amount of competition and choice, meaning that they feel they have leverage (because they have options) as buyers of those services. This perception is more firmly held in the areas of telephony, especially long distance and wireless. It is not a similarly common perception in the area of cable television services.

People believe that the goal of the federal government should be to ensure adequate competition (81%), not necessarily the largest number of competitors possible (15%). In essence they are indicating that, in their view, competition can achieve its desired goals if there are two competitors, and that it is not axiomatic that these goals are better served if there are a dozen competitors.

While people want the benefits of competition, they do not like the idea of competition being achieved by using federal policy or regulatory tools to provide either a “leg up” to new entrants in a particular field, or by holding back incumbents.

In general, people believe that government should ensure that there is a competitive marketplace and then let market forces determine prices, rather than setting prices that providers can charge.

Canadians would generally prefer to rely on competition and broad oversight than a more “bright lines” approach to regulation of the services companies can offer and the prices they can charge. Most people have confidence that healthy competition will produce the optimal mix of services and prices.

## Goals for Federal Policy and Regulation in Telecom

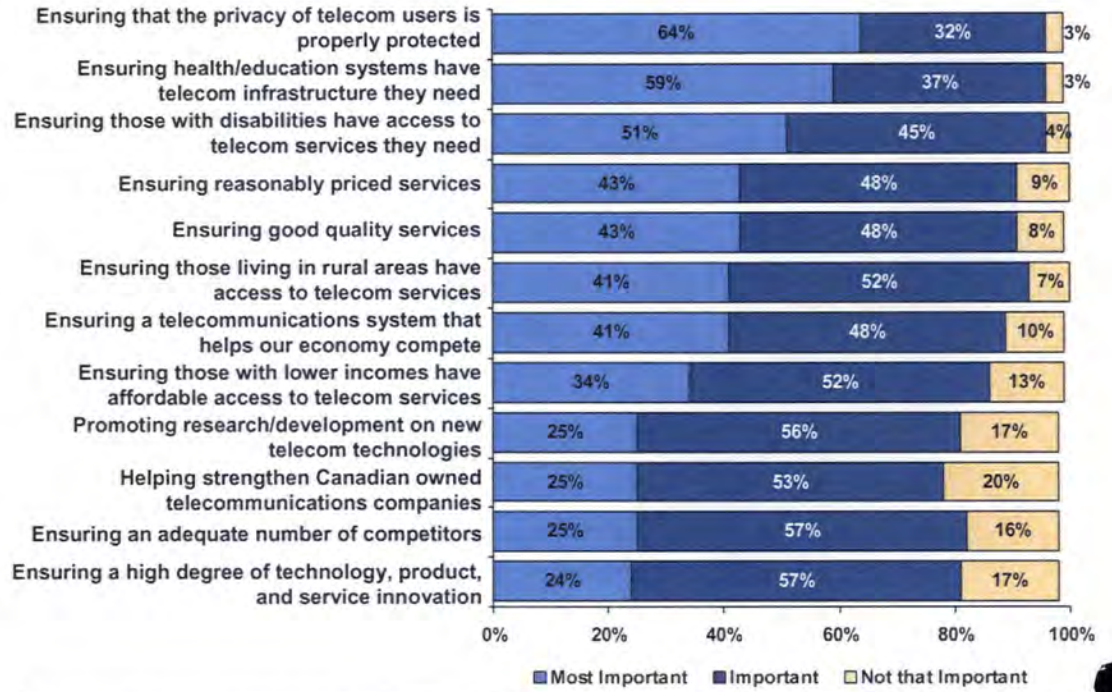
Canadians can be seen to have two different types of interest that they would like to see served by public policy and regulation of the telecom sector.

The first is what could roughly be referred to as the “national interest”; the second would perhaps better be characterized as the “consumer interest”. Both are important to a lot of people, and they have different policy implications.

When it comes to the national interest, it is clear that most people believe that the telecom system of the country should be a pillar that supports economic growth in general, and competitiveness enhancing research and development in particular. They also recognize the great importance of a sound telecom infrastructure when it comes to the vitality of Canada's health care and education systems. Similarly, there is a broad conviction that rural and lower income Canadians should be assured of reasonable access to telecommunications services. These study results suggest that most people believe these are important areas for government to preoccupy itself with, when setting policy.

The consumer interest, on the other hand, incorporates a set of expectations that relate very directly to the daily life of most Canadian households. While they could be seen in some regards as more mundane than the loftier sounding national goals, there is no doubt that matters such as price, quality, and consumer service matter more regularly, to more people than the items just discussed under the national goals rubric. While people believe government has a role to play in helping assure the consumer interest, in many ways, they believe that the government can help best by ensuring protection for Canadian consumers, and then letting market dynamics play themselves out.

**Goals for Federal Involvement in Telecom**



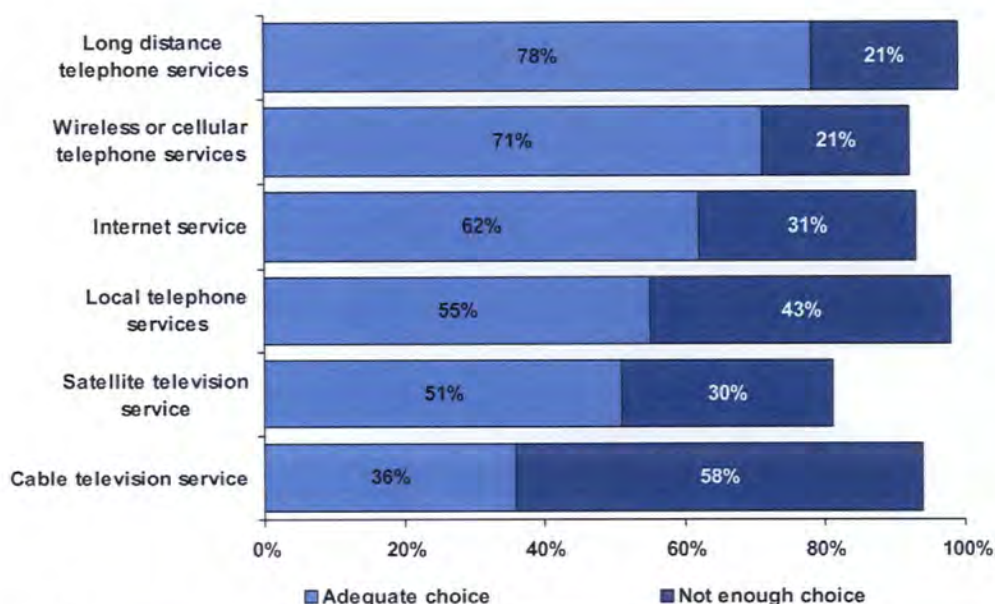
Base: All respondents, n=1,227

Source: The federal government has announced that it is conducting a review of policy and regulation in the area of telecommunications services, such as the Internet, telephone, and television. What do you think should be the important responsibilities of government in this field?

## Adequacy of Competition and Choice in Telecom

As things currently stand, most Canadians appear to feel as though they are reasonably well served by the telecommunications sector in Canada. There is a sense that in most areas of telecommunications they benefit from an adequate amount of competition and choice, meaning that they feel they have leverage (because they have options) as buyers of those services. This perception is more firmly held in the areas of telephony, especially long distance and wireless. It is not a similarly common perception in the area of cable television services.

### Adequacy of Choice in Telecommunications Services



Base: All respondents, n=1,227

Source: Please tell me, in each of the following areas, if you feel that you have an adequate choice of competitors from which you can buy this service, or not enough choice.

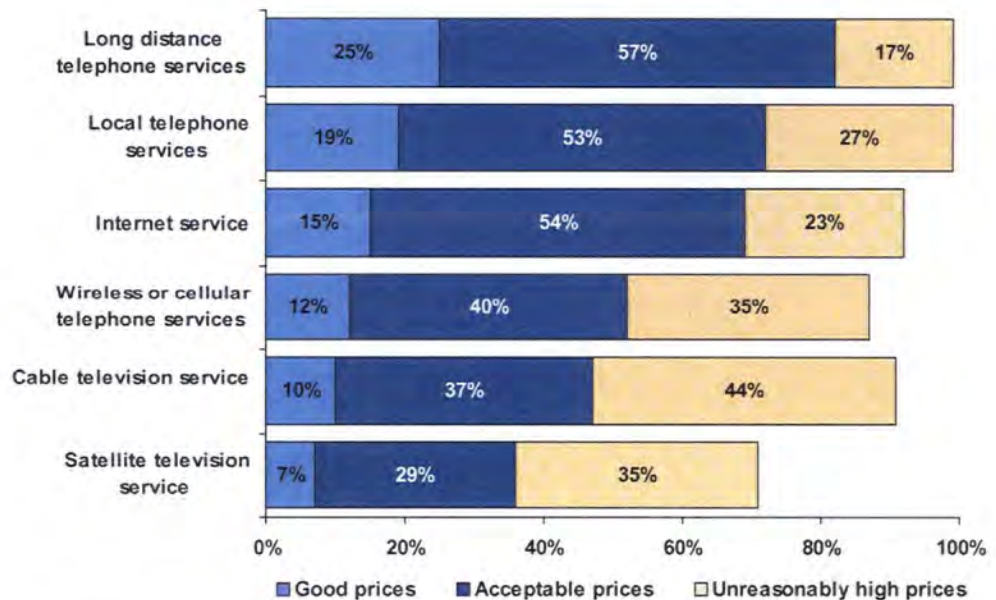
## Satisfaction with Telecom Service Pricing

The large majority of Canadian consumers say they can afford the telecom services they need (82%), and almost as many say they can afford the services they “want” (78%).

Our probing in the area of price satisfaction incorporates an understanding of the fact that it is in the nature of consumers that they are often reluctant to express too much satisfaction with prices for goods and services; they are much more willing to express price dissatisfaction than enthusiasm for the amounts they are charged for most things, if they feel that is at all warranted.

This study reveals that most people feel that they face reasonable prices for most telecommunications services today, and relatively small numbers believe that prices are “unreasonably high”. Again, this sense of reasonableness is more clearly associated with telephony than with cable television services.

**Satisfaction with Service Pricing**



Base: All respondents, n=1,227

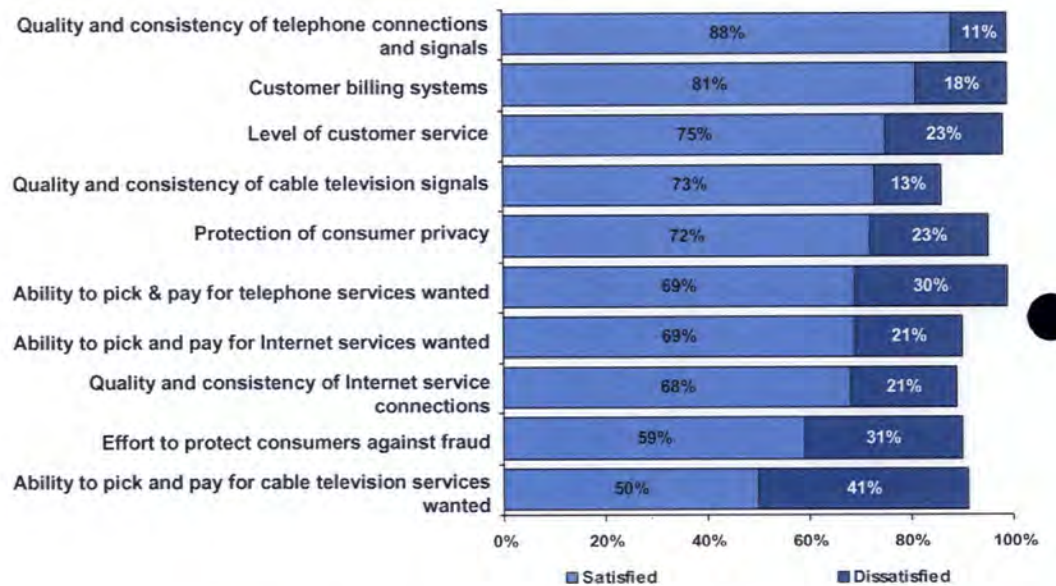
Source: Please tell me if you feel that each of the following services are available to the average consumer at good prices, acceptable prices or unreasonably high prices.



## Satisfaction with Telecom Services

Our study asked consumers to indicate their current level of satisfaction with a range of consumer interest items, including connection quality, customer service, billing systems, privacy and fraud protection, the ability to buy and pay for what they want, without being required to buy other services as well. The results confirm that in general, consumer satisfaction in regard to this sector is fairly robust.

### Satisfaction with Telecommunications Services



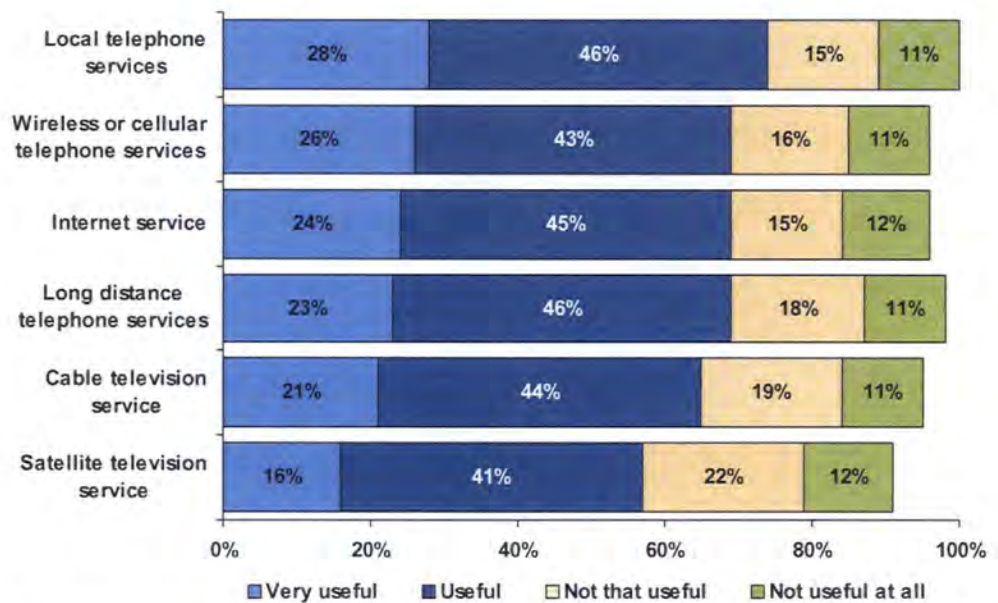
Base: All respondents, n=1,227

Source: Please tell me whether you are very satisfied, satisfied, dissatisfied or very dissatisfied with the following aspects of telecommunications services in Canada today.

## A Federal Consumer Ombudsman

The idea of a public ombudsman was tested in this study as well, characterized as an “office that could receive, review and take action on public complaints regarding telecommunications services, such as concerns about billing and customer service.” Notwithstanding the generally solid levels of public satisfaction, most people find some appeal in this idea of an ombudsman.

### Usefulness of a Public Ombudsman Office



Base: All respondents, n=1,227

Source: One idea that has been discussed would be to create a new federally appointed public ombudsman office that could receive, review and take action on public complaints regarding telecommunications services, such as concerns about billing and customer service. Please tell me if you feel this would be a very useful idea, a useful idea, not that useful, or not useful at all in each of the following service areas.

Most people also like the idea that an ombudsman could, where necessary or useful, act as an arbitrator/mediator to settle disputes involving a particular type of service or a specific service provider (85% support an ombudsman having this role). Where there are a number of complaints of a consistent nature, Canadians also support the idea that the ombudsman could publicly

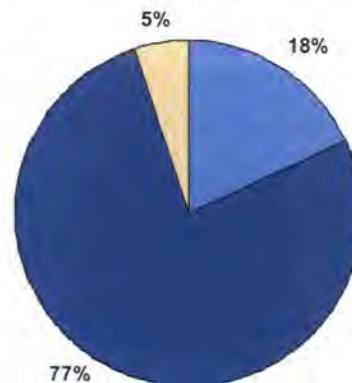
comment and recommend best practices that should be followed in the future (86% support an ombudsman having this role).

## Treatment of Incumbents and New Entrants

The study looked extensively at how Canadians prefer that the federal government approaches its role when it comes to ensuring competition in telecommunications services. Recognizing that most consumers are not extremely well versed in the particulars of competition policy, the questions focused on matters of general principle. The key findings can be summarized as follows:

- People believe that the goal of the federal government should be to ensure adequate competition (81%), not necessarily the largest number of competitors possible (15%). In essence they are indicating that, in their view, competition can achieve its desired goals if there are two competitors, and that it is not axiomatic that these goals are better served if there are a dozen competitors.
- While people want the benefits of competition, they do not like the idea of competition being achieved by using federal policy or regulatory tools to provide either a "leg up" to new entrants in a particular field, or by holding back incumbents.

### Treatment of Telecommunications Companies in Federal Policy



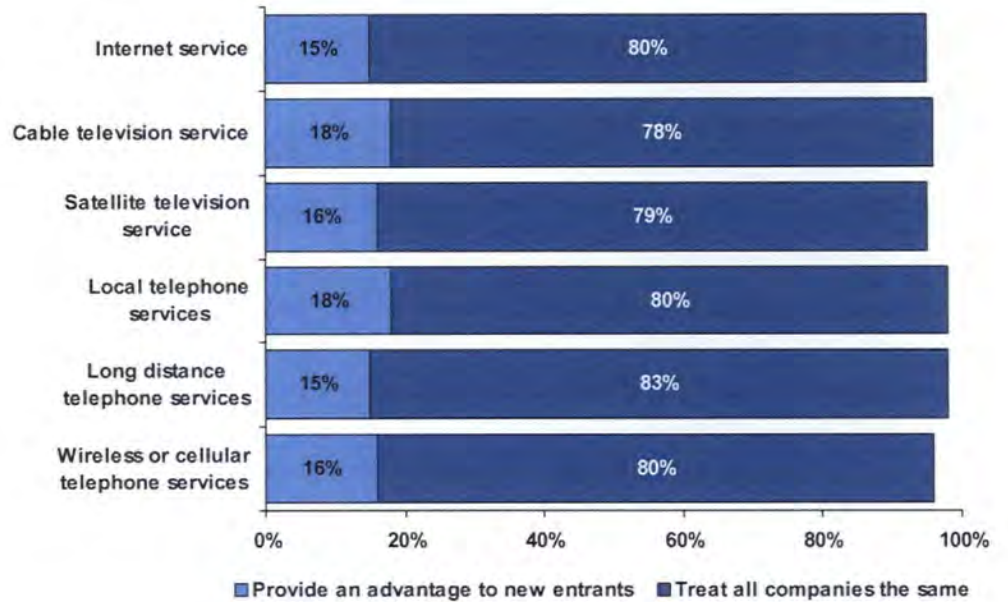
- Federal policy should give an advantage to new entrants
- All companies should be treated the same way in federal policy and regulation
- Don't know

Base: All respondents, n=1,227

Source: Some people feel that federal policy or regulations should give an advantage to companies that are entering an area of telecommunications that they have not been involved in before, in order to promote competition. Others feel that all companies that compete in the field of telecommunications should be treated the same way in federal policy and regulation. Which point of view is closer to your own?



### Treatment of Telecommunications Companies in Federal Policy

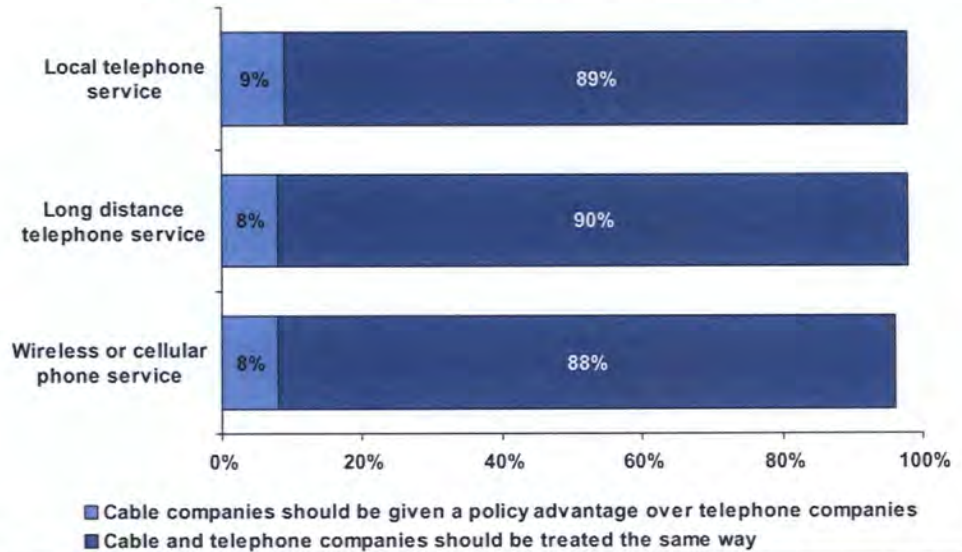


Base: All respondents, n=1,227

Source: Should federal policy provide an advantage to new entrants, or should it treat all existing and new competitors the same way?

- The general principle of equal treatment of competitors described above is a view that Canadians hold even more vigorously when they consider competition between cable television and telephone companies. When informed that several cable companies are launching telephone services, and asked if “the cable companies should be given a policy advantage over telephone companies in order to help them become established competitors in this field, or that cable and telephone companies should be treated the same way”, Canadians emphatically supported equal treatment. The same view prevails when asked if telephone companies should be given a policy leg up if they enter the television services field.

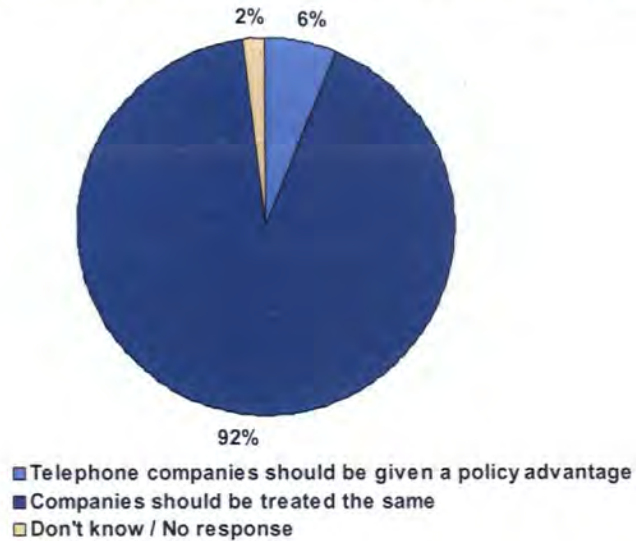
**Treatment of Companies that Offer Telephone Services**



Base: All respondents, n=1,227

Source: Cable companies and telephone companies compete today in a number of services, and several cable companies are now launching telephone services. Please tell me if you feel the cable companies should be given a policy advantage over telephone companies in order to help them become established competitors in this field, or that cable and telephone companies should be treated the same way.

**Treatment of Companies that Offer Television Services**



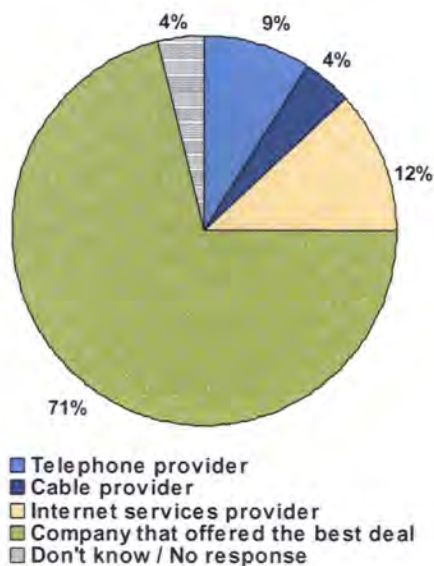
Base: All respondents, n=1,227

Source: If telephone companies offer television services, do you feel that they should be given a policy advantage over cable companies because they are entering a new field, or that cable and telephone companies should be treated the same way?

## VOIP (Voice Over Internet Protocol)

When it comes to VOIP, most Canadians see it as an Internet service (62%), rather than a telephone service (28%). They do not appear more likely to buy it from a telephone company, a cable company, or an ISP, but maintain that they would buy it from any of those companies, whichever offered them the best deal.

### VOIP Providers Most Likely Used



In respect of VOIP, as with other telecom services, most Canadians prefer that federal policy treat all companies that want to offer this service equally (92%), rather than favouring either telephone companies (4%) or cable and other VOIP retailers (2%).

Base: All respondents, n=1,227

Source: Do you think that if you were going to buy this service, you would be more likely to buy it from your telephone provider, your cable provider, your Internet services provider, or would you simply buy it from whichever company offered you the best deal?

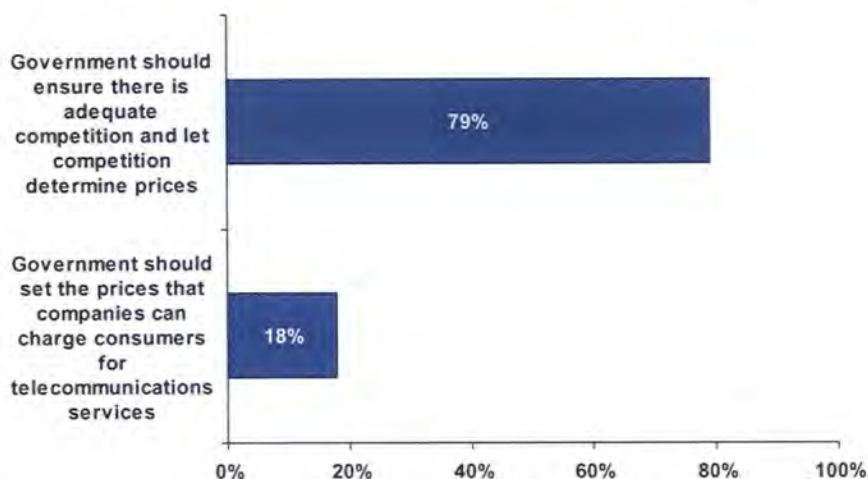


## Approaches to Regulation

Our study probed a number of different choices in terms of how government policy can be designed to meet its goals. The summary of our findings in this area is as follows:

- In general, people believe that government should ensure that there is a competitive marketplace and then let market forces determine prices, rather than setting prices that providers can charge.

### Prices Charged for Telecommunications Services

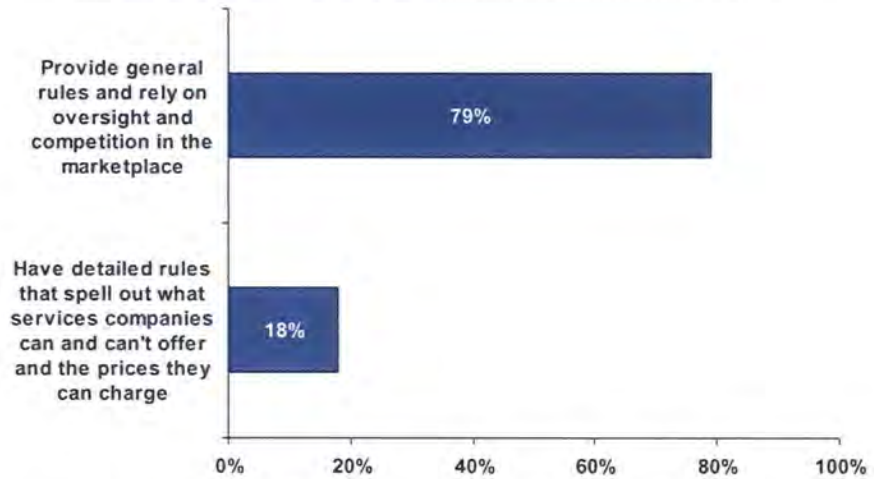


Base: All respondents, n=1,227

Source: Please tell me which approach you would prefer: Government should set the prices that companies can charge consumers for telecommunication services, **or...** Government should ensure that there is adequate competition and let competition determine prices.

- Canadians would generally prefer to rely on competition and broad oversight than a more "bright lines" approach to regulation of the services companies can offer and the prices they can charge. Most people have confidence that healthy competition will produce the optimal mix of services and prices.

### Rules of Government in the Telecommunications Sector

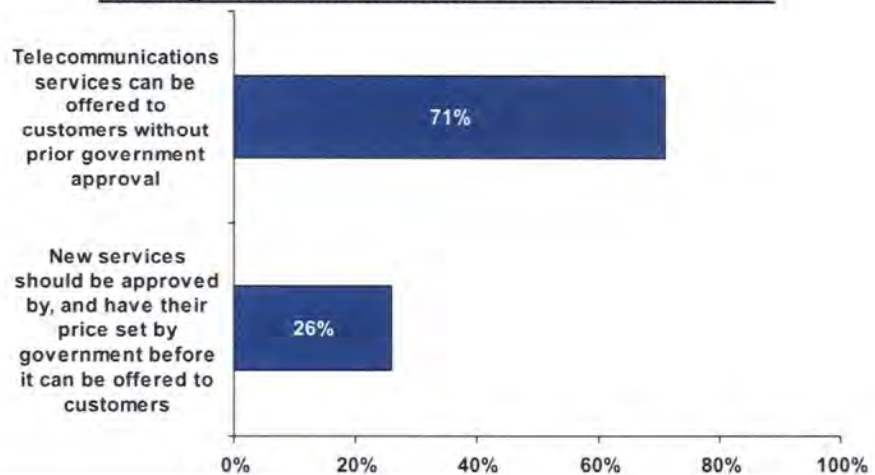


Base: All respondents, n=1,227

Source: Please tell me which approach you would prefer: Government should have detailed rules that spell out what services telecommunications companies can and can't offer and the prices that they can charge **or...** Government should provide general rules and rely on oversight and competition in the marketplace to produce the best mix of services and pricing.

- In a similar vein, most people feel that companies should be able to introduce services without prior approval and price setting by government, as long as government "has the ability to oversee the market and intervene to make changes when necessary".

### Offering Telecommunications Services to Customers

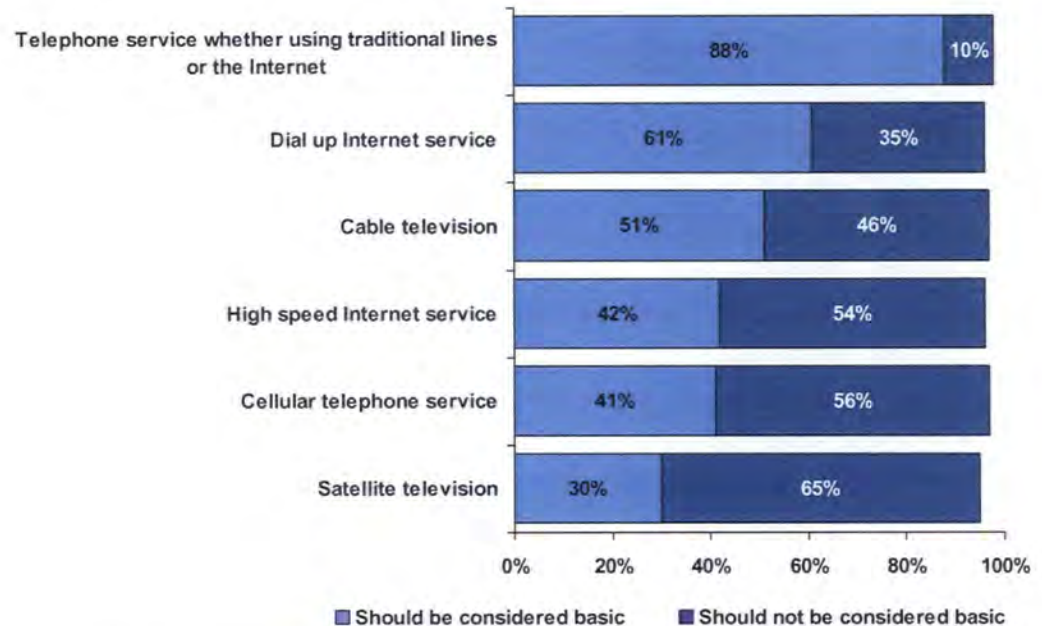


Base: All respondents, n=1,227

Source: Please tell me which approach you would prefer: Whenever a company wants to introduce a new telecommunications service into the marketplace it should be approved by, and have its price set by government before it can be offered to customers, **or...** Telecommunications services can be offered to customers without prior government approval, as long as government has the ability to oversee the market and intervene to make changes when necessary.

- There is a strong sense that government policy should create level playing fields, not treat competitors differently in the interests of engineering more competition. (77% vs. 18% respectively. Question asked: Some people feel that federal policy or regulations should give an advantage to companies that are entering an area of telecommunications that they have not been involved in before, in order to promote competition. Others feel that all companies that compete in the field of telecommunications should be treated the same way in federal policy and regulation. Which point of view is closer to your own?)
- Government involvement in pricing of telecom services should, according to most Canadians, be focused in two scenarios. First, in order to ensure that all Canadians can afford access to the most basic telecom services. Second, in those instances where competition may not be adequate, Canadians support the idea of government setting price ceilings or maximums (69%).
- Most people think that government should only regulate the more essential telephone services people need, and let competition determine prices for optional services such as call waiting, forwarding, etc. (74%).
- For the purposes of defining those services which should be the focus of government price ceilings or special policy efforts to ensure affordability for lower income households, Canadians would generally include local and long distance telephony, as well as dial up Internet access.

### Services Considered Basic



Base: Respondents who agree that the government should set maximum prices for the most basic services, n=1,021

Source: Which of the following services should be considered basic, and be subject to

- Consistent with their generally stated preference for a more goal oriented, but less prescriptive government approach to regulation, Canadians also believe that new telephony entrants should negotiate carriage rates with incumbents without government involvement, unless there is a dispute that can't be resolved (73%).
- Mergers should be allowed in the telecom sector, subject to the same type of government review as would be applied in other sectors, as long as there remains adequate competition (85%), and to ensure the consumer interest is protected (91%).

## Conclusions

The Canadian public sees the telecommunications sector in Canada as having an important role to play in meeting their needs as consumers, strengthening the economy, and supporting national social and service goals as well.

People are generally fairly well satisfied with the way in which the sector is performing today, at least insofar as their consumer needs are concerned. In general, they feel that they enjoy the benefits of adequate competition, good quality services and reasonable prices.

There is a decided, consistent and coherent preference when it comes to the way in which Canadians would prefer government set policy and regulation in this sector. People believe that the government should focus on setting broad principles and frameworks for competition, and not feel obliged to set detailed rules regarding services and price points in the consumer marketplace. They believe that if there is adequate competition, it will produce the optimal mix of services and prices.

Canadians want government to have the ability to intervene, if oversight indicates that problems emerge, and seem to desire that this stance be the premise for most government involvement in this sector. Important caveats relate to the provision of basic services for lower income households, and in those areas of the market where there may from time to time be inadequate competition.

Canadians want and expect that government will play some role in the sector, particularly in areas like privacy, health and education infrastructure, and the provision of services to those with disabilities. At the same time, they seem to feel that a vigorous market, a level playing field for all competitors, and the ability to intervene to solve problems, is likely to be a more productive way for government to ensure that core consumer interests are served.

## APPENDIX A: Telecom Policy Review Study Consumer Survey Final Results

The federal government has announced that it is conducting a review of policy and regulation in the area of telecommunications services, such as the Internet, telephone, and television.

I want to begin by asking what you think should be the important responsibilities of government in this field. Please tell me, for each of the following, whether you feel it is something that should be considered among the most important responsibilities of the federal government, important, or not all that important?

### **Total n=1,227**

	Total (%)
1) Ensuring reasonably priced services	
Among the most important responsibilities.....	43
Important .....	48
Not all that important .....	9
Don't know / No response .....	1
2) Ensuring good quality services	
Among the most important responsibilities.....	43
Important .....	48
Not all that important .....	8
Don't know / No response .....	<1
3) Ensuring an adequate number of competitors to choose from	
Among the most important responsibilities.....	25
Important .....	57
Not all that important .....	16
Don't know / No response .....	1
4) Ensuring a high degree of technology, product and service innovation	
Among the most important responsibilities.....	24
Important .....	57
Not all that important .....	17
Don't know / No response .....	1

5) Helping strengthen Canadian owned telecommunications companies	
Among the most important responsibilities.....	25
Important .....	53
Not all that important .....	20
Don't know / No response .....	2
6) Ensuring our health and education systems have the telecom infrastructure they need	
Among the most important responsibilities.....	59
Important .....	37
Not all that important .....	3
Don't know / No response .....	1
7) Ensuring those with lower incomes have affordable access to telecom services they need	
Among the most important responsibilities.....	34
Important .....	52
Not all that important .....	13
Don't know / No response .....	1
8) Ensuring those who live in rural areas have access to the telecom services they need	
Among the most important responsibilities.....	41
Important .....	52
Not all that important .....	7
Don't know / No response .....	<1
9) Promoting research and development on new telecom technologies in Canada	
Among the most important responsibilities.....	25
Important .....	56
Not all that important .....	17
Don't know / No response .....	1
10) Ensuring a telecommunications system that helps our economy compete with the rest of the world	
Among the most important responsibilities.....	41
Important .....	48
Not all that important .....	10
Don't know / No response .....	1

11) Ensuring that the privacy of telecom users is properly protected	
Among the most important responsibilities.....	64
Important .....	32
Not all that important .....	3
Don't know / No response .....	<1

12) Ensuring that people with disabilities have access to the telecom services they need	
Among the most important responsibilities.....	51
Important .....	45
Not all that important .....	4
Don't know / No response .....	<1

In each of the following areas, if you feel that you have an adequate choice of competitors from which you can buy this service, or not enough choice.

13) Internet service	
Adequate choice of competitors .....	62
Not enough choice.....	31
Don't know / No response .....	7

14) Cable television service	
Adequate choice of competitors .....	36
Not enough choice.....	58
Don't know / No response .....	6

15) Satellite television service	
Adequate choice of competitors .....	51
Not enough choice.....	30
Don't know / No response .....	20

16) Local telephone services	
Adequate choice of competitors .....	55
Not enough choice.....	43
Don't know / No response .....	2

17) Long distance telephone services	
Adequate choice of competitors .....	78
Not enough choice.....	21



Don't know / No response ..... 2

18) Wireless or cellular telephone service

Adequate choice of competitors ..... 71  
 Not enough choice..... 21  
 Don't know / No response ..... 8

19) **[OF THOSE WHO FELT THERE IS ENOUGH CHOICE IN LOCAL OR LONG DISTANCE TELEPHONE SERVICES]:** Has the fact that you can choose to use wireless or cellular telephone service instead of traditional hard phone lines helped you feel you have an adequate choice of competitors in telephone service, or has this had no impact on your opinion?

	Enough Choice in Local But Not Enough in Long Distance Services (n = 37)	Enough Choice in Long Distance But Not Enough in Local Services (n = 304)	Enough Choice in Local and Long Distance Services (n = 648)
Adequate choice of competitors	24	22	29
No impact on my opinion	67	74	68
Don't know / No response	9	4	3

Please tell me, for each of the following services, if you feel that each of the following services are available to the average consumer at good prices, acceptable prices, or unreasonably high prices. How about...

20) Internet service

Good prices ..... 15  
 Acceptable prices ..... 54  
 Unreasonably high prices ..... 23  
 Don't know / No response ..... 8

21) Cable television service

Good prices ..... 10  
 Acceptable prices ..... 37  
 Unreasonably high prices ..... 44  
 Don't know / No response ..... 9

22) Satellite television service

Good prices ..... 7  
 Acceptable prices ..... 29

Unreasonably high prices .....	35
Don't know / No response .....	29
23) Local telephone services	
Good prices .....	19
Acceptable prices .....	53
Unreasonably high prices .....	27
Don't know / No response .....	1
24) Long distance telephone services	
Good prices .....	25
Acceptable prices .....	57
Unreasonably high prices .....	17
Don't know / No response .....	2
25) Wireless or cellular telephone service	
Good prices .....	12
Acceptable prices .....	40
Unreasonably high prices .....	35
Don't know / No response .....	14

Please tell me whether you are very satisfied, satisfied, dissatisfied or very dissatisfied with the following aspects of telecommunications services in Canada today.

26) The level of customer service	
Very satisfied .....	8
Satisfied .....	66
Dissatisfied .....	17
Very dissatisfied .....	6
Don't know / No response .....	2
27) Customer billing systems	
Very satisfied .....	9
Satisfied .....	72
Dissatisfied .....	14
Very dissatisfied .....	4
Don't know / No response .....	2

## 28) The protection of consumer privacy

Very satisfied .....	11
Satisfied .....	61
Dissatisfied .....	18
Very dissatisfied .....	5
Don't know / No response .....	5

## 29) The effort to protect consumers against fraud

Very satisfied .....	7
Satisfied .....	52
Dissatisfied .....	25
Very dissatisfied .....	6
Don't know / No response .....	10

## 30) The ability to pick and pay for just the telephone services you want

Very satisfied .....	10
Satisfied .....	59
Dissatisfied .....	23
Very dissatisfied .....	7
Don't know / No response .....	1

## 31) The ability to pick and pay for just the cable television services you want

Very satisfied .....	6
Satisfied .....	44
Dissatisfied .....	30
Very dissatisfied .....	11
Don't know / No response .....	9

## 32) The ability to pick and pay for just the Internet services you want

Very satisfied .....	8
Satisfied .....	61
Dissatisfied .....	17
Very dissatisfied .....	4
Don't know / No response .....	11

## 33) The quality and consistency of Internet service connections

Very satisfied .....	10
Satisfied .....	58
Dissatisfied .....	17
Very dissatisfied .....	4

Don't know / No response ..... 12

34) The quality and consistency of telephone connections and signals

Very satisfied ..... 19  
 Satisfied ..... 69  
 Dissatisfied ..... 8  
 Very dissatisfied ..... 3  
 Don't know / No response ..... 2

35) The quality and consistency of cable television signals

Very satisfied ..... 11  
 Satisfied ..... 63  
 Dissatisfied ..... 10  
 Very dissatisfied ..... 3  
 Don't know / No response ..... 13

One idea that has been discussed would be to create a new federally appointed public ombudsman office that could receive, review and take action on public complaints regarding telecommunications services, such as concerns about billing. Please tell me if you feel that this would be a very useful idea, a useful idea, not that useful or not useful at all in each of the following service areas. How about...

36) Internet service

A very useful idea ..... 24  
 A useful idea ..... 45  
 Not that useful ..... 15  
 Not useful at all ..... 12  
 Don't know / No response ..... 4

37) Cable television service

A very useful idea ..... 21  
 A useful idea ..... 44  
 Not that useful ..... 19  
 Not useful at all ..... 11  
 Don't know / No response ..... 4

38) Satellite television service

A very useful idea ..... 16  
 A useful idea ..... 41  
 Not that useful ..... 22

Not useful at all.....	12
Don't know / No response .....	9
39) Local telephone services	
A very useful idea .....	28
A useful idea .....	46
Not that useful .....	15
Not useful at all.....	11
Don't know / No response .....	1
40) Long distance telephone services	
A very useful idea .....	23
A useful idea .....	46
Not that useful .....	18
Not useful at all.....	11
Don't know / No response .....	1
41) Wireless or cellular telephone service	
A very useful idea .....	26
A useful idea .....	43
Not that useful .....	16
Not useful at all.....	11
Don't know / No response .....	5
If there were going to be a public ombudsman, would you say you support or oppose the ombudsman having each of the following roles?	
42) In situations where there are a number of similar complaints, the ombudsman would publicly comment and recommend best practices that should be followed in the future.	
I would support the ombudsman having this role.....	86
I would oppose the ombudsman having this role .....	12
Don't know / No response .....	3
43) Where there are consumer complaints against a particular company or about a particular type of service, the ombudsman would act as a mediator or arbitrator and help settle disputes.	
I would support the ombudsman having this role.....	85
I would oppose the ombudsman having this role .....	13
Don't know / No response .....	2

44) Some people feel that federal policy or regulations should give an advantage to companies that are entering an area of telecommunications that they have not been involved in before, in order to promote competition. Others feel that all companies that compete in the field of telecommunications should be treated the same way in federal policy and regulation. Which point of view is closer to your own?

Federal policy or regulations should give an advantage to new entrants ..... 18  
 Companies should be treated the same way in federal policy and regulation . 77  
 Don't know / No response ..... 5

How about in terms of ... Should federal policy provide an advantage to new entrants, or should it treat all existing and new competitors the same way?

45) Internet service

Federal policy should provide an advantage to new entrants ..... 15  
 Federal policy should treat all existing and new competitors the same way.... 80  
 Don't know / No response ..... 5

46) Cable television service

Federal policy should provide an advantage to new entrants ..... 18  
 Federal policy should treat all existing and new competitors the same way.... 78  
 Don't know / No response ..... 4

47) Satellite television service

Federal policy should provide an advantage to new entrants ..... 16  
 Federal policy should treat all existing and new competitors the same way.... 79  
 Don't know / No response ..... 6

48) Local telephone services

Federal policy should provide an advantage to new entrants ..... 18  
 Federal policy should treat all existing and new competitors the same way.... 80  
 Don't know / No response ..... 2

49) Long distance telephone services

Federal policy should provide an advantage to new entrants ..... 15  
 Federal policy should treat all existing and new competitors the same way.... 83  
 Don't know / No response ..... 2

50) Wireless or cellular telephone service

Federal policy should provide an advantage to new entrants .....	16
Federal policy should treat all existing and new competitors the same way....	80
Don't know / No response .....	5

51) **[IF ANSWERED THERE SHOULD BE A SUBSIDY IN ONE OR MORE OF THE AREAS ABOVE, ASK]:** If the government did provide some sort of advantage or subsidy to new entrants, this would likely end up adding costs for someone else. Please tell me how you feel about the following choices about **who should bear the costs** if federal policy did provide such an advantage to new entrants...

(n=375)

The government of Canada, who ultimately get their money from taxpayers..	25
The established companies, who ultimately get their money from their customers .....	26
Neither option is appealing, and so there should be no subsidy.....	42
Don't know / No response .....	6

Cable companies and telephone companies compete today in a number of services, and several cable companies are now launching telephone services. Please tell me if you feel the cable companies should be given a policy advantage over telephone companies in order to help them become established competitors in this field, or that cable and telephone companies should be treated the same way. How about in terms of...

52) Local telephone service

Cable companies should be given a policy advantage over telephone companies .....	9
Cable and telephone companies should be treated the same way .....	89
Don't know / No response .....	2

53) Long distance telephone service

Cable companies should be given a policy advantage over telephone companies .....	8
Cable and telephone companies should be treated the same way .....	90
Don't know / No response .....	1

54) Wireless or cellular telephone service

Cable companies should be given a policy advantage over telephone companies .....	8
Cable and telephone companies should be treated the same way .....	88
Don't know / No response .....	3

- 55) Thinking about the new service, known as **Voice over the Internet**, which offers phone calling using the Internet as the delivery system, do you tend to think of this more as an Internet service, or as a telephone service?
- |                                   |    |
|-----------------------------------|----|
| More as an Internet service ..... | 62 |
| More as a telephone service ..... | 28 |
| Don't know / No response .....    | 10 |
- 56) Do you think that if you were going to buy this service, you would be more likely to buy it from your telephone provider, your cable provider, your Internet services provider, or would you simply buy it from whichever company offered you the best deal?
- |  |    |
|--|----|
| Telephone provider.....                  | 9  |
| Cable provider .....                     | 4  |
| Internet services provider .....         | 12 |
| Company that offered the best deal ..... | 71 |
| Don't know / No response .....           | 4  |
- 57) Do you think that policy and regulation for Voice over the Internet should favour cable companies and other VOIP retailers, favour telephone companies, or treat all competitors equally?
- |  |    |
|--|----|
| Should favour cable companies and other VOIP retailers ..... | 2  |
| Should favour telephone companies .....                      | 4  |
| Should treat all competitors equally .....                   | 92 |
| Don't know / No response .....                               | 2  |
- 58) If telephone companies offer television services, do you feel that they should be given a policy advantage over cable companies because they are entering a new field, or that cable and telephone companies should be treated the same way?
- |   |    |
|---|----|
| Telephone companies should be given a policy advantage over cable companies ..... | 6  |
| Cable and telephone companies should be treated the same way .....                | 92 |
| Don't know / No response .....  | 2  |



Government policy can choose different approaches to meet its goals. For each of the following choices, please tell me which approach you would prefer. The first choice is...

59) Government policy should set as its goal to ensure the largest number of telecommunications competitors, **or...** Government policy should ensure that there is adequate competition and choice, not necessarily the largest absolute number of competitors.

Ensure the largest number of telecommunications competitors .....	15
Ensure that there is adequate competition and choice .....	81
Don't know / No response .....	4

60) Government should set the prices that companies can charge consumers for telecommunications services, **or...** Government should ensure that there is adequate competition and let competition determine prices.

Set the prices that companies can charge consumers .....	18
Ensure that there is adequate competition and let competition determine prices .....	79
Don't know / No response .....	2

61) Government should have detailed rules that spell out what services telecommunications companies can and can't offer and the prices they can charge **or...** Government should provide general rules and rely on oversight and competition in the marketplace to produce the best mix of services and pricing.

Have detailed rules .....	18
General rules and rely on oversight and competition in the marketplace .....	79
Don't know / No response .....	2

62) Whenever a company wants to introduce a new telecommunications service into the marketplace it should be approved by, and have its price set by government before it can be offered to customers, **or ...** Telecommunications services can be offered to customers without prior government approval, as long as government has the ability to oversee the market and intervene to make changes when necessary.

Approved by, and have price set by government .....	26
Offered to customers without prior government approval .....	71
Don't know / No response .....	2

63) Government rules should give a leg up to companies that are trying to get established in a new area of telecommunications services, even if it means holding back the already established companies *or*... government rules should treat all companies the same way, neither favoring the new entrant nor the established company.

Give a leg up to companies trying to get established in a new area .....	11
Treat all companies the same way .....	87
Don't know / No response .....	2

64) If government is going to set telephone prices, it should regulate prices for all telephone services, including optional services, such as call waiting, voice mail, and call forwarding, *or*... government should only regulate the more essential services people need, and let competition determine prices for optional services such as those.

Regulate prices for all telephone services, including optional services .....	23
Only regulate the more essential services people need .....	74
Don't know / No response .....	2

65) If companies want to get into the telephone business by using existing telephone company lines to offer their service, government should set the rates they are charged by the company that owns the lines, *or* ... the companies should negotiate their own agreements, without government involvement, unless there is a dispute that can't be resolved.

Set rates they are charged by the company that owns the lines .....	23
Companies should negotiate own agreements, without government involvement .....	73
Don't know / No response .....	4

Please tell when it comes to your household, whether you consider each of the following services essential, important but not essential, nice to have but not really important, or not necessary.

66) Internet service

Essential .....	30
Important buy not essential .....	33
Nice to have but not really important .....	28
Not necessary .....	9
Don't know / No response .....	1

## 67) Cable television service

Essential .....	14
Important buy not essential .....	28
Nice to have but not really important.....	43
Not necessary.....	13
Don't know / No response .....	1

## 68) Satellite television service

Essential .....	8
Important buy not essential .....	20
Nice to have but not really important.....	43
Not necessary.....	27
Don't know / No response .....	2

## 69) Local telephone services

Essential .....	74
Important buy not essential .....	20
Nice to have but not really important.....	5
Not necessary.....	1
Don't know / No response .....	<1

## 70) Long distance telephone services

Essential .....	58
Important buy not essential .....	28
Nice to have but not really important.....	10
Not necessary.....	3
Don't know / No response .....	<1

## 71) Wireless or cellular telephone service

Essential .....	21
Important buy not essential .....	30
Nice to have but not really important.....	36
Not necessary.....	13
Don't know / No response .....	1

I'd like to read you a list of statements that different people have made and ask you to tell me, for each one, whether you strongly agree, agree, disagree, or strongly disagree. The first statement is...

72) The telecommunications systems of the country are vital to the health of the economy.

Strongly agree .....	39
Agree .....	55
Disagree .....	5
Strongly Disagree .....	1
Don't know / No response .....	1

73) **[HALF OF RESPONDENTS]** It's important to have government rules and regulations in telecommunications

(n=626)

Strongly agree .....	24
Agree .....	62
Disagree .....	10
Strongly Disagree .....	2
Don't know / No response .....	2

**[HALF OF RESPONDENTS]** Given the speed of change in telecommunications, we need regulations that are flexible.

(n=601)

Strongly agree .....	24
Agree .....	69
Disagree .....	4
Strongly Disagree .....	2
Don't know / No response .....	1

74) **[HALF OF RESPONDENTS]** Government should allow telecommunications companies to merge as long as there remains adequate competition for the services they provide

(n=626)

Strongly agree .....	15
Agree .....	70
Disagree .....	11
Strongly Disagree .....	2
Don't know / No response .....	2

**[HALF OF RESPONDENTS]** Government should review mergers in the telecommunications sector in the same way that they review mergers in other sectors, to ensure that the impacts on consumers are appropriate.

(n=601)

Strongly agree .....	32
Agree .....	60
Disagree .....	6
Strongly Disagree .....	1
Don't know / No response .....	1

75) Government should set maximum prices in those situations where there is not an adequate amount of competition

Strongly agree .....	20
Agree .....	49
Disagree .....	22
Strongly Disagree .....	6
Don't know / No response .....	2

76) Government should set maximum prices for the most basic services, to make sure that those who are less well off have access to the services they need

Strongly agree .....	35
Agree .....	49
Disagree .....	13
Strongly Disagree .....	3
Don't know / No response .....	1

76a) [IF AGREE IN QUESTION 76, ASK:] Which of the following services should be considered basic, and be subject to price limits set by government?

i)	Telephone service whether using traditional lines or the Internet	(n=1,021)
	Should be considered basic and be subject to price limits.....	88
	Should not be considered basic and not be subject to price limits .....	10
	Don't know / No response .....	3
ii)	Cellular telephone service	(n=1,021)
	Should be considered basic and be subject to price limits.....	41
	Should not be considered basic and not be subject to price limits .....	56
	Don't know / No response .....	3

iii)	Cable television	<i>(n=1,021)</i>
	Should be considered basic and be subject to price limits.....	51
	Should not be considered basic and not be subject to price limits .....	46
	Don't know / No response .....	3
iv)	Satellite television	<i>(n=1,021)</i>
	Should be considered basic and be subject to price limits.....	30
	Should not be considered basic and not be subject to price limits .....	65
	Don't know / No response .....	5
v)	Dial up Internet service	<i>(n=1,021)</i>
	Should be considered basic and be subject to price limits.....	61
	Should not be considered basic and not be subject to price limits .....	35
	Don't know / No response .....	4
vi)	High speed Internet service	<i>(n=1,021)</i>
	Should be considered basic and be subject to price limits.....	42
	Should not be considered basic and not be subject to price limits .....	54
	Don't know / No response .....	4

77) **[HALF OF RESPONDENTS]** I can afford the telecommunications services I need today.

	<i>(n=626)</i>
Strongly agree .....	18
Agree .....	64
Disagree .....	13
Strongly Disagree .....	2
Don't know / No response .....	2

**[HALF OF RESPONDENTS]** I can afford the telecommunications services I want today.

	<i>(n=601)</i>
Strongly agree .....	17
Agree .....	61
Disagree .....	17
Strongly Disagree .....	5
Don't know / No response .....	1

## 77a) What are the services that you need but cannot afford?

High speed Internet service.....	16
Cellular telephone service .....	13
Satellite television service .....	11
Cable television service.....	7
Dial-up Internet service.....	6
Telephone service .....	5
Long distance .....	1
Internet (general).....	1
VOIP (general).....	1
Other .....	3
None – can afford all that I need .....	61
Don't know / No response .....	6

I would like to read you a couple of statements and ask you to tell me whether you strongly agree, agree, disagree, or strongly disagree with these statements:

## 78a) My household is usually among the first in my neighborhood and circle of friends and acquaintances to take advantage of and buy new technologies and telecommunications services

Strongly agree .....	6
Agree .....	30
Disagree .....	48
Strongly Disagree .....	13
Don't know / No response .....	2

## 78b) I make a special effort to follow public issues and to make my views known

Strongly agree .....	13
Agree .....	50
Disagree .....	31
Strongly Disagree .....	3
Don't know / No response .....	2

