

COMMUNITY ISSUES AND SOCIAL PLANNING COMMITTEE

*HIS WORSHIP, THE MAYOR
AND COUNCILLORS*

RE: AFFORDABLE TELEPHONE SERVICE OPTIONS

RECOMMENDATION:

1. **THAT** Council receive the attached report for information.

REPORT

The Community Issues and Social Planning Committee, at its meeting held on 1997 January 22, at which time a quorum was not present, received and adopted the attached report providing information about the Canadian Radio-Television and Telecommunications Commission's (CRTC) decision on affordable telephone service options.

Respectfully submitted,

Councillor C. Redman
Chair

Councillor D. Johnston
Vice Chair

:COPY - CITY MANAGER
- DIRECTOR ENGINEERING
- DIRECTOR FINANCE
- DIRECTOR RECREATION & CULTURAL SERVICES
- MEDICAL HEALTH OFFICER
- DIR. PLNG. & BLDG.

TO: COMMUNITY ISSUES &
SOCIAL PLANNING COMMITTEE

1997 JANUARY 15

FROM: DIRECTOR PLANNING & BUILDING

OUR FILE: 17.315

SUBJECT: AFFORDABLE TELEPHONE SERVICE OPTIONS

PURPOSE: To provide the Committee with information about the Canadian Radio-Television and Telecommunications Commission's (CRTC) decision on affordable telephone service options.

RECOMMENDATION:

1. THAT the Committee receive this report for information.

REPORT

1.0 BACKGROUND

At its meeting of 1996 March 27, the Committee considered an information report on an upcoming CRTC hearing on options for affordable local telephone service in Canada. The report described B.C. Tel's affordable service proposal, Pathway. Pathway was based on the local measured service concept, whereby the customer pays on a per unit basis, whether the unit be a call or a segment of time. The report noted that many groups, including those representing low-income persons, seniors and persons with disabilities, were speaking out against the Pathway proposal and local measured service in general, maintaining that a subsidized service option would be more efficient in targeting affordability to those who need it most.

Based on the information in the report, the Committee requested Council to make a submission to the CRTC supporting subsidized service options over options based on local measured service. This report provides information on the CRTC's decision.

2.0 THE CRTC DECISION

The CRTC made its decision regarding affordable local telephone service on 1996 November 15.

The CRTC rejected new service options based on local measured service. Instead, the Commission directed Canada's major telephone companies to provide all residential subscribers with bill management tools, including free toll-blocking and improved instalment plans for the payment of connection charges. According to evidence presented at the CRTC hearings, the affordability problems faced most often by low-income persons are inability to pay up-front connection charges and outstanding long-distance bills.

Toll-blocking will be made available to all residential customers to enable parents to control young people's use of long-distance service. Subscribers with toll-blocking will still be able to access toll-free numbers and receive long-distance calls. All customers will also be provided with the opportunity to spread payment of connection charges over a period of six months at an approved interest rate.

The CRTC also instructed the telephone companies to implement a monitoring plan that will help to detect, early on, the existence of any affordability problems. Monitoring reports will be submitted by the telephone companies to the CRTC quarterly. Variables to be monitored include:


- ▶ quarterly and annual telephone penetration rates, presented by region and income group
- ▶ disconnection statistics
- ▶ socio-demographic variables which have an impact on telephone penetration rates, such as household characteristics, mobility and income.

Should an affordability problem be identified, the CRTC will then consider implementing a narrowly targeted subsidy program to deal with the situation.

Concrete plans of action for both the bill management and monitoring initiatives must be submitted to the Commission by 1997 April 30.

3.0 CONCLUSION

The CRTC has rejected new telephone service options based on the concept of local measured service. The Commission has directed telephone companies to provide telephone subscribers with bill management tools and to implement an affordability monitoring plan. Should additional assistance for low-income persons be required, the Commission may consider implementing a narrowly targeted subsidy program.


for D.G. Stenson, Director
PLANNING & BUILDING

JS/db

- cc: City Manager
Director Engineering
Director Finance
Director Recreation and Cultural Services
Medical Health Officer