

# CANADIANS EMBRACE NEW LOCAL TELEPHONE POLICY

*70% Say New Regulatory Scheme A “Good Thing”, 75% Believe  
It Will Produce More Competition And Be Beneficial For  
Consumers*



**Ipsos Reid**

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## **CANADIANS EMBRACE NEW LOCAL TELEPHONE POLICY**

***70% Say New Regulatory Scheme A “Good Thing”, 75% Believe It Will Produce More Competition And Be Beneficial For Consumers***

**Toronto, ON** – According to a new Ipsos Reid survey, the majority of Canadians (70%) believe that Federal Industry Minister Maxime Bernier’s announcement that the government plans to do away with many of the regulations in the local telephone market is a “good thing” for consumers. And, three-quarters (75%) feel that this will “produce more competition which is beneficial to consumers”.

Further, 74% think that the removal of the previous three-month win-back waiting period is a “good development” for consumers.

*These are the findings of an Ipsos Reid poll conducted for Ipsos’ bi-monthly Ipsos Trend Report which examines national issues of importance to Canadians and fielded from December 12-14<sup>th</sup>, 2006. For this survey, a representative randomly selected sample of 1000 adult Canadians was interviewed by telephone. With a sample of this size, the aggregate results are considered accurate to within  $\pm 3.1$  percentage points, 19 times out of 20, of what they would have been had the entire adult Canadian population been polled. The margin of error will be larger within each sub-grouping of the survey population. These data were weighted to ensure the sample’s regional and age/sex composition reflects that of the actual Canadian population according to Census data.*



## ***7 In 10 Canadians Believe That The Changes That Have Been Introduced By The Federal Government Are A "Good Thing" For Consumers...***

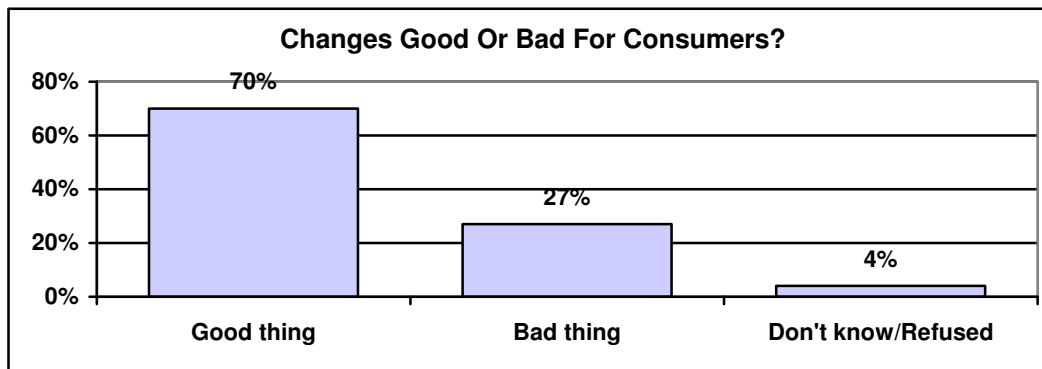
It would appear that the new changes that were introduced earlier this week behind the Federal Minister of Industry on behalf of the Federal Government concerning local telephone competition are getting an early "thumbs-up" from consumers. Respondents were given a brief overview as to the changes that were introduced and were asked whether or not they thought it was, overall, a "good thing or bad thing" for consumers.

70% of Canadians indicated that they thought that this was that "good thing" for local residential telephone consumers like themselves compared with 27% who indicated that it was a "bad thing" and 4% who said that they "didn't know".

Those most likely to say that this was a "good thing" came from Saskatchewan/Manitoba (76%) followed then by Ontario and Alberta (both at 72%). Younger (74%) and middle aged (71%) Canadians are more likely than older (65%) Canadians to believe that this is a "good thing".

As for those who feel that this is more of a "bad thing", consumers in Québec (31%) are most likely to feel this way.

There are virtually no other variations in the demographics.

**FIGURE 1**


*As you may be aware, new rules have been announced by the federal government that will potentially affect your residential telephone service rates and the competition for your business in the future. Under the new rules, if consumers have access to telephone service from a traditional telephone service company, a cable company offering telephone service, and at least one other unaffiliated wireless provider—in other words, at least three non-affiliated competitors in a given geographic market—the companies will be able to compete against one another by setting their own prices. This will mean that companies like Telus and Bell Canada will now be able to set their own prices instead of having to seek permission each time from a regulatory body, allowing them to compete with other local residential telephone providers like cable companies Shaw Communications and Rogers Communications who launched their own digital phone services last year. The federal Competition Bureau will have oversight of these companies to ensure that they will not act in an uncompetitive manner. Overall, do you think that this is a good thing or a bad thing for local residential telephone consumers such as yourself?*

As noted, positive sentiments are most common in Manitoba/Saskatchewan.

	TOTAL	BC	ALB	SK/MN	ONT	QUE	ATL
Good thing	70%	68%	72%	76%	72%	65%	70%
Bad thing	27%	26%	27%	24%	24%	31%	28%

### ***Even More [75%] To Leave At This New Regime Will Produce More Competition And Will Be Beneficial To Consumers...***

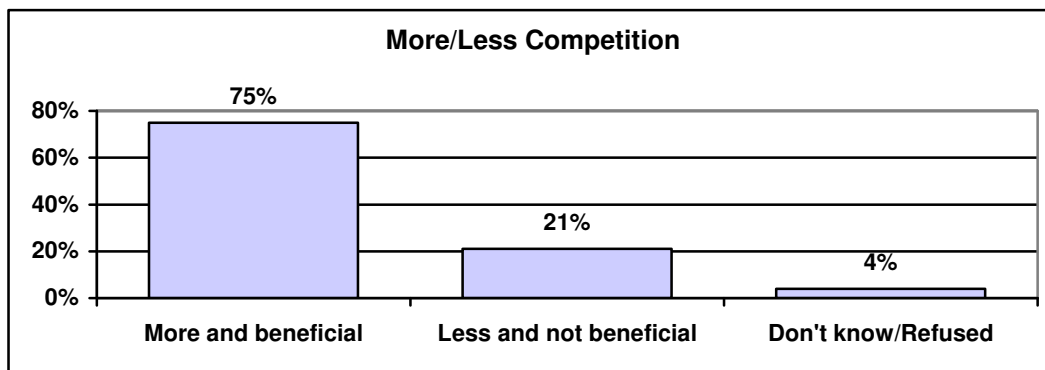
A full majority of Canadians (75%) believe that this new regulatory regime will "produce more competition which is beneficial for consumers" compared to 21% who believe it will "produce less competition and not be beneficial for consumers".

Those most likely to believe that this will produce more competition and will be beneficial for consumers are most likely to come from Saskatchewan/Manitoba (83%), followed by Atlantic Canada and Alberta (both at 81%). Those middle-aged (78%) and younger (77%) are

somewhat more likely than older Canadians (70%) to believe that this will be the case. There is virtually no difference in any other demographics.

As for those who believe it will produce less competition and not be beneficial for consumers (21%), those most likely to believe this to be the case are from Québec (28%). Virtually all of the other provinces and demographics are within a range of 17 to 22%. Rounding out the numbers are 4% who indicate that they "don't know".

**FIGURE 2**



*Do you think that this will produce more competition which is beneficial for consumers or less competition which will not be beneficial for consumers?*

	TOTAL	BC	ALB	SK/MN	ONT	QUE	ATL
More and beneficial	75%	74%	81%	83%	76%	65%	81%
Less and not beneficial	21%	20%	17%	17%	21%	28%	17%
Don't know/Refused	4%	6%	2%	-	3%	7%	2%



***Virtually The Same Number [74%] Think That The New Rules For Being Able To Win Back Customers Is A "Good" Development And In Their Interests As Consumers...***

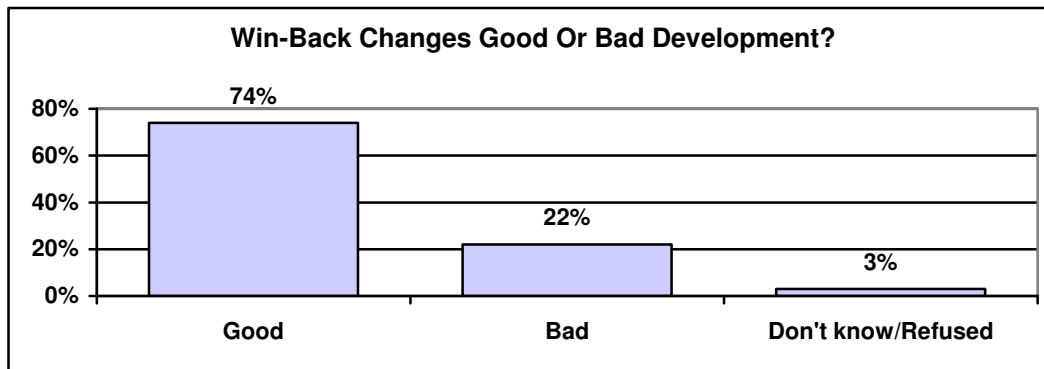
Respondents were provided with a brief overview as to the previous and the newly announced provisions with respect to what has become known as a "win-back" effort -- essentially the ability of a telephone provider to contact a customer who has decided to switch to another carrier and try to encourage them to come back using special promotions or an offer of various services. Previously, traditional telephone companies had to wait for three months before getting in contact with a previous customer who had switched. Under the new provisions that telephone companies can contact their previous customers immediately.

A full majority (74%) believe that these changes are good development in their interest as a consumer, compared with 22% who believe it is a bad development and not in their interest (3% say that they don't know).

Those most likely to say that this is a good development for consumer interests is highest in Atlantic Canada (87%) followed by Saskatchewan/Manitoba at 83%, and Alberta at 81%. Men (79%) are slightly more likely than women (70%) to believe that this is a good development.

Those most likely to believe that this is a bad development are in British Columbia (27%) followed by Québec (25%) and Ontario (24%). Younger Canadians (26%) are more likely than other age groups to believe that this is a bad development.

**FIGURE 3**



*Previously, if you switched from your local telephone service that was provided by a traditional telephone company to a competitor, that telephone company would have had to wait three months before they could contact you to offer special promotions or incentives to win back your business. Now, under the new rules, if you switch your local telephone service from a traditional telephone company to a competitor, the traditional phone company can now contact you immediately to offer you special promotions or offers on any service they provide to encourage you to switch back.*

*Thinking about your interests as a consumer, do you believe this is a good or bad development?*

	TOTAL	BC	ALB	SK/MN	ONT	QUE	ATL
Good	74%	66%	81%	83%	74%	72%	87%
Bad	22%	27%	18%	17%	24%	25%	13%
Don't know/Refused	3%	8%	2%	-	3%	4%	-

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