Why a Policy?

The Unifor Telecommunications Policy aims to encapsulate the union’s position on issues and relevant matters to the telecommunications industry. This policy document has been developed by the Unifor Telecommunications Council, in coordination with staff representatives. The intent is to provide a dynamic, working document that will be updated based on a rapidly changing industry.

The telecommunications sector has become increasingly important in today’s society. Each and every one of us and our union would not be able to perform basic functions without the services and products that Unifor members provide. Underlying this policy is Unifor’s commitment to supporting the creation of local jobs, ensuring long-term job security, establishing safe work environments, and providing fair and equitable wages and benefits for all telecommunications workers from coast to coast to coast.

Unifor’s Telecommunications Policy is meant to inform and guide members, activists, locals and bargaining teams in their day-to-day work of the union and to respond to the pressing issues in our sector. Each policy area translates into concrete actions that our union can take to put our policies into practice. Through ongoing political action, lobbying, membership outreach, and community engagement work, together, we can make our goals and objectives a reality.

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Foreign Ownership and Control

The federal government in recent years has claimed that opening up the market to more foreign-based telecommunications carriers would create more competition in the sector, and thus, benefit Canadian consumers.

2012 Budget and changes to the Telecommunications Act

In 2012, the federal government amended the Telecommunications Act that changed the rules around foreign ownership of telecommunications carriers. The Act requires that telecommunications carriers are at least 80% Canadian owned. The amendment created an exception to this rule, which now allows carriers to be less than 80% Canadian owned as long as they represent less than 10% of the total annual revenue of the industry. These companies’ market share can be allowed to rise above 10% if their business grows, but not as a result of mergers or acquisitions. Currently, only the “big 3” companies – Bell, Telus, Rogers – individually represent over 10% of the Canadian market. This means that any other Canadian telecommunications company can be purchased, wholly owned and managed by foreign companies. This change was particularly aimed at removing barriers for smaller, foreign-owned carriers to enter the market and increase competition in the sector.

Verizon’s attempt to enter the Canadian market

In 2013, the federal government made attempts to attract Verizon – the largest American wireless carrier – through meetings with the company’s executives. At the time, criticism was levelled toward the federal government for intervening in the market and sitting on particular federal regulations that favour foreign companies over Canadian ones. This included favourable conditions related to the acquisition of smaller carriers (the “big 3” could not acquire while a company like Verizon would be able to at arguably lower prices), purchase of spectrum (Verizon would be considered a “new entrant” and would thus be prioritized for a particular chunk of spectrum), and access to Canadian networks (Verizon would be able to offer wireless services using existing Canadian networks without needing to invest in its own networks). Eventually, Verizon decided not to enter the Canadian market.

Competition in the sector

There are a number of concerns regarding the impact of increased foreign-based carriers in the Canadian market. First, there is no strong evidence that suggests more foreign-based carriers would lead to lower prices or better services. Canada has among the most wireless companies in the Organization for Economic Co-operation and Development (OECD). This number would most likely decline if foreign companies (typically larger ones who would be interested in entering the market) are more easily able to acquire smaller companies. The further consolidation of the telecommunications market among large companies could be worse for customers.
Canadian culture and innovation

Second, foreign ownership has the potential to undermine Canadian culture and innovation. Telecommunications, media and broadcasting have evolved in a way that now makes them intimately linked. For example, many of Canada’s media companies (newspaper, television networks, etc.) are owned by telecommunications companies. This convergence between telecommunications and media ownership potentially leaves programming content vulnerable to foreign influence. At a time when Canadians have seen funding for the country’s public broadcaster (CBC) cut and the decline of local media outlets, the relevance of Canadian programming content continues to be a concern.

National security and privacy

Third, increased foreign control in telecommunications has raised issues around national security and privacy. Canadian laws exist when it comes to the activity of Canadian companies and protecting the privacy and security of Canadians. However, these laws are much harder to enforce for companies that are based outside of the country. Canada’s Privacy Commissioner has already ruled that once data leaves Canada, it is in the hands of other countries and subject to their laws. Several countries monitor individual citizens’ communications in the name of national security. For example, the United States government monitors domestic communication and existing legislation does not set any limits on surveillance of non-American citizens or companies. Legislation in the United States also permits the acquisition of foreign intelligence information from or with the assistance of telecommunications providers.

Jobs and the economy

Finally, foreign ownership and control in the sector has real implications for the Canadian economy and workers in Canadian communities. Foreign companies who operate in Canada generally have their headquarters and central offices in their home countries, where they employ local people and/or outside experts who move to these destinations. Canadian companies do the same when their central offices are located in a Canadian town or city, where employees are able to live in and contribute to their local communities. When it comes to operations, Canadian telecommunications companies are increasingly contracting out work off-shore, which has eliminated many jobs in Canadian communities. Increased foreign ownership in the sector would likely escalate the trend of off-shoring since such companies have established networks and infrastructure outside of Canada and may not have any incentive to keep jobs in the country.

Unifor commits to:

- Support government policy that protects the Canadian-based telecommunications industry, which includes issues related to company ownership, competition and local jobs.

- Oppose government measures that give non-Canadian telecommunications companies a competitive advantage over Canadian companies.

- Advocate to remove/reverse the amendments made to the Telecommunications Act related to foreign ownership in the 2012 Budget Implementation Bill.
Radio frequency spectrum is a limited, shared and public resource that is regulated by Industry Canada. Spectrum is used extensively for communication, but also plays a function in areas related to transportation, defence, public safety, weather prediction and agriculture. Spectrum supports services like commercial mobile, broadcasting, satellite, space science, aeronautical and maritime functions, among others.

Spectrum Policy Framework for Canada

As technology changes, governments have had to stay current with how spectrum is regulated. Industry Canada published a renewed Spectrum Policy Framework for Canada (SPFC) in 2007, which guides current policy on spectrum. The framework does state that spectrum should be made available for a range of services that are in the public interest. However, the very first guideline in the framework outlines how “market forces should be relied upon to the maximum extent feasible.” This market-based approach is supported by other guidelines which state that regulatory measures should be “minimally intrusive, efficient and effective” while spectrum and policy management should support the efficient functioning of markets in a variety of ways.

Spectrum auctions

Since the establishment of the SPFC, there have been a series of lucrative spectrum auctions, whereby the government sells licenses to transmit signals over the limited amount of spectrum for specific bands. In 2015, the three spectrum auctions yielded $2.92 billion. This followed the record high 700 MHz spectrum auction in 2014 which raised $5.27 billion. The government viewed these auctions as important for fostering more competition in the telecommunications sector (and wireless, in particular).

Market-based approach to spectrum

There is little direction when it comes to government policy on spectrum beyond the SPFC. The framework as it currently exists places a heavy emphasis on market forces determining how spectrum is managed and policy is developed. In recent years, the federal government has taken this market-based approach to encourage competition and raise the highest amount of revenue possible through the spectrum auctions. As a result, little attention has been paid to how the management of spectrum – which is a public asset – should meet public interest objectives.
Spectrum continued

Spectrum for the public

The government has the ability to direct how public spectrum can be utilized beyond blindly auctioning it off to the highest bidders. Spectrum should and can be reserved for public uses. To a certain degree, spectrum is allocated for purposes related to security, sovereignty and public safety needs. However, these types of communications are typically carried by commercial systems. There are other ways to manage spectrum in a way that serves the public interest. This could include reserving spectrum to expand services by public broadcasters and for non-profit community-based communications initiatives.

The government can also implement requirements when auctioning spectrum that serve to strengthen local economies and ensure that all Canadians – regardless of the region they live in – have access to good services. For example, successful spectrum purchases can be tied to locally created jobs and based on the service area. In terms of consumer services, successful spectrum purchases can be tied to particular infrastructure development and access to services for rural, remote and First Nations communities.

Unifor commits to:

• Advocate for a national spectrum policy that focuses on the use of spectrum for public interest objectives, rather than relying largely on market forces to determine how spectrum is managed.

• Advocate for government measures that reserve particular amounts of spectrum from auctions for public uses.

• Advocate for more creative and diverse uses for reserved public spectrum, such as expanding services by public broadcasters and supporting community-based communications initiatives.

• Oppose measures that allow foreign telecommunications companies a competitive advantage in purchasing spectrum over Canadian companies.
Like many other sectors, the telecommunications industry in Canada deals with millions of consumers who are typically looking for high quality and affordable services. Telecommunications companies have employed a range of business practices for various services – some of which consumers are not always happy with. As such, a common dialogue related to products and service delivery is that more competition between companies would better serve customers.

**Competition vs. Regulation**

The idea that we need more competition in the sector has prompted the federal government to seek more involvement of foreign companies in the Canadian telecommunications industry, for example. This narrow view focuses on these companies’ access to the Canadian market and consumers, without considering the impact on local jobs and off-shoring operations, among others. There are also many large foreign companies in the sector who have the ability to consolidate smaller companies and increase their market share, thereby potentially reducing the so-called competition in the sector.

The idea that increased competition (and less regulation) will simply lead to better pricing and services for Canadians does not necessarily ring true. To protect consumers, a better direction would be to establish stronger regulation that directly addresses pricing and service rules, which apply regardless of which companies are providing the service. The Canadian Radio-television Telecommunications Commission (CRTC) is the country’s regular that has the ability and authority to protect consumers through regulation.

**Role of the CRTC**

The CRTC did take a measure to protect consumers in 2013 when it introduced the Wireless Code. The Code established new requirements for service providers and addressed issues around wireless contracts, cancellation fees, bill shock and other industry practices. The Wireless Code has demonstrated that regulation through the CRTC can effectively protect consumers, rather than relying on an assumption that unbridled competition would better serve consumers.

The federal Telecommunications Act speaks to access to reliable and affordable services for all Canadians. Given the CRTC’s authority and function, there is a need for a renewed public mandate for the Commission in order to strongly regulate the sector in the public interest and ensure that the goals of the Telecommunications Act are met. While the Wireless Code speaks to one major area in the sector, there is a need to look at the other areas where consumers can be further protected.
Unifor commits to:

• Encourage appropriate regulation as the best way to provide Canadian consumers with better services and protection.

• Oppose government measures that aim to protect consumers through foreign company competition.

• Advocate for the CRTC to build on the Wireless Code and examine how consumers can be further protected in other major areas of the telecommunications sector.

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Telecommunications services are basic services that individuals and families need to function, no matter where they live or whatever their income. However, companies do not base their business decisions on ensuring that services are truly accessible for current or potential customers. This means that communities across the country do not all have the same infrastructure or services available, while individuals and families may not use particular services based on regional pricing and income levels.

Rural communities

According to Statistics Canada (National Household Survey), one in five Canadians lives in a rural community. However, there is a clear disparity between rural and more populous communities when it comes to the available telecommunications services.

In its most recent Communications Monitoring Report, the CRTC indicated that providers of local telephone and long distance services were more concentrated in major urban centres. While there are between 3 and 9 local service providers in urban centres, there are between 1 and 3 local providers in rural communities. The same disparity exists between rural and urban communities for wireless service providers. Canadians in urban centres generally have a choice of between 3 and 6 service providers, while those in rural communities have between 2 and 5 choices. In terms of pricing, rural communities typically pay more for basic telephone services (Ontario being an exception) in addition to having fewer options.

Urban households pay between $22-$32 for basic telephone services per month, while rural households pay between $21-$38 per month. For wireless services, prices for introductory/low-usage plans are similar between rural and urban communities in the Atlantic region and the territories, but are considerably higher for rural households in the rest of Canada ($19-$27 lowest price in urban areas vs. $25-$30 lowest price in rural areas).

Rural communities also experience a similar service gap when it comes to broadband internet. All households in urban centres are able to access basic broadband internet service, while 84% of households in rural communities can. A larger picture can be seen when comparing higher broadband or higher speed internet service. For example, most non-rural (including smaller population centres) have access to 50 Mbps broadband internet service, while only one-quarter of households in rural areas do.

Households in rural areas generally have fewer service provider options - urban households have a choice between 3 and 7 service providers compared to rural households that have between 1 and 5 options. Similar to telephone services, pricing for internet services is higher for rural households. Urban households pay between $25-$72 for monthly services, while rural households pay between $32-$130 per month. In the most extreme example, rural households in the Northwest Territories pay up to $500 per month for basic internet service.
Low-income households

There are clear variances with regard to the availability of telecommunications services depending on the region of the country and the population of a community. Accessibility of services for Canadians does not just speak to the actual infrastructure or number of service options available, but also the cost of obtaining these services. The data on rural and urban communities already demonstrate that there is a cost difference based on a region’s population.

More broadly, the affordability of services – no matter which region – has a significant influence on any individual or family’s decision to use them. This becomes more evident especially with low-income households. According to Statistics Canada (National Household Survey), 83.5% of all households in Canada use wireline service and 81.4% use mobile wireless service. However, when we look at the use of services based on income, there is a clear gap. Within the highest income quartile, 92.4% of households use wireline service while 74.6% of households in the lowest income quartile use wireline. The gap is even larger for mobile wireless services, as 93.4% of households in the highest income quartile and only 61.7% of households in the lowest income quartile use this service.

Addressing the disparity

Canada’s telecommunications policy needs to work in the public interest by ensuring that Canadians have more equal access to services. Such a policy should address the gap in infrastructure and services in particular regions, while making it easier for low-income households to afford these services. The federal government and CRTC have the ability to enable these changes through industry regulation and political decisions.

Unifor commits to:

- Advocate for policy measures and regulations that facilitate greater access to services for rural communities.
- Advocate for policy measures and regulations that make services affordable for people no matter which region of the country they live in.
- Urge the federal government and CRTC to acknowledge the disparities in access and affordability of telecommunications services between communities, and to make concrete commitments in order to address these disparities.
Privacy and Transparency

In recent years, issues around personal information and privacy have been top-of-mind for many Canadians, fueled by various pieces of legislation that were pushed by federal government and events that gave rise to more discussions around national security. Telecommunications companies play a prominent role in this discussion, however, since they are intermediaries when it comes to disclosing consumer information to government and law enforcement authorities.

Voluntary disclosure of personal information

The Personal Information Protection and Electronic Documents Act (PIPEDA) and Criminal Code have allowed for intermediaries (like telecommunications companies) to disclose personal information voluntarily as part of investigations for years. However, there was little indication of what impact this had on ordinary Canadians until 2011, when the Privacy Commissioner of Canada reported that at least 1.2 million requests annually had been made to telecommunications companies, affecting 750,000 user accounts.

In addition to the concerning scope of information requests, there was not a clear indication of the type of information being requested or disclosed by companies. Disclosures could involve more than just basic subscriber information, and could include specific types of transmission or tracking data. Companies used their own discretion over how much information to disclose, while users were not typically notified when their personal information was disclosed.

Supreme Court of Canada ruling (R. v. Spencer)

In June 2014, the Supreme Court of Canada issued its decision on the R. v. Spencer case, which revolved around the legality of voluntary warrantless disclosure of basic subscriber information by telecommunications companies to law enforcement. The Supreme Court issued a unanimous decision that emphasized the privacy importance of subscriber information, the right to anonymity and the need for law enforcement officers to obtain a warrant for subscriber information except in exigent circumstances or under a reasonable law.
Privacy and Transparency continued

Federal legislation: Bill C-13 and Bill S-4

Despite the Supreme Court decision in R. v. Spencer, the federal government continued to push through two bills that would amend privacy law as it related to the disclosure of personal information.

Bill C-13, Protecting Canadians from Online Crime Act, was originally intended to address the issue of cyberbullying in the wake of the high profile cases involving the deaths of Rehtaeh Parsons and Amanda Todd. While the bill did address issues around cyberbullying, it also included an immunity provision in the Criminal Code that would protect persons or companies from legal liability who voluntarily disclose personal information in response to government requests without a warrant. The bill also expanded the scope of who information could be disclosed to under these provisions – its definition of “public officer” could include agencies like the Canadian Security Intelligence Service (CSIS), Communications Security Establishment (CSE) and other public officials. Bill C-13 was passed in December 2014 with these provisions despite public concerns raised in light of the Spencer decision.

Bill S-4, Digital Privacy Act, was passed in June 2015 and contained problematic changes to the PIPEDA. The bill expanded the scope of disclosing subscriber information by allowing private sector organizations to voluntarily disclose personal information without the affected person’s consent and without a court order to other private, non-law enforcement organizations, if they are investigating a contractual breach or possible violation of the law. These provisions open up the door to widespread personal information disclosures between organizations or companies simply based on suspected fraud or contractual breaches without the law requiring them to obtain a court order.

Ambiguity in the law

The Conservative government had pushed ahead with Bills C-13 and S-4 despite the public concerns around privacy and transparency, and the Supreme Court’s ruling on the legality of voluntary warrantless disclosure of subscriber information. Unfortunately, this has only led to more legal ambiguity and uncertainty with regard to how telecommunications companies treat disclosure requests.

The Privacy Commissioner of Canada had been outspoken related to the changes in Bills C-13 and S-4. The Commissioner spoke against the provisions in Bill S-4 related to non-law enforcement organizations and emphasized the need for a legal framework to clarify when policing powers to obtain personal information without a warrant can still be used, based on the Spencer decision.

Transparency reporting by telecommunications companies

With more public attention being paid to personal information disclosure, telecommunications companies began to respond. Some companies started to issue “transparency reports” which revealed some detail related to the number of requests they received from government departments and agencies for subscriber information about its customers.
However, a report from the Office of the Privacy Commissioner described the reporting schemes as a patchwork with clear gaps – companies did not report in the same way if they even reported at all. The Commissioner’s report provided an analysis of transparency reporting by telecommunications companies that were providing statistical details in their annual reports at the time (Allstream, Rogers, Telus, SaskTel, Wind and TekSavvy).

Shortly after the Commissioner’s report was released, Industry Canada introduced Transparency Reporting Guidelines for companies in July 2015. However, the guidelines fall short in several areas: disclosure under the guidelines remain voluntary; transparency has actually been reduced by imposing general rules on how disclosures should be reported; and there remains no appropriate regulatory or legal process to address issues around transparency reporting since the guidelines are not part of legislation or regulation.

Company privacy policies

As some companies began issuing transparency reports, some also began introducing privacy policies, especially after the Supreme Court decision in R. v. Spencer. Rogers introduced a policy where warrants are generally required for disclosure requests. Telus announced it would not provide warrantless information to law enforcement beyond what is normally published in a phone book, except in emergency situations. SaskTel said it would no longer release IP addresses without a warrant or correct legal process except in emergencies, but it would still release public information such as name, phone number and address without a warrant.

The most notable telecommunications provider that hasn’t changed its privacy policy in the wake of the Spencer decision is Bell. Bell has not made any statements related to information disclosure and has not issued transparency reports related to personal information, despite the public attention paid to the issue and developments from other telecommunications companies.

Surveillance and interception capability

While information disclosure has been incorporated into recent lawful access legislation, other lawful access and privacy issues remain to be addressed. Surveillance and interception capabilities had been on the Conservative government’s radar, with elements incorporated into early versions of government bills like Bill C-13.

Disturbingly, a 2013 government memorandum revealed that Canadian telecommunications companies have tried to convince the government that they can easily build surveillance capabilities into their networks and advised that the leading equipment manufacturers generally offer interception capabilities at a small additional cost. Canadian network providers claim that surveillance and interception capabilities will eventually become a standard function in their networks.
Other internal documents from Public Safety Canada have explored the possibility of incorporating surveillance and interception technologies in wireless networks, while emphasizing the potential value of linking these possibilities with spectrum license requirements. The documents outline the department’s intention to work with wireless providers in order to assess what options are available.

All of these discussions are happening behind closed doors despite its potential impact on the privacy of Canadians.

Unifor commits to:

- Advocate for a legal framework that would provide Canadians with greater transparency about private sector disclosures of personal information and reinforces the Supreme Court’s ruling in R. v. Spencer.

- Advocate for mandatory reporting related to the disclosure of personal information by private sector companies to state agencies or any other parties.

- Demand that employers establish clear policies related to personal information disclosure, in order to protect the privacy of their customers.

- Demand that employers provide detailed transparency reports related to personal information disclosure requests.

- Demand that the federal government be transparent with regard to current policy and government goals related to surveillance and interception capabilities.
Trade agreements between Canada and other countries can have a significant impact on numerous Canadian industries. Historically, the negotiations between Canada and its potential partners in a major trade deal have been done behind closed doors with limited information available to the public. While industry players typically have the ear of the government during such negotiations, the public is given little opportunity for input regarding the details and impact of new trade deals.

North American Free Trade Agreement (NAFTA)

The 1994 NAFTA does contain a telecommunications section that opens up the market to companies for enhanced services (e.g. data-processing) in particular. NAFTA does not limit Canada’s ability to restrict foreign ownership through its own legislation like the Investment Canada Act (ICA). However, one of the most damaging elements of NAFTA is Chapter 11, which gives companies the right to sue the Canadian government through an investor-to-state dispute process if a government policy or action prevents investment or profit opportunities. There have been several cases over the last two decades, covering a number of sectors.

Comprehensive Economic and Trade Agreement (CETA)

The federal government announced in 2013 that they had an agreement in principle on the CETA, which would establish trade parameters between Canada and the European Union. The consolidated text of the major agreement with the European Union was released in the fall of 2014, with Canadians not having a say into what the deal should look like before this happened. Once the text was released, many groups criticized the agreement of having an investor-to-state dispute process that paralleled NAFTA and what appeared to be a ban on “buy local” or “buy Canadian” policies by local governments. The CETA text also contains a section on telecommunications, which would allow European Union companies to easily access Canadian telecommunications networks and services. While the CETA text still needs to undergo a process review and approval from all countries involved, the agreement has the potential to change the telecommunications landscape through increased access by foreign companies.

Trans-Pacific Partnership (TPP)

The federal government has been involved in the TPP negotiations since 2009, which aims to establish a trade agreement between twelve Pacific Rim countries that include Canada, United States, Mexico, Chile, Peru, Japan, Malaysia, Brunei, Singapore, Vietnam, New Zealand and Australia. In terms of Canada’s trade relations with the United States and Mexico, the TPP would supersede NAFTA if established. An agreement in principle was reached in October 2015, with negotiations being kept secret and Canadians only knowing elements of the deal through leaked documents.
One of the most problematic elements of the TPP that has been revealed is the investor-to-state dispute process, which is similar to that contained in NAFTA and other trade deals. The provision would open the door wide open for companies to sue governments in secret tribunals if their profits are threatened by public policies or government decisions. Other concerning elements of the TPP relate to access to medicines, environmental protection measures, labour and intellectual property.

Under the TPP, member states have agreed to ensure that access to telecommunications facilities, the allocation of spectrum frequencies as well as the establishment of investment provisions will incorporate “non-discriminatory” terms and conditions. At the same time, government officials claim that Canada has maintained the rules governing its foreign investment in telecom – most notably, restrictions on foreign ownership under the Telecommunications Act which mandate carriers that hold more than a 10% industry market share must be at least 80% Canadian-owned.

Canada’s current foreign ownership restriction under the TPP appears to be classified as a ‘non-conforming measure’ (i.e. a law or regulation that does not conform to the spirit of the trade pact, but is still permissible since it already exists). However, any attempt to strengthen those existing foreign ownership rules may be subject to challenge as unnecessary or discriminatory under the National Treatment provisions in the TPP Investment chapter – imposing a ‘ratchet’ effect of greater (not less) deregulation in the industry.

There is further uncertainty over how TPP rules might limit Industry Canada’s ability to establish and apply spectrum and frequency management policies, including the ability to allocate frequency bands. In the past, Industry Canada has set aside particular blocks of frequency for new entrants in a spectrum auction (referred to as preferential spectrum allocation).

**Unifor commits to:**

- Advocate for greater transparency where the federal government has participated in the negotiation of a multi-national trade agreement.
- Advocate for an extensive public consultation process where the federal government has participated in the negotiation of a multi-national trade agreement.
- Oppose trade agreements that directly or indirectly threaten local Canadian jobs.
- Oppose trade agreements that ban “buy local” or “buy Canadian” policies.
- Oppose trade agreements that give companies disproportionate power to sue governments through investor-to-state dispute process.
- Oppose trade agreements that do not have any meaningful benefit to the Canadian economy.
The telecommunications industry is constantly changing, as people and businesses are changing the way they communicate and new and diverse services are provided to meet consumer demand. “Legacy” services such as local access, long distance and private line have been on the decline over the last decade, while “New product line” services – wireless, data and high-speed internet – continue to grow.

In general, Canadian consumers are now using mobile phones more than landline telephones. For the first time, in 2014, more Canadian households subscribed exclusively to mobile wireless services than to wireline telephone service. The same trend follows for broadband mobile services and smartphone users. High-speed data technology and service has continued to evolve, as most of the Canadian population now has access to Long-Term Evolution (LTE) coverage. Households now have access to and have been subscribing to higher-speed internet services, which are increasingly reliant on new fibre-optic infrastructure.

Enhancing skills with technology change

New technology is part of an evolving telecommunications landscape that can present challenges to workers but can also provide new opportunities. As companies shift the focus of their services and operations as technology changes, the workforce can evolve accordingly. New jobs are inevitably created but they do not have to be at the expense of other jobs. Workers and companies can benefit from the technological shifts by enhancing workers’ skills and recognizing the importance of workplace training.

Companies do not always respond to new technology in productive ways. For example, companies often lay off workers who work in a particular area or service that is declining or being phased out due to new technology. Companies do not always acknowledge the transferrable skills that workers possess or do not see the long-term benefits of training workers and building more internal capacity.

Unifor commits to:

- Advocate for access to training for required job skills for workers in workplaces as technology changes.

- Place pressure on companies to implement transition measures to ensure employment security, protection of workplace seniority and adequate training for members in the face of technology change.

- Remain vigilant at the bargaining table to ensure that members are given full and equal opportunity to remain employed and trained in the face of technological change.
Outsourcing and Off-Shoring

Outsourcing can take many forms, but the main process involves transferring a function or operation to an external service provider, which would otherwise be an in-house function or operation. Companies like Bell Canada have been more brazen with its outsourcing initiatives, by subcontracting functions to a subsidiary that belongs to it (in-house outsourcing). In many instances, employers decide to outsource functions to an external service provider outside of Canada (offshoring). In the telecommunications sector this has become more prevalent, as technology and the nature of the services has enabled employers to more easily set up operations overseas while serving Canadian customers.

Companies looking to undercut workers

Employers don’t generally admit that outsourcing is done with the purpose of removing workers from the scope of collective agreements, however, contracts for outsourcing typically go to non-unionized companies. Companies think outsourcing can cut costs through lower wages and the offloading of benefits. By outsourcing, companies eliminate their obligations in payroll taxes and benefits, while decreasing the labour standards of its workers where these standards were higher than those minimally required by law. This is especially evident with the offshoring of work, where it is common for workers to make a fraction of what they would get paid in Canada and not be afforded the same labour protections and standards.

Broader impact

Outside of these well-known impacts of outsourcing and offshoring, there are important social consequences. The loss of quality jobs narrows the tax base and puts more cost pressure on government social programs like Employment Insurance and retraining programs. In addition to the job losses, there is an impact on the wages of those jobs that manage to survive. Studies have revealed that wages in a service sector tend to decrease as the use of offshoring increases in that same sector.

Ironically, companies don’t often achieve their desired goals when they move to outsourcing. Many companies who move operations offshore typically experience higher than expected costs since managing operations halfway around the world can be costly and costs are indirectly driven up because of challenges making decisions between multiple regional zones.

With regard to services, outsourcing and offshoring has the effect of lowering quality. The practice eliminates the direct communication between a company and its clients, and prevents a company from building solid relationships with its customers. High staff turnover and the lack of retaining skills within the company all contribute to the level of service the company provides. In the case of offshoring, there are additional language and cultural differences that may impact the level of service if offshored workers are interacting directly with customers in Canada.
Finally, there are security issues related to outsourcing where a company is dealing with sensitive information. While telecommunications centres might have access to less sensitive information than services like banking IT services, offshoring of this information still paves the way for security breaches like identity theft.

Unifor commits to:

- Oppose the outsourcing of jobs in our workplaces – whether or not they are outsourced to other companies within or outside of Canada.

- Advocate for changes to Canadian and provincial labour laws that strengthen union successor rights in cases where a function or undertaking is transferred from an employer to another.

- Advocate for changes to Canadian and provincial labour laws that reduce the incentive for companies to outsource through the inclusion of financial consequences. For example, looking at severance pay provisions for workers displaced because of outsourcing and offshoring.

- Advocate for legislative changes that would include conditions of non-offshoring in performance requirements for the telecommunications sector.
To learn more about the Telecommunications Council please visit: unifor.org/telecommunications

For updates and information on how to get involved with the Council or your union please contact the Telecommunications Industry Council Executive!

Contact the Unifor Telecommunications Council at: telecommunications@unifor.org