

CHAPTER 9: *Communications — A Competitive Edge*



CANADA'S COMMUNICATIONS INFRASTRUCTURE has evolved in response to the challenge of building a national community over vast distances. Over a century ago, the world's first long-distance telephone call was made in southwestern Ontario. To this day, Canada has remained at the forefront of advances in telecommunications.

Canada is a world leader in voice, text and data communications facilities, with a sophisticated infrastructure for high-speed, high-quality data transmission. Many regions have cable and optical fibre for digital communications. Canada also leads the world in applied videotext technology, and provides a centralized database service with online access to all major Canadian and American databanks. What is more, Canada's communications infrastructure is continuously being improved. At present, Canadian telecommunications carriers are investing \$5 to \$6 billion per year to maintain and upgrade their networks.

In terms of international comparisons, Canada consistently ranks at the top end in terms of the quality and sophistication of its telecommunications system. In a seven-country comparison conducted by the California-based MESA research group, Canada led in telecommunications quality and service penetration, and was second only to Singapore in terms of overall quality. Countries ranked below Canada in terms of telecommunications quality included France, Germany, Japan, the United Kingdom and the United States.

THE LIBERALIZED REGULATORY ENVIRONMENT

Canada's regulatory environment for telecommunications services is among the most liberalized in the world. Since 1992, the Canadian Radio-television and Telecommunications Commission (CRTC) — the federal regulatory body — has made several decisions that open up the telecommunications market to full competition in all areas. A current example is the heated competition between telephone and cable companies to provide interactive online services to households.

To a large extent, the regulatory reforms have been responses to the rapid technological changes in the sector. But they are also predicated on the principle that competition will provide the most efficient, accessible system at the lowest prices.

EXPANDING NETWORKS

Canada's communications infrastructure comprises 252 million kilometres of telephone and data networks, all of which are interconnected with satellite, cellular telephone and mobile radio networks. Despite the size of the country, telephone service in Canada is virtually universal, with 16 million access lines bringing service to 99 percent of all households.

Businesses and homes in Canada are served by three national telecommunications networks. Two major carriers, the Stentor Alliance of 10 telephone companies, and Unitel Communications Inc. provide telephone services, while Teleglobe Canada supplies the linkage for overseas telecommunication services. In addition to the big three, 50 smaller independent companies serve various regions of Canada. Telesat Canada operates Canada's