



## Better Than Cannabis: 5G Dividend Stocks for Your TFSA

### Description

Investors are still trading two Canadian telecom giants, **BCE** ([TSX:BCE](#))([NYSE:BCE](#)) and **Rogers Communications** ([TSX:RCI.B](#))([NYSE:RCI](#)), at high volumes. Wireless communication stock has received less attention than it should, as the industry prepares for the 5G rollout expected in 2020.

Both Bell and Rogers complained about a recent CRTC decision to reduce the wholesale rates that third-party internet resellers pay to access broadband networks in Canada.

This confrontation will reduce the economic impact of 5G. Bell has released a statement saying that the company has decided to minimize rural broadband internet expansions — a priority for the Canadian government.

### Do monopolistic telecom giants have a right to complain?

In response, Byron Holland, president of the Canadian Internet Registration Authority (CIRA), commented on the numerous government protections afforded to Bell: “Companies like Bell have benefited from decades’ worth of [public subsidies](#) and protections from competition, and now they’re threatening to abandon rural Canadians because the CRTC is forcing them to compete.”

As an example of Canadian regulatory generosity toward Bell and Rogers, the government grants the two competing telecommunications giants the right to collaborate on business ventures.

Two examples of these joint projects include Glentel, a wireless retail outlet, and Maple Leaf Sports and Entertainment. Maple Leaf Sports and Entertainment own Toronto Maple Leafs hockey team, the Toronto Raptors basketball team, and Toronto FC soccer team, as well as a few sports entertainment stations.

The two companies are so connected that Canadians could almost define as it a symbiotic relationship versus a competitive one.

In 2014, BCE acquired Glentel, a wireless retail outlet. Following the announcement, Rogers

Communications filed a dispute that the acquisition violated business agreements between Glentel and Rogers.

Canadian regulatory authorities allowed BCE and Rogers to share ownership over Glentel, reducing competition and increasing the incentive for these two telecom giants to collaborate.

## Do rural Canadians want faster Internet?

Bell's impressive 5.07% dividend yield is tempting, but should investors purchase stock in a company that was so quick to turn its back on rural Canadians? Around 50% of rural Canadian households and businesses struggle with slow download speeds due to weak rural rollout of broadband internet access.

On the one hand, [less rural digitization](#) may be a good outcome. Many people are concerned about the potential adverse effects on health from telecommunications equipment, including cancer. Nonetheless, broadband internet and faster 5G cell service would be helpful for many rural households and businesses.

Although Rogers Communications's dividend yield is lower than Bell's at 3.05%, the company may be in a stronger financial position to provide investors with highly liquid returns to 5G. Moreover, Rogers can probably better afford the rural broadband expansions.

As of yet, Rogers has only expressed disappointment at the CRTC decision — and hasn't threatened to pull the plug on agricultural broadband internet expansions. If Bell doesn't expand broadband internet to difficult-to-reach rural areas, Rogers can take advantage of the opportunity — if that's something rural Canadians want.

### CATEGORY

1. Dividend Stocks
2. Investing
3. Tech Stocks

### TICKERS GLOBAL

1. NYSE:BCE (BCE Inc.)
2. NYSE:RCI (Rogers Communications Inc.)
3. TSX:BCE (BCE Inc.)
4. TSX:RCI.B (Rogers Communications Inc.)

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