



Broadcasting and Telecom Notice of Consultation CRTC 2011-192

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Ottawa, 18 March 2011

Call for comments on issues related to customer/carrier services groups

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The Commission calls for comments on whether the existing functions of, and relevant regulations related to, customer/carrier services groups (CSGs) are still in the best interests of consumers; in particular, whether the CSG's role in isolating customer information from sales and marketing groups, while processing a customer transfer, limits a customer's ability to receive favourable retention offers from a service provider. The Commission also calls for comments on whether and in what manner any regulation pertaining to CSGs can and/or should be applied symmetrically to different types of service providers.

Background

1. A customer/carrier services group (CSG)¹ is a distinct, functionally separate group within a telecommunications or broadcasting company whose role is to liaise and coordinate with competing service providers when conducting a variety of inter-carrier activities, primarily with respect to customer transfers. Historically, the main purpose of a CSG has been to isolate and safeguard competitively sensitive information pertaining to retail customers and competing companies from other internal groups, such as sales and marketing. The reason for this practice is to prevent those groups from using such sensitive information to attempt to reacquire a customer who is lost to a competitor, while the transfer of facilities and/or services for that customer is taking place.
2. CSGs were first mandated in the telecommunications sector as part of Telecom Decision 92-12. In that decision, the Commission required large incumbent local exchange carriers (ILECs) to establish CSGs in order to protect against anti-competitive behaviour when an ILEC was dealing with competing carriers on interconnection matters.

¹ The term "Customer Services Group" is used in the broadcasting sector. The word "customer" in this context refers to competing companies acting as customers. The term "Carrier Services Group" is used in the telecommunications sector. For the purposes of this proceeding, both terms are interchangeable.

3. In Telecom Decision 97-8, the Commission chose not to require competitive local exchange carriers (CLECs) to establish functionally separate CSGs.² However, in subsequent regulatory processes,³ it has been established that CLECs are not permitted to disclose confidential customer information, such as the end-customer's name or billing address, with their internal sales and marketing groups. Therefore, while not required to maintain dedicated CSGs per se, CLECs are nonetheless required to ensure that the functions of a CSG are fulfilled with respect to protecting confidential end-customer information.⁴
4. On the broadcasting side, in Public Notice 2000-81, the Commission directed the large cable companies⁵ to establish CSGs to isolate competitively sensitive customer information⁶ from the sales and marketing function. The Commission noted that cable companies had previously been required to establish CSGs for handling information with respect to Internet services and Internet service providers (ISPs).⁷ The Commission directed all other incumbent cable licensees to develop and enter into non-disclosure agreements between themselves and all competing broadcasting distribution undertakings (BDUs) in respect of the handling of such information.
5. CSGs have since evolved to being custodians of a range of information stemming from inter-carrier activities, including information related to retail customer transfers and the provision of wholesale services to competitors.
6. In 2010, responding to requests put forward by certain companies,⁸ the Commission issued Broadcasting and Telecom Notice of Consultation 2010-406 to call for comments on several issues related to the customer transfer process. The end result of that proceeding was Broadcasting and Telecom Regulatory Policy 2011-191 (Regulatory Policy on Customer Transfers), issued today, wherein the Commission adopts measures to simplify the process when consumers wish to change the provider from which they receive telecommunications and/or broadcasting services.
7. In the proceeding that led to the Regulatory Policy on Customer Transfers, various parties raised arguments concerning the continuing need for BDUs to maintain dedicated CSGs, or related functions, in today's marketplace. In particular, the

² The Commission was of the view that safeguards might be required for CLECs that were affiliated with a long distance service provider, and indicated that this possibility would be considered on a case-by-case basis.

³ For example, Commission decisions approving the various iterations of the Master Agreement for Local Interconnection between local exchange carriers.

⁴ For example, a CLEC can meet its confidentiality requirements by signing a non-disclosure agreement to ensure that certain employees with access to confidential customer information will not disclose this information with other parties, including internal groups.

⁵ Rogers Communications Inc., Shaw Communications Inc., Videotron Ltd., and Cogeco Câble Canada inc.

⁶ Such information included, at a minimum, billing name and address, choice of licensee, date of request, and transfer date.

⁷ See Telecom Decision 99-8, paragraph 34.

⁸ Namely, Bell Aliant Regional Communications, Limited Partnership, Bell Canada, and Bell TV, and Shaw Communications Inc.

question was raised as to whether the requirement for CSGs to withhold customer information from sales and marketing groups limits a customer's ability to be informed of favourable retention offers.

8. Certain other parties supported maintaining the requirement for a CSG for BDUs, arguing that competitively sensitive customer information should still be isolated from sales and marketing groups. In their view, the CSG is the best way to safeguard such information, which could otherwise be used by existing service providers to interfere in customer transfers or cause unreasonable delays.
9. The Commission notes that, in terms of issues relating specifically to CSGs, the scope of Broadcasting and Telecom Notice of Consultation 2010-406 was limited to the question of whether there was a requirement for BDUs to handle third-party cancellation requests through a CSG, and did not encompass other CSG functions as they pertain to other types of service providers.
10. As a result, the Commission considers that there is a need for additional information in order to make determinations on the broader issues of whether certain CSG functions, as they relate to service providers in both the telecommunications and broadcasting sectors, are still in the best interests of consumers, and whether and how any regulatory measures pertaining to CSGs can and/or should be applied symmetrically to different types of service providers, including wireless service providers.

Call for comments

11. In light of the above, the Commission invites parties to provide comments, with supporting rationale, on the matters set out below.
 - a. Is the CSG's role to isolate customer information from other internal groups still appropriate in today's marketplace? Comment specifically on whether this requirement is beneficial or harmful to customers, and identify any implications with respect to consumer privacy. For the purposes of this question, customers would include retail (i.e. residential and business) and wholesale customers.
 - b. Depending on the answers provided in the response to (a) above, explain whether current CSG regulatory requirements should be maintained, eliminated, or modified. Provide separate responses for activities related to retail operations (i.e. customer transfers) and wholesale operations (i.e. provision of mandated wholesale services).
 - c. If any CSG regulatory requirements are to be maintained or modified, explain whether the same or similar requirements should be applied symmetrically to other types of service providers in both sectors, such as CLECs, other incumbent cable licensees,⁹ wireless service providers, or ISPs. If not,

⁹ I.e., excluding the four large BDUs noted above.

describe any differences that exist among various types of service providers, for example those of an operational or technical nature, that would make it inappropriate to apply CSG regulatory requirements in a symmetrical fashion.

- d. If any CSG regulatory requirements are to be eliminated or modified, suggest possible alternative approaches that could be implemented to mitigate any potential harmful impacts on customers or competitors, and to ensure consumer privacy is protected.

Procedure

12. Parties interested in participating in this proceeding and receiving copies of all submissions must notify the Commission of their intention to do so by filling out the online form or by writing to the Secretary General (by mail: CRTC, Ottawa, Ontario, K1A 0N2; by fax: 819-994-0218) by 4 April 2011 (the registration date). Parties are to provide their email addresses, where available. If parties do not have access to the Internet, they are to indicate when they notify the Commission whether they wish to receive disk versions of hard-copy filings. As soon as possible after the registration date, the Commission will post on its website a complete list of interested parties, their mailing addresses, and, if available, their email addresses, identifying those parties who wish to receive disk versions.
13. Any person who wishes merely to file written comments in this proceeding, without receiving copies of the various submissions, may do so by writing to the Commission by 28 April 2011 at the address or fax number noted above, or by using the following comments link.
14. All parties may file comments with the Commission regarding the above-noted issues, serving copies on all other parties, by 18 April 2011.
15. All parties may file reply comments with the Commission, serving copies on all other parties, by 28 April 2011.
16. The Commission will not formally acknowledge comments. It will, however, fully consider all comments, which will form part of the public record of the proceeding.
17. If a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date.
18. Parties may file their submissions electronically or on paper. Submissions longer than five pages should include a summary.
19. Electronic submissions should be in HTML format. Alternatively, Microsoft Word may be used for text and Microsoft Excel for spreadsheets.
20. Each paragraph of all submissions should be numbered. In addition, the line ***End of document*** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.

21. The Commission encourages parties to monitor the record of this proceeding and/or the Commission's website for additional information that they may find useful when preparing their submissions.

Important notice

22. Note that all information that parties provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This includes personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, and any other personal information parties provide.
23. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
24. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be made available in PDF format.
25. Please note that the information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or a third-party search engine will not link directly to the information that was provided as part of this public process.

Location of CRTC offices

26. Submissions may be examined or will be made available promptly upon request at Commission offices during normal business hours.

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Secretary General

Related documents

- *The customer transfer process and related competitive issues*, Broadcasting and Telecom Regulatory Policy CRTC 2011-191, 18 March 2011
- *Call for comments on the customer transfer process and related competitive issues*, Broadcasting and Telecom Notice of Consultation CRTC 2010-406, 23 June 2010, as amended by Broadcasting and Telecom Notice of Consultation CRTC 2010-406-1, 5 July 2010, and Broadcasting and Telecom Notice of Consultation CRTC 2010-406-2, 23 July 2010
- *Revised policy concerning inside wire regime; Call for comments on proposed amendments to section 10 of the Broadcasting Distribution Regulations*, Public Notice CRTC 2000-81, 9 June 2000, as amended by Public Notice CRTC 2000-81-1, 17 July 2000
- *Regulation under the Telecommunications Act of cable carriers' access services*, Telecom Decision CRTC 99-8, 6 July 1999
- *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997
- *Competition in the provision of public long distance voice telephone services and related resale and sharing issues*, Telecom Decision CRTC 92-12, 12 June 1992, as amended by Erratum CRTC 92-12-1, 28 August 1992