



## Telecom Public Notice CRTC 2008-16

Ottawa, 3 November 2008

### Notice of consultation

#### Review of various customer account management regulatory measures

Reference: 8663-C12-200814740

#### Introduction

1. In *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006 (the Policy Direction), the Governor in Council requires the Commission to, among other things, rely on market forces to the maximum extent feasible and when relying on regulation, use measures that interfere with market forces to the minimum extent necessary to meet the telecommunications policy objectives (the policy objectives) set out in section 7 of the *Telecommunications Act*. The Policy Direction also requires the Commission to ensure that non-economic measures are implemented, to the greatest extent possible, in a symmetrical and competitively neutral manner.
2. In Telecom Decision 2008-34, the Commission established an action plan to review existing social and non-economic regulatory measures in light of the Policy Direction. The action plan identified the regulatory requirements associated with company-initiated suspension or termination of service (the disconnection process), deposit policies, late payment charges, dishonoured payment charges (also referred to as not sufficient funds cheque charges), and toll restrict service.

#### Background

3. In Telecom Decision 86-7 the Commission established the Terms of Service that apply to all incumbent local exchange carrier (ILEC) tariffed services. These terms set out, among other things, the circumstances under which an ILEC may, and may not suspend or disconnect a customer's service, and the terms and conditions under which an ILEC may require a customer to provide a deposit.
4. In Telecom Decision 96-10, in order to address affordability concerns for consumers with low income, the Commission mandated the ILECs to offer a number of bill management tools including toll restrict service. Toll restrict service blocks consumers' access to 0+ and 1+ dialled toll calls with no activation charge; however ILECs are permitted to charge up to \$10 to reinstate toll access.

5. To further address affordability concerns, the Commission has required ILECs to file and obtain approval for rates associated with late payments and dishonoured payments in regulated markets. With respect to late payment charges, the Commission requires ILECs to apply a rate using the monthly equivalent of the per annum prime rate of one of the major Canadian banks plus 7 percent.
6. In Decision 2006-15, the Commission considered that there would be exceptions where market forces may not be sufficient to protect the interests of all users in forborne markets. As a result, the Commission retained the regulatory obligations associated with the disconnection process and the deposit policies in forborne markets. The Commission also imposed a price ceiling on the charges and limits associated with late payment and dishonoured payment charges, inasmuch as they apply to stand-alone primary exchange service. The Commission did not retain the obligation to provide toll restrict service in forborne markets.

### **Call for comments**

7. The Commission invites parties to comment, in light of the Policy Direction, on the continued appropriateness of the above-noted regulatory measures.
8. For each regulatory measure identified above, parties should address the following issues in their initial comments, providing supporting rationale and all evidence on which they rely, and structure their submissions according to the issues identified below:
  - (1) Can the purpose underlying the regulatory measure be achieved through the reliance on market forces or is the regulatory measure still necessary?
    - a) Identify the purpose of the regulatory measure and the policy objectives that are relevant to this purpose.
    - b) Can market forces be relied on to achieve the policy objectives? Why or why not?
    - c) Identify and weigh the positive and negative consequences of (i) eliminating, and (ii) retaining, the regulatory measure.
  - (2) Is the regulatory measure efficient and proportionate to its purpose?
    - a) Identify the benefits and the harmful effects of the regulatory measure. Explain whether the benefits of the regulatory measure outweigh the harmful effects.
    - b) Identify any alternative regulatory measure that would be more efficient and proportionate. Explain why that measure would be more efficient and proportionate and how it would achieve the policy objectives.

- (3) Does the regulatory measure interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives? If not, how and to what extent does the current regulatory measure interfere with the operation of competitive market forces, including the associated impacts on service providers and customers.
- (4) Is the regulatory measure implemented in a symmetrical and competitively neutral manner? If not,
  - a) Identify aspects of the regulatory measure that are not symmetrical and/or competitively neutral.
  - b) Specify disadvantages faced by service providers impacted by the regulatory measure and quantify the disadvantages to the extent possible.
  - c) Discuss the implications and feasibility of applying the regulatory measure in a symmetrical or competitively neutral manner to all Canadian carriers providing local exchange service.
  - d) Identify any possible alternative regulatory or non-regulatory measure and explain how that measure would achieve the policy objectives and comply with the Policy Direction.

## **Procedure**

9. Parties interested in participating in this proceeding (including 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, CRTC, Ottawa, Ontario, K1A 0N2; or by faxing to: 819-994-0218 by **27 November 2008** (the registration date). Parties are to provide their email address, where available. If parties do not have access to the Internet, they are to indicate in their notice whether they wish to receive disk versions of hard-copy filings.
10. The Commission will post on its website, as soon as possible after the registration date, a complete list of interested parties and their mailing addresses (including their email addresses, if available), identifying those parties who wish to receive disk versions.
11. Any party 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 **4 December 2008** at the address or fax number noted above, or by filling out the [online form](#).
12. All parties may file with the Commission, serving copies on all other parties, comments with regard to the above-noted issues by **4 December 2008**.
13. All parties may file with the Commission, serving copies on all other parties, reply comments by **18 December 2008**.

14. The Commission expects to issue a decision on the issues raised in this Public Notice within 120 days after the record closes.
15. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding.
16. Where a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date.
17. Parties may file their submissions electronically or on paper. Submissions longer than five pages should include a summary.
18. Electronic submissions should be in HTML format. As an alternative, those making submissions may use "Microsoft Word" for text and "Microsoft Excel" for spreadsheets.
19. Each paragraph of all submissions should be numbered. In addition, the line \*\*\*End of document\*\*\* should be entered following the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
20. The Commission also 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**

21. Note that all information that you 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](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes your personal information, such as your full name, email address, postal/street address, telephone and facsimile number(s), and any other personal information you provide.
22. The personal information you 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.
23. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as you send them, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
24. Please note that the information you 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 webpage of this particular public process. As a result, a general search of our website with the help of either our own search engine or a third-party search engine will not provide access to the information which was provided as part of this public process.

## **Location of CRTC offices**

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

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

### **Central Building**

Les Terrasses de la Chaudière

1 Promenade du Portage, Room 206

Gatineau, Quebec J8X 4B1

Tel.: 819-997-2429

Fax: 819-994-0218

### **Metropolitan Place**

99 Wyse Road, Suite 1410

Dartmouth, Nova Scotia B3A 4S5

Tel.: 902-426-7997

Fax: 902-426-2721

205 Viger Avenue West, Suite 504

Montréal, Quebec H2Z 1G2

Tel.: 514-283-6607

55 St. Clair Avenue East, Suite 624

Toronto, Ontario M4T 1M2

Tel.: 416-952-9096

### **Kensington Building**

275 Portage Avenue, Suite 1810

Winnipeg, Manitoba R3B 2B3

Tel.: 204-983-6306 – TDD: 204-983-8274

Fax: 204-983-6317

### **Cornwall Professional Building**

2125 – 11<sup>th</sup> Avenue, Suite 103

Regina, Saskatchewan S4P 3X3

Tel.: 306-780-3422

10405 Jasper Avenue, Suite 520

Edmonton, Alberta T5J 3N4

Tel.: 780-495-3224

580 Hornby Street, Suite 530  
Vancouver, British Columbia V6C 3B6  
Tel.: 604-666-2111 – TDD: 604-666-0778  
Fax: 604-666-8322

Secretary General

### **Related documents**

- *Action plan for reviewing social and other non-economic regulatory measures in light of Order in Council P.C. 2006-1534*, Telecom Decision CRTC 2008-34, 17 April 2008
- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006, as amended by Order in Council P.C. 2007-532, 4 April 2007
- *Local service pricing options*, Telecom Decision CRTC 96-10, 15 November 1996
- *Review of the general regulations of the federally regulated terrestrial telecommunications common carriers*, Telecom Decision CRTC 86-7, 26 March 1986

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*