



Telecom Order CRTC 2024-183

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Ottawa, 21 August 2024

Public records: Tariff Notices 10, 10A, and 10B

9163-7918 Québec inc. (CoopTel) – Introduction of Local Service Request Rejection Charge

Summary

The Commission approves 9163-7918 Québec inc.'s (CoopTel) tariff application to add item 503, Local Service Request (LSR) Rejection Charge, to Part E of its General Tariff 21630.

Background

1. When a customer changes companies, the new company sends a completed local service request (LSR) form to the company providing service to the customer to transfer the customer's services. This form contains all the customer information required for the efficient transfer of services from one company to another. LSR forms containing errors are rejected and returned to the company that sent them.
2. In Telecom Order 2009-805, the Commission determined that it was appropriate to authorize Bell Aliant Regional Communications, Limited Partnership and Bell Canada to introduce a charge for an LSR rejection. The Commission also established rejection rate thresholds. The thresholds establish the acceptable LSR rejection rate, such that an LSR rejection charge can only be applied to the number of LSR rejections above the acceptable threshold. In Telecom Regulatory Policy 2012-523, the Commission determined that local exchange carriers could, from that point on, apply LSR rejection charges. In the same regulatory policy, the Commission also increased the acceptable LSR rejection rate threshold before charges apply.

Application

3. On 26 March 2024, the Commission received an application, Tariff Notice (TN) 10, from 9163-7918 Québec inc. (CoopTel) to add item 503, Local Service Request (LSR) Rejection Charge, to Part E of its General Tariff 21630. CoopTel filed amendments to this application: TN 10A, dated 1 May 2024, and TN 10B, dated 23 May 2024.
4. CoopTel stated that its application is related to Telecom Order 2009-805 and Telecom Regulatory Policy 2012-523. CoopTel indicated that, until now, it did not have the capacity needed to apply these rejection charges. However, the opening of new sectors is now allowing the company to start applying charges.

5. LSR rejection charges would apply for each rejected LSR over the applicable threshold made by a local exchange carrier, wireless service provider, or Internet service provider. The charge would be assessed monthly and would not apply when the refusal is caused by a CoopTel error, a CoopTel winback activity, or the deactivation of the telephone number after the LSR has been filed.
6. CoopTel proposed monthly service charges identical to those approved for incumbent local exchange carriers. CoopTel also proposed the following two-year transition period for the rejection rate threshold:
 - a monthly LSR rejection rate threshold of 12.8% in 2024, 10.4% in 2025, and 8% after two (2) years applies to each TSP [telecommunications service provider] that submits more than 500 LSRs in a month unless 75% of the LSRs submitted for that month are for business services; and
 - a monthly LSR rejection rate threshold of 25.6% in 2024, 20.8% in 2025, and 16% after two (2) years applies to each TSP that submits 500 LSRs or less in a month and for each TSP for which at least 75% of the LSRs submitted for that month are for business services.
7. CoopTel requested that the effective date be 10 June 2024.
8. The Commission received no interventions regarding CoopTel's application.

Commission's analysis

9. CoopTel's proposal complies with the rates set out in Telecom Order 2009-805 and Telecom Regulatory Policy 2012-523 as well as the latest version (version 36) of the Competitive Local Exchange Carrier Model Tariff. CoopTel proposed amounts for service charges that are identical to those approved for incumbent local exchange carriers. This is in line with the directive encouraging competitive local exchange carrier to use an incumbent local exchange carrier's approved rate. The terms and conditions are similar to those in the Competitive Local Exchange Carrier Model Tariff.

Conclusion

10. In light of all the above, the Commission approves, by majority decision, CoopTel's tariff application. Revised tariff pages must be published within 10 calendar days of the date of this order. Revised tariff pages can be submitted to the Commission without a description page or request for approval; a tariff application is not required.
11. A dissenting opinion by Commissioner Bram Abramson is attached to this order.

Secretary General

Related documents

- *Changes to the Canadian Data Interchange Guideline and migration to Transport Layer Security 1.3*, Telecom Decision CRTC 2022-264, 26 September 2022
- *CISC Business Process Working Group - Consensus report BPRE074a - Onboarding of New Trading Partners Guide*, Telecom Decision CRTC 2015-9, 14 January 2015
- *CISC Business Process Working Group – Consensus report regarding processes for calculating and billing local service request rejection charges*, Telecom Decision CRTC 2014-6, 9 January 2014
- *Review of conditions for approval of a local service request rejection charge*, Telecom Regulatory Policy CRTC 2012-523, 28 September 2012
- *The customer transfer process and related competitive issues*, Broadcasting and Telecom Regulatory Policy CRTC 2011-191, 18 March 2011
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Introduction of Local Service Request Rejection Charge*, Telecom Order CRTC 2009-805, 23 December 2009
- *Finalization of interim competition-related Quality of Service indicators and standards*, Telecom Decision CRTC 2003-72, 30 October 2003

Dissenting opinion of Commissioner Bram Abramson

1. LSRs, formatted¹ and sent² in accordance with the Canadian Local Ordering Guidelines (C-LOG), are fundamental to the competitive processes the Commission oversees.
2. Once, they were used primarily to give effect to end-users' decisions to change their phone company. Now, service providers use them to switch mobile, broadband, and television subscriptions over, too.³ They have become basic infrastructure, "required for the efficient exchange of information between interconnected TSPs [and broadcasting distribution undertakings] and the development and sustainment of a competitive marketplace."⁴
3. To give an LSR effect, the old service provider receiving it compares its records with the text—much of it personal information⁵—embedded, within the LSR, by the new provider. Where there is a mismatch, the process fails, delays ensue, and end-users are left unhappy.
4. Why would there be a mismatch? Perhaps the new service provider's personnel have been careless filling out the fields, or verifying the subscriber's own form-filling, whose text flows into the LSR. Perhaps the new service provider formats customer initials, or street name abbreviations, differently than the old provider. Perhaps the old service provider's database had errors or old address data to begin with. Perhaps it is something else entirely.
5. How can such mismatches be minimized so as to generate less service provider fumbling, and happier end-users?
6. In part, through the good behaviour of service providers with a stake in a well-functioning system. Diligent and regular review of their implementation of the C-LOGs is such a good practice. So is providing fulsome reasons for rejecting LSRs. So is working with one another to "identify[] the root problems with the orders".⁶ So, for that matter, is following agreed-on procedures to challenge LSRs that were rejected through no fault of the new service provider.⁷
7. In part, however, good behaviour can be incented by imposing a cost on less-than-good behaviour, by charging new service providers when they make too many mistakes.

¹ Online: <https://crtc.gc.ca/cisc/eng/cisf3e0j.htm>

² Telecom Decision 2022-264

³ Including broadband over wholesale high-speed access (Broadcasting and Telecom Regulatory Policy 2011-191; Telecom Decision 2015-9).

⁴ Telecom Order 2009-805, paragraph 34

⁵ It bears noting that data minimization, or "limiting collection", is a trite principle by which business processes are to be designed so as to contribute to the protection of privacy of persons.

⁶ Telecom Decision 2003-72, paragraphs 79 and 83

⁷ Telecom Decision 2014-6

How much to charge? How many mistakes are too many? Under what conditions does this price incentive fall out of alignment to create, instead, perverse incentives?

8. As the majority decision explains, the Commission answered these questions in decisions that stand today as templates. We critically reviewed Bell Canada's proposal to hit on a formula and price in 2009. We then adjusted it in 2012, based on further assumptions about average increases in error rates when the old service provider's customer databases have no window through which to peer.
9. That was well over a decade ago. Multi-provider use of LSRs for processing orders for services like home broadband and subscription television was then in its infancy. The degree of automated LSR handling was different. So was the industry's structure.
10. I have no fundamental quarrel with the outcome of the majority decision of the Telecommunications Committee, on behalf of the Commission,⁸ in this matter. CoopTel's application reproduced the formula that the Commission set down years ago. In the absence of compelling reasons to the contrary, CoopTel may be said to have a legitimate expectation that the formula continue to be applied. Indeed, continuing to apply formulas we have set down until confronted with evidence of changes that must be accounted for is, in many respects, long-standing Commission practice.
11. However, I would have wished that, to get there, some evidence had been either filed by the applicant, or sought by the Telecommunications Committee by way of a request for information, to provide the Committee with some comfort as to the continuing appropriateness of this approach.
12. "As a matter of law", the Federal Court underlined some years ago, "while the CRTC may refer to and take guidance from its earlier decisions, those decisions cannot dictate its subsequent decisions. The CRTC is not bound by precedent and has a legal obligation not to fetter its discretion".⁹ The more time that has passed since the original formula we are asked to mimic in a me-too tariff application, the closer to that line we come when we treat the formula as a magical incantation rather than as a presumption strengthened by fresh evidence, however limited, that we have expressly considered.
13. Parties asking the Commission to be persuaded to apply a precedent should not stop at showing their application is consistent with the precedent on which they rely. They should also show that the Commission should want to apply that precedent because it remains appropriate in the circumstances. As the gap in time grows between such an application and the precedent on which it seeks to rely, the importance of such an approach is only sharpened.

⁸ Telecommunications Committee, By-Law No. 10, paragraph (e) ("[a]ny act or thing done by the Telecommunications Committee shall be deemed to be an act or thing done by the members")

⁹ *Bell Canada v. Canada (Attorney General)*, 2011 FC 1120 (CanLII), paragraphs 88-90.