



Telecom Notice of Consultation CRTC 2016-103

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Show cause proceeding and call for comments

Deadline for submission of interventions: 18 April 2016

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Application of certain consumer safeguards for payphones directly to competitive payphone service providers

The Commission initiates a proceeding for parties to show cause (i) why the consumer safeguards for the notification of rates for non-cash payphone calls should not directly apply to competitive payphone service providers (CPSPs), and (ii) why CPSPs should not be subject to a requirement to report on their implementation of these safeguards. The Commission also invites comments on whether the underlying carriers should be subject to the requirement that they apply these safeguards to CPSPs through their contractual arrangements with CPSPs.

Background

1. It is important for Canadians to be properly informed concerning the costs associated with payphone calls before making these calls. As such, the Commission has put notification requirements in place to ensure that consumers can obtain information about rates and surcharges for non-cash payphone calls prior to making such calls. These are calls made using credit cards, prepaid calling cards, and other similar means.
2. The Commission established consumer safeguards with respect to the notification of rates for non-cash payphone calls in Telecom Order 95-316 and Telecom Decision 98-8, as follows (the existing safeguards):
 - At each payphone they operate, competitive payphone service providers (CPSPs) must prominently display rates for local calls and any surcharge, markup, or location charges not included in the price of the call.
 - For operator-handled payphone calls, the incumbent local exchange carriers (ILECs) and CPSPs are to provide, when requested by the customer, the rates and charges for a call and alternative billing methods available to customers.

3. In Telecom Regulatory Policy 2015-546, the Commission found that the existing safeguards for local non-cash payphone calls were sufficient. However, the Commission also found that the existing safeguards for long distance non-cash payphone calls were not sufficient. Consumers generally only become aware of the rates to be paid for their non-cash payphone calls when they receive their billing statement, potentially leading to bill shock.
4. Accordingly, the Commission directed all ILECs to make detailed information available to consumers regarding the rates and other fees charged by or on behalf of the payphone provider with respect to long distance non-cash payphone calls.¹ The ultimate goal of this requirement is to safeguard consumers by enabling them to obtain the information necessary to make an informed decision about their long distance non-cash payphone calls, and to lower the possibility of bill shock. The Commission provided a non-exhaustive list of ways that a provider might satisfy this obligation (the new safeguard).
5. The Commission also directed the ILECs to file, no later than six months from the date of Telecom Regulatory Policy 2015-546, information on the means they intend to use to implement the new safeguard, how the chosen means would satisfy the requirement, and the timeline for implementation of the chosen means.
6. The existing and new safeguards are imposed on ILECs by virtue of section 24 of the *Telecommunications Act*, which allows the Commission to impose conditions on the offering and provision of telecommunications services by Canadian carriers.²
7. Until recently, the Commission did not have the authority to directly impose these conditions on non-carriers, that is, providers other than Canadian carriers that include CPSPs.³ Instead, where it was considered necessary, the Commission directed the underlying carriers that provide services to non-carriers to ensure through their tariffs or contractual arrangements that the non-carriers were subject to these conditions.⁴

¹ Detailed rate information includes connection fees, per-minute rates, and any other charges that would be charged to the consumer by or on behalf of the ILEC for a long distance non-cash payphone call.

² The Commission has the authority to impose conditions on any Canadian carrier that offers telecommunications services to potential customers, or that provides telecommunications services to customers.

³ A non-carrier that provides telecommunications services is commonly referred to as a “reseller” of telecommunications services. A reseller sells or leases a telecommunications service provided by a Canadian carrier to the reseller on a wholesale basis.

⁴ For example, the existing safeguards are applied to CPSPs indirectly, through a section 24 condition on the underlying carriers.

8. As a result of the *Economic Action Plan 2014 Act, No. 2*,⁵ the *Telecommunications Act* was amended to include new section 24.1,⁶ which gives the Commission the power to impose directly on non-carriers conditions related to the offering and provision of telecommunications services.

Call for comments

9. In Telecom Regulatory Policy 2015-546, the Commission concluded that the new safeguard should be applied to CPSPs, but stated that it would be more appropriate to determine how it should be applied in the context of a follow-up proceeding, in order to allow CPSPs a fuller opportunity to comment on the issue.
10. In the Commission's preliminary view, direct application of both the existing and new safeguards to CPSPs may be appropriate, as it would allow the Commission to directly impose compliance measures on CPSPs in response to non-compliance with these safeguards.
11. In light of the above, the Commission directs CPSPs to show cause why the existing and new safeguards should not directly apply to them.
12. In addition, the Commission invites comments, with supporting rationale, on the following questions:
 - a) Should the Commission remove the condition imposed on Canadian carriers requiring them to include the existing safeguards in their tariffs and contracts with CPSPs?
 - b) Should the Commission impose a condition on Canadian carriers requiring them to include the new safeguard in their tariffs and contracts with CPSPs?
 - c) Should the Commission require that CPSPs report on (i) the means they intend to use to ensure the new safeguard is implemented, (ii) how this approach will ensure that all potential payphone users have an opportunity to obtain information about detailed rate information necessary to make an informed decision, and (iii) the timeline for the implementation of the selected approach, as ILECs were required to do in Telecom Regulatory Policy 2015-546 and, if so, what deadline for such a report would be appropriate?

⁵ This was originally Bill C-43, which received royal assent on 16 December 2014.

⁶ Section 24.1 of the *Telecommunications Act* states that the offering and provision of any telecommunications service by any person other than a Canadian carrier are subject to any conditions imposed by the Commission, including those relating to (a) service terms and conditions in contracts with users of telecommunications services; (b) protection of the privacy of those users; (c) access to emergency services; and (d) access to telecommunications services by persons with disabilities.

Procedure

13. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding. The Rules of Procedure set out, among other things, the rules for the content, format, filing, and service of interventions, answers, replies, and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and related documents, which can be found on the Commission's website at www.crtc.gc.ca, under "[Statutes and Regulations](#)." The guidelines set out in Broadcasting and Telecom Information Bulletin 2010-959 provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
14. CPSPs listed on the Commission's [registration list](#) and the ILECs that operate payphones as of the date of this notice are made parties to this proceeding and may file interventions with the Commission by **18 April 2016**.
15. Interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issues by **18 April 2016**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
16. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position. Information on how to file this type of submission, known as a joint supporting intervention, as well as a [template](#) for the accompanying cover letter to be filed by parties, can be found in Telecom Information Bulletin 2011-693.
17. All parties may file replies to interventions with the Commission by **28 April 2016**. Due to the large number of parties to this proceeding, parties are not required to serve a copy of their replies on other parties. Parties are to consult the Commission's website to determine who has filed interventions for the purpose of exercising their right of reply.
18. The Commission encourages interested persons and parties to monitor the record of this proceeding, available on the Commission's website at www.crtc.gc.ca, for additional information that they may find useful when preparing their submissions.
19. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and 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.
20. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations, and encourages all Canadians, to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that enable text to be enlarged or modified, or

read by screen readers). To provide assistance in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.

21. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the
[\[Intervention form\]](#)

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax to
819-994-0218

22. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that service or filing of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed. The Commission advises parties who file and serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.
23. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
24. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.
25. The Commission expects to publish a decision on the issues raised in this notice within four months of the close of record.

Important notice

26. All information that parties provide as part of this public process, except information designated confidential, 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 all personal

information, such as full names, email addresses, postal/street addresses, and telephone and facsimile numbers.

27. 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.
28. 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 available in PDF format.
29. 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 provide access to the information that was provided as part of this public process.

Availability of documents

30. Electronic versions of the interventions and other documents referred to in this notice are available on the Commission's website at www.crtc.gc.ca by using the file number provided at the beginning of this notice or by visiting the "Participate" section of the Commission's website, selecting "Submit Ideas and Comments," then selecting "our open processes." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
31. Documents are also available from Commission offices, upon request, during normal business hours.

Commission offices

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Secretary General

Related documents

- *Consumer safeguards for payphones – Notification of rates for non-cash payphone calls*, Telecom Regulatory Policy CRTC 2015-546, 10 December 2015
- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015
- *Filing of joint supporting interventions*, Telecom Information Bulletin CRTC 2011-693, 8 November 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010
- *Local pay telephone competition*, Telecom Decision CRTC 98-8, 30 June 1998
- Telecom Order CRTC 95-316, 15 March 1995