



Telecom Decision CRTC 2016-134

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CISC Business Process Working Group – Consensus report BPRE089b regarding the standard billing and collection agreement

1. On 8 October 2015, the Business Process Working Group (BPWG) of the CRTC Interconnection Steering Committee (CISC) submitted the following consensus report for Commission approval:
 - *Billing and Collection Issues* (BPRE089b)
2. In its report, the BPWG proposed revisions to the standard billing and collection agreement to reflect the Commission's determinations in Telecom Decision 2015-290. In particular, the BPWG submitted proposed wording intended to reflect the text set out in Telecom Decision 2006-48 regarding consumer safeguards for 900 service.
3. The consensus report can be found in the "Reports" section of the BPWG page, which is available in the CISC section of the Commission's website at www.crtc.gc.ca.
4. The Commission has reviewed the consensus report and finds that the proposed revisions to the standard billing and collection agreement are generally consistent with its determinations in Telecom Decision 2015-290. However, additional editorial changes are required to the consumer safeguards schedule of the agreement to ensure clarity, consistency, and completeness. In addition to small editorial changes, the Commission also makes the following modifications:
 - Section 2 – Preamble: Text was moved and adjusted to clarify that the 900 content provider must inform callers that parental permission is required for any program intended for callers under 18 years of age. The original text could have been incorrectly interpreted to suggest that parental permission is required only for Internet programs.
 - Section 3 – Protection of personal privacy: Although the provisions were incorporated by reference, the Commission has, for completeness, added the applicable personal privacy principles, as referenced in Telecom Decision 2005-19, to the body of the 900 consumer safeguards schedule of the agreement. The Commission considers that inclusion of the personal privacy

principles in relevant agreements would help to remind 900 content providers of their obligations.

- Section 4 – Maximum charge provisions: Although the provisions were incorporated by reference, the Commission has, for completeness, added the applicable maximum per call charges for certain 900 services, specified in Telecom Decision 2005-19, in the body of the 900 service consumer safeguards schedule of the agreement.
5. In light of the above, the Commission **approves** the BPWG’s consensus report and proposed standard billing and collection agreement, with the Commission’s modifications as discussed in this decision. The revised consumer safeguards schedule can be found in the Appendix to this decision.

Secretary General

Related documents

- *CISC Business Process Working Group – Non-consensus report BPRE089a regarding the standard billing and collection agreement*, Telecom Decision CRTC 2015-290, 30 June 2015
- *MTS Allstream and Bell Canada – Part VII applications regarding 900 service*, Telecom Decision CRTC 2006-48, 3 August 2006
- *900 service – Agreements and consumer safeguards*, Telecom Decision CRTC 2005-19, 30 March 2005

Appendix to Telecom Decision CRTC 2016-134

For ease of reference, the main added text discussed in paragraph 4 of this decision is shown in bold italics.

Billing and Collection Services Agreement

Schedule 3 – 900 Service Consumer Safeguards

1. Definitions:

In this Schedule, the following terms or phrases shall mean:

- a) **“900 Service Provider”** – A Canadian carrier that provides 900 service to a 900 Content Provider.
- b) **“900 Content Provider”** – A company that operates a 900 service program for a specific 900 service number.
- c) **“900 Service Provider Agreement”** – An agreement that the 900 Content Provider enters into with a 900 Service Provider to operate a 900 service program.
- d) **“900 Service Accounts Receivable Management Agreement”** or **“900 Service ARM Agreement”** – An agreement between the 900 Service Provider and the 900 Content Provider under which the 900 Service Provider purchases the accounts receivable from the 900 Content Provider at a discounted price to compensate the 900 Service Provider for its liability for Bad Debt.
- e) **“900 Service Alternative Billing Arrangement Agreement”** or **“900 Service ABA Agreement”** – An agreement that a 900 Content Provider enters into with a 900 Service Provider to obtain certain call detail information for the purpose of billing 900 service callers directly, or through a billing arrangement with a third party.¹

2. Preamble:

A preamble is required for all 900 calls, including those with a flat rate of \$3.00 or less, unless a repeat caller voluntarily disables the preamble (although such bypass must be disabled for 30 days following any price increase).

The preamble must be provided by 900 Content Providers to callers at the beginning of each call to a 900 service program and before any program charges accrue, and may be up to three minutes in length. The preamble provides callers

¹ An ABA agreement is specific to 900 service arrangements between a 900 Service Provider and a 900 Content Provider, and is not applicable to the general Billing and Collection process. The ABA agreement is required only when an incumbent local exchange carrier is the 900 Service Provider.

with a description of the program, the charges and the name of the service provider. Callers can hang up and not incur any charges during the delivery of the preamble. For sweepstakes or games of chance, the preamble must describe any alternative ways to enter into the sweepstake or game of chance that do not involve calling a 900 number, to help callers avoid unnecessary 900 charges.

If the program is intended for callers under 18 years of age, the preamble must inform them that they require parental permission.

When a 900 Content Provider bills using a 900 Service ABA Agreement, the preamble must identify the billing party and inform callers that the charges will not appear on the customer's telephone bill.

If the 900 service program operates using the Internet, a text preamble must be provided. For Internet-based 900 service applications, the preamble text in the dialogue box must be limited to a short, accurate and clear message; be easily legible (i.e. avoid unnecessary use of block and capital letters and no narrow spacing or faint print); use plain language (i.e. no uncommon words or phrasing); use 12-point font size; be displayed to the Internet user before the transfer occurs; and clearly indicate that by clicking on the "I Agree" box, or by otherwise clearly indicating their explicit consent, Internet users are agreeing to be charged for accessing a 900 service program.

The preamble must disclose (i) all possible rates and charges, including flat fees, per-minute rates, minimum or maximum charges, and all of the different rates that may apply to various portions of a 900 service program; and (ii) if a 900 service call is transferred to another pay-per-call service, that other charges will apply.

The preamble should be prominent, clearly understandable and appropriate to the media used to present the program. For multimedia programs, the preamble must be provided in both an audio and a graphic format. The preamble must state the charge of the call, a description of the program and the name of the service provider.

When a 900 Content Provider uses a 900 Service ABA Agreement, the 900 Content Provider's preamble shall clearly indicate that the charges for the call will not appear on the caller's phone bill; that the caller will be separately billed for the call; the name of the entity that will be billing for the call; and that the 900 Service Provider may deliver personal information relating to the caller for the sole purpose of billing the call.

3. **Protection of personal privacy:**

The following principles for the protection of personal privacy apply to all 900 Content Providers and all 900 Service Providers:

Principle #1: Giving consumers control over how information about them is used

- 1.1 The consumer must be provided with a meaningful opportunity to decline to have their name or other information used for any further marketing purposes by a third party.*
- 1.2 This opportunity must be provided to the consumer before any information is transferred and must be repeated once every three years, at a minimum.*
- 1.3 Third parties are defined as: a) unrelated companies; and b) companies associated with or forming part of the same group where such a relationship is either not obvious or would not generally be known to the consumer.*
- 1.4 In addition to the above, the marketer must remove the consumer's name from all internal marketing lists or lists for rental to a third party at the request of the consumer at any time, i.e., the marketer must maintain internal suppression lists for all media employed by the marketer.*
- 1.5 All marketers are strongly encouraged to adopt a list rental policy which restricts rental of information to companies which agree to comply with this policy.*

Principle #2: Providing consumers the right of access to information

- 2.1 The industry endorses the right of the consumer to know the source of his/her name used in any direct marketing program. Marketers must make all reasonable efforts to provide this information to the consumer on request.*
- 2.2 Additionally, consumers have the right to know what information is held in their customer files and the right to question and request correction of any erroneous information. Marketers must make all reasonable efforts to provide this information to the consumer on request.*

Principle #3: Enabling consumers to reduce the amount of mail they receive

- 3.1 All marketers must use a Do Not Call list when conducting a direct marketing campaign in order to delete the name of any consumer, other than a current customer, who has requested that he or she be removed from mail and telemarketing lists. A "current customer" is defined as any consumer who has made a purchase from the direct marketer within the last six months or during a normal buying cycle.*

Principle #4: Controlling the use of information by third parties

- 4.1 The purposes for which information is collected shall be identified by the organization at or before the time the information is collected.*

4.2 The collection of personal information shall be limited to that which is necessary for the purposes identified by the organization.

4.3 All those involved in the transfer, rental, sale or exchange of mailing lists must establish and agree upon the exact nature of the list's intended usage prior to permission being given to use the list or to transfer the information.

Principle #5: Safely storing information about consumers

5.1 All those involved in the transfer, rental, sale or exchange of mailing lists must be responsible for the protection of list data and should take appropriate measures to ensure against unauthorized access, alteration or dissemination of list data. Those who have access to such data should agree in advance to use data only in an authorized manner.

Principle #6: Respecting confidential and sensitive information

6.1 All list owners and users must be protective of the consumer's right to privacy and sensitive to the information collected on lists and subsequently considered for use, transfer, rental or sale.

6.2 Where a use of personal information that a reasonable person would consider to be sensitive and confidential has not been identified to the individual at the time of collection, then positive consent must be obtained prior to such further use of the personal information.

6.3 The industry recognizes that private personal data such as medical, financial and credit data must be protected by sectoral regulatory codes.

4. Maximum charge provisions:

Maximum charge provisions apply to all 900 Content Providers and are to be set out in the 900 Service Provider Agreement. These provisions establish the maximum amount a caller will be charged per call (in some cases, there are also limits on the amount that can be charged per minute). There is no cap on the total amount of charges from a given 900 service program that a specific caller can accrue through multiple calls. *Following are the allowable maximum charges:*

- 1. For programs that have a business, government or registered charity focus, a maximum charge per call does not apply.*
- 2. For programs intended for callers under eighteen (18) years of age, caller charges shall be no more than \$3.00 per call.*
- 3. For sweepstakes or games of chance for profit programs, except for those in 1. above, caller charges shall be no more than \$5.00 per call.*

4. *For High-Cap Psychic Line Programs, caller charges shall be no more than \$6.00 per minute, to a maximum of \$100.00 per call.*
5. *For programs that include the provision of services or value other than in real time, during the course of a call to the 900 program number, other than those in 1. above, caller charges shall be no more than \$25.00 per call.*
6. *For all other programs, caller charges shall be no more than \$50.00 per call.*

5. **Waiver of reasonably disputed charges:**

For first-time disputes, all caller charges to 900 service programs are to be waived where they are reasonably disputed and pertain to calls made before the caller has had an opportunity to avail himself/herself of call blocking for 900 service. 900 Content Providers are prohibited from making any attempt to collect the waived charges. The waived charges are absorbed by the 900 Service Provider by means of a debit to its account. The term "chargeback" means call charges that are waived and absorbed by the 900 Content Provider. For subsequent disputes, any unpaid charges are to be waived, but relevant call detail information is to be provided to the 900 Content Provider, which could choose to pursue debt collection.

Where a caller disputes 900 charges, the 900 Content Provider will provide information about the availability of call blocking service.

6. **Call blocking:**

Call blocking is to be made available to all telephone customers who wish to restrict access from their telephone lines to 900 service numbers. 900 call blocking is to be initiated at no charge. A maximum charge of \$10.00 is allowed for subsequent requests to terminate or add call blocking.

7. **Telephone number for inquiries:**

The 900 Content Provider must provide, to the 900 Service Provider, a toll-free number where it can be reached and where a caller could discuss issues pertinent to its 900 service program. Callers could try to resolve issues with the 900 Content Provider prior to complaining to the 900 Service Providers, to the Billers or to the CRTC.

8. **Consideration to claim prize:**

A 900 service program cannot require payment by a caller to claim a prize or obtain information about a prize.

9. **Municipal, provincial and federal laws:**

900 Content Providers must abide by all municipal, provincial and federal laws and regulations.

10. **Fraud:**

The 900 Service Provider will not purchase the accounts receivable of a 900 Content Provider if, in the 900 Service Provider's reasonable opinion, the 900 service program is, or could potentially be, fraudulent, deceptive or misleading.

11. **Notice of ABA billing:**

When a 900 Content Provider uses an alternate billing arrangement, in its advertising and other communications, it must inform callers of the identity of the billing party, and that the charges will not appear on the customer's telephone bill.

As noted above, this information is to be included in the preamble so callers will know in advance that they will receive a bill directly from a 900 Content Provider.

12. **High-Cap Psychic Line (HCPL) programs:**

900 Content Providers are prohibited from contacting callers to solicit their business for future HCPL programs. Based on complaints from callers, the 900 Service Providers could ultimately terminate billing and disconnect the 900 number associated with a 900 Content Provider's program in the event of non-compliance.

13. **Customer bill:**

For each 900 service call, the bill must set out the date, start time, duration, 900 number called, description of 900 program called, total charge for the call before taxes, and the total of all 900 service charges before taxes.

14. **Long holding times:**

900 programs are prohibited from using repetitive scripts, long holding periods, extraneous verbiage or long downloading procedures as a means of prolonging the call.

15. **Linking toll-free and 900 numbers:**

The following practices are prohibited with respect to linking toll-free and 900 numbers: using toll-free numbers for pay-per-call services, unless the caller has a pre-existing agreement with the company or the call is charged to a credit card; connecting callers directly from a toll-free number to a 900 number; and collecting callbacks by 900 Content Providers where the customer has dialled a toll-free number first.

16. **Credit information:**

No charges apply for 900 service programs that provide information about obtaining credit, loans, or credit cards, or improving one's credit record, credit history or credit rating.

17. Maximum chargeback levels:

If chargebacks attain a certain level as a percentage of total billing for a specific 900 service program, for a given period of time (i.e. three consecutive months), the 900 Service Provider will terminate the program.

18. Adult programming:

The 900 Service Provider will not purchase the accounts receivable of 900 Content providers for 900 service programs which offer sexual stimulation or arousal themes.

19. Employment information:

The 900 Service Provider will not purchase the accounts receivable of 900 Content Providers for accounts which focus on offering information on generic employment descriptions or how to obtain employment.

20. Advertising information requirements:

Any advertisement, publication or other communication containing a 900 program number, other than a telephone directory listing, must contain an appropriate clearly understandable statement specifying the charges that a caller will incur for each call to that program number.

Where a program number is included in a telephone directory listing, it must appear, with the name of the program, immediately following the 900 Content provider's name and primary telephone directory listing.

Where a program number is included in a telephone directory listing or a telephone directory advertising listing, it must appear with the words "charges to caller apply as explained on call" or «les frais facturés à l'appelant sont expliqués en début d'appel», as applicable.

Where a program is being billed under an alternate billing arrangement, each 900 Content Provider's advertisement, publication or other communication containing a program number (other than a telephone directory listing) or Uniform Resource Locator (URL) related to a 900 program, must contain an appropriately understandable statement specifying that the charges for the call will not appear on the caller's phone bill; that the caller will be separately billed for the call; the name of the entity that will be billing for the call; and that the 900 Service Provider may deliver personal information relating to the caller for the sole purpose of billing the call.

21. **Public awareness program:**

All 900 Service Providers must provide the following on their websites:

- a reminder that parents should caution their children not to call 900 numbers without permission;
- a reminder that calls to 900 services and long distance calls are provided for a charge to consumers;
- information about the availability of call blocking for telephone customers who wish to restrict access from their telephone lines to 900 service numbers; and
- a statement that consumers may contact the CRTC to seek resolution of the dispute in the event of an unresolved dispute with a 900 Content Provider or a 900 Service Provider.

The information provided must use clear and concise language with a text of at least 12-point font size.

All 900 Service Providers must include, in the introductory pages of their residential telephone directories, if applicable, a reference to 900 service, including a statement advising consumers to contact their service provider for additional information. For example, the reference should include a reminder that 900 services are provided for a charge to consumers, that call blocking options are available, and that customers can dispute the charges.