

**Before the Canadian Radio-television and  
Telecommunications Commission**

**Broadcasting and Telecom Notice of  
Consultation CRTC 2015-239/239-1,**

*Review of the structure and mandate of the Commissioner for  
Complaints for Telecommunications Services Inc.*

**Initial Comments**

**of**

**CCTS**

**25 August 2015**

**Executive Summary**

## Executive Summary

### *Overview - Mandate*

1. CCTS, as an independent telecommunications consumer agency, has a mandate to:
  - i. Provide independent, impartial, timely, efficient and informal resolution of complaints made by individual consumers and small business customers about the forborne telecommunications services received from their Participating Service Providers (PSPs), and to make public annual reports, including statistical information and trends<sup>1</sup>;
  - ii. Administer the CRTC's Deposit and Disconnection Code (DDC) and the Wireless Code (TWC), responding to and resolving complaints relating to the codes, monitoring of trends and reporting on both complaints and trends.
2. In the third Let's Talk TV Decision, Broadcasting Regulatory Policy 2015-104, the Commission also determined that there should be a television service provider (TVSP) code of conduct and that CCTS should administer that code.

### *Experience*

3. CCTS fulfills its mandate using processes designed to support a high degree of early-stage resolution. In the nearly five years since the Commission's last review, CCTS has accepted and resolved over 53,000 complaints, with close to 90% of these resolved in a manner satisfactory to both parties, most at the earliest stage of the process. The service provided and the role played by CCTS and its staff extend well beyond complaint resolution. In 2013-14 <sup>2</sup> for example, in addition to accepting and resolving over 11,000 complaints, CCTS' Contact Centre handled over 50,000 pieces of written correspondence and responded to more than 130,000 customer phone calls. These calls cover a wide range of issues. While all customer contacts (over 180,000 in 2013-14 alone) consume time and money, it is clear that CCTS is offering a useful informational and educational service to customers and to the public at large.
4. There have nonetheless been some challenges. The addition of administration of the Deposit and Disconnection Code and especially the Wireless Code brought with them a requirement for CCTS to interpret both whether the code was applicable to individual customers, and, if so, the intent of various code provisions. CCTS' role as interpreter, and the interpretations themselves, have not been without controversy. Consequently, CCTS' workload and participation in regulatory proceeding has increased.

---

<sup>1</sup> Participation Agreement, s 2.3 - provided as CCTS(CRTC)4Jun15-1 Attachments 3 and 4, in English and French respectively.

<sup>2</sup> CCTS 2013-2014 Annual Report filed in CCTS(CRTC)4Jun15-2 NC 2015-239, Attachment 17, pages 7 and 32.

5. Another significant challenge for CCTS has been PSP compliance with the requirements of the Participation Agreement – implementation of the public awareness plan initiatives, bringing new PSPs into participation (and doing so in a timely manner), and payment of fees. In addition, there is a growing concern about the ability to require compliance by certain PSPs in implementing complaint resolutions agreed to, as well as accepted Recommendations and Decisions. The development by CCTS and the CRTC of a compliance/enforcement process for CCTS is important. Under section 3.1 of the CCTS Participation Agreement (the contract for services between CCTS and its PSPs), the PSPs contract to “adhere to, be bound by and observe” the Agreement, the Procedural Code, and the public awareness plan (described in the Agreement as the “communications” plan). CCTS is seeking to work with the Commission to put in place a more robust regime to deal with non-compliance. This could extend to public awareness measures, as well as other compliance issues related to the requirements of the Participation Agreement and the Procedural Code.

### *Customer Satisfaction*

6. While there are a number of ways in which one could measure whether CCTS has been effective (including through a review of its statistical performance), probably the best way to measure whether the “consumer experience” is satisfactory is by asking customers who have used CCTS’ services. Beginning in 2010 CCTS developed an in-house survey and sent it electronically to customers who had filed complaints with CCTS that had been fully concluded. One of the objectives of the survey was to measure levels of customer satisfaction with various aspects of CCTS’ processes and service delivery. The feedback from the CCTS customer survey shows that overall customer satisfaction has been increasing year over year and is close to 90% for some key aspects of CCTS’ service, demonstrating that consumers who have used the services of CCTS are very satisfied with it. Appendix 1 provides a summary of the reported survey results from 2010 to 2014 for all of the customer service question.

### *Public Awareness*

7. CCTS’ public awareness plan is built on the strategy of ensuring that information about CCTS is readily available to customers at the time they experience a problem – directly from CCTS, through their service provider, and at key referral points. The cornerstone of CCTS’ approach to public awareness and the basis of the Plan is ensuring that those customers who encounter a problem with their service are readily able to:
  - i. Determine the specifics of their service provider’s process for complaint-handling;
  - ii. Easily find information about CCTS, and appropriate contact information, if the problem cannot be resolved to the customer’s satisfaction by the service provider; and
  - iii. Be specifically informed by the PSP about the right of recourse to CCTS, if the customer goes far enough in the PSP’s internal complaint handling process.

8. This is a best practice and is the most effective manner in which to connect with customers. Information obtained from the CCTS customer survey shows that the internet is the resource most often used by customers to find CCTS. Consequently online tools are prominent aspects of CCTS' website. CCTS also has plans to upgrade its web site in 2015-16 by providing better social media integration and more useful content. The Commission has also played a significant role in increasing public awareness: i) by regularly informing customers with complaints about unregulated retail telecommunications services of the option for recourse to CCTS; and, ii) by increasing the level of awareness of, and participation in, CRTC processes by individual consumers.
9. A key consideration in the design of any awareness campaign is to ensure that each dollar spent promoting awareness delivers the greatest return from a customer perspective. Certain measures that might be considered to be reasonable (e.g. advertising) can be costly, and CCTS is mindful that although provided by the PSPs, funding is not unlimited. CCTS must consider this when determining which public awareness activities should be undertaken. In particular, CCTS seeks some assurance that these efforts are the most cost- effective means of reaching the target audience i.e., will produce the greatest awareness for consumers in need of recourse to CCTS. In addition, the cost of the awareness initiatives must not come at the expense of CCTS' core business activities.
10. However, the role of PSPs in increasing public awareness of CCTS cannot be overstated. PSPs have a direct relationship with the customer and are the customer's initial point of contact when there is a service problem. This is why PSPs have specific requirements under the CCTS public awareness plan. In May 2015 CCTS conducted a survey of its PSPs to determine the extent to which they are compliant with all their commitments under the CCTS Public Awareness Plan. CCTS sent out 133 surveys and received 47 responses. Based on the information provided by the 47 respondents, there is not full compliance in any of the five areas covered by the public awareness plan. The English and French version of the survey and a summary of the survey results are provided in Appendices 2, 3, and 4 of these comments.

### *Participation*

11. Effective December 20, 2010, the Commission required that all TSPs that offer services within the scope of CCTS' mandate are required to participate in CCTS. Philosophically CCTS is not opposed to the current participation trigger mechanism by which service providers with annual Canadian telecom revenues of \$10M or more are required to participate as a condition of operation, and those TSPs having annual revenues less than \$10M and which were not participants in December 2010 are only required to become participants five days after CCTS receives a complaint from one of their customers. However, practically speaking this mechanism has proven to be very time-consuming and has led to delays in the resolution of the customer complaints that trigger the participation of a new TSP.

12. The challenge enforcing TSP participation within five days after receiving a complaint starts with “finding” the TSP, i.e., locating its contact information. Once found, the time taken to send and receive back the completed participation package required for “sign-up” takes on average 50 days<sup>3</sup> (as opposed to the prescribed five days). Sometimes, despite all of CCTS’ best efforts, the TSP simply refuses to participate. Since 2011, CCTS has referred a total of 29 TSPs to the CRTC because they refused to join CCTS when required. The process required to finally get the TSP to participate adds months to the resolution of a complaint, which is frustrating to customers and harmful to the credibility of CCTS.
13. CCTS asks that the Commission consider these factors in making the public interest determination as to which service providers should be required to participate, and under what process. It is CCTS’ view that administration and enforcement would be greatly simplified if a list of TSPs mandated to participate could be produced by the Commission and provided to CCTS, and if the Commission directly linked a TSP’s right to offer service, to its participation in CCTS, in a manner that it could enforce. Regardless of whether changes are made to the participation regime for TSPs, CCTS recommends this approach be used to bring TVSPs into participation. In CCTS’ view simplification of the mechanism that triggers participation, at the very least for TVSPs, would reduce customer frustration arising from delays in the participation process.

#### *Appropriateness of Mandate*

14. CCTS’ mandate is to provide independent, impartial, timely, efficient and informal resolution of complaints made by individual consumers and small business customers about the forborne telecommunications services they receive from their PSPs. Therefore, CCTS specifically amended the Procedural Code to make it clear that it can accept all complaints related to the provision of forborne telecommunications services, unless explicitly excluded by s.3 of the Procedural Code<sup>4</sup>. This, in CCTS’ view, continues to be appropriate. The addition of TV would not necessitate any major changes to the mandate, structure or funding. There will, however, be a need to change some of the language in the constating documents to reflect participation of TVSPs and broadcasting services.

#### *Structure*

15. After the governance changes made to ensure compliance with the Canada Not-for-profit Corporations Act, there are seven Members of CCTS. These Members also act as CCTS’

---

<sup>3</sup> Based on 2014-15 data

<sup>4</sup> The Procedural Code is provided as Attachments 8 and 9 of CCTS(CRTC)4Jun-1 NC 2015-239. In CCTS’ view, the exceptions set out in section 3 (a) through (p) are reasonable for its telecom mandate.

Directors. Three Members are appointed by the industry – one each by the incumbent local exchange providers (ILECs), the cable companies and the “Other TSPs”, two by the Canadian consumer groups, and two by the Board on recommendation from the Independent Directors Committee, acting as a Nominating Committee. Representation in CCTS governance is based on the nature of the service provider, not the line of business in which it offers service. Therefore, TV services will be a relatively simple and efficient addition to CCTS’ mandate. In addition, a substantial number of TVSPs are part of a corporate family that already participates in CCTS. Finally, in light of the CNPCA, changing the governance structure would be a time-consuming and costly exercise and one that is not required in order to facilitate the participation of the TVSPs.

### *Funding*

16. CCTS is funded by its PSPs based on a formula approved by its Members. Every PSP pays a fee for each customer complaint accepted by CCTS (known as a Complaint-Based Fee or “CBF”). Since 1 August 2014, CBF funds 40% of CCTS’ budget (CBF had been previously set at 33%). PSPs with greater than \$10 million in annual Canadian telecommunications revenues also pay a Revenue-Based Fee (“RBF”). Since August 1, 2014, RBF funds 60% of CCTS’ budget (it was previously 66%). Participating Service Providers with less than \$10 million in annual Canadian telecommunications revenues do not pay RBF. Instead, they pay an Annual Fee, currently set at \$100.
17. Concerns about different aspects of the funding formula have been expressed to CCTS by different PSPs, and not all PSPs have the same point of view. Thus CCTS is not taking a position on the issue of the funding formula. In CCTS’ view, the mechanics and details of the funding formula is an issue best left to be decided by the PSPs through the Members. CCTS management is responsible for the sound financial management of the organization, and in this regard feels that any funding formula must meet two important objectives. First, it should adequately provide for the security of CCTS’ funding needs, including its ongoing cash flow requirements. In addition, it should be as simple as possible to administer. CCTS currently manages all of its financial needs with one part-time (senior) finance person. Anything more complex than the current approach may require additional resourcing. Should the Commission wish to provide direction on this issue, CCTS encourages it to outline the policy objectives that it wishes to see addressed, and allow CCTS and the PSPs (through the Members) to determine what funding formula will best achieve these objectives.

### *Future Reviews*

18. CCTS recommends a five year time frame for the next review. A proceeding of this nature is not a trivial undertaking, and while important, it consumes a significant amount of time as well as human and financial resources of all stakeholders.

\*\*\*End of Document\*\*\*