



**2007-2008
ANNUAL REPORT**

October 2008

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Message from the Chair of the Board of Directors

I am pleased to present the first annual report of the Commissioner for Complaints for Telecommunications Services, an agency established to provide consumers of telecommunications services in Canada with recourse for the independent resolution of their complaints.

For the first time, consumers are able to bring most complaints about local and long distance telephone services, as well as wireless and internet access, to an independent body. Also for the first time, consumers can now be compensated for losses, damages and inconvenience. In order to understand the genesis of this new agency, a little background is necessary.

On April 4, 2007, by Order in Council, the telecommunications industry was called upon to establish an independent agency with a mandate to resolve complaints from individuals and small business retail customers.

On July 23, 2007 a proposal for the agency was submitted to the CRTC by a core group of telecommunications service providers (TSPs). On the same day, the new organization, to be known as the Commissioner for Complaints for Telecommunications Services (CCTS), began to handle complaints. Accordingly, this first annual report covers the period from July 23, 2007 to July 31, 2008, the official year-end for the agency.

The “start-up” year, overseen for the most part by a provisional Board of Directors, was one of intense activity. The legal foundations for the agency, such as the incorporation documents, By-Laws, member agreements and Procedural Code were developed. Simultaneously, temporary office space was leased, staff was hired and a case management system and website were established. Relationships with government, consumer and industry stakeholders were initiated. A search for permanent directors was launched. Most importantly, as this report will outline, over 6,000 inquiries and complaints were received from consumers.

I want to acknowledge the enormous contribution of the provisional Board of Directors and the interim management team, particularly Mr. David McKendry, interim Commissioner, and of course the staff.

On May 30, 2008, the CRTC issued a decision that confirmed the establishment of CCTS, clarified membership requirements and further strengthened the independent governance of the agency. Features assuring the independence of the agency include:

- a Board of Directors comprised of a majority of independent directors, including the Chair;
- two of the independent directors selected by consumer groups;
- a Commissioner selected from outside the industry by a Nominating Committee composed of independent directors; and
- authority resting solely with the Commissioner to make binding decisions relating to complaints and compensation for losses, damages and inconvenience.

As of June 6, 2008, the permanent Board of Directors is in place. Biographical notes for each member are included in this report. The first priority of the new Board was the recruitment of the Commissioner and this was achieved on August 5 with the arrival of Mr. Howard Maker who brings to the CCTS his legal background and extensive experience in complaint-handling organizations, including the Law Society of Upper Canada and the Ombudsman for Banking Services and

Investments. With its CEO in place, CCTS is now poised to move into the next stage of its development as it further solidifies the management and operational frameworks necessary to resolve consumers' complaints.

For the coming year we will undertake a number of strategic priorities including a communications initiative aimed at creating consumer awareness of the services offered by CCTS and the setting of performance standards for our complaint-handling processes. Finally, the Board will be reviewing the By-Laws and Procedural Code to ensure that they reflect the best structure and processes for all of our stakeholders.

Working with the Board and the Commissioner, I look forward to further developing CCTS as an effective and efficient agency for providing consumers of telecommunications services with independent recourse for the resolution of their complaints.

Mary Gusella

Message from the Commissioner

I am pleased and proud to accept my August 2008 appointment as the first Commissioner of CCTS. I thank the Board of Directors for the opportunity to serve CCTS, and to work with Canadian consumers and telecommunications service providers.

The establishment of CCTS represents a “first” for telecom consumers – never before have they had recourse to an independent third party to assess their complaints and make recommendations for resolution, including compensation for their financial losses where appropriate. Despite the fact that we are just now examining the means by which we might best raise our public profile, our statistics section demonstrates that our hard-working staff was kept very busy last year dealing with thousands of consumer complaints and inquiries.

Although CCTS’ primary goal is to assist consumers and service providers in dispute resolution, we also see a role for us in identifying practices and services that lead to consumer complaints and dissatisfaction, and working with the industry to develop improved policies, practices and procedures.

In the year ahead there is much to do if we are to achieve our objective of making CCTS a leader in independent dispute resolution. Among the many projects that we plan to undertake to accomplish this objective are:

- the planning and implementation of a public awareness campaign;
- a detailed review of our Procedural Code, to ensure that our processes continue to best meet the needs of users;
- a comprehensive assessment of our IT infrastructure to ensure that it is up to the task of handling the volume of contacts that we anticipate receiving while at the same time protecting confidential customer and service provider data;
- the development and publication of policies and procedures related to our activities; and
- the development and enhancement of our relationships with all our stakeholders.

And above all, we will ensure that we provide the necessary support and resources for our staff, to ensure that they are well-trained, knowledgeable and providing quality customer service – and that we recruit new staff who share our goals and values, and have the skills we need to get the job done.

There is much work to do...but we look forward with excitement to meeting the challenge.

Howard Maker

Who We Are and What We Do

The Commissioner for Complaints for Telecommunications Services (CCTS) is an independent agency with a mandate to receive, to facilitate the resolution of, and, if necessary, to resolve eligible consumer and small business complaints relating to certain retail telecommunications services provided to them by Canadian telecommunications service providers (TSPs). We strive to do this in an accessible, impartial, timely, efficient and informal manner, after direct communication between a consumer or small business and a CCTS member has proven ineffective.

Our Mandate

<i>Services within Scope</i>	<i>Matters within Scope</i>	<i>Services Outside Scope</i>	<i>Matters Outside Scope</i>
<ul style="list-style-type: none"> • Forborne i.e., deregulated Local exchange services and VoIP services (including calling features) • Long Distance services (including prepaid calling cards) • Wireless telephone services • Internet access services • White page directories • Directory Assistance • Operator Services 	<ul style="list-style-type: none"> • Compliance with contract terms and commitments • Billing • Service delivery (installation, repair and disconnection) • Credit management • Unauthorized transfer of service (slamming) 	<ul style="list-style-type: none"> • Internet content and non-voice applications • Broadcasting services • Emergency services (911) • Equipment • Yellow pages or business directories • Services from which the CRTC has not forborne for social or economic reasons (e.g.: payphones, 900/976 premium services, accessibility services such as TTY) 	<ul style="list-style-type: none"> • Contract terms (other than compliance with a TSP's service contract) • Prices • Telemarketing or unsolicited messages • Privacy/confidentiality • False or misleading advertising • Policy matters • General operating practices not covered in customer contract terms and commitments • Complaints that have been, currently are, or should be before another tribunal

Our Complaints Process

Our complaints process consists of four levels beginning with the assessment of a complaint and culminating in the issuance of a Decision, where required.

1. **Triage and Initial Complaint Handling:** When we receive a complaint, we conduct a thorough analysis of the dispute. If the matter falls within our mandate we forward a copy to the applicable TSP Member. We ask the TSP to attempt to resolve the matter with their customer and report back to us within 20 business days. Should the issue remain unresolved, we will proceed to the investigation stage.
2. **Investigation:** If the dispute cannot be resolved to the mutual satisfaction of the customer and the TSP, we will investigate the complaint. In an investigation, we will request additional information or documentation from one or both parties to help determine whether the TSP reasonably performed its obligations pursuant to the terms of the contract between it and the customer. Throughout the investigation, we may also attempt to informally mediate a resolution of the dispute.
3. **Recommendation:** If informal attempts at resolution are unsuccessful, we will conclude our investigation and make a written recommendation for the resolution of the complaint, based on our impartial views of the merits of the complaint. We may recommend that the TSP make a payment to the customer in compensation for any loss, damage or inconvenience suffered by the customer as a result of the facts disclosed by the complaint (to a maximum of \$5,000). We may also recommend that the TSP take some action, or refrain from taking some action (for example, connection or disconnection of service, collections activity). Or perhaps something simple, like an apology, may provide the necessary redress. Of course, if we determine that the TSP has acted reasonably in fulfilling its obligations under its contract with the customer, we may recommend no action at all on the part of the TSP. Our process provides both the customer and the TSP with some time to consider the recommendation and determine whether to accept or reject it.
4. **Decision:** If either the customer or the TSP rejects the recommendation, we ask them to explain why so that we can reconsider our response to the complaint in light of their continuing concerns. Once we have assessed the reasons for the rejection of the recommendation, we will issue a Decision. If the Decision is accepted by the customer it becomes binding on the TSP, which must implement it. However, the Decision is not binding on the customer. If the customer is dissatisfied with the Decision, the TSP is not required to carry it out. The customer retains all of the usual legal rights and remedies and is free to pursue them.

2007- 2008 Accomplishments - The Year in Review

Key Dates

- April 4, 2007 – the Government of Canada (Governor in Council) orders the creation of an independent, industry-funded consumer agency, to resolve complaints from individual and small business retail telecommunications customers, with the details to be approved by the Canadian Radio-television and Telecommunications Commission (CRTC)
- July 10, 2007 – CCTS is incorporated under federal corporations law as a not-for-profit corporation. As part of this process, CCTS files its operating By-Law which details the operating parameters of the organization
- July 23, 2007 – CCTS begins operations
- December 20, 2007 and May 30, 2008– following public proceedings, the CRTC issues two decisions, approving the structure and mandate of CCTS
- June 6, 2008 – CCTS governance passes to the permanent independent Board of Directors from the Provisional Board of Directors, which oversaw the “start up” of CCTS

Highlights of CCTS Structure

- A not-for-profit corporation with members, not shareholders
- A By-Law which details the corporate structure, categories of membership, the rights and obligations associated with each category, how and when Members meet, the structure of the Board of Directors and the measures to secure its independence from the industry, the different categories of Directors, how and when they meet, as well as the officers of the CCTS and their roles and responsibilities
- TSPs are categorized as: Cable Company Members, ILEC (Incumbent Local Exchange Carrier) Members, or Other TSP Members
- A TSP joins CCTS by signing our Membership Agreement, by which it agrees to adhere to the provisions of the Membership Agreement, the Letters Patent, the By-Laws and the Procedural Code
- By CRTC decision, all TSPs with annual Canadian telecommunications service revenues exceeding \$10 million are required to join. Other TSPs may join voluntarily
- The CCTS operating budget is set by management, approved by the Board of Directors, and funded by the TSPs based on a formula set out in the Membership Agreement
- The Board of Directors has no involvement whatever in any complaint being investigated by CCTS

- The Procedural Code sets out the processes which all parties are to follow in connection with the assessment of the eligibility of complaints, the attempts to resolve those complaints, and in their investigation. In investigating complaints, CCTS is required to act with impartiality, timeliness, efficiency and informality
- The CRTC will review the structure, mandate and operations of CCTS, including the “mandatory membership” requirements, in three years

Our Members

Below is an alphabetical list of our member companies:

1. Bell Aliant Regional Communications, Limited Partnership
2. Bell Canada
3. Bragg Communications Incorporated
4. Cityfone Telecommunications Inc.
5. Cogeco Cable Canada Inc.
6. Distributel Communications Limited
7. MTS Allstream Inc.
8. Northern Telephone Limited Partnership (member since July 1, 2008)
9. Northwestel Inc.
10. Rogers Communications Inc.
11. Saskatchewan Telecommunications
12. Télébec, société en commandite (member since July 1, 2008)
13. TELUS Communications Company
14. Videotron Ltd.
15. Virgin Mobile Canada
16. Vonage Canada Corporation

Note: Primus Telecommunications Canada Inc. and Shaw Communications Inc. have become members effective August 1, 2008 and September 9, 2008 respectively.

Statistics

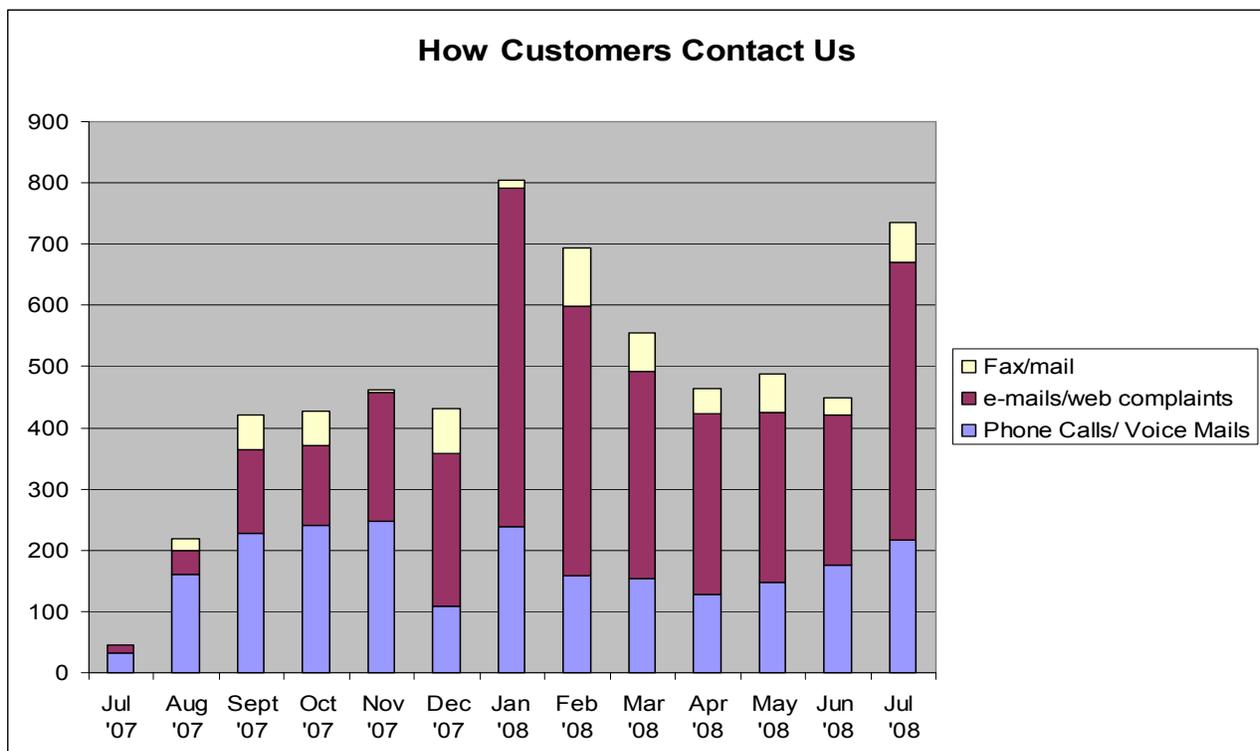
Below we present our statistics. We present them both on an aggregate basis as well as on a TSP-specific basis. We are pleased to present statistical data reflecting the volume of work that came to us, the nature of the complaints we dealt with and their outcomes.

Aggregate Data (July 23 2007 - July 31 2008)

Total CCTS contacts (6,132)

Total contacts accepted as being within CCTS Scope (complaints)	2,226
Total contacts outside of CCTS scope and relating to a TSP member	1,387
Total contacts outside of CCTS scope and not relating to a TSP member	231
General Inquiries	2,288
Total contacts	<u>6,132</u>

The diagram below demonstrates that the majority of contacts with CCTS are from emails and web complaints.



Of the 6,132 contacts made with the CCTS from July 2007 to July 2008, 2,226 were accepted as being complaints within CCTS' scope. The following table indicates the status of the complaints as at July 31, 2008.

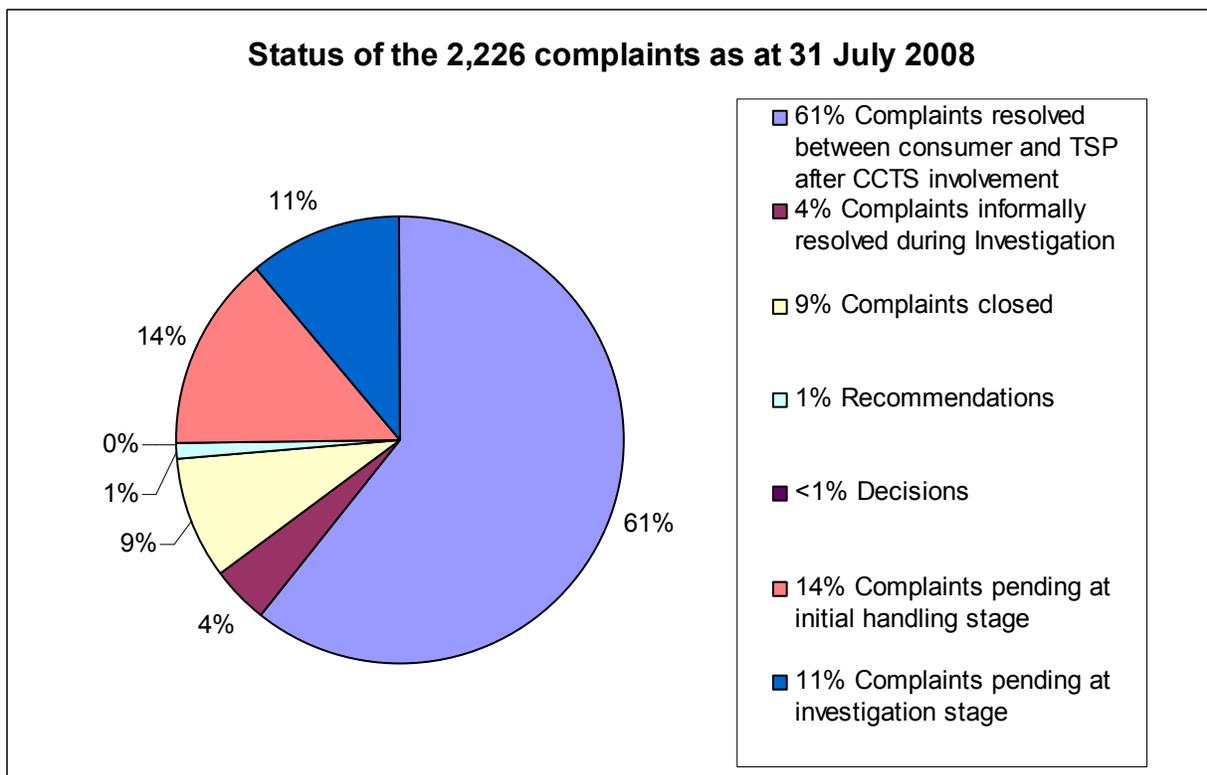
Status of the 2,226 complaints as at July 31, 2008

Complaints resolved between consumer and TSP after CCTS involvement	1,351	61%
Complaints informally resolved during Investigation	92	4%
Complaints closed (note 1)	196	9%
Recommendations (Note 2)	23	1%
Decisions	2	- %
Complaints Pending		
- pending at initial handling stage	316	14%
- pending at investigation stage	<u>246</u>	<u>11%</u>
Total contacts accepted as being within CCTS Scope (complaints)	<u>2,226</u>	<u>100%</u>

Note 1: Complaints closed as they were found to be out of scope after additional TSP information was provided or for other reasons further to section 7 of the Procedural Code

Note 2: Of 25 recommendations issued: 23 were accepted, 2 were rejected and required a Decision by CCTS

The diagram below demonstrates that a majority of complaints are resolved between the consumer and the TSP as a result of involvement by CCTS.

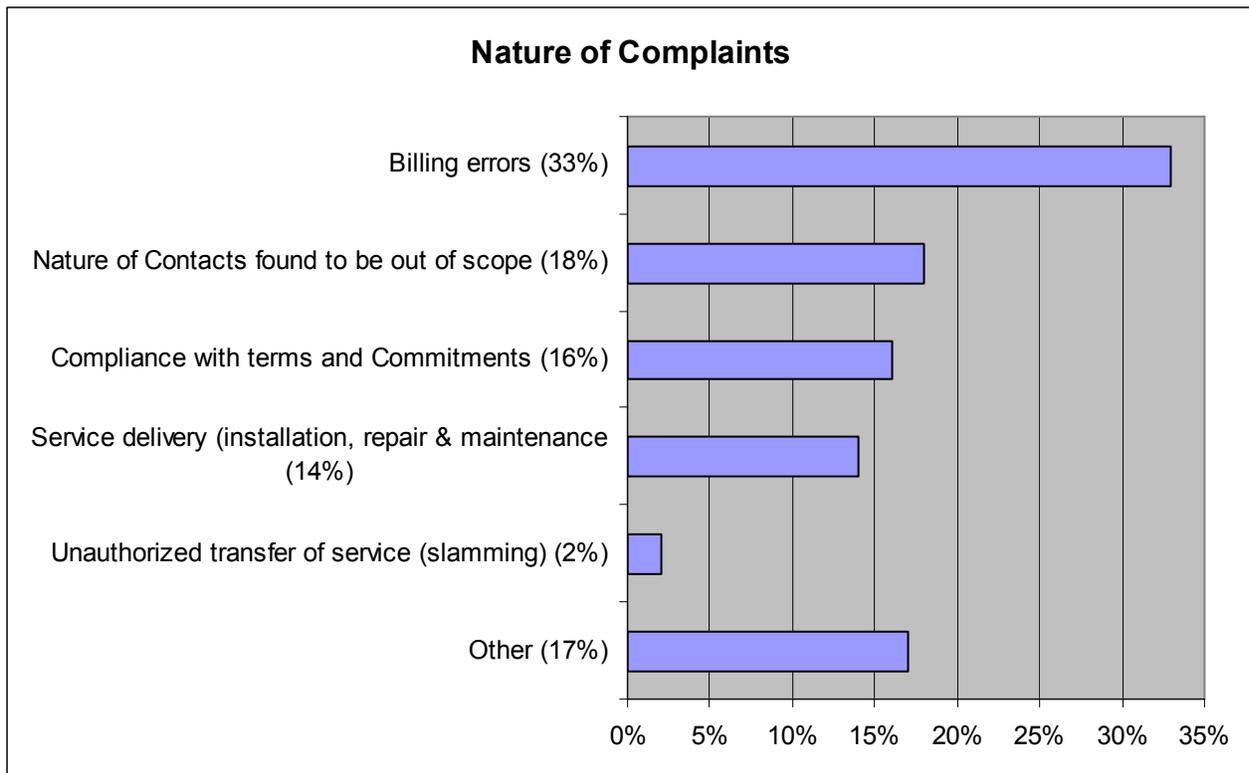


Nature of contacts

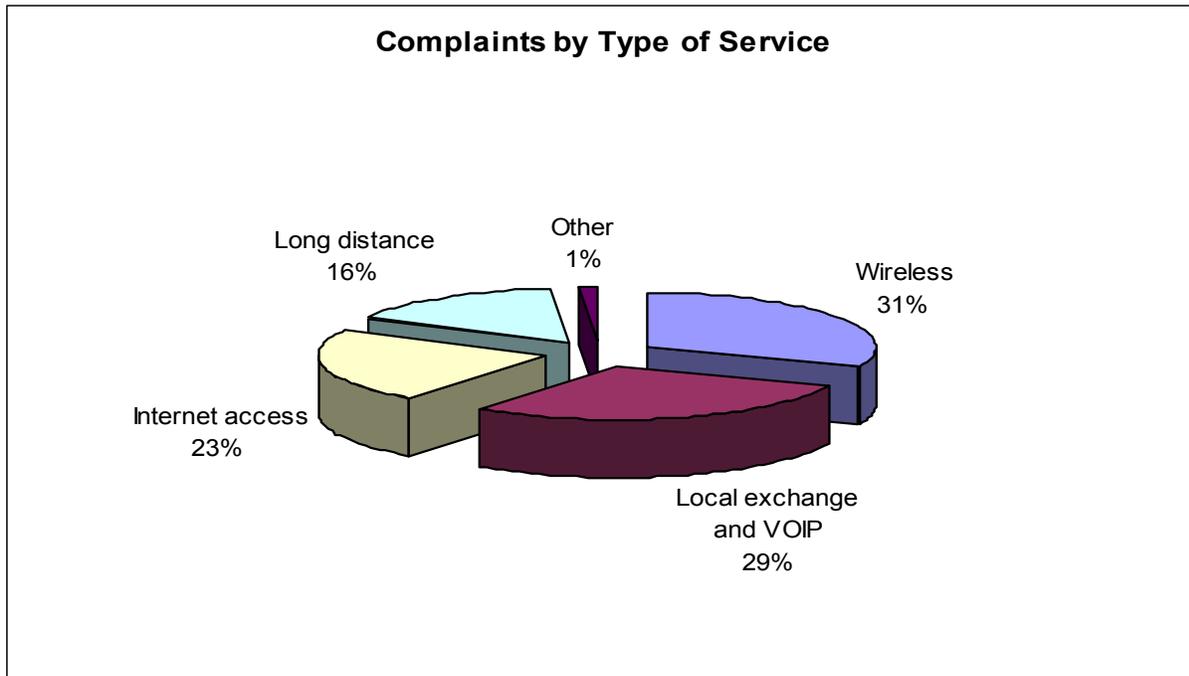
The following table outlines the nature of the contacts and the main issues of concern to customers who contacted CCTS:

Billing errors	33%
Nature of contacts found to be outside of CCTS scope	18%
Compliance with contract terms and commitments	16%
Service delivery (installation, repair, disconnection)	14%
Unauthorized transfer of service (slamming)	2%
Other	<u>17%</u>
	<u>100%</u>

The diagram below demonstrates that one third of consumer complaints are related to billing issues.



The majority of consumer complaints relate to wireless, Local and VOIP services, internet access, and long distance issues. We also received a small number of complaints about directory assistance, operator services and white pages listings.



TSP Specific Data (23 July 2007 - 31 July 2008)

Bell Aliant Regional Communications, Limited Partnership		
Total Complaints within Scope of CCTS	28	
Nature of Complaints:		
Billing	34%	
Compliance with contract terms and commitments	26%	
Service delivery (installation, repair, disconnection)	38%	
Unauthorized transfer of service (slamming)	2%	
Other	<u>0%</u>	
	<u>100%</u>	
Complaints Resolved by Stage:		
Triage and Initial Complaint Handling	22	78%
Investigation	0	0%
Recommendation	1	4%
Closed	2	7%
Pending Resolution	3	<u>11%</u>
		<u>100%</u>

Bell Canada		
Total Complaints within Scope of CCTS	940	
Nature of Complaints:		
Billing	29%	
Compliance with contract terms and commitments	34%	
Service delivery (installation, repair, disconnection)	32%	
Unauthorized transfer of service (slamming)	4%	
Other	<u>1%</u>	
	<u>100%</u>	
Complaints Resolved by Stage:		
Triage and Initial Complaint Handling	577	61%
Investigation	34	4%
Recommendation	15	2%
2 Recommendations required a Decision		
Closed	60	6%
Pending Resolution	255	<u>27%</u>
		<u>100%</u>

Bragg Communications Incorporated

Total Complaints within Scope of CCTS	2	
<i>Nature of Complaints:</i>		
Billing	0	
Compliance with contract terms and commitments	50%	
Service delivery (installation, repair, disconnection)	0	
Unauthorized transfer of service (slamming)	50%	
Other	<u>0</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	1	50%
Investigation	0	
Recommendation	0	
Closed	1	50%
Pending Resolution	0	
		<u>100%</u>

Cityfone Telecommunications Inc.

Total Complaints within Scope of CCTS	0	
<i>Nature of Complaints:</i>		
Billing	0	
Compliance with contract terms and commitments	0	
Service delivery (installation, repair, disconnection)	0	
Unauthorized transfer of service (slamming)	0	
Other	0	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	0	
Investigation	0	
Recommendation	0	
Closed or	0	
Pending Resolution	0	

Cogeco Cable Canada Inc.

Total Complaints within Scope of CCTS	9	
Nature of Complaints:		
Billing	0%	
Compliance with contract terms and commitments	13%	
Service delivery (installation, repair, disconnection)	81%	
Unauthorized transfer of service (slamming)	0%	
Other	6%	
	<u>100%</u>	
Complaints Resolved by Stage:		
Triage and Initial Complaint Handling	6	67%
Investigation	0	
Recommendation	0	
Closed	0	0%
Pending Resolution	3	<u>33%</u>
		<u>100%</u>

Distributel Communications Limited

Total Complaints within Scope of CCTS	0	
Nature of Complaints:		
Billing	0	
Compliance with contract terms and commitments	0	
Service delivery (installation, repair, disconnection)	0	
Unauthorized transfer of service (slamming)	0	
Other	0	
Complaints Resolved by Stage:		
Triage and Initial Complaint Handling	0	
Investigation	0	
Recommendation	0	
Closed or	0	
Pending Resolution	0	

MTS Allstream Inc.

Total Complaints within Scope of CCTS	17	
Nature of Complaints:		
Billing	9%	
Compliance with contract terms and commitments	23%	
Service delivery (installation, repair, disconnection)	54%	
Unauthorized transfer of service (slamming)	14%	
Other	<u>0%</u>	
	<u>100%</u>	
Complaints Resolved by Stage:		
Triage and Initial Complaint Handling	12	71%
Investigation	0	
Recommendation	0	
Closed	3	17%
Pending Resolution	2	<u>12%</u>
		<u>100%</u>

Northern Telephone Limited Partnership (member since July 1, 2008)

Total Complaints within Scope of CCTS	0	
Nature of Complaints:		
Billing	0	
Compliance with contract terms and commitments	0	
Service delivery (installation, repair, disconnection)	0	
Unauthorized transfer of service (slamming)	0	
Other	0	
Complaints Resolved by Stage:		
Triage and Initial Complaint Handling	0	
Investigation	0	
Recommendation	0	
Closed or	0	
Pending Resolution	0	

Northwestel Inc.

Total Complaints within Scope of CCTS	0
Nature of Complaints:	
Billing	0
Compliance with contract terms and commitments	0
Service delivery (installation, repair, disconnection)	0
Unauthorized transfer of service (slamming)	0
Other	0
Complaints Resolved by Stage:	
Triage and Initial Complaint Handling	0
Investigation	0
Recommendation	0
Closed or	0
Pending Resolution	0

Rogers Communications Inc.

Total Complaints within Scope of CCTS	506
Nature of Complaints:	
Billing	22%
Compliance with contract terms and commitments	38%
Service delivery (installation, repair, disconnection)	35%
Unauthorized transfer of service (slamming)	4%
Other	<u>2%</u>
	<u>100%</u>
Complaints Resolved by Stage:	
Triage and Initial Complaint Handling	282 56%
Investigation	26 5%
Recommendation	3 0.5%
Closed	56 11%
Pending Resolution	139 <u>27.5%</u>
	<u>100%</u>

Saskatchewan Telecommunications

Total Complaints within Scope of CCTS	4	
<i>Nature of Complaints:</i>		
Billing	33%	
Compliance with contract terms and commitments	0%	
Service delivery (installation, repair, disconnection)	67%	
Unauthorized transfer of service (slamming)	0%	
Other	<u>0%</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	3	75%
Investigation	0	
Recommendation	0	
Closed	1	25%
Pending Resolution	0	
		<u>100%</u>

Télébec, Société en Commandite (member since July 1, 2008)

Total Complaints within Scope of CCTS	7	
<i>Nature of Complaints:</i>		
Billing	0%	
Compliance with contract terms and commitments	63%	
Service delivery (installation, repair, disconnection)	38%	
Unauthorized transfer of service (slamming)	0%	
Other	<u>0%</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	0	0%
Investigation	0	0%
Recommendation	0	0%
Closed	0	<u>0%</u>
Pending Resolution	7	<u>100%</u>
		<u>100%</u>

TELUS Communications Company

Total Complaints within Scope of CCTS	579	
<i>Nature of Complaints:</i>		
Billing	23%	
Compliance with contract terms and commitments	34%	
Service delivery (installation, repair, disconnection)	37%	
Unauthorized transfer of service (slamming)	4%	
Other	<u>2%</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	363	63%
Investigation	24	4%
Recommendation	6	1%
Closed	59	10%
Pending Resolution	127	<u>22%</u>
		<u>100%</u>

Videotron Ltd.

Total Complaints within Scope of CCTS	109	
<i>Nature of Complaints:</i>		
Billing	21%	
Compliance with contract terms and commitments	52%	
Service delivery (installation, repair, disconnection)	22%	
Unauthorized transfer of service (slamming)	4%	
Other	<u>1%</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	76	70%
Investigation	3	3%
Recommendation	0	0%
Closed	10	9%
Pending Resolution	20	<u>18%</u>
		<u>100%</u>

Virgin Mobile Canada

Total Complaints within Scope of CCTS	7	
<i>Nature of Complaints:</i>		
Billing	50%	
Compliance with contract terms and commitments	0%	
Service delivery (installation, repair, disconnection)	50%	
Unauthorized transfer of service (slamming)	0%	
Other	<u>0%</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	4	57%
Investigation	1	14%
Recommendation	0	
Closed	0	0%
Pending Resolution	2	<u>29%</u>
		<u>100%</u>

Vonage Canada Corporation

Total Complaints within Scope of CCTS	18	
<i>Nature of Complaints:</i>		
Billing	37%	
Compliance with contract terms and commitments	21%	
Service delivery (installation, repair, disconnection)	37%	
Unauthorized transfer of service (slamming)	5%	
Other	<u>0%</u>	
	<u>100%</u>	
<i>Complaints Resolved by Stage:</i>		
Triage and Initial Complaint Handling	5	28%
Investigation	4	22%
Recommendation	0	
Closed	5	28%
Pending Resolution	4	<u>22%</u>
		<u>100%</u>

Case Summaries

We present below a few case summaries. The purpose of these summaries is to provide some insight into the types of complaints that we see and the manner in which we deal with them. We hope that readers will find them informative and educational.

Not My Charges

The customer complained that she was incorrectly billed for another customer's cellular phone services. The other customer's cellular phone number and charges were disclosed on this customer's bill. The customer made eight telephone calls to the TSP in order to have the other customer's charges removed from her bill. She also sent a fax to the TSP, asking that the billing error be corrected. Nonetheless the TSP's collection department called her a number of times in an attempt to collect the disputed charges. Then the customer received a disconnection notice from the TSP, advising that her Internet, cellular and wireline services would all be disconnected if she did not pay the disputed amount. Upon receiving this notice, the customer faxed a letter to the senior vice-president of the TSP's billing and collections department, stating that she had paid the charges for her services and that they should not be disconnected, and describing her efforts to inform the TSP of its error. The customer received a second disconnection notice. She then brought her complaint to us.

The TSP did not dispute that another customer's cellular charges had been billed to this customer. The TSP told us that it had provided this customer with a credit of \$83.23 (representing the customer's modem fee as well as three months of Internet service), as a goodwill gesture. The customer was not satisfied with this gesture.

We were satisfied that the customer had suffered significant inconvenience in her dealings with the TSP, even though her service never was disconnected. We were concerned that the customer had repeatedly brought the existence of this obvious error to the TSP's attention, yet rather than correct it, the TSP took increasingly aggressive collection measures. The customer had requested an award of \$300 in recognition of her inconvenience, and we recommended that the TSP pay this amount to her. We also recommended that the TSP apologize in writing to her for the inconvenience it caused her.

Both parties accepted our recommendation.

What's the Plan?

The customer complained about long distance service charges billed to his account by his TSP. He had a long distance plan with the TSP at a set monthly price. According to an invoice he provided to us, the plan provided for a certain number of minutes of direct-dialled calls to Canada, which he could charge to a card he received with his plan. The customer made several calls from another country to Canada using the card but the TSP did not bill the calls on his plan. Instead, the calls were billed separately, at a higher rate, totalling just over \$1,000. The customer was dissatisfied, particularly since he had contacted the TSP by telephone prior to his departure to confirm that calls to Canada using his card would be included in the plan.

The TSP's position was that the Plan applied only to calls within Canada whereas the complainant's calls were to Canada from another country. However, it had applied a credit of \$167 to the account (three months of service) as a gesture of goodwill.

We were required to determine whether the calls to Canada were intended to fall within the plan. When we asked, the TSP was unable to provide a copy of a contract, or any of the marketing materials related to the plan. As this was an older plan, there was no information available on the TSP's web site.

We concluded that the best evidence of the terms of the plan was the information contained on the customer's invoice. The invoice described the plan as offering a specified number of minutes of direct-dialled calls to Canada. The customer's calls did not exceed the number of minutes provided for by the plan. Nothing on the invoice alerted the customer to any additional terms or conditions. We also noted the uncontradicted evidence that the customer had contacted the TSP prior to leaving the country and had been advised that direct-dialled calls from the other country to Canada were included in the plan. We recommended that the TSP refund the \$1,000 in long distance charges.

Both parties accepted our recommendation.

Details Matter

The customer complained that her TSP had cashed her cheque in payment of her landline service account (which was in her ex-husband's name) but had failed to apply the payment to the account and had subsequently disconnected her service. Our investigation revealed that the cheque she sent to the TSP:

- contained only a partial telephone number;
- bore the customer's name, although the account was in the name of her former husband; and
- did not bear an address.

Although the TSP did initially post the cheque to the wrong account, the TSP advised that the cheque would not have been sufficient to discharge the amount owing on the account and that the line would have been disconnected even if the cheque had been posted to the correct account when it was received.

Our investigation revealed that the TSP had left numerous voicemail messages for the complainant or her ex-husband, asking that they call to discuss payment of the outstanding account balance. Although one call was returned indicating that a cheque had been sent, when the TSP could not find a record of the payment it made more calls, none of which were returned. The TSP disconnected the service, but reconnected it when the cheque was posted to the account a few weeks later, despite the fact that the cheque did not fully cover the outstanding charges. The TSP waived the usual applicable reconnection charge as a goodwill gesture.

Taking into account that:

- the customer failed to provide sufficient information to allow the TSP to identify the cheque properly;
- the amount of the cheque was insufficient to prevent disconnection regardless of whether or when it was posted to the account; and

- the TSP made multiple attempts to discuss payment of the account balance with the account holder and with the customer prior to the disconnection,

we concluded that the TSP had not acted unreasonably and we declined to recommend any further action by the TSP.

Decisions

Under our Procedural Code, any binding Decisions made by the Commissioner are to be made public, identifying the TSP but protecting the identity of the consumer. Last year we issued two Decisions, which we summarize in detail below.

Decision #1 – Bell Canada

The customer claimed that she and her 80 year-old parents (who lived at the same address) had been harassed for months by the same TSP sales representative. They had repeatedly told this representative that they were not interested in his offer for Internet service and had asked him not to call again. Despite these requests, the representative continued to call many times a week. The customer explained that despite their having declined the service, a courier delivered a modem to their home. She advised the courier that they had not ordered the modem and the modem was immediately returned.

The family then received an automated voice message from the TSP advising that they would be charged on the next bill for use of the Internet service. The customer contacted the TSP's billing department and was told that an Internet order had been placed in her father's name. She cancelled the order. She told us that she and her family had endured countless unsolicited telephone calls over the past months from the sales representative and that she had spent over 50 hours addressing the issue of the service they had not ordered.

The TSP advised that it:

- had taken punitive measures against the sales representative;
- had apologized to the customer for the inconvenience and assured her that the agent would be reprimanded; and
- had ensured that the Internet account had been cancelled and that no charges had been applied.

We concluded that the TSP had addressed the customer's concerns regarding closure of the unauthorized Internet account in a timely manner - the account had been deactivated and all charges credited within 24 hours of the customer having contacted the TSP. The TSP had also provided a credit to the customer's parents of one month's telephone service, as a goodwill gesture. During our investigation, the TSP also offered to provide an additional credit of approximately \$200, bringing the total amount of the credit to \$240. We felt this would be reasonable compensation for the inconvenience caused to the customer and her family. We recommended that the customer accept the credit offered by the TSP as resolution of her complaint.

The customer rejected the recommendation on the basis that:

- she had spent many hours attempting to resolve her complaint with the TSP;

- our recommendation failed to take into account that this was the TSP's second "offense" against her and her family. She asked that we take this into consideration; and
- the recommendation provided an incomplete summary of the facts and did not include the reasons underlying the recommendation.

The customer requested compensation totalling 23.5 months in credits for her inconvenience, which amounted to \$940.00.

We reconsidered our conclusion, and issued a Decision in which we declined to change our recommendation. We noted that:

- a portion of the hours of inconvenience claimed by the customer had been devoted to dealing with unsolicited telemarketing calls from the TSP. Complaints about telemarketing are outside the scope of our mandate;
- the TSP had deactivated and credited all charges with respect to the unauthorized Internet account within 24 hours of being contacted by the customer. As a result, we concluded that significantly less than 50 hours of time had been directly related to the complaint that fell within the scope of our mandate;
- the prior "offense" alluded to by the consumer took place before CCTS was created and, therefore, fell outside of our mandate. Thus we could not consider it in assessing compensation related to the present matter. and
- contrary to the customer's view, we believed that our recommendation included all of the relevant and material facts, and clearly identified the reasons underlying the recommendation.

We concluded that the complainant had not demonstrated substantial doubt as to the correctness of our recommendation.

Decision #2 – Bell Canada

The customer complained that she had experienced numerous problems with various services provided by her TSP, which required her to spend over 200 hours on the telephone with multiple representatives of the TSP. As a result, she wished to terminate her service without penalty, whereas the TSP insisted that termination of her service would entail a cancellation fee as described in her contract.

The customer explained that when her service contract was nearing expiry, she planned to cancel her account given her dissatisfaction regarding past service. She said that she was assured by a telephone representative of the TSP that the problems she had previously encountered were a thing of the past and would not recur. Based on this representation, she renewed her service agreement. She immediately encountered new difficulties. The TSP mistakenly disconnected her cellular telephone service, and compounded the error by charging her a termination fee and a re-activation fee. The TSP acknowledged the new errors. Its position was that it had rectified everything for the customer and that all fees currently billed to her were accurate. The TSP did not dispute the customer's claim that a customer service representative had promised her that the problems of the past would not recur if she continued her service with them.

We recommended that the customer be able to terminate her contract without having to pay the termination fee of \$400. On the facts of this case, we felt that it was inappropriate to permit the TSP to enforce the cancellation fee provision in the contract.

We accepted the customer's statement that she had not wanted to renew her service contract and was persuaded to do so by the TSP's representation that the billing and service errors were a thing of the past. Having somewhat reluctantly agreed to renew her service contract on the promise that past errors would not recur, we thought it understandable that she would be frustrated upon receipt of a bill that included a significant over-billing, of which a portion was attributable to an erroneous disconnection charge and another portion to an erroneous reconnection fee. The frustration would be all the greater in view of the fact that these billing errors arose from a disconnection that was itself erroneous.

The customer and the TSP both rejected the recommendation, for different reasons. The customer repeated a number of the allegations made in her original complaint and challenged a number of the factual conclusions in the recommendation. She added that she wished to receive an unspecified amount of compensation in addition to being released from her contract without penalty. In rejecting the recommendation, the TSP asked that the contractual termination fees be enforced. It stated that the recommendation contained a number of factual errors that required clarification. In particular, it felt that the recommendation gave the impression that numerous errors had taken place regarding the customer's account when, in fact, there was only one error related to her wireless service. This error led to a disconnection and the application of termination and reactivation fees. The TSP indicated that the wireless service was reconnected within 14 hours following the disconnection.

We concluded that neither the customer nor the TSP had demonstrated substantial doubt as to the correctness of our recommendation. Although the customer now sought additional compensation, termination without penalty was what she had sought throughout the course of the investigation. Further, in our view this remedy was reasonable and adequate in the circumstances. No new information had been provided to persuade us to award additional compensation.

The TSP also stated that we had made a factual error in the recommendation. It now told us that billing credits previously provided to the customer relating to internet service had been applied to the Internet account as a goodwill gesture, not to address billing and service problems, as stated in the recommendation.

We remained of the view that, on the facts of this case, it was inappropriate to permit the TSP to enforce the cancellation fee provision in the contract. The fact remained that having somewhat reluctantly agreed to renew her service contract on the promise by a representative of the TSP that past errors would not recur, immediately thereafter the TSP disconnected the customer's service in error and billed her erroneous disconnection and reconnection charges. This was a series of errors by the TSP. Each of these errors understandably caused the customer increasing frustration and inconvenience and required her intervention for them to be rectified. In the context of the unchallenged evidence of the customer that she continued her service with the TSP based on a representation that such errors would not recur, we found the recommendation to be reasonable.

Our Board of Directors

Our Board is structured to provide for participation of all stakeholders, on the one hand, and, independence from the telecommunications industry, on the other. The Board consists of eight Directors, seven of whom are voting Directors:

- four Independent Directors, two of whom are nominees of consumer groups;
- three Industry Directors, one each to represent the ILEC Members, the Cable Company Members, and the Other TSP Members; and
- the Commissioner, who is an *ex-officio* non-voting Director, and is independent of the telecommunications industry.

Independent Directors

The Independent Directors are intended to represent a diversity of experience and interests, including individuals known and respected on a regional and national basis and representative of the Canadian population, including gender, linguistic, minority and geographic representation.

A Nominating Committee was organized by a national executive search firm and tasked with identifying appropriate candidates. The members of the Nominating Committee were:

- Denis Desautels, former Auditor General of Canada;
- Al Hatton, President and CEO of United Way Canada – Centraide Canada; and
- Dr. David Zussman, Jarislowsky Chair of the Public Sector Management Graduate School of Public and International Affairs at the University of Ottawa.

The Committee was asked to recommend two candidates to be appointed as the first Independent Directors of CCTS. The Nominating Committee recommended Mary Gusella and Marie Bernard-Meunier for appointment as Independent Directors of CCTS.

Consumer Group Directors

The Public Interest Advocacy Centre (PIAC), a non-profit organization that provides legal and research services on behalf of consumer interests, oversaw the nomination and selection process for the two Consumer Group Directors of CCTS.

This process resulted in the selection of Richard Gathercole and Jean Sébastien for appointment as Consumer Group Directors.

Industry Directors

The Industry Directors were selected by each of the ILEC, Cableco and Other TSP Member categories. The current appointed Industry Directors are Mirko Bibic (ILEC), Dennis Béland (Cableco) and Jill Schatz (Other).

Director Biographies

Mary M. Gusella (Chair)

After a 36 year career in the federal public service, Mary retired in 2006 from the position of Chief Commissioner of the Canadian Human Rights Commission where she led the transformation of the organization, eliminating a chronic backlog, drastically reducing wait times, developing new tools and partnerships for human rights prevention and maximizing the use of conflict resolution techniques to resolve complaints in a timely and effective manner.

In 2005, Mary was awarded the Prime Minister's Outstanding Achievement Award, the Public Service's highest award, for her "Outstanding contribution to the Public Service of Canada". She received the Queen's Jubilee Medal and has been inducted into the Honour Society of the University of Ottawa Law School.

Marie Bernard-Meunier

A career diplomat, Marie served in Ottawa as Assistant Deputy Minister for Global Issues and abroad as Canada's Ambassador to UNESCO, to the Netherlands and to Germany. She left the Foreign Service in 2005 and has since published extensively on various public policy issues. She currently serves on the Boards of many public institutions, including the Public Policy Forum. She holds a Master's Degree in Political Science from the Université de Montréal.

Dick Gathercole

Dick is a lawyer and former Executive Director of the BC Public Interest Advocacy Centre. In his varied career Dick has been the Chair and CEO of the BC Energy Council, a member of the University of Toronto Faculty of Law, and counsel with Ontario's Ministry of the Attorney General.

Jean Sébastien

Jean has a Ph.D. in Comparative Literature and is currently professor of media and literature at College de Maisonneuve in Montreal. Jean has served as a policy analyst on matters of broadcasting, telecommunications, and information technology for L'Union des consommateurs and a member of the Board of Directors of the Canadian Internet Registration Authority. Prior to this, Jean spent some 15 years working in various capacities in the media.

Dennis Béland

Dennis is Director, Regulatory Affairs, Telecommunications, Quebecor Media Inc. Dennis has a Bachelor's Degree in Engineering and Management and a Master's Degree in Public Policy from the John F. Kennedy School of Government at Harvard University. He is a Member of the Board of Directors of the Canadian LNP Consortium Inc., the Canadian Numbering Administration Consortium Inc. and a former Member of the Board of Directors of the Canadian Wireless Telecommunications Association.

Mirko Bibic

Mirko is a lawyer and Senior Vice-President, Regulatory and Government Affairs at Bell Canada. He is responsible for overseeing all regulatory activities involving the CRTC, the Competition Bureau and the Copyright Board on behalf of Bell Canada, Bell Mobility and Bell TV. He is also responsible for the Company's government affairs activities. Prior to joining Bell in January 2004, Mirko was the managing partner of the Ottawa office of Stikeman Elliott LLP.

Mirko also serves on the boards of the National Gallery of Canada Foundation and Information Technology Association of Canada (ITAC).

Jill Schatz

Jill joined Primus Canada in 2008 as General Counsel and VP Law and has overall responsibility for the legal requirements of the company. Jill has extensive in-house experience in various public and private corporations and has held senior legal, corporate secretarial and executive roles in the IT and Telecommunications industries since 2000 with Momentum Advanced Solutions Inc. (formerly OnX Enterprise Solutions Inc.) and Cybersurf Corp. Prior to 2000 she held in-house positions with ICI Canada Inc. (formerly C-I-L Inc.) and TransCanada PipeLines Limited.

Jill is active in the corporate counsel community and is a past-President, Vice-President and Treasurer of the Canadian Corporate Counsel Association (CCCA). She serves on the Executives of the IT and E-Commerce Section of the Ontario Bar Association and the Toronto Chapter of the CCCA and is currently the President of the CMHA York Region Board of Directors. Jill holds a Juris Doctorate (J.D.) and MBA (Finance Major), both from the University of Toronto as well as a Masters in Law (International Trade & Competition Law) from Osgoode Hall Law School.

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