

November 19, 2014

James Rajotte, Chair
Standing Committee on Finance
Sixth Floor, 131 Queen Street
House of Commons
Ottawa Ontario K1A 0A6

Re: Study of the subject matter of Clauses 193 to 210 (Telecommunications Act) of Bill C-43, A second Act to implement certain provisions of the budget tabled in Parliament on February 11, 2014 and other measures.

1. The Canadian Wireless Telecommunications Association (CWTA) is the authority on wireless issues, developments and trends in Canada. It represents wireless service providers as well as companies that develop and produce products and services for the industry, including handset and equipment manufacturers, content and application creators and business-to-business service providers. CWTA is pleased to provide its comments on the changes to the Telecommunications Act proposed in Bill C-43.
2. CWTA supports the transition to electronic billing and payment. Virtually every industry now recognizes the environmental benefits and increased efficiency of migrating from paper-based to direct and electronic processes. This includes the transition from physical pay cheques to direct deposit, electronic tax returns, and electronic billing and payment practices. The Government of Canada continues to increase efficiency by eliminating paper processes and has committed to phasing out cheques for all government payments by April 2016.
3. In the telecommunications industry, the benefits of eliminating paper processes are impossible to ignore. For instance, completely eliminating paper billing from the wireless industry would keep more than 300 million envelopes and paper bills out of circulation per year. Transitioning the majority of a customer base away from paper billing, however, is challenging. Many of the hurdles that were overcome when acclimatizing Canadians to direct deposit paycheques and automated teller machines are being addressed again to spur the adoption of electronic billing and payment options.
4. Canada's wireless service providers have employed a number of methods to stimulate the move to electronic billing. In the highly-competitive telecommunications marketplace service providers give decisions respecting paper bill fees, credits or discounts the same consideration they give any other pricing decision. For instance, practices have included charging a fee per bill, or offering travel reward miles, service credits, and one-time donations to charitable causes for switching to electronic billing. As well, many telecommunications service providers offer fee exemptions, including not charging a paper bill fee to customers without an internet connection.

5. Bill C-43 proposes to remove one of these options from the marketplace by prohibiting telecommunications service providers from charging for providing subscribers a paper bill.¹ However, CWTA submits that the Committee recommend some minor changes to the proposed amendments to the *Telecommunications Act* regarding paper bill fees that would:
- Bring the changes in line with the Government’s stated policy objective on this issue; and
 - Provide a reasonable transition period for service providers to adopt the new requirement.
6. We are pleased to address these recommendations in more detail below.

The prohibition on paper bill fees should be limited specifically to individuals and small businesses to achieve the Government’s stated objectives

7. The Government has indicated on many occasions that the prohibition of paper bill fees is targeted at Canadian consumers and families. For instance, in an August 29 statement, Industry Minister James Moore said:

“...in the 2013 Speech from the Throne, our government committed to end [paper bill fees] once and for all. We will continue to promote policies that support Canadian consumers and put more money back in the pockets of hard-working Canadian families.”

8. As currently written, the proposed changes to the Telecommunications Act in C-43 would apply to all telecommunications service customers, including corporate accounts. CWTA submits that the amendment should, like the CRTC’s Wireless Code, apply specifically to individual and small business² subscribers. Specifically, we recommend changing the text of Clause 194 to read:

“Any person who provides telecommunications services shall not charge a **an individual or small business** subscriber for providing the subscriber with a paper bill.”

9. This proposed amendment to C-43 would directly achieve the Government’s stated objective related to this clause. As well, excluding business clients from the legislation would preserve the ability for corporate service contracts to be freely negotiated.

Service providers should be afforded a reasonable transition period to adopt the new requirements

10. As was disclosed to this Committee on November 6, Industry Canada has not undertaken any consultation with the telecommunications industry to gauge service providers’ ability to implement the new requirements when the *Act* receives royal assent. CWTA members have confirmed that it will be difficult, if not impossible,

¹ Clause 194.

² The Wireless Code adopts the Commissioner for Complaints for Telecommunications Services’ definition of “small business”: a business whose average monthly telecommunications bill is under \$2,500. The Wireless Code notes that corporate and commercial account holders “are already able, through size and purchasing power, to better negotiate agreements.”

to effectively coordinate all of the IT system changes necessary to fully comply with the new billing requirements within such a short timeframe.

11. Most service providers offer multiple services to customers that will be affected by the new legislation, and subsequently operate multiple billing platforms. Each platform will need to undergo significant changes to remove the paper bill charges, which could take a number of billing cycles to ensure full compliance. In addition, carrier billing systems are typically under peak usage during December and can therefore not be altered for the entire month.
12. Service providers have indicated March 31, 2015 as a reasonable date for required compliance – slightly more than five months from when the Bill was introduced. CWTA recommends that Bill C-43 be amended to allow this more reasonable coming-into-force period to comply with the new paper billing requirements.

Conclusion

13. The wireless industry is committed to contributing to the overall transition from paper to electronic billing and payment, and will continue to do so to the extent possible under any legislative framework. CWTA submits that a few amendments to Bill C-43 are necessary to: bring the changes to billing practices in line with the Government's stated policy objective on this issue; and afford service providers a reasonable transition period to adopt the new requirement.
14. We appreciate the opportunity to participate in this process.

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