



Telecom Regulatory Policy CRTC 2019-269

PDF version

References: 2018-422, 2018-422-1, and 2018-422-2

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The Internet Code

The Commission establishes the Internet Code (the Code), a mandatory code of conduct for providers of retail fixed Internet access services for individual customers. The Commission is creating the Code to make it easier for Canadians to understand their Internet service contracts, to prevent bill shock from overage fees and price increases, and to make it easier for Canadians to switch Internet service providers (ISPs).

The Code, among other things, ensures that customers will benefit from increased clarity in their interactions with ISPs; from clearer prices, including for bundles, promotions, and time-limited discounts; and from increased clarity around service calls, outages, security deposits, and disconnections.

*The Code will take effect on **31 January 2020** and will apply in full to all renewed, amended, or extended contracts. Certain provisions related to the clarity of communication will also apply to existing contracts to ensure that customers have the necessary information to make informed decisions.*

Upon taking effect, the Code will apply to large facilities-based ISPs that provide retail fixed Internet access services: Bell Canada (including Bell MTS, NorthernTel, and Télébec), Cogeco, Eastlink, Northwestel, RCCI, SaskTel, Shaw, TCI, Videotron, and Xplornet.

Introduction

1. The Commission hereby establishes the Internet Code (or the Code), a mandatory code of conduct for providers (i.e. Internet service providers [ISPs]) of retail fixed Internet access services (Internet Services).¹
2. The Code sets out new requirements for large facilities-based ISPs to (i) ensure that consumers are empowered to make informed decisions about Internet Services, and

¹ For greater clarity, in this decision, “Internet Service(s)” refers specifically to retail fixed Internet access services, while “Internet service(s)” refers to all Internet services in general.

- (ii) contribute to a more dynamic marketplace by making it easier for consumers to take advantage of competitive offers.
3. The Code advances the telecommunications policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the *Telecommunications Act* (the Act).²
4. The Internet Code is set out in the Appendix to this decision.

Regulatory background

5. The Commission regulates the Canadian telecommunications industry with the goal of fulfilling the Canadian telecommunications policy objectives set out in section 7 of the Act (the policy objectives), which include rendering reliable and affordable telecommunications services of high quality accessible to Canadians in all regions of Canada, responding to the economic and social requirements of users of telecommunications services, fostering increased reliance on market forces for the provision of telecommunications services, and ensuring that regulation, where required, is efficient and effective.
6. The Commission is required to exercise its powers and perform its duties under the Act in accordance with the 2006 Policy Direction,³ which requires it to rely on market forces to the maximum extent feasible as the means of achieving the policy objectives. When the Commission must rely on regulatory measures to achieve the policy objectives, the 2006 Policy Direction requires the Commission to use regulatory measures that are efficient and proportionate to their purpose and that interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives. When the Commission implements non-economic regulatory measures (such as industry codes or participation in the Commission for Complaints for Telecom-television Services Inc. [CCTS]), the 2006 Policy Direction requires the Commission to implement these measures in as symmetrical and competitively neutral a manner as possible.
7. While a new policy direction was recently issued under the Act (the 2019 Policy Direction),⁴ this decision is not subject to it. Nonetheless, in reaching its

² The cited policy objectives of the Act are 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions; 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; and 7(h) to respond to the economic and social requirements of users of telecommunications services.

³ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁴ See *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019. It does not apply since the record of this proceeding closed prior to the 2019 Policy Direction coming into effect and has been closed for less than one year prior to that date.

determinations in this decision and in establishing the Code, the Commission took into consideration the principles set out in the 2019 Policy Direction, which include promoting competition, affordability, consumer interests, and innovation.

Commission's approach to forbearance

8. The vast majority of Internet Services are forborne from rate regulation under section 34 of the Act. However, the Commission retains its regulatory powers under sections 24 and 24.1 and subsections 27(2) and 27(4) of the Act for Internet services. Sections 24 and 24.1 permit the Commission to impose conditions on the offering and provision of any telecommunications service by a Canadian carrier or by a non-carrier (also referred to as a reseller), respectively. Subsections 27(2) and 27(4) prohibit carriers from unjustly discriminating or giving an undue preference in the provision of telecommunications services or the charging of rates.
9. Over the years, the Commission has imposed various conditions on ISPs pursuant to sections 24 and 24.1 of the Act. Examples of social and consumer policy obligations imposed pursuant to these sections of the Act can be found in the accessibility policy (Broadcasting and Telecom Regulatory Policy 2009-430), the CCTS policy and decisions (Telecom Decision 2007-130, Telecom Regulatory Policy 2011-46, and Broadcasting and Telecom Regulatory Policy 2016-102), the 30-day cancellation policy (Broadcasting and Telecom Regulatory Policy 2014-576) and the associated cancellation refund policies (Telecom Decisions 2016-171 and 2018-194), and the non-carrier regulatory obligation policy (Telecom Regulatory Policy 2017-11).

Internet services subject to rate regulation

10. As an exception to the general forbearance from the regulation of Internet Services, some of Northwestel Inc.'s (Northwestel) Internet Services are subject to rate regulation and tariffs. In Telecom Regulatory Policy 2013-711, the Commission, among other things, decided to regulate Northwestel's rates for retail Internet and Ethernet Wide Area Network services in terrestrially served communities in light of its findings that Northwestel has significant market power in the markets for these services.
11. The Commission has imposed other consumer protection measures on services subject to tariffs in recent proceedings, including the 30-day cancellation policy and the cancellation refund policy. In those policies, the Commission directed service providers offering tariffed services to file updated tariffs to reflect the new regulatory requirements.

Commission's expectations regarding basic telecommunications services

12. The Commission acknowledged the increasing importance of Internet services to Canadians in Telecom Regulatory Policy 2016-496, in which the Commission defined fixed and mobile wireless broadband Internet access services as basic telecommunications services. The Commission further deemed that Canadians will

increasingly need to access broadband Internet access services to effectively participate in the digital economy and society.

13. The Commission also found it necessary to establish several new expectations for ISPs to address customer complaints related to bill shock and contract clarity. Specifically, the Commission established an expectation that all ISPs that provide broadband Internet Services to individual and small business customers (i) ensure that their contracts and related documents clearly explain, in plain language, certain contract terms;⁵ and (ii) provide account management tools that enable customers to monitor their data usage, and plain-language information on the data usage associated with common online activities. The Commission stated that the tools and information should be accessible to customers with disabilities.
14. The Commission also directed those ISPs to notify their residential and small business⁶ customers who have incurred overage charges of where they can find information about (i) the account management tools the ISP offers, (ii) the data usage associated with common online activities, and (iii) alternative plans that may better suit the customer's needs.
15. As directed, the large ISPs identified in Telecom Regulatory Policy 2016-496⁷ confirmed that they are currently in compliance with all directives laid out by the Commission in that decision, providing various examples, links, and documents as evidence.

Other codes of conduct

16. To date, the Commission has created mandatory codes of conduct to address customer issues specific to the mobile wireless, television, and home phone markets, but not the Internet service market. These existing consumer codes are the Wireless Code (set out in Telecom Regulatory Policy 2017-200), the Television Service Provider Code (TVSP Code) [set out in Broadcasting Regulatory Policy 2016-1], and the Deposit and Disconnection Code (set out in Telecom Decision 2011-702), respectively. The expectations set out in Telecom Regulatory Policy 2016-496 are

⁵ Specifically, ISPs are required to explain, in plain language, (i) the services included in the contract, (ii) any limits on the use of those services that could trigger overage charges, (iii) the minimum monthly charge for services included in the contract, (iv) where customers can find information on rates for overage charges; and (v) whether or not there is a maximum data overage charge that might be incurred in a monthly billing cycle and, if so, the amount of that maximum charge.

⁶ For the purpose of Telecom Regulatory Policy 2016-496, "small business" is defined as a business whose average monthly telecommunications bill is under \$2,500.

⁷ Those ISPs were Bell Canada; Bragg Communications Incorporated, carrying on business as Eastlink (Eastlink); Cogeco Communications Inc.; MTS Inc. (in March 2017, BCE Inc. completed its acquisition of MTS Inc., which is now operating as Bell MTS Inc. [Bell MTS]); Quebecor Media Inc., on behalf of Videotron G.P. (now Videotron Ltd. [Videotron]); Rogers Communications Canada Inc. (RCCI); Saskatchewan Telecommunications (SaskTel); Shaw Cablesystems G.P. (Shaw); and TELUS Communications Inc. (TCI).

similar in content to some of the requirements set out in the Wireless Code and the TVSP Code.

Report on Misleading or Aggressive Communications Retail Sales Practices

17. In its [Report on Misleading or Aggressive Communications Retail Sales Practices](#), published 20 February 2019, the Commission found that “it is apparent that misleading or aggressive retail sales practices are present in the telecommunications service provider market in Canada. These practices exist in all types of sales channels, including in-store, online, over the phone, and door to door. They occur to an unacceptable degree; they are harming Canadian consumers, in particular vulnerable Canadians; and they are a serious concern for the CRTC.” The Commission considered that the creation of an Internet code of conduct could be one way to strengthen consumer protections to address the occurrences of misleading or aggressive sales practices.

Complaints reporting

18. The CCTS is an independent organization dedicated to (i) resolving customer complaints about telecommunications and television services, and (ii) administering the Commission’s current codes of conduct, i.e. the Wireless Code, the TVSP Code, and the Deposit and Disconnection Code. The CCTS also receives and reports publicly on complaints from individuals and small businesses about services subject to those codes and about Internet Services.

The proceeding

19. In Telecom Notice of Consultation 2018-422 (the Notice), the Commission noted the increasing importance of Internet Services to Canadians and the rising number of customer complaints about these services. The Commission set out the preliminary view that it is necessary to establish a mandatory code of conduct to address customer contracts and related issues – including contract clarity, bill shock, and barriers to switching service providers – regarding the Internet Services that the large facilities-based ISPs⁸ provide to individuals and small businesses.
20. As a result, in the Notice, the Commission initiated a proceeding (the proceeding) to develop the Internet Code. The Commission called for comments on the need for such a code; its content, application, implementation, administration, enforcement, and promotion; and how its effectiveness should be measured and reviewed.

⁸ As stated in the Notice, the large facilities-based ISPs include large service providers in the “incumbent telecommunications service provider,” “cable-based carrier,” and “other carrier” categories, as referenced in the Commission’s *Communications Monitoring Report* publications, specifically Bell Canada (including Bell MTS; NorthernTel Limited Partnership; and Télébec, Société en commandite); Cogeco Connexion Inc.; Eastlink; Northwestel Inc.; RCCI; SaskTel; Shaw; TCI; Videotron.; and Xplornet Communications Inc.

21. The Commission also set out its preliminary views with respect to key issues in the proceeding. The Commission issued the Internet Code Working Document (the Draft Code) in Appendix 1 to the Notice to provide interested persons with a possible model of an Internet code and to stimulate discussion and debate. The Commission invited interested persons to provide alternative wording, with supporting rationale, where they considered that changes, additions, or removals were necessary.
22. The proceeding included an online consultation to enable individual Canadians to participate easily in the development of the Code.
23. The Commission received comments from 147 participants, including over 110 individual Canadians, as part of the interventions in the proceeding. The Commission also received over 430 comments from individual Canadians as part of the online consultation. In addition, the Canadian Association of the Deaf (CAD), the Canadian National Society of the Deaf-Blind, Inc.; the Deaf Wireless Canada Consultative Committee; and the Deafness Access Advocacy Association Nova Scotia (collectively, CAD et al.) submitted a survey of Deaf, deaf-blind, and hard-of-hearing (DDBHH) individuals regarding their experiences with Internet services and related contracts.
24. The Commission received interventions from Ageing + Communication + Technologies (ACT); Bell Canada; Bragg Communications Incorporated, carrying on business as Eastlink (Eastlink); the Canadian Communication Systems Alliance (CCSA) (including submissions from Cochrane Telecom Services [CochraneTel], Coopérative de Câblodistribution de Sainte-Hedwidge [Coop Sainte-Hedwidge], Diffusion Fermont, DERYtelecom Inc. [DERYtelecom], and Seaside Communications Inc. [Seaside]); the Canadian Network Operators Consortium Inc. (CNOC); the Canadian Association of Wireless Internet Service Providers (Canwisp); Cogeco Communications Inc. (Cogeco); the CCTS; the Competition Bureau; the Conseil provincial du secteur des communications du Syndicat canadien de la fonction publique (CPSC); the Consumers Council of Canada; Distributel Communications Limited (Distributel); the Forum for Research in Policy in Communications; the Government of Yukon; the Independent Telecommunications Providers Association (ITPA); the Internet Society Canada Chapter; the Manitoba Branch of the Consumers' Association of Canada; the Ministère de la Culture et des Communications du Québec and l'Office de la protection du consommateur du Québec; Primus Management ULC, Quebecor Media Inc., on behalf of Videotron Ltd. (Videotron); le Réseau Fédération de l'Âge d'Or du Québec (FADOQ); Rogers Communications Canada Inc. (RCCI); Rothschild & Co. (Rothschild); Saskatchewan Telecommunications (SaskTel); Shaw Communications Inc. (Shaw); TekSavvy Solutions Inc. (TekSavvy); TELUS Communications Inc. (TCI); l'Union des consommateurs (l'Union); and Xplornet Communications Inc. (Xplornet).

Issues

25. The Commission has identified the following issues to be addressed in this decision:

- Need for an Internet code
- Application of the Code
- Content of the Code
- Administration and enforcement of the Code
- Implementation of the Code
- Promoting awareness of the Code and rights
- Review and measuring success

Need for an Internet code

Positions of parties

26. Several parties, including individual Canadians, consumer groups, some large facilities-based ISPs, and other ISPs, considered it necessary to create an Internet code to respond to customer concerns and further the policy objectives, while some parties opposed the creation of an Internet code. The arguments in support of an Internet code can be summarized as follows:

- The number of complaints to the CCTS about Internet Services is significant, relates to multiple ISPs, and continues to increase over time. The complaints cover a wide range of issues that an Internet code could address.
- The Commission has deemed Internet services to be basic telecommunications services.
- The customer experience of accessing the Internet is functionally similar whether customers are using mobile wireless services or Internet Services to do so. As well, customers often purchase Internet Services as part of a bundle of services, including television and mobile wireless services. However, customers of television and mobile wireless services are protected by the TVSP Code and the Wireless Code respectively, but customers of Internet Services are not protected by similar rules at this time.
- An Internet code is necessary to better respond to the needs of Canadians with disabilities and the challenges they face with respect to their Internet Service contracts and related issues.

27. Specifically, individual Canadians raised a wide range of issues that they considered an Internet code should address, including the following:

- the clarity of Internet Service offers, especially those that include discounts or promotions;
- the clarity of verbal and written contracts, including contracts that cover bundled services;
- the content and format of contracts;
- issues related to contract changes, including when such changes should be prohibited and what information must be disclosed prior to the changes;
- bill shock due to overage fees, unexpected price increases, and unclear time limits on or changes to promotional prices or discounts;
- the cancellation process, including the associated challenges, the amount of early cancellation fees, and the duration of the charging of these fees;
- service outages and installations;
- security deposits and disconnections; and
- the complaint process.

28. Similarly, CAD et al. submitted a survey reflecting the challenges that Canadians with disabilities, specifically DDBHH individuals, have with the clarity of contracts and contract terminology, and with managing data use to prevent bill shock, among others.

29. Several parties, including individuals, the Competition Bureau, CNOC, the CPSC, and FADOQ, considered it essential to establish new rules to ensure that customers know what they will receive when they agree to subscribe to an Internet Service and that they receive what they pay for. The Competition Bureau argued that there is a disconnect between what customers think they are going to receive and what they actually receive as a result of ISPs' failure to adequately disclose key contract terms and unclear changes to contract terms.

30. Many individual Canadians submitted that they never received a written contract that set out key information, such as the services and prices agreed to. Several indicated that the lack of records of verbal agreements, whether they were making a new contract or changing an existing contract, makes it difficult for them to complain effectively to obtain what they considered to be the terms and conditions they agreed to.

31. The CCTS emphasized the value of rules requiring the effective and clear disclosure of all terms and conditions about prices and services, and when ISPs may change them.
32. CNOC submitted that rules that improve the clarity of contract terms and conditions would enable customers to scrutinize service offerings and the attached terms and conditions, including those associated with material changes to the contract and early cancellation fees.
33. Other parties, including FADOQ, the Government of Yukon, and Rothschild, emphasized the importance of establishing rules that will improve bill management and prevent bill shock, especially for customers in rural and remote regions and for Canadians with disabilities. Rothschild argued that an Internet code should require ISPs to notify customers before they reach their monthly data usage limit to give them time to adjust their usage or their monthly data allowance before accruing overage charges.
34. The Government of Yukon submitted that in that territory, (i) ISP choice is limited, which makes switching ISPs difficult; (ii) unlimited services are unavailable; and (iii) usage charges can be significant and can lead to bill shock. The Government of Yukon suggested that an Internet code should include rules to better protect consumers in the North, including rules related to the disclosure of overage charges and usage notifications.
35. FADOQ and Rothschild highlighted the importance of rules designed to help customers switch ISPs to take advantage of competitive offers, including limits on early cancellation fees and trial periods. Several parties, including Rothschild argued that a trial period is necessary to give customers time to use the service and receive their first invoice.
36. Some large facilities-based ISPs, such as Cogeco, Eastlink, SaskTel, and TCI, argued that an Internet code is not necessary to achieve the policy objectives and respond to customer concerns. Additional arguments raised by various large facilities-based ISPs can be summarized as follows:
 - Existing protections and industry codes are sufficient to address customers' concerns.
 - The Internet Service market is competitive; therefore, imposing a mandatory code of conduct on ISPs would amount to disproportionate and unnecessary regulation that would suppress innovation and competition, and harm the market and Canadians.
 - The number of customer complaints to the CCTS is not significant in the context of the total number of Internet Service subscriptions; thus the complaints are due to specific industry participants and do not demonstrate that there is a systemic issue to be addressed.

37. The Government of Quebec also opposed the creation of an Internet code, arguing that it would be unnecessary and confuse customers in Quebec, who are already protected through provincial contract and consumer protection legislation.

Commission's analysis and determinations

38. In the Notice, the Commission set out the preliminary view that the creation of an Internet code would further the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the Act and is necessary to respond to customer concerns about Internet services and related issues, including contract clarity, the clarity of promotional offers, the prevention of bill shock, and the reduction of barriers to switching ISPs.
39. In Telecom Regulatory Policy 2016-496, the Commission designated Internet services to be basic telecommunications services. The Commission seeks to ensure that all Canadians have access to a world-class communication system. Internet services play an important role in the lives of all Canadians, enabling them to participate in today's digital economy and to access, for example, health care, education, government, and public safety services.
40. Individual Canadians and consumer groups raised significant concerns regarding various ISPs, which were related to a wide range of issues that the Commission had identified in the Notice as potentially in the scope of an Internet code. This includes contract clarity, bill shock, and barriers to switching ISPs.
41. In particular, the record of this proceeding demonstrates that there is a failure by ISPs to effectively disclose information that is essential to customers understanding all important contract terms. The Commission considers that such failures when offers are made, when contracts are agreed to, and when contracts are changed, have led to significant consumer challenges in making informed choices about Internet services.
42. In addition, the record demonstrates that Canadians with disabilities are experiencing the same challenges as other Canadians with respect to making informed choices about Internet Services, but to a more significant degree, as well as additional challenges such as the clarity of contract terminology or data not being available in American Sign Language/Langue des signes québécoise (ASL/LSQ).
43. The record also demonstrates that some customers are experiencing bill shock. In this regard, the Commission noted in the 2018 *Communications Monitoring Report* (CMR) that individual Canadians paid over \$94 million in overage fees in 2017. The Commission acknowledges the arguments by CAD et al. that Canadians with disabilities find it difficult to manage their data use to prevent bill shock. A number of customers also seem to be experiencing challenges understanding their rights regarding service cancellations, outages, installation, and disconnection, as well as security deposits.
44. The CCTS's reports, which span the period from 2008 to 2018, demonstrate that the number of complaints it receives about Internet services is significant and is increasing over time. The CCTS stated that over the last five years, complaints related

to Internet Services have increased by 170%, compared to an increase of 25% for mobile wireless service complaints. As well, the complaints relate to multiple ISPs and address a wide range of issues in the scope of the Draft Code.

45. The Commission has created consumer codes for mobile wireless and television services, but not for Internet Services, leading to fewer protections for customers regarding Internet Services than mobile wireless or television services. Since the Commission has designated Internet services as basic telecommunications services, it would be appropriate to consider creating an Internet code.
46. The Commission has found the Wireless Code to be effective in meeting its objectives, which are to make it easier for customers to obtain and understand the information in their mobile wireless service contracts, to establish consumer-friendly business practices for the mobile wireless service industry where necessary, and to contribute to a more dynamic mobile wireless service market. The Commission is of the view that similarly, an Internet code would be effective in making it easier for customers to obtain and understand the information in their Internet service contracts, establishing consumer-friendly business practices for the Internet service industry where necessary, and contributing to a dynamic Internet service market.
47. Although customers can submit complaints to the CCTS about Internet, mobile wireless, home phone, and television services, in situations where there is no consumer code which the CCTS administers, the CCTS's mandate in respect of such complaints is limited to enforcing existing contract terms. If the Commission were to establish an Internet code that would be administered by the CCTS, the CCTS could apply it when resolving complaints. This would ensure that ISPs, in addition to complying with their Internet service contracts, meet other minimum standards deemed necessary by the Commission.
48. The creation of an Internet code would also further the implementation of the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the Act, that is, rendering reliable and affordable telecommunications services of high quality accessible to Canadians in all regions of Canada, responding to the economic and social requirements of users of telecommunications services, fostering increased reliance on market forces for the provision of telecommunications services, and ensuring that regulation, where required, is efficient and effective. The Commission considers that an Internet code would provide much-needed certainty and clarity to ISPs and many customers of Internet services across Canada, insofar as it relates to the offering and provision of such services. An Internet code would address issues where market forces in the telecommunications market have failed to sufficiently protect Canadian customers and responds appropriately. Adopting the Code will improve the conditions in which Canadians can access and benefit from these basic telecommunications services.
49. The creation of an Internet code would also be consistent with the 2006 Policy Direction. Specifically, the 2006 Policy Direction requires that in exercising its powers and performing its duties under the Act, the Commission should (i) rely on

market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives, and (ii) when relying on regulation, use measures that are efficient and proportionate to their purpose and that interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives. When relying on regulation, the Commission should also use measures that (iii) if they are not of an economic nature, to the greatest extent possible, are implemented in a symmetrical and competitively neutral manner.

50. The Commission considers that

- individual Canadians, consumer advocacy groups, and certain ISPs have identified significant customer concerns related to Internet Services that market forces alone have not been sufficient to address to date, and market forces cannot be relied upon to address these issues going forward;
- the creation of an Internet code that establishes new rules and targets specific customer concerns would be efficient and proportionate to its purpose. In this regard, each rule and its application (to ISPs, consumers, and contracts) must also be efficient and proportionate to its purpose; and
- the creation of an Internet code is not an economic measure; thus, to the greatest extent possible, it should be implemented in a symmetrical and competitively neutral manner.

51. In light of all the above, the Commission determines that it is necessary to create the Internet Code, to be imposed using its powers pursuant to sections 24 and 24.1 of the Act, so that customers will be better informed of their rights and responsibilities as they relate to offers and contracts with ISPs.

Application of the Code

Application to different business models and technologies

Positions of parties

52. Parties, including individual Canadians, generally agreed with the Commission's preliminary view that the Internet Code

- should apply to all Internet Services. The CCTS requested that the Code and the Commission's related decision be clear that the Internet Code will also apply to fixed wireless and satellite services;
- should not apply to services governed by the Wireless Code and should apply to Internet Services (i) sold on a stand-alone basis or in a bundle of services, and (ii) whether they are agreed to in person, over the phone, or over the Internet; and

- should be business model- and technology-agnostic, given that ISPs may change business models at any time and that technologies evolve over time. Business models include the basis on which the service is sold, such as on a fixed-term or indeterminate basis. The technology refers to the means used to deliver the service, such as fibre optic, cable, digital subscriber line (DSL), fixed wireless, and satellite direct-to-home (DTH).

53. With respect to the Code being business-model-agnostic, Eastlink argued that an Internet code should apply only to fixed-term contracts and not to indeterminate contracts, similar to the TVSP Code's application. Eastlink argued that the exclusion of indeterminate contracts from the full application of the Code would reduce the burden of compliance for ISPs.

Commission's analysis and determinations

54. The Act requires the Commission to exercise its powers to ensure that the policy objectives are fulfilled in the exercise of its powers and performance of its duties. Since the issuance of Telecom Order 99-592, the Commission has not regulated retail Internet services as closely as it regulates other telecommunications services, having found in that order that there is sufficient competition to protect the interests of users of Internet services.

55. However, the Commission has retained its powers under sections 24 and 24.1 and subsection 27(2) of the Act to ensure that it has the tools necessary to address instances where market forces alone are not ensuring that the policy objectives are being met.

56. The Commission notes that many Canadians access the Internet from home using a fixed Internet connection or a mobile wireless service.⁹ Many mobile wireless data services include a combination of voice, text, and/or data services and are accessed via devices such as smartphones, smart watches, and tablets or are mobile Internet services, which are generally limited to data services accessed via devices such as mobile Internet hubs, sticks, or keys, or MiFi devices. Mobile wireless data services are subject to the Wireless Code. Thus, while the Wireless Code applies to mobile wireless data services, it does not apply to Internet Services. The Wireless Code was imposed on certain wireless service providers (WSPs) under section 24 of the Act. Both mobile wireless data services and fixed Internet access services are regulated pursuant to the Act and must satisfy the policy objectives of the Act and be consistent with the 2006 Policy Direction.

57. Given this regulatory context and on the basis of the record of this proceeding, the Commission considers it necessary at this time to impose additional measures on ISPs for customers, using its powers under section 24 of the Act.

⁹ Some Canadians use mobile wireless services as their primary means to access the Internet, through the use of mobile wireless data devices such as Internet sticks and hubs.

58. In light of the above, the Commission determines that the Internet Code will apply to Internet Services (i) whether they are offered through fixed-term or indeterminate contracts, (ii) regardless of the technology or business model of the ISP, (iii) that are sold on a stand-alone basis or in a bundle of services, and (iv) whether they are agreed to in person, over the phone, or over the Internet. For clarity, the Commission notes that the Internet Code will not apply to contracts that are governed by the Wireless Code.
59. With respect to Eastlink's arguments, the Commission notes that the majority of contracts for Internet Services are indeterminate and that excluding indeterminate contracts from the full application of the Code would result in the majority of customers not benefiting from the protections offered by the Code. Moreover, there is no evidence on the record that the burden of compliance on ISPs would be unreasonable.

Application across Canada

Positions of parties

60. Many parties, including the CCTS and consumer groups, supported the Code applying in all regions of Canada to ensure that it can benefit Canadians wherever they live. Various parties, depending on the provinces/territories in which they operate, considered that ISPs are subject to federal rules (i.e. regulation by the Commission) as well as provincial/territorial laws. In adopting the Internet Code, the Commission should avoid conflicts with existing laws and ensure consistency across the various protections. Canwisp and CNOC argued that overlap between the Internet Code and provincial law was acceptable, so the Commission should not carve out areas of the Code's application. Rather, the Code should apply universally regardless of location of operation.
61. Certain interveners, notably TCI and Xplornet, and to a lesser extent Bell Canada, commented on the Commission's constitutional authority to impose the Internet Code, its interaction with related provincial consumer protection laws and the constitutionality of those consumer protection laws. They argued that federal law, including an Internet code imposed by the Commission under the Act, exclusively applies to ISPs and their customer/contractual relationships. TCI argued that this is the case regardless of whether there is a conflict or inconsistency with provincial consumer protection legislation. Accordingly, they argued that the Commission should declare its regulatory regime, including the Code, to be the sole governing authority over ISPs. Eastlink also submitted that, if an Internet code were created, it should take precedence over provincial consumer protection legislation.
62. L'Union argued that TCI's position regarding exclusive federal authority, was at odds with recent Supreme Court jurisprudence favouring a cooperative approach to determining constitutional authority.

63. The Government of Quebec argued that an Internet code is unnecessary and will confuse customers in Quebec, who are already protected through provincial contract legislation. Videotron argued that some ISPs did not comply with applicable consumer protection laws, so the Commission could not rely on those regimes to protect customers in those areas. The Government of Yukon submitted that provisions of the Draft Code did not appear inconsistent with Yukon legislation.

Commission's analysis and determinations

64. The same issue regarding whether the Wireless Code should apply across Canada in light of consumer protection legislation in force in certain provinces or territories arose in the context of the decisions to impose the Wireless Code (Telecom Regulatory Policy 2013-271) and the revised Wireless Code (Telecom Regulatory Policy 2017-200). The Commission's position was that there was no evidence of serious conflict between the Wireless Code and provincial/territorial consumer protection laws, or the frustration of the Wireless Code's objectives by these laws. Further, the Commission's position was that the Wireless Code takes precedence over conflicting provincial legislation, consistent with general constitutional principles of interpretation.
65. At present, some provincial/territorial legislation (in particular, consumer protection legislation) has been adopted that may apply to Internet service contracts. Some parties argued that this legislation is constitutional, according to the division of powers between the federal Parliament and provincial/territorial legislatures, while other parties argued that it is not. The record of this proceeding, which includes complaints to the CCTS, indicates that customers across Canada are experiencing challenges with their Internet service contracts and related issues, despite the existence of provincial/territorial consumer protection legislation.
66. As noted above, one of the objectives of the Code is to further the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the Act. Another objective of the Code is to establish consumer-friendly business practices that would, among other things, require ISPs to provide customers with easy-to-understand contracts. Applying the Code across Canada would ensure that the Code provides a uniform baseline of protection to customers, regardless of whether they may otherwise have the benefit of protections at other levels of government or by other agencies.
67. In implementing regulatory measures, the Commission must ensure that it is acting within federal constitutional jurisdiction over telecommunications undertakings rather than assessing whether provincial/territorial legislatures or other agencies are acting within theirs. The substance of the Code is the relationship between customers and ISPs in the context of the ISPs' role of offering and providing Internet Services. The Code is imposed as a condition of offering and providing such services. This parallels how the Wireless Code governs the relationship between customers and WSPs. Both represent the valid exercise of delegated federal constitutional authority over telecommunications undertakings. Nevertheless, where possible, the Commission has sought to avoid creating direct conflicts with other legislative regimes.

68. Accordingly, the Commission determines that to ensure that customers can benefit from the Internet Code regardless of which region of Canada they live in, the Code will apply across Canada. In light of the Commission's delegated powers under the exclusive federal constitutional authority over telecommunications undertakings, the Code will apply regardless of any provincial/territorial consumer protection laws and will take precedence over conflicting provincial/territorial legislation.

Application to customers and consumers

Positions of parties

69. FADOQ and l'Union argued that parts of the Code should apply to consumers in general (i.e. individuals who are not currently ISP customers). In this regard, l'Union proposed changing the wording of several sections of the Code to change the term "customer" to "consumer," since many of the Code's provisions appear to deal with situations that arise prior to the Internet service contract being entered into, including provisions on the clarity of service offers.

70. The CCTS noted that it could not administer rules that apply to non-customers, since its procedural code and mandate are limited to responding to complaints from ISP customers.

Commission's analysis and determinations

71. In the Notice, the Commission was of the preliminary view that the Internet Code should be administered by the CCTS. To that end, the Commission considers that all rules set out in the Internet Code should be aligned with the CCTS's current mandate to enable the CCTS to effectively administer the Internet Code and for the Code to meet its objectives.¹⁰ It is appropriate to limit application of the Code to individuals who may use the recourses offered to them by the CCTS to resolve complaints, who are customers (i.e. persons with an existing contract at the time of the complaint), not consumers in general.

72. In this regard, with respect to offers and other pre-sale activities, any applicable rules will be relevant only for individuals who enter into a contract. To the extent that a customer has a complaint regarding a mismatch between the offer and the contract, the customer will be able to file a complaint to the CCTS to address such matters, once the customer has received a copy of their contract.

73. Accordingly, the Commission determines that the Internet Code will apply to ISP customers, not consumers in general.

¹⁰ See the section below entitled "Administration and enforcement of the Code" for the Commission's determinations regarding the CCTS administering the Code.

Application to individuals and small businesses

Positions of parties

74. While parties agreed that the Internet Code should protect individual customers, they disagreed strongly on whether the Code should apply to small business customers. In the Notice, the Commission defined a small business as one whose average monthly telecommunications bill is under \$2,500. The CCTS has the same definition for what constitutes a small business.
75. CNOC, consumer groups, and the Government of Yukon generally agreed that the Code should apply to small business customers for the reasons set out in the Notice, namely that small businesses, through their size and purchasing power, face the same challenges as individuals.
76. The CCTS submitted that its complaint data suggest that the Internet Code would benefit small business customers. Complaints from small businesses about Internet Services are within the CCTS's mandate, and the CCTS reports on such complaints each year. In its most recent annual report, the CCTS concluded 494 complaints from small business customers regarding home phone, mobile wireless, Internet, and television services combined, representing 3.7% of complaints.
77. The CCSA noted that most of its members, which are smaller ISPs, stated that they generally treat individual and small business accounts in the same manner. Coop Sainte-Hedwidge and Diffusion Fermont echoed that there are no functional differences between their individual and small business contracts. Some ISPs, such as DERYtelecom, Seaside, and Xplornet, submitted that some business customers subscribe to individual service contracts since those contracts meet their needs.
78. Most of the large facilities-based ISPs (Bell Canada, Cogeco, Eastlink, RCCI, SaskTel, Shaw, TCI, Videotron, and Xplornet) opposed the Internet Code's application to small business customers. They argued that the needs of small business customers are different from those of individuals and that service delivery is more complex for small businesses. They also generally argued that there is not a sufficient number of complaints to the CCTS to prove that small business customers need the protections that individuals need.
79. Most ISPs generally argued that some small business contracts are significantly different from individual contracts regarding the composition of the services offered. Canwisp submitted that small business customers may have greater speed, capacity, and redundancy needs than individual customers. CochraneTel and Seaside supported this view regarding bandwidth requirements.
80. ISPs generally argued that small business contracts are more likely than individual contracts to have the following: fixed terms; early cancellation fees and installation fees, which are also more likely to be set at a higher level; automatic renewal of the contract at the end of the term (and that renewal is more likely to be for a longer term); higher prices, guaranteed for the term or subjected to pre-defined increases; greater speed, capacity, redundancy, and bandwidth requirements; a specific quality of service; and different standards and needs regarding customer support.

81. Cogeco, SaskTel, Shaw, and TCI proposed changes to the CCTS's definition of small businesses on the basis that it does not appropriately capture the businesses that are similar to individuals to which the Internet Code should reasonably apply. These parties argued that the current definition that the CCTS uses in assessing whether it can accept a complaint captures businesses that have complex, custom installations, sometimes requiring the use of extensive infrastructure or expensive specialized equipment.
82. Some ISPs, such as Bell Canada, TCI, and Xplornet, stated that the rules on early cancellation fees as set out in the Draft Code are not workable for small business contracts. Eastlink, TCI, and Xplornet argued that limiting early cancellation fees for small businesses would impede ISPs' ability to recover capital costs in fixed-term contracts. Cogeco, Shaw, and Videotron argued that small business contracts require higher early cancellation fees than individual contracts, since small business contracts are more likely to be longer fixed-term contracts (often exceeding two years). RCCI indicated that if the Commission were to impose restrictions on early cancellation fees, it would negatively affect competition and investment in the wireline business service market.
83. RCCI took issue with limiting the time period during which they could charge small businesses an early cancellation fee, stating that if ISPs are limited, in effect, to offering 24-month contracts and subject to a maximum early cancellation fee of only \$50, they would not be able to recupereate their large upfront costs. Bell Canada and RCCI added that it is important to look at how early cancellation fees are calculated when contracts are automatically renewed.
84. Canwisp noted that ISPs may need to enter into fixed-term wholesale supply arrangements to serve small business customers, which affects the types of terms that ISPs can offer to those customers.

Commission's analysis and determinations

85. The Commission notes that all parties agreed that the Internet Code should apply to individual customers; however, there was significant disagreement as to whether the Code should apply to small businesses.
86. Most ISPs considered that the CCTS's definition of small business works in the context of mobile wireless services and the Wireless Code, but not in the context of Internet Services or the Internet Code. In the mobile wireless service market, small businesses enter into the same contracts as individuals. In contrast, in the Internet Service market, many small businesses enter into contracts that are distinct from those for individuals. The types of services subscribed to, the scale of the necessary installation and associated costs, as well as terms of the contracts, including the scale of the early cancellation fees, can significantly differ, according to submissions by ISPs.

87. It appears that many small businesses, as captured by the CCTS's current definition, do not face the same issues as individual customers of Internet Services and vary significantly in size, needs, and purchasing power.
88. The Commission reiterates, as it determined in the Wireless Code Review (which led to Telecom Regulatory Policy 2017-200), that any review of the CCTS's definition of a small business would be better suited to the next review of the CCTS, and that this issue is out of the scope of the current proceeding. Further, the record of this proceeding is not sufficient to determine if and how the definition should be changed.
89. Accordingly, the Commission determines that the Internet Code will not apply to small business customers at this time. However, small businesses will continue to benefit from the right to complain to the CCTS about their particular contract terms with their ISPs or with respect to certain Commission policies, such as the 30-day cancellation policy.

Application to ISPs

Positions of parties

90. While parties generally agreed with the Commission's preliminary view that the Internet Code should, at a minimum, apply to the large facilities-based ISPs, most consumer groups and large facilities-based ISPs argued that the Code should also apply to other ISPs, including not-for-profit ISPs, co-operatives, and Indigenous and municipally owned ISPs, or smaller ISPs that are not affiliated with the large facilities-based ISPs.
91. In contrast, other ISPs considered that the Code should apply only to the large facilities-based ISPs. Other ISPs generally argued that either the Code should not apply to them, or if the Commission were to apply the Code to them, it should hold a distinct proceeding to examine the applicable issues in more detail. In this regard, non-facilities-based ISPs requested that the Commission examine underlying wholesale Internet service contracts to address issues related to the passing on of customer protections.
92. SaskTel submitted that it was involved in relatively few Internet service complaints to the CCTS and argued that the Internet Code should apply only to ISPs involved in the most complaints to the CCTS or to all ISPs equally. In response, CNOC submitted that many complaints to the CCTS reflect issues with underlying wholesale services over which non-facilities-based ISPs have no control. TekSavvy raised challenges associated with wholesale service contracts that may affect service delivery to retail customers and ISPs' ability to meet Internet Code obligations, and that may be a significant source of the complaints SaskTel referred to.
93. Parties generally considered that the Internet Code should apply to Northwestel to benefit its customers. The Government of Yukon submitted that the Internet Code should apply to all large facilities-based ISPs and that Northwestel must be included in this category as the dominant provider of Internet services in Yukon.

94. CNOC submitted that rate regulation is designed to protect customers in regions deemed not sufficiently competitive. Customers who purchase regulated services offered predominantly by a large carrier, such as Northwestel, should benefit from the protections that an Internet code provides. CNOC argued that there is no valid justification for exempting Northwestel from the Code.
95. Bell Canada submitted that since Northwestel's Internet services are regulated, the Code would create unnecessary administrative burden for Northwestel with little benefit. However, Bell Canada indicated that if required, Northwestel is prepared to file updated tariffs and implement the Code within nine months.
96. The CCTS noted that certain of Northwestel's Internet service rates are regulated, and the CCTS's mandate includes only forbore (unregulated) retail telecommunications services provided by participating service providers. As a result, the CCTS cannot administer the Code with respect to Northwestel's customers.
97. Several parties, including Quebecor, Shaw, and l'Union, noted that the Wireless Code applied immediately to all WSPs that provide mobile wireless services in the scope of that code, and submitted that the Internet Code should follow this approach.
98. In support of the Code applying to all ISPs, the CCTS submitted that the same rules, for all types of services offered by all communications service providers to all customers, would be easier for parties to understand and for the CCTS to administer.
99. The Competition Bureau and most consumer groups, including CAD et al., the CPSC, FADOQ, and l'Union, submitted that the Internet Code should apply to all ISPs to ensure that all customers benefit from the Code, regardless of which ISP they choose.
100. Most large facilities-based ISPs, including Cogeco, Eastlink, SaskTel, Shaw, RCCI, TCI, Videotron, and Xplornet, submitted that the Code should apply equally to all ISPs, including large facilities-based ISPs, to ensure that all customers benefit from the Code and to avoid asymmetric regulation. RCCI and TCI argued that inconsistent application of the Code would violate the 2006 Policy Direction, which requires that non-economic measures be implemented symmetrically to the extent possible.
101. However, some parties, including the CCSA and CNOC, submitted that issues related to non-facilities-based ISPs and their underlying Canadian wholesale-retail relationships were not relevant to the Wireless Code and should be taken into account in the context of the Internet Code. CNOC and TekSavvy stated that several complaints concerning non-facilities-based ISPs are outside these ISPs' control. CNOC submitted that the Commission should initiate a separate process if it wishes to assess if and how the Internet Code should apply to non-facilities-based ISPs. Distributel submitted that a follow-up proceeding would allow for further investigation into the specific needs, issues, and responsibilities of non-facilities-based ISPs.

102. With respect to the impact of applying the Internet Code to non-facilities-based ISPs, CNOC, supported by the CCSA, stated that application of the Internet Code to smaller ISPs and/or resellers would be inconsistent with the 2006 Policy Direction, which requires Commission intervention only to the minimum extent necessary and that regulation be symmetrical and competitively neutral. These parties submitted that these requirements are not absolute. They submitted that symmetrical and neutral application of the Internet Code would be inappropriate given that there currently exist two classes of ISPs (i.e. large facilities-based ISPs and competitive ISPs), for which different regulatory treatment is warranted, because they (i) do not contribute equally to the need for the protections that the Code would provide, and (ii) have different capacities to implement and comply with the Code's requirements.
103. The Government of Yukon and some ISPs supported the Commission's preliminary view set out in the Notice that the Code's application should be limited to large facilities-based ISPs at this time to strike an appropriate balance between addressing customer concerns and not placing a heavy regulatory burden on smaller carriers or non-facilities-based ISPs.
104. The CCSA submitted that many smaller ISPs (i) do not have written contracts with their retail customers but, rather, rely on standard terms of service published on their websites; (ii) permit their customers to cancel service at any time without penalty; (iii) do not experience significant numbers of customer complaints; and (iv) will do whatever they can to resolve customer complaints as quickly and as simply as possible.
105. The CCSA submitted that its members' customers would be unlikely to benefit from new requirements placed on their ISPs. Rather, such requirements are likely to introduce new costs and complexities to both the smaller ISPs and their customers. The CCSA noted that according to the CCTS's 2016-2017 Annual Report, 73% of the complaints received about Internet services related to five large facilities-based ISPs: Bell Canada, RCCI, TCI, Videotron, and Xplornet.

Commission's analysis and determinations

106. As set out in the Notice, the Commission considers that over 87% of Canadians receive their Internet service from nine large facilities-based ISPs; however, the Commission notes that there are an additional 700 non-facilities-based ISPs and 400 DSL providers registered with the Commission whose revenues represent approximately 13% of Internet Service subscriptions.
107. The record of the proceeding demonstrates that there are differences in the typical Internet service contracts offered by the large facilities-based ISPs on the one hand, and other ISPs on the other hand. The large facilities-based ISPs appear to be more likely to (i) offer bundles of services, (ii) offer fixed-term contracts, and (iii) impose early cancellation fees, higher installation fees, and higher overage fees. The large facilities-based ISPs are also less likely to have customers subscribe to unlimited services.

108. The large facilities-based ISPs are also more likely to offer time-limited promotional offers, gifts with purchase, or other discounts than other ISPs. In this regard, many smaller ISPs indicated that they have very simple plans and pricing, with no promotional offers at any time.
109. As set out in the Notice, for the purpose of the Internet Code, the large facilities-based ISPs include large service providers in the “incumbent telecommunications service provider,” “cable-based carrier,” and “other carrier” categories as referenced in the Commission’s 2018 CMR.
110. The Commission considers that large facilities-based ISPs have more complex service offerings than those offered by other ISPs. In particular, the large facilities-based ISPs are more likely to (i) include bundles, time-limited offers, promotional prices, and multiple package options; and (ii) have a fixed term. Customers are also more likely to be subject to an early cancellation fee with a large facilities-based ISP, and such fees, where imposed, are higher through a large facilities-based ISP. The complexity of these service offerings, which are often set out through a verbal agreement, renders these contracts particularly difficult to navigate for customers. This is reflected in the many complaints submitted on the record of this proceeding and to the CCTS regarding a broad range of Internet Service issues that relate to the large facilities-based ISPs.
111. Most of the large facilities-based ISPs are also WSPs and/or TVSPs and offer bundles of services. In offering these other communications services, these service providers are subject to the Wireless Code and/or TVSP Code, which set minimum standards for the associated services. However, Internet Services, when sold as part of a bundle, are currently carved out of any such minimum standards.
112. Given that the large facilities-based ISPs account for 87% of all Internet services received by Canadians, and that these service offerings are complex and oftentimes offered as part of a bundle, the Commission considers that the Internet Code should apply to large facilities-based ISPs at this time. The Commission considers that imposing the Code on the largest national and regional ISPs strikes an appropriate balance between benefiting the largest possible customer base and minimizing the burden of compliance with the Code. It will also ensure that customers can avail themselves of minimum standards, which will aid them in navigating the more complex agreements between themselves and their ISP.
113. Regarding SaskTel’s argument that the Code should not apply to ISPs involved in few complaints to the CCTS, it is important to consider that complaints to the CCTS are useful in establishing overall trends in customer complaints about Internet Services. However, these complaints do not reflect all complaints related to Internet Services. As parties noted, the companies involved in the most complaints to the CCTS change from year to year. As a result, the Commission considers that it would be inappropriate to use the volume of complaints submitted to the CCTS as a parameter upon which to base the application of the Code.

114. The record of this proceeding supports the application of the Internet Code to the following ISPs, which the Commission considers are the large facilities-based ISPs, including all of their brands and affiliates that provide Internet Services: Bell Canada (including Bell MTS Inc.; NorthernTel Limited Partnership; and Télébec, Société en commandite), Cogeco, Eastlink, Northwestel, RCCI, SaskTel, Shaw, TCI, Videotron, and Xplornet.
115. At present, Northwestel is the only ISP with Internet Services that are subject to rate regulation. Northwestel's current tariff generally does not address the issues contemplated by the Internet Code.
116. Northwestel's customers are more vulnerable due to a lack of competitive choice of service providers in Canada's North, making switching between providers difficult. Without the benefit of the Code, the company's customers would have fewer protections regarding issues related to contract clarity and bill shock than customers elsewhere in the country who could more easily switch providers. The rules in the Code related to the clarity of service offers and contracts, bill management, disconnection, and other issues would be relevant to Northwestel's customers.
117. In recent proceedings, the Commission has found it appropriate and necessary to impose other customer protection measures on Northwestel's services subject to tariffs. For example, the Commission required Northwestel to amend its tariffs to reflect the 30-day cancellation policy.
118. Accordingly, the Commission determines that the Internet Code should apply to Northwestel, as a large facilities-based ISP and a wholly-owned subsidiary of Bell Canada. The Commission therefore **directs** Northwestel to (i) modify the terms and conditions specified in its tariffs (for regulated services) to reflect the requirements set out in this decision, including in the Internet Code; and (ii) issue revised tariff pages by **31 January 2020**.
119. However, the Commission notes that rate-regulated services are outside the CCTS's mandate. Thus, the CCTS cannot receive or report on complaints about Northwestel's Internet services because they are now subject to rate regulation. Any such complaints would need to be addressed directly by the Commission.
120. Many parties suggested that it would be best for customers if all ISPs were subject to the Internet Code immediately. However, the Commission considers that certain factors must be assessed before determining whether the Code should apply to other ISPs in addition to the large facilities-based ISPs. For example, issues related to non-facilities-based ISPs (also referred to as resellers) and the underlying wholesale-retail relationships were raised as significant concerns.
121. While the majority of Canadians receive their Internet Services from a facilities-based carrier, the majority of ISPs are not facilities-based. As noted above, there are 700 registered non-facilities-based ISPs and 400 registered DSL ISPs whose revenues represent approximately 13% of Internet Service subscribers.

122. In assessing the appropriateness of imposing new customer-oriented regulatory requirements such as the Code, the Commission must consider not only the impact on customers, but the impact of the regulatory burden on ISPs. For example, in the case of non-facilities-based ISPs that have wholesale contracts with ISPs that provide the underlying Internet service, the Commission must consider the ability of the non-facilities-based ISP to recover costs if the retail contract changes but the underlying wholesale contract remains the same. The potential impact on the competitiveness of the marketplace and its associated impact on customer choice and the range of price points available in the market must also be assessed.
123. The Commission acknowledges the arguments from non-facilities-based ISPs that, regardless of their size, the imposition of certain Internet Code rules could place an unreasonable regulatory burden on them, due to the fixed nature of Internet Services and the lack of control that these ISPs have over the underlying wholesale service they rely on to provide service to their customers. As noted by non-facilities-based ISPs, wholesale services are the origin of certain complaints such as those related to service interruptions, or issues related to installation, repairs, disconnection, and reconnection.
124. The Commission acknowledges that non-facilities-based ISPs, by reason of their wholesale relationships with underlying facilities-based ISPs, would face unique challenges to meeting customer protections as contemplated in the Code. In order to properly assess the feasibility of the Code's application, or certain provisions thereof on non-facilities-based ISPs, the Commission would need to examine the potential interactions between the final Code and the wholesale tariffs or agreements. Such an analysis would enable the Commission to better identify any potential unintended consequences related to competitive choice or affordability. In the absence of this analysis, and a sufficiently robust record to allow for such an analysis to take place, the Commission is not in a position to determine which rules, if any, could be imposed on non-facilities-based ISPs at this time. Moreover, the Commission considers that the application of the Code to non-facilities-based ISPs could not take place without an examination, in more detail, of whether new policies should be created to address the underlying wholesale-retail relationships. Consistent with other proceedings to establish customer protections, such as the Wireless Code, and as stated in the Notice, the resolution of wholesale issues are outside the scope of this proceeding.
125. Further, smaller ISPs represent a diverse range of ISPs, including not-for-profits and cooperatives run by members of the community. They may not have the resources to fully understand and implement the Code at this time and, in many instances, they offer a limited range of plans with no discounts or promotional prices, lessening the potential risks to customers.
126. Accordingly, the Commission determines that the Internet Code will not apply to smaller ISPs at this time.

127. However, because customer protection is an important issue for the Commission, it expects all ISPs to behave in a manner that is consistent with all the principles set out in the Internet Code, such as using clear communication, providing bill management tools, and having consumer-friendly business practices. The Commission considers that this expectation is in keeping with the fulfilment of the policy objectives of the Act.

Consistency with the 2006 Policy Direction

128. The 2006 Policy Direction states that when relying on regulation, the Commission should use measures that are efficient and proportionate to their purpose and that interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives; and measures that, if they are not of an economic nature, to the greatest extent possible, are implemented in a symmetrical and competitively neutral manner.
129. Large facilities-based ISPs and other ISPs both argued that their respective opposing perspectives were consistent with the 2006 Policy Direction. The large facilities-based ISPs emphasized the importance of symmetrical and competitively neutral regulation. In contrast, the other ISPs emphasized the importance of such regulation “to the greatest extent possible,” which they argued required consideration of the burden of imposing the Internet Code on ISPs that are not large and/or not facilities-based.
130. The Commission considers that limiting the initial application of the Internet Code would (i) further the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the Act; and (ii) be efficient and proportionate to its purpose by ensuring that the majority of customers benefit from the Code, without imposing an undue regulatory burden on other ISPs. The Internet Code would be implemented in a symmetrical and competitively neutral manner to the greatest extent possible by being applied equally to all the large facilities-based ISPs, regardless of where they operate or their business models.

Application to existing, new, amended, and renewed contracts

Positions of parties

131. In general, application of the Internet Code to new, amended, and renewed contracts was not contentious. In contrast, parties were divided on whether the Code should apply to existing contracts.
132. Most consumer groups considered that the Code should apply to all contracts, regardless of when they were entered into.
133. The CCTS submitted that Option 3 set out in the Draft Code, i.e. application of only specific Internet Code sections to existing contracts, would offer the best combination of broad customer protection and simple implementation and administration. The CCTS further stated that this would give more customers equal rights as compared to

Option 1, i.e. application of the Internet Code only to new or amended contracts, which denies some customers protections until they renew or extend their contracts.

134. Most ISPs strongly opposed the application of the Internet Code to existing contracts, submitting that, among other things, it would be burdensome to do so. The large facilities-based ISPs submitted that it would take, on average, 12 months to apply the Code to pre-existing contracts and that it would be costly to do so. Xplornet submitted that if the Code applies to existing contracts, certain provisions of the Code should not apply, such as those relating to early cancellation fees. CNOC argued that application of the Code to existing contracts would distort bargains that were established under a different set of terms.
135. TCI submitted that should the Commission apply the Internet Code retroactively, it would cause significant market distortions by opening up every term Internet Service contract. RCCI stated that retroactive application must not alter the legal consequences of past transactions. RCCI also opposed the proposal to apply the Code to existing contracts, stating that it is not workable, given the obvious practical challenges of changing contracts mid-term.
136. ISPs including Bell Canada, RCCI, TCI, and Xplornet submitted that the Commission should use Option 1 since it is the only option that applies entirely prospectively. Certain ISPs, including Bell Canada and TCI, submitted that in the alternative, should the Commission insist on giving a new Code retroactive effect, it should adopt Option 3 and limit the retroactive effect to rules that mandate the provision of certain information, rather than rules that reopen the bargains struck between ISPs and their customers.

Commission's analysis and determinations

137. The Commission considers that (i) an existing contract is a contract that was agreed to before the date on which the Internet Code takes effect, (ii) a new contract is a contract agreed to on or after the date on which the Code takes effect, (iii) a renewed contract is a contract that is automatically renewed under the same terms and conditions on or after the date on which the Code takes effect, and (iv) an amended contract is an existing contract that is amended on or after the date on which the Code takes effect.
138. The Commission notes that the contentious issue for parties was whether the Internet Code should apply and, if so, to what extent, to existing contracts. In determining whether the Code should apply to existing contracts, the Commission must determine that such an application is necessary to achieve the Code's purpose, fulfills the policy objectives set out in the Act and otherwise complies with the 2006 Policy Direction.
139. Applying the entire Internet Code to existing fixed-term contracts would require many changes to those contracts. The impact of such changes is difficult to determine since the level of detail in the contracts, and the issues they address, varies. The issue is different in the case of existing indeterminate contracts, since these types of

contracts automatically renew every billing cycle (i.e. monthly). For this reason, the Commission determines that the Code will apply to indeterminate contracts upon their first renewal following the date of the implementation of the Code.

140. The Commission considers that the most relevant fees to consider with respect to the retrospective application of the Code are fees that an ISP may impose at a future date. This includes early cancellation fees, and could include installation fees. Some ISPs indicated that they may waive installation fees unless a customer cancels within a certain period, making the installation fee functionally similar to an early cancellation fee in those cases. If the Commission were to determine that the Code should apply in its entirety to existing contracts, this might prevent ISPs from recovering the full value of any previously agreed-to early cancellation fee charged to a customer, depending on the terms set out in the contracts.
141. The Commission has previously determined in the context of mobile wireless services that early cancellation fees can be a barrier for customers to switch service providers in order to take advantage of competitive service offers. The Commission notes the submissions about early cancellation fees and customer complaints about these fees, and considers that customers in the Internet Service market who have fixed-term contracts with early cancellation fees are experiencing similar challenges.
142. However, the record of this proceeding also shows that while early cancellation fees for Internet services are a source of customer concern, they appear to affect a smaller percentage of customers and affect these customers to a lesser degree (i.e. such fees, if imposed, are lower) than early cancellation fees imposed on mobile wireless service customers.
143. The provisions of the Internet Code, as set out in the Appendix to this decision, that are relevant to early cancellation fees are provisions B.2., G.1., and G.2. In light of the record of this proceeding, the Commission considers it reasonable that these provisions apply to new, amended, and renewed contracts only. The Commission also considers that there is insufficient evidence of the benefit of imposing these provisions on existing contracts when taking into account the cost to ISPs to implement them.
144. The Internet Code also includes provisions (B.1., B.5., C.1., and F.2.) on the content of contracts. The application of these rules to existing contracts would require ISPs to effectively redraft the contracts under new terms and conditions, which may be burdensome for ISPs and their customers. The Commission also considers that there is insufficient evidence of the benefit of imposing these provisions on existing contracts when taking into account the potential costs to ISPs to implement them. The Commission therefore considers it reasonable that these provisions apply only to new, amended, and renewed contracts.
145. Other rules in the Internet Code do not retrospectively change the existing contractual relationship between ISPs and customers, but rather address the ongoing relationship and what information must be provided to customers to empower them to make informed decisions. The Commission considers that these rules can apply to existing contracts.

146. Accordingly, the Commission determines that when the Internet Code takes effect, it will apply in full to new, renewed, and amended contracts. The Internet Code will also apply to existing contracts, excluding provisions B.1., B.2., B.5., C.1., F.2., G.1., and G.2.

Content of the Code

147. The sections below describe parties' positions on the content of the Internet Code and the Commission's related analysis. The Commission has reflected the resulting modifications to the Draft Code that it deemed appropriate, as set out in the Appendix to this decision.

Interpretation

Positions of parties

148. Most parties supported the preamble proposed in the Draft Code. Parties noted that the preamble is the same as that in the Wireless Code, which ensures that, among other things, in the case of ambiguity, the Internet Code and Internet Service contracts must be interpreted in a manner that is favourable to the customer.
149. The CCTS argued that the preamble to the Draft Code should be modified to reflect the facts that, consistent with the Commission's statements in previous proceedings, (i) the CCTS may make interpretations of codes when administering complaints, (ii) CCTS determinations with respect to individual complaints cannot be appealed, and (iii) the appropriate approach to seeking clarification from the Commission on a code is through a Part 1 application.
150. TCI argued that the preamble regarding interpretation of ambiguity in the Code or a contract in favour of the customer should be removed, as it runs contrary to the common law rules of statutory and contractual interpretation and is inconsistent with the Act. L'Union disagreed and submitted that the provision conformed with the law and was welcome for consumer protection.

Commission's analysis and determinations

151. The Internet Code should reflect many of the same policy principles as those established in the Wireless Code, since both Internet Services and mobile wireless services raise similar customer concerns.
152. As with any new set of rules, there may be issues of interpretation that the Commission has not anticipated. Therefore, the Commission considers that to ensure the greatest benefit to customers, if any part of the Internet Code or a contract is ambiguous, or if it is unclear how the terms of the Code or the contract are to be applied, then the Code and the contract must be interpreted in a manner that is favourable to customers.

153. The Commission considers that the Interpretation section, including on the interpretation of any ambiguity, can help further the Internet Code's objectives by ensuring the greatest benefit possible to customers.
154. The Commission also considers that the CCTS's proposals are reasonable and accurate, and that they would help all parties better understand the role of the CCTS when they make a complaint. The Commission therefore determines that the CCTS may interpret the Code for the purpose of investigating complaints. Decisions rendered by the CCTS about specific complaints cannot be appealed to the Commission. If, however, at any time ISPs or other interested persons are unclear about the application or interpretation of the Internet Code by the CCTS, they may seek guidance or interpretation from the Commission through Part 1 applications. The Commission reserves the right to issue guidelines of general application.

Section A. Clarity

Clear communication

Positions of parties

155. Most parties supported the provision regarding clear communication as written in the Draft Code. Parties noted that clear communication and easy to understand contracts and related documents are important to ensure that customers have the information they need in a timely, accessible manner in order to make informed choices about their Internet Services.
156. Individual Canadians submitted that Internet Service contracts and terms of service are difficult to understand and frequently contain technical language. It was also argued that contract clarity would improve if consumers had access to ASL/LSQ videos explaining key contract terms before or while they agree to a contract, and that this would make Internet Service contracts more accessible to DDBHH individuals.
157. In its survey of 135 DDBHH individuals, CAD et al. found that the clarity of Internet Service contracts was problematic for many such individuals, in particular due to the legal and technical language used. CAD et al. proposed that ISPs be required to collaborate on developing sign language videos that explain key terms in Internet Service contracts. CAD et al. also proposed that to ensure that all communications with DDBHH individuals are clear and use plain language, ISPs should be required to have in-store displays that provide access to information in ASL/LSQ.
158. L'Union submitted that the Commission should clarify what is meant by the term "plain language" in the Draft Code. L'Union indicated that, since customers' levels of understanding differ, the average customer should be considered to have the level of understanding of the most vulnerable, credulous, and inexperienced customer. L'Union also submitted that the use of plain language by ISPs is not sufficient; it is also essential that communication and contracts be clear and easy to understand.

159. Some ISPs supported the requirement that ISPs communicate in a clear manner. However, they also submitted that they should not be prevented from using key legal terminology in their service agreements for which there are no plain language alternatives.

Commission's analysis and determinations

160. The purpose of this provision is to set a baseline for consumer-friendly behaviour that addresses several aspects of what it means to get clear information.
161. Individual Canadians, including those speaking about the needs of DDBHH individuals, stated that the information they currently receive about their contracts is confusing and full of legal or technical language.
162. In light of the above, the Commission determines that ISPs subject to the Internet Code must communicate with customers in a way that is clear, easy to understand, timely, accurate, and accessible, and that uses plain language.
163. The Commission also determines that ISPs subject to the Internet Code must ensure that their written contracts and related documents, such as privacy policies and fair use policies, are written and communicated in a way that is clear, accessible, and easy for customers to read and understand.
164. Accordingly, the Commission **directs** the large facilities-based ISPs to work together to create and promote common terminology sign language videos (in ASL and LSQ), in consultation with the DDBHH community. Consultations must begin no later than **2 December 2019**. The videos are to be created in the interests of all customers and must not be an advertising vehicle for any particular ISP(s). They must also include closed captioning. The large facilities-based ISPs are to support this initiative with the resources necessary to allow for the meaningful and active participation of the DDBHH community. The "Promoting awareness of the Code and rights" section of this decision contains more information on this direction.
165. With respect to what is meant by plain language, for the purposes of the Code, the Commission defines plain language as communication that is clear and easy to understand by a public audience, including for the most vulnerable and inexperienced customer.

Prices

Positions of parties

166. Most parties agreed that prices in contracts should be clear.
167. Individual customers stated that prices set out in contracts are not sufficiently clear, especially prices related to promotional offers, discounts, bundles, and fees. FADOQ suggested that customers should be informed of the relevant details of these time-limited offers.

168. L'Union submitted that one-time and recurring fees are a frequent source of bill shock, and therefore proposed that the Commission also require that all fees set out in contracts be clear.
169. The Competition Bureau submitted that additional mandatory costs beyond the advertised price, such as modem rental fees, should not be placed in fine print disclaimers, but rather clearly disclosed to customers. It stated that the prices advertised for a service should be clear and represent the "all-in" price, including all mandatory costs.
170. L'Union also proposed that the Code should prohibit ISPs from charging fees that are not expressly stated in the contract. TCI indicated that L'Union's proposal would require that ISPs send a customer a new contract every time a small or temporary change is made to the customer's account, which would be administratively burdensome for ISPs and confusing for customers, and would serve no purpose.

Commission's analysis and determinations

171. The Commission considers that the issues raised by individual Canadians and consumer groups support the principle that prices in both offers and contracts should be clear. Clear prices in offers and contracts, including clear promotional prices, will better enable customers to decide which offer or contract best meets their needs.
172. With respect to the Competition Bureau's proposals regarding all-in pricing as advertised, the Commission considers that the record of this proceeding is not sufficiently developed to make a determination on this issue. Further, the Commission considers that the issue of misleading or false advertising falls outside the scope of this proceeding. The Commission notes that ISPs must already adhere to existing federal and provincial legislation regarding advertising practices. However, the Commission considers that all ISPs should indicate in their offers and contracts whether or not their prices include taxes.
173. In light of the above, the Commission determines that ISPs subject to the Internet Code must ensure that prices set out in offers and contracts are clear, including prices related to promotions, discounts, incentives, and other time-limited offers, and bundles.
174. The Commission also determines that ISPs subject to the Internet Code must indicate in all offers and contracts whether the prices include taxes.

Unlimited services

Positions of parties

175. Most parties supported the provision regarding unlimited services as set out in the Draft Code, on the basis that unlimited services should not be subject to overage fees and that functional limits, such as those related to security, network management, and related issues, can be set out in a fair use policy.

176. No party objected to prohibiting overage fees for unlimited services.
177. Some parties, including the Competition Bureau, FADOQ, and Rothschild, submitted that unlimited services should not be subject to any functional limits on the basis that describing such services as unlimited would be misleading to customers. FADOQ and Rothschild submitted that ISPs should not be allowed to describe a service as unlimited if it has any limits, because this would enable them to mislead customers. The Competition Bureau submitted that a claim that a service plan is unlimited could be considered misleading if, in fact, the plan is limited in some material way.
178. FADOQ and l'Union submitted that ISPs should not be able to use disclosure in a fair use policy as a justification for imposing any limit; instead, only justifiable limits should be allowed.

Commission's analysis and determinations

179. The purpose of this provision is to set a baseline for appropriate behaviour regarding unlimited services, while taking into consideration that (i) issues related to false or misleading advertising are outside the scope of the Internet Code and the CCTS's mandate, and (ii) issues related to the appropriateness of Internet traffic management practices and other issues described in fair use policies are outside the scope of this proceeding.
180. A similar provision exists in the Wireless Code, and the Commission is of the view that the same principles are equally relevant for both mobile wireless and fixed Internet service contracts as they relate to clarity on the functional limits of services purchased on an unlimited basis. Such limits are generally set out in a fair use policy.
181. With respect to proposals that the Code should limit or qualify what an ISP can set out in a fair use policy, the Commission notes that fair use policies have several functions, many of which are outside the scope of this proceeding. Parties did not raise specific concerns about fair use policies that they considered to be unjustified.
182. ISPs may set limits on the use of Internet services, whether those services are described as limited or unlimited, as long as any such limits are clearly disclosed to customers. Requiring ISPs to disclose such limits in a Critical Information Summary (CIS), as required in the Wireless Code, would ensure that customers obtain such information when signing contracts, enabling them to make informed decisions.
183. Accordingly, the Commission determines that ISPs subject to the Internet Code must not charge customers any overage charges for services purchased on an unlimited basis.
184. Moreover, the Commission determines that ISPs subject to the Internet Code must not limit the use of services purchased on an unlimited basis, unless those limits are clearly explained in the fair use policy.

Unsolicited services

Positions of parties

185. Most parties agreed with the provision regarding unsolicited services as written in the Draft Code, submitting that customers should not be charged for devices or services they have not expressly purchased.
186. Several individual Canadians stated that they have been charged for services they did not order and did not want, resulting in bill shock. One customer stated that they have to constantly monitor their billing to ensure that the ISP is not charging them for services they do not have, which, they submitted, the ISP has done on occasion. Another customer stated that when they upgraded their Internet service, their ISP started billing them for television services they did not request.
187. Shaw agreed that ISPs should not charge for services that were not purchased, but argued that ISPs should have the right to charge for unreturned, damaged, or otherwise unrecoverable equipment.
188. FADOQ argued that the Code should include a provision that if charges do apply, these charges must have been previously indicated by the service provider. L'Union agreed with this rule in principle but proposed adjusting it to include only those services that a customer expressly asked for.

Commission's analysis and determinations

189. The purpose of the provision regarding unsolicited services is to ensure that customers have recourse through the Internet Code if they are billed for services they did not expressly purchase. The Wireless Code contains a provision with the same intent and the Commission determines that it is appropriate to maintain this provision in the Internet Code.
190. With respect to Shaw's concerns, the Commission notes that any fee charged for unrecoverable equipment should be clearly disclosed in contracts, to be consistent with the Code, and that rules relating to unsolicited services should not affect a fee disclosed in this manner.
191. With respect to the difference between "expressly purchased" and "expressly requested" or "expressly asked for," the Commission considers that "expressly purchased" captures the terms and conditions that a customer agrees to at the time of sale, all of which must be clearly disclosed pursuant to the proposed Internet Code. It is reasonable for ISPs to be able to charge fees for services that customers have agreed to purchase, to the extent that those fees were appropriately and sufficiently disclosed.

Clarity of offers

192. The Commission notes that the provisions of the Draft Code related to the clarity of offers are addressed below as part of the analysis in Section C. Critical Information Summary.

Section B. Contracts and related documents

When contracts must be provided

Positions of parties

193. Many ISPs, most of them smaller ISPs, as well as Eastlink, SaskTel, and TekSavvy, submitted that they do not offer “contracts” to any or all customers, meaning that they do not offer a written document that sets out the specific terms and conditions of their agreement to provide service to a customer, except in the case of small business customers. In general, these ISPs submitted that, instead, they make a “terms of service” document available on their websites.
194. L’Union submitted that customers who request a copy of their contract should receive it within 15 days, the same timeline as when a customer originally agrees to a contract. FADOQ proposed that when an ISP provides a copy of a contract to a customer, it should be required to provide both a permanent copy of the original contract and an up-to-date version of the contract that reflects any changes that may have been made, to enable customers to compare both versions.
195. Videotron opposed the rule that allows customers to choose the default format of their contract (paper versus electronic). The company submitted that most customers have no preference, but that there can be higher costs and ecological impacts involved in providing the paper version of a contract. Videotron considered that ISPs should be able to determine the default format, as long as they provide customers with the format of their choice upon request. Cogeco supported this proposal.
196. SaskTel submitted that an electronic copy of a contract can be provided immediately, but that ISPs should be allowed 15 calendar days to provide a paper copy of a contract in the case of in-store and door-to-door sales. Alternatively, SaskTel submitted that contracts agreed to with door-to-door representatives should be categorized as contracts agreed to “at a distance” in order to recognize that salespersons may not have the capacity to produce a paper contract immediately upon request.
197. Eastlink noted that the preliminary view set out in the Draft Code that electronic copies must be sent within one calendar day is a departure from the TVSP Code, which allows 15 calendar days, and would require a system change involving significant time and resources, without any material benefit to customers. Eastlink noted that it provides customers with a CIS containing all relevant information within two hours of a service being ordered. Eastlink submitted that flexibility should be afforded to ISPs in order to strike a balance between providing the required information and complying with other timelines.

Commission's analysis and determinations

198. The Commission acknowledges that some ISPs forgo the provision of a contract and rely on terms of service instead, and that individualized documents can be more costly to produce than a single document for all customers. However, this cost does not outweigh customers' need to be informed of the specific conditions of their contractual relationship with an ISP, including all items outlined in provision B.5 of the Code. As such, the Commission is of the view that it would be appropriate to add to the current provision of the Draft Code a section indicating that when a contract is agreed to, a service provider must give the customer a contract that meets all the conditions in terms of its content, as set out in provision B.5. A terms of service document is sufficient to meet this requirement only if it contains all of this information.
199. Regarding l'Union's proposal that copies of contracts – distinct from the permanent copy that is provided initially – be provided upon request to customers within a specific time frame, the record of this proceeding and the CCTS complaint data are insufficient to assess whether the non-provision of copies of contracts in a timely manner, apart from the initial permanent copy, is a significant concern for customers and prevents them from determining their rights under the Code. The Commission is not convinced that there is justification at the moment for changing the Draft Code in this regard.
200. Regarding FADOQ's proposal that ISPs, upon request by their customers, provide both an up-to-date version of a contract and the original contract, the Code includes provisions for the retention of information to assist in dispute resolution. It would be premature to determine that those provisions would not address the concerns raised by FADOQ, and thus, the Commission determines that it is not necessary to implement FADOQ's proposal.
201. Regarding the request by Cogeco and Videotron that ISPs be allowed to choose the default format of a contract, paper or electronic, the provisions of the Code require that customers be offered a meaningful choice. This does not prevent ISPs from setting the default format of a contract, provided that customers are allowed to obtain the other format if they so choose.
202. Door-to-door salespeople may not always carry the required material or equipment to produce a paper copy of a contract upon request. The Commission considers that it is reasonable to allow door-to-door salespeople to be considered "at a distance" for the purposes of this provision when a customer elects to receive a paper copy of a contract. The Commission notes that provisions of the Code allow customers to cancel their service if, when they receive the contract, it does not match what they had agreed to. However, the Commission is of the view that in-store salespeople should be provided with the equipment necessary to provide a paper copy of a contract, as required, for in-person transactions.

203. Regarding Eastlink's request about the different timelines in the Internet Code and the TVSP Code for providing the permanent electronic copy of a contract, the underlying objective of the Code is to ensure that customers have access to the most efficient means possible of ensuring that their contract matches their offer. Furthermore, if Eastlink is able to provide a CIS containing all relevant information within two hours of the service being ordered, it is not unreasonable to expect a contract to be provided within one business day.
204. In light of the above, the Commission determines that, when a contract is agreed to, ISPs subject to the Internet Code must provide the customer with a permanent copy of the contract that meets all the conditions set out in provision B.5, either
- immediately, if the contract is agreed to in person;
 - within 15 calendar days, if the contract is not agreed to in person (e.g. over the phone, online, or otherwise at a distance) and the customer chooses to receive a paper copy of the contract; or
 - within one business day, if the contract is not agreed to in person and the customer chooses to receive the contract electronically.
205. The Commission also determines that ISPs are not required to provide a new permanent copy each time a contract renews automatically with the same rates, terms, and conditions. However, ISPs must provide customers with a permanent copy of the contract in the format of the customer's choosing (electronic or paper), upon request and at no charge, at any time during the commitment period.

Cancellation period when the permanent contract conflicts with the customer's agreement

Positions of parties

206. Parties generally agreed with the inclusion of this provision in the Code.
207. The CCTS indicated that it would struggle to implement the rule as worded because it is not always clear precisely when the customer receives the permanent copy of the contract. The CCTS submitted that the start date of the contract is clearer.

Commission's analysis and determinations

208. If an ISP fails to provide the contract within the required time frame, or if the terms and conditions of the permanent copy of the contract conflict with the terms and conditions that the customer agreed to, the customer may, within 45 calendar days of the start of the contract, cancel the contract without paying an early cancellation fee or any other penalty.
209. The Commission clarifies that the start of the contract is the day on which the service begins, that is, when the customer can effectively start using the service.

Accessible formats

Positions of parties

210. CAD et al. noted that many customers have difficulty obtaining ISP contracts and related documents in accessible formats. CAD et al. indicated that it is critical for the Commission to establish mandatory accessible formats, such as electronic plain text, Braille, and large font. The CCTS suggested that the documents should be provided in a format that meets the specific customer's accessibility needs.
211. FADOQ and l'Union submitted that ISPs should be required to offer contracts and related documents in accessible formats for persons with disabilities at no charge, upon request, and within the time frame that was set out when the contract was accepted.

Commission's analysis and determinations

212. Accessible formats that are provided to customers must be responsive to each customer's accessibility needs. However, to provide an exhaustive list of accessible formats would preclude new formats that result from future technological advances. Therefore, the Commission clarifies what is meant by accessible formats by adding to the Code a non-exhaustive list of types of accessible formats, which include plain text, Braille, and large font.
213. Further, regardless of whether or not they are in an accessible format, contracts and related documents must be provided in accordance with the time frame for any contract, as set out in the Code.

Content of contracts

Positions of parties

214. Individual Canadians who participated in this proceeding submitted that contracts frequently contain significant amounts of legal and technical language and are difficult to understand. They argued that terms of service are too long and complex, and that key information is difficult to find in the small print, if it is included at all. They submitted that they need clearer information about specific aspects of their Internet services, such as which services might cause them to incur additional charges, how early cancellation fees apply, and what impact any changes to their plans or bundles would have on discounts or promotional prices.
215. CAD et al. submitted that Canadians with disabilities face the same issues as other Canadians, but to a greater extent. Almost one in two DDBHH individuals surveyed by CAD et al. found the following to be problematic:
- getting a written copy of Internet Service contracts;
 - understanding these contracts because of the legal and technical language used;

- obtaining these contracts and related documents in accessible formats;
 - buying service bundles, including those that include Internet Services;
 - bill shock from the charging of data overage fees;
 - lack of awareness or knowledge of monitoring data usage tools and the data management concept itself;
 - lack of awareness or knowledge of how and where to file complaints related to their Internet Service contracts; and
 - lack of awareness or knowledge of the CCTS.
216. All parties generally supported the principle that written agreements should contain all the information necessary for customers to understand the terms and conditions therein.
217. FADOQ submitted that the maximum monthly charge, possible overage fees, and other fees should also be key contract terms. Eastlink suggested that all costs and fees, not only one-time costs, be itemized separately in the contract.
218. The CPSC submitted that if the contract includes a device, the rental or purchase price of the device should be included in the contract.
219. The CCTS submitted that ISPs should be required to explain, as a key contract term, whether the minimum monthly price depends on service bundling and, if so, provide a description of the other services in the bundle. Cogeco, Eastlink, Shaw, and TCI argued that the existing rules set out in other codes and the Draft Code are sufficient.
220. The CCTS further submitted that ISPs should be required to explain in their contracts where customers can find information about the rates for pay-per-use services, given that data overages are normally billed as pay-per-use.
221. The CCTS, Eastlink, and l'Union also suggested some rewording to this section of the Draft Code.
222. TCI submitted that price should not be a key contract term that cannot be changed during a commitment period, arguing that it is important to maintain pricing flexibility. The company submitted that limiting the price to what the customer agreed to pay during a commitment period could lead to higher monthly prices and less-valuable incentives for customers who choose term contracts.

Commission's analysis and determinations

223. Confusion regarding contract terms and conditions has been a significant source of customer frustration. Misleading information and non-disclosure of information related to Internet Service contracts are a leading source of complaints to the CCTS.

224. Confusion regarding contract terms and conditions is also a source of challenges for Canadians with disabilities, including DDBHH individuals.
225. The record of this proceeding indicates that customers continue to be surprised by elements of their contracts of which they were unaware, because the information was either unclear, contained in a separate document, or otherwise not brought to their attention.
226. It is important for customers to inform themselves about their rights and obligations, and they share the responsibility for ensuring that their economic interests are protected in the Internet Service market, but they can only reasonably do so if contracts are easy to read and understand.
227. Further, the Commission is of the view that in order to facilitate customers' understanding of their contracts, ISPs should be required to include certain information in all written Internet Service contracts, as set out in the Draft Code. The Commission considers that this essential information should address elements such as (i) how and when the customer could incur additional charges, (ii) what limitations may exist on their services, (iii) how changes to their services will be handled, (iv) how disputes will be handled, and (v) what options are available to them if they are not satisfied with their service.
228. The provision regarding the content of contracts as set out in the Draft Code is generally appropriate and reflects the elements of a contract that must be disclosed to customers, at a minimum. However, the record of this proceeding demonstrates that there are additional elements of Internet Service contracts that are relevant to customers, which are currently the cause of significant dissatisfaction and confusion for customers, and that these elements must be disclosed to ensure that customers can make informed choices. In this regard, the Commission modifies this provision to better reflect certain elements of Internet Service contracts, including promotional prices, installation fees, rental equipment, and subsidized devices.
229. Accordingly, the Commission determines that written agreements should contain all the information necessary for customers to understand the terms and conditions of their contracts. As such, the Commission determines that ISPs subject to the Internet Code must ensure that the key contract terms and conditions, as listed in the Code (provision B.5) are included in all Internet Service contracts.

Section C. Critical Information Summary

Clarity of offers and when to provide a Critical Information Summary

230. The Draft Code proposed two options related to the clarity of offers:
- ISPs must ensure that any offers made to customers are clearly explained in all communications with them, including during phone calls and door-to-door sales, as well as in their promotional material. The explanation of an offer must clearly state

- the duration of the offer;
 - in the case of an offer that includes a time-limited discount or other incentive, the price of the service at the end of the time-limited discount or incentive; and
 - any associated obligations on a consumer in relation to accepting the offer, including the commitment period during which an early cancellation fee can be applied and whether accepting the promotional offer changes other aspects of the customer's contract; or
- ISPs must provide customers with a written pre-sale CIS within 24 hours of making a specific offer in person, over the phone, or online.

231. The Draft Code further proposed two options related to the provision of a CIS:

- a CIS must be provided to a customer when the ISP provides a permanent copy of the contract; or
- a CIS must be provided to a consumer when the ISP provides an offer of service (i.e. a pre-sale plain-language summary, provided as either a paper document or a permanent electronic document).

232. The Commission considers that these two proposals should be considered jointly. The question of whether the Code should include a rule on clarity of offers and, if so, what it should include, and when a CIS should be provided, are interrelated.

Positions of parties

233. Parties generally supported the principle that when a customer receives a contract, the contract should include a written contract summary. This could be set out in the provision on clarity of offers.

234. Parties also generally supported the principle that an offer to a customer must be clear and contain the information the customer would need to understand the offer.

235. Parties were divided on whether information related to offers can and should be disclosed in a written format (e.g. in a CIS) at the time of offer and, to a lesser extent, what information must be disclosed in relation to an offer.

236. With respect to pre-sale activities, the CCTS noted that it cannot administer rules that apply to non-customers, as its Procedural Code and mandate limit it to responding to complaints from customers of ISPs.

237. An individual submitted that sales representatives downplay the limits on promotional offers, that service bundles are a challenge, and that changes can result in bill shock, in large part because customers are not notified adequately of the impacts of those changes, especially when they will result in price increases.

238. Several consumer groups and the Government of Quebec noted the vulnerability of customers and their susceptibility to business practices that make it difficult for them to obtain clear, timely, and accurate information from ISPs.
239. In general, parties supported the inclusion of a provision in the Code to explain what information must be provided at the time of offer. However, on the question of whether the Code should include an additional requirement to provide a written pre-sale document summarizing all key contract terms and other information related to the potential contract, parties were divided, with most ISPs opposing and most consumer groups supporting this proposed provision.
240. Consumer groups indicated that a requirement to provide a simplified written pre-sale document would help protect customers from misleading sales practices. The Competition Bureau submitted that neither option, on its own, goes far enough. It stated that non-disclosure continues to be the leading cause for complaints and that such complaints increased by 114% in the CCTS's 2017-2018 annual report. The Competition Bureau submitted that providing a written record is necessary and serves as a tool to aid in dispute resolution if a case is escalated to the CCTS. For the second option, l'Union stated that the Code should include the duration of an offer's validity. TCI opposed this, noting that offers are subject to change.
241. The CCTS supported the second option as a measure to address the sale disclosure issues, but submitted that the disclosure needs to be done before the customer consents to the service and that the ISP must retain any evidence of information the customer was given about the transaction at the time of sale.
242. In opposing the second option, ISPs submitted that
- requiring the disclosure of information at the time of offer is sufficient to ensure that consumers are informed and able to assess various offers made by different providers;
 - the requirement would place a burden on ISPs, in both system and process changes, that is not warranted; and
 - some providers offer a CIS upon request as a competitive differentiator, or are currently implementing process changes in order to do so, and the investments already made outweigh the need for a pre-sale CIS.
243. TCI submitted that a requirement to keep offers open for a prescribed period of time could provide competitors with information about promotional strategies, inhibit ISPs' ability to respond to changing competitive conditions, and make it difficult for ISPs to manage their inventories of promotional items.
244. The Competition Bureau submitted that the pre-sale CIS should be a standardized document with a specific format. Videotron responded that it would be counterproductive to require ISPs to use a standardized offer and that the Competition

Bureau had not demonstrated that the advantages would outweigh the disadvantages. Videotron also noted that most ISPs have demonstrated that they have efficient tools in place to inform customers and enable them to compare offers.

245. In their responses to a request for information (RFI), ISPs submitted projected costs and time frames to implement both options described in the Draft Code.

Commission's analysis and determinations

246. For the reasons set out in detail below, the Commission favours a modified first option, namely the inclusion of a provision in the Code to explain what information must be provided at the time of offer, but does not favour the second option, namely the requirement to provide a written pre-sale document summarizing all key contract terms and other information related to a potential contract.
247. The Commission notes that if an individual was shopping around for an Internet Service contract and received an offer from an ISP and the ISP refused to honour the offer, the CCTS could not accept a complaint, since the consumer would not have a contract with the ISP. The Commission notes that offers provided by ISPs are not the only means that can be used by prospective customers to compare their options and that online comparison shopping tools are readily available to consumers, and can be used when they are shopping for Internet services.¹¹ The Commission considers that the purpose of provisions related to offers is to enable consumers to make an informed purchase decision and for customers to compare their contracts to the offers they had received.
248. With respect to the clarity of offers, the Commission reaffirms its preliminary view that in order for the CCTS to be able to administer the Code and the provisions found therein, any provisions in the Code that apply to offers will be relevant only to individuals who ultimately enter into a contract for service.
249. With respect to contracts and their terms, inadequate disclosure is a consistent theme in customer complaints. The CCTS complaints data show that many customers consider contract terms to be misleading or not adequately disclosed. In its 2017-2018 annual report, the CCTS stated that “Internet, phone and TV customers report that they are also experiencing significant challenges in obtaining clear, accurate and timely information about their services. Concerns about service providers’ failure to disclose important information was the top issue raised by customers across all types of service in 2017-2018, accounting for almost 15% of all issues raised. Also, the number of non-disclosure issues raised (4,543) was 125% more than last year.”
250. The CCTS submitted that the mismatch between what customers expect and what they actually receive is a frequent cause of complaints.

¹¹ The Commission’s website has a non-exhaustive [list](#) of such tools that can be used by consumers.

251. The ineffective disclosure of information that is essential to understanding customers' rights and ISPs' responsibilities does not empower customers to make informed choices and is one of the most critical issues to be addressed in this proceeding.
252. In the Commission's view, effective disclosure is clear, easy to understand, timely, accurate, and accessible, and uses plain language. In contrast, ineffective disclosure includes non-disclosure, incomplete disclosure, misleading information, and the failure to highlight important information, among other things.
253. The record of this proceeding reveals that reliance on market forces alone has not been sufficient to ensure that important information about offers is disclosed by the large facilities-based ISPs at the time of offer. To address this, the Commission considers that ISPs should be required to ensure that an offer is clearly communicated, including in phone calls and door-to-door sales, as well as in their promotional materials, before the consumer consents to the offer and agrees to a contractual relationship with an ISP. Furthermore, an ISP's offer should be required to contain certain necessary information, including all key contract terms.
254. Given that some offers will be made verbally and some in writing, once a contract has been agreed to, ISPs should be required to provide this information to customers and to the CCTS upon request, at no charge, in the event that complaints are received. Verbal agreements, such as those made over the phone or at the door, are currently common in the Internet Service market, which may make providing a written document at the time of offer impractical. However, the burden of requiring the large facilities-based ISPs to provide, after a contractual agreement has been agreed to, at no charge, call recordings or chat logs that set out what was offered to a customer is a relatively small one.
255. The CIS is an effective tool for helping customers to understand their contracts, and it should be provided when contracts are agreed to. This approach, which would be consistent with the Wireless Code, would ensure that customers who purchase a bundle with mobile wireless service and Internet Service would receive a CIS at the same time.
256. However, the Commission acknowledges the large facilities-based ISPs' detailed cost evidence showing that the provision of a written pre-sale CIS was one of the most burdensome proposals in the Draft Code.
257. For the reasons set out above, it is reasonable to require the inclusion of a modified version of the first option, namely to reflect that an offer must include all key contract terms as defined in the Code, and that ISPs must retain sufficient records to prove that they have met this requirement.
258. Specifically, the Commission determines that the following language is to be included in the Code:
- ISPs must ensure that offers are clearly communicated before customers consent to them, including during phone calls and door-to-door sales, as well as in their promotional material;

- ISPs' offers must include all key contract terms; and
- ISPs must retain information demonstrating that all key contract terms were disclosed at the time of offer. ISPs must provide this information to customers and to the CCTS upon request and at no charge.

Provision of a Critical Information Summary as part of a contract

Position of parties

259. Parties generally agreed with the inclusion of a requirement to provide a CIS as part of a contract.

Commission's analysis and determinations

260. The provision of a CIS has proven to be a consumer-friendly provision in the Wireless Code, and there was no compelling evidence presented to indicate that it would be inappropriate to require the provision of a CIS in the context of the Internet Code.

261. Accordingly, the Commission determines that ISPs subject to the Code must provide a CIS according to the following conditions:

- the CIS may be provided as a separate document from the written contract or prominently as the first pages of the written contract. In either case, the information provided in the CIS does not replace or fulfill any requirements to provide the same or similar information within the actual written contract;
- the CIS must contain specific information that will enable customers to make informed purchase decisions regarding their Internet Services;
- ISPs must ensure that the CIS accurately reflects the content of the written contract, is clear and concise (it does not exceed two pages), is easy to read and understand (it is in an easily readable font), and uses plain language; and
- ISPs must provide customers with a copy of the CIS, in an accessible format for individuals with disabilities, upon request and at no charge, at any time during the commitment period.

Section D. Changes to contracts and related documents

Changes to key contract terms during the commitment period

Positions of parties

262. All parties except CNOC, Cogeco, FADOQ, and Shaw agreed with the provisions in the Draft Code related to changes to key contract terms during the commitment period.

263. CNOC submitted that non-facilities-based ISPs are often subject to unpredictable changes in the terms of their wholesale supply arrangements. Therefore, it proposed that those ISPs be permitted to provide their retail customers with 30 days' notice of a proposed change. Should a customer refuse the change during the 30-day period, the ISP should be permitted to terminate the agreement. Otherwise, the ISP may implement the change at the end of the period.
264. Cogeco submitted that customers in an indeterminate agreement are always in a commitment period, defined to be the current month or billing cycle. Cogeco submitted that the preliminary view should distinguish between fixed-term and indeterminate contracts, so that ISPs would not be prevented from changing key contract terms and conditions in indeterminate contracts.
265. Shaw noted its concern that the preliminary view would result in ISPs being required to provide an updated contract and CIS every time there is a service change that benefits the customer.
266. FADOQ submitted that when an ISP obtains a customer's consent to change a key contract term, the two parties are entering into a new contract; therefore, the Code should require that the ISP send a copy of the permanent contract within the same time frames as those that apply when a contract is initially accepted.

Commission's analysis and determinations

267. The Commission recognizes that customers need certainty that the terms and conditions that are integral to their contract will not change without their informed and express consent during the commitment period.
268. With respect to Cogeco's argument that customers in an indeterminate agreement are always in a commitment period, the Commission considers that the commitment period in an indeterminate contract renews monthly. Therefore, ISPs would not be prevented from changing a key contract term for subsequent commitment periods without the customer's consent, if they so choose.
269. In addition, the Commission clarifies that the automatic month-to-month renewal of a contract would not, by itself, trigger the requirement to provide a contract and CIS every month.
270. With regard to FADOQ's proposal, the Commission notes that the Code already provides customers the right to receive a permanent copy of the contract, upon request and at no charge, at any time during the commitment period.
271. Accordingly, the Commission determines the following:
- ISPs subject to the Internet Code must not change the key contract terms and conditions of an Internet Service contract during the commitment period without the customer's informed and express consent;

- when ISPs subject to the Internet Code notify a customer that they intend to change a key contract term or condition during the commitment period, the customer may refuse the change; and
- ISPs subject to the Internet Code may only change a key contract term or condition during the commitment period without the customer's informed and express consent if the change clearly benefits the customer by either reducing the rate for a single service or increasing the customer's usage allowance or speed for a single service for the same price.

Changes to key contract terms after the commitment period

Positions of parties

272. Several consumer groups submitted that changes to key contract terms, including price increases, are a significant challenge for Internet Service customers. Price increases include increases to monthly prices that affect many customers, and the removal or end of promotions, including discounts and credits. The consumer groups also expressed considerable frustration over ISPs' ability to change contract terms and conditions, including rates, unilaterally, while customers are bound by their contracts. They submitted that ISPs are raising prices during fixed-term contracts without adequately notifying customers, and that ISPs should not be allowed to change contract terms and conditions without customers' informed and express consent.

Commission's analysis and determinations

273. Most ISP contracts or terms of service enable ISPs to change contract terms unilaterally, including increasing the monthly minimum price, and do not necessarily require them to provide notice to customers.
274. However, for indeterminate contracts and for fixed-term contracts that are extended on a month-to-month basis, because their commitment period is one month long and they renew monthly, the key contract terms, including price, would only be guaranteed for that month. As a result, meaningful notification of changes to key contract terms after the commitment period has ended becomes increasingly important to ensure that all customers, even those that do not have a fixed-term contract, are able to make informed choices.
275. Some ISPs noted that they publish information on their websites to inform customers of monthly price increases or other changes to contract terms related to their indeterminate contracts. The Commission considers that customers should not have to seek out these notices but, rather, ISPs should provide direct-to-customer notices, for example, by email or SMS, prior to a change to a key contract term that occurs after the commitment period. These notices should provide sufficient information for the customer to understand the impact of the change, including an explanation of (i) the change, (ii) when the change will take effect, and (iii) the customer's right to receive, upon request and at no charge, an updated contract that reflects the change.

276. Further, the Commission recognizes that customers would need sufficient time to consider their options, including changing ISPs, in the event of changes to their contract terms. As such, the Commission considers that the above-mentioned notices should be provided at least 60 calendar days in advance of the changes coming into effect. This essentially gives customers two billing cycles to make a decision.
277. Accordingly, the Commission determines that if, after the commitment period, an ISP subject to the Internet Code wishes to change key contract terms, including the price, it must provide the customer with at least 60 calendar days' notice through a direct-to-customer notice before making such changes. This notice must explain (i) the change, (ii) when the change will take effect, and (iii) the customer's right to receive, upon request and at no charge, an updated contract that reflects this change.
278. The Commission also expects that the approaches used to notify customers will be accessible to customers with disabilities.

Changes to other contract terms

Positions of parties

279. FADOQ submitted that customers should never be forced to accept changes to the terms of their contracts, and requested that a clause be added to require ISPs to obtain customers' consent for such changes.
280. L'Union submitted that customers should receive a notice indicating both the previous and new clauses, and that customers should be permitted to terminate contracts without fees or penalties if a change to a non-key contract term affects the obligations of either party. L'Union further argued that ISPs should not be permitted to modify contract terms unilaterally without consequence, even if the contract terms are not key terms.
281. Cogeco submitted that the provision in the Draft Code would place a heavy administrative burden on ISPs, as it would require them to inform customers of all minor changes that may not be relevant to customers.

Commission's analysis and determinations

282. The Commission considers that requiring informed and express consent from each individual customer for changes to contract terms for optional services such as data add-ons, security services, parental control services, and extended warranties would be excessively burdensome and would prevent ISPs from innovating in the services they offer. Accordingly, the Commission denies FADOQ's proposal.
283. With respect to l'Union's proposal, the Commission considers that
- it is in ISPs' best interests to provide written rather than verbal notice, in the event a complaint is filed with the CCTS;

- the Code already ensures that customers would have received the original contract, which they may use to compare original and revised terms; and
- non-key contract terms would not necessarily have been negotiated between the ISP and the customer or committed to by the customer prior to the customer agreeing to the contract; therefore, these terms will not necessarily remain static during the entire commitment period.

284. Accordingly, the Commission denies l'Union's proposal.

285. With respect to Cogeco's submission, it is the Commission's view that a rule that excludes the provision of notice for minor changes could prove difficult for the CCTS to enforce, as the meaning of "minor" is subjective. Moreover, there is a limited number of optional services to which customers may subscribe, so the Commission is not convinced that this would be an excessively burdensome obligation.

286. Therefore, the Commission maintains its preliminary view and determines that

- (i) if, during the commitment period, an ISP subject to the Internet Code wishes to change other contract terms and conditions or the related documents, it must provide the customer with at least 30 calendar days' notice before making such changes, and
- (ii) the notice must explain the change and when it will take effect.

Information that must be disclosed during offers to change existing contracts

Positions of parties

287. No parties opposed the inclusion of this provision in the Code.

Commission's analysis and determinations

288. As noted earlier, the lack of disclosure of information is one of the barriers to customers making informed choices about the service to which they subscribe and does not contribute to a dynamic marketplace. The lack of disclosure of information is problematic regardless of whether it is when the contract is initially agreed to or when that contract is changed.

289. Accordingly, the Commission determines that when an ISP subject to the Internet Code offers a customer a change to an existing contract, including but not limited to an upgrade, a discount, or a promotional offer, the ISP must clearly explain to the customer (i) any change(s) to the existing contract terms that would result from the customer accepting the contract change, including any change(s) to the price of the service or to the commitment period or changes to related bundles, and (ii) whether or not the customer can return to the existing contract terms and conditions if the customer is not satisfied with the change(s).

Section E. Bill management

Notice regarding usage limits

Positions of parties

290. Consumer groups requested that customers be sent a notice before they reach their usage limit for the billing period. Individual Canadians who specifically addressed this provision commented that customers should be notified before they reach the usage limit, suggesting various thresholds between 50% and 100% of the usage limit and suggesting that more than one notice should be sent. Some individual Canadians further submitted that customers should be able to set their own thresholds, noting that capabilities to do this on in-house devices, such as the modems or routers provided by the ISP, are currently inconsistent and not user-friendly. L'Union suggested that a notice be sent at 75% as well as at 100% of the usage limit. Rothschild suggested that a notice be sent at 90%, since it would be too late for the customer to act if the notice were sent at 100%. The CCTS agreed that a notice should be sent prior to the limit being reached.
291. Shaw submitted that where ISPs do not apply overage fees, they should not be required to notify their customers.

Commission's analysis and determinations

292. The ability of Canadians to make informed decisions about how to manage their data usage is another element of the non-disclosure of information issue that is at the core of many of the complaints customers have about their ISPs. The Commission acknowledges that, though it is a less acute problem in the Internet Service market when compared to the mobile wireless service market, overage fees are still an issue for a proportion of ISP customers and may be linked to customers' lack of understanding of the data usage associated with their online activities or the availability of information related to this data usage.
293. Accordingly, the Commission determines that ISPs subject to the Internet Code are to notify customers once their usage limit is reached within a single monthly billing cycle and prior to overage fees being incurred. Such notice is necessary to empower customers to make informed decisions.
294. Further, the Commission determines that customers are to be given sufficient notice prior to reaching their data usage limit and are to be provided with information on the data usage associated with common online activities, so that customers are able to adjust their usage patterns as needed.
295. The Commission recognizes that over-notifying customers can lead to notification fatigue, and that targeted notice is more appropriate. The Commission determines that setting additional notice levels at 75% and 90% is necessary and appropriate to enable customers to avoid unintentionally incurring data overage fees.

Data monitoring tools

Positions of parties

296. Individual Canadians and consumer groups generally noted the importance of having tools provided to monitor and manage their data usage. L'Union submitted that such tools must be free and represent the customer's real-time usage. Shaw agreed that such tools should be made available if overage charges could be incurred.
297. Cogeco submitted that with the increase in popularity of unlimited plans, data monitoring, which is of little or no benefit to these customers, has a diminishing impact on customers' experiences. Xplornet submitted that significant investments may be necessary to enable their systems to offer real-time information.
298. L'Union submitted that ISPs should provide information to customers on the data usage associated with common online activities.

Commission's analysis and determinations

299. One of the objectives of the Code is to empower customers to make informed decisions about the services to which they subscribe. The availability of data usage monitoring tools, in conjunction with data overage notifications, would provide customers with cost certainty.
300. Accordingly, the Commission determines that in instances where data overage charges may be applied, ISPs subject to the Internet Code must offer tools to these customers, at no charge, to monitor and manage their data usage. These tools must be accessible to customers with disabilities.
301. Further, the Commission determines that ISPs subject to the Internet Code must make available to their customers plain-language information on the data usage associated with common online activities.

Data overage notifications

302. In the Notice, parties were invited to comment on two options related to data overage notifications. The first option was consistent with the direction set out in Telecom Regulatory Policy 2016-496 and would require ISPs to notify customers who have incurred data overage charges as to where they can find information about (i) the account management tools the ISP offers, (ii) the data usage associated with common online activities, and (iii) alternative plans that may better suit customers' needs. The second option would require an ISP to notify a customer once a specific threshold of data overage charges is reached, and would provide the customer with the ability to suspend any additional data overage charges.

Positions of parties

303. Individual Canadians who participated in this proceeding submitted that data overage charges are a significant cost issue for certain customers in rural areas. The CCTS, FADOQ, and l'Union supported the inclusion of both options in the Code on the basis that they will help customers manage their bills in different ways.
304. ISPs generally supported the first option, which directly reflects what is required of ISPs based on Telecom Regulatory Policy 2016-496.
305. Bell Canada, CNOC, RCCI, SaskTel, Videotron, and Xplornet opposed the second option. The ISPs generally submitted that it would be too costly and complex to implement in light of the fact that their operations are not currently set up to allow suspension of service. They further submitted that this provision could have unintended effects on other services relying on the Internet, such as voice over Internet Protocol (VoIP) and Internet Protocol television (IPTV).
306. Xplornet indicated that its usage data is converted into a monetary value only once per billing cycle, and submitted that the imposition of the proposed provision would require the company to make time-consuming and costly system changes.
307. SaskTel expressed concern regarding how the suspension of service should take place, indicating that if it was required to be automated, significant changes would be required to its systems. SaskTel submitted that, as an alternative, being able to guide its customers in turning off their modems would be more feasible.
308. CNOC noted that this requirement would require suspension of service, which raises public safety concerns related to 9-1-1 and access to emergency services or notifications.
309. CNOC further raised concerns regarding non-facilities-based ISPs' ability to implement a timely suspension if they must rely on the underlying carriers to do it, which could lead to data overage charges over and above those that were incurred by the customer up to the mandated threshold

Commission's analysis and determinations

310. The parties generally supported including the first option in the Code on the basis that it would benefit customers and enable them to prevent bill shock without placing an undue burden on ISPs.
311. The Commission recognizes that customers experience bill shock and pay data overage charges in this market, and is of the view that customers should have tools to enable them to prevent bill shock and avoid incurring additional data overage charges. As noted earlier, the availability of data monitoring tools, in conjunction with data overage notices, provide customers with cost certainty in addition to empowering them.

312. The first option reflects an existing Commission direction as set out in Telecom Regulatory Policy 2016-496. The burden of implementing this option is therefore low, given that ISPs have been complying with this obligation since 2017. The Commission notes that certain large ISPs¹² were directed to report on the progress of implementing this obligation, and all confirmed that they were in compliance.
313. The Commission determines that including this provision would benefit customers, further the objectives of the Act, and be proportionate to its purpose.
314. The second option builds on a provision that exists in the Wireless Code, and which would be adapted for the Internet Service market. However, the Commission notes that many customers rely on Internet Services to access other important services such as home alarm systems, VoIP services, and IPTV services. Implementing an obligation that could lead to the customer having to suspend their Internet Service to avoid incurring additional data overage charges would affect these other services.
315. Further, as noted earlier, the Commission acknowledges that the issue of data overage charges is less acute in the Internet Service market than in the mobile wireless service market. ISP responses to RFIs revealed that customers of Internet Services are more likely than customers of mobile wireless services to subscribe to unlimited services, eliminating data overage charges as an issue for those subscribers.
316. As a result, the Commission is not convinced that the second option is necessary to respond to customer concerns in this market at this time. In particular, while such a provision may benefit some customers, the burden placed on ISPs by the inclusion of such a provision may not be proportionate to its purpose. Moreover, implementation of this option could have unintended consequences for those customers who rely on Internet Services to access other services.
317. The Commission will continue to monitor issues regarding data overage charges being billed to individual customers and monitor complaints about such charges.
318. Accordingly, the Commission determines that ISPs subject to the Internet Code must notify a customer who has incurred any data overage charges during a billing cycle as to where the customer can find information about (i) the account management tools the ISP offers, (ii) the data usage associated with common online activities, and (iii) alternative plans that may better suit the customer's needs. Customers may opt out of receiving these notices at any time. The notices must be provided for each billing cycle in which a customer incurs data overage charges, unless the customer opts out of receiving them.

¹² These ISPs are Bell Canada, Cogeco, Eastlink, MTS (now Bell MTS), RCCI, SaskTel, Shaw, TELUS Communications Company (now TCI), and Videotron.

Section F. Equipment issues

Positions of parties

Service calls, including visits to residences for installation or repairs

319. Most parties agreed with the language in this section of the Draft Code. FADOQ suggested that the Code require ISPs to offer customers several time-frame options and specify potential maximum charges to reduce incidents of bill shock. In response, TCI submitted that agents receiving service calls are unable to estimate a maximum fee and that a technician needs to conduct a diagnosis at the customer's premises before informing the customer of any fees.

Service outages

320. L'Union argued that customers should not have to pay for services they have not received, and that the Code should have a provision requiring ISPs to have a service outage policy that includes a rebate following an outage. FADOQ argued that once a certain outage duration threshold is reached, in addition to rebates, there should be compensation.
321. Cogeco opposed a prescriptive provision requiring the payment of a service outage rebate.

Commission's analysis and determinations

Service calls, including visits to residences for installation or repairs

322. Waiting for a prolonged period of time for a service call or incurring an unforeseen charge is a source of frustration for customers. However, the Commission recognizes that a number of factors can influence the ability of an ISP to schedule and complete a service call, such as the geographical nature of the region, extreme weather events, traffic congestion, the nature of the work to be, completed and the number of technicians available in the area. Furthermore, the ability to schedule a service call within a specific number of days of the request may vary from one ISP to another, for reasons similar to those described above. In the Commission's view, a requirement for ISPs to offer several time-frame options for customers, as proposed by FADOQ, would be onerous for ISPs and inconsistent with the approach taken in the TVSP Code, which also addresses service calls.
323. Further, requiring that a potential maximum charge be quoted at the time of the call is unfeasible as it would be difficult to predict what work and materials are required and, in most instances, would require an onsite estimate from a technician.
324. However, the Commission recognizes that customers do need to be provided with as much information as possible to allow them to manage the time they spend on service calls and understand some of the potential costs.

325. Accordingly, the Commission determines that ISPs subject to the Internet Code must provide a customer with a time frame for when a service call to a residence will begin.
326. The Commission also determines that before any service call to a residence, ISPs subject to the Internet Code must specify the potential charges associated with the service call, including any minimum charge, if applicable.
327. Finally, the Commission determines that, before any service call to a residence, ISPs subject to the Internet Code must explain to a customer how both the ISP and the customer may cancel or reschedule the appointment, including any associated charges.

Service outages

328. The Commission recognizes that service outages will occur from time to time and may result from circumstances outside the ISP's control.
329. However, the Commission considers that ISPs subject to the Internet Code should inform customers of their policies regarding service outages, including what opportunities, if any, there are for rebates resulting from an outage.
330. Accordingly, the Commission determines that ISPs subject to the Internet Code must explain in their contracts and related documents (i) their policies regarding service outages; (ii) how rebates, if any, will be applied; and (iii) under what circumstances any rebates will be applied. With respect to proposals to standardize the content of these policies, the Commission determines that it is not necessary to do so at this time.

Section G. Contract cancellation and extension

Early cancellation fees

Positions of parties

331. Several individuals indicated that switching ISPs can be difficult, that they had been charged early cancellation fees and viewed such fees as barriers to switching; and that some customers are subject to significant early cancellation fees, even without subsidized devices. One individual indicated that their ISP had charged them an early cancellation fee after providing service for nine years. Customers noted that in rural and remote areas, customers may have limited or no options, despite being unsatisfied with the service provided by their ISP.
332. One individual submitted that there should be a cap on the amount an ISP can charge customers to break a service contract in situations where no hardware is subsidized. In situations where hardware is subsidized, the amount charged should be capped at the retail value of the subsidized hardware. Some individuals submitted that there should be no cancellation charges or penalties.

333. ISPs and most consumer groups agreed that early cancellation fees may be necessary in certain circumstances. CNOC explained that an early cancellation fee is a mechanism for an ISP to recover the costs it has incurred in the contract over a set period of time. This mechanism is also favourable to customers because it enables providers to offer incentives, such as waiving installation fees, to customers. Parties generally agreed that customers should be provided with the information they need to clearly understand (i) whether they may be charged an early cancellation fee, (ii) the amount of the early cancellation fee, and (iii) under what circumstances they will be charged this amount.
334. Most large facilities-based ISPs strongly opposed the formula to calculate an early cancellation fee set out in the Draft Code on the basis that it did not reflect the value of the fees that are typically charged. In response to RFIs, almost all ISPs identified different factors that they take into account when determining the appropriate amount of an early cancellation fee. These factors include the repayment of the value of a gift received, hardware discounts and the monthly cost of the service, installation costs, contract duration, a fixed amount unrelated to the contract duration, and the recovery of any underlying service contract commitments with the ISPs' own suppliers.
335. The large facilities-based ISPs also submitted their projected costs and the amount of time that would be required to implement the proposed provisions related to early cancellation fees.
336. TCI argued that there should be no hard cap on early cancellation fees, but that any cap that may be implemented must account for the value of incentives received by the customer and the costs borne by the ISP. TCI submitted that caps on early cancellation fees could lead to higher prices and less valuable incentives for customers. TCI submitted that, contrary to WSPs, ISPs have to bear the cost of the physical installation of a service. TCI argued that those costs could be passed on to the customer and become a barrier to obtaining Internet services for some people.
337. Similarly, Xplornet argued that it is important to consider the affordability of broadband Internet services, and that costs need to be amortized over a commitment period. Xplornet submitted that the Commission should adopt language from the TVSP Code, which requires that service providers, to the extent they rely on early cancellation fees, ensure that those fees are described to the customer in a transparent manner.
338. Bell Canada submitted that the proposed early cancellation fee formula is inadequate and inconsistent with the legal principle that such a fee should be a genuine pre-estimate of the damages suffered by the wronged party when a fixed-term contract is terminated early.
339. SaskTel opposed limits on early cancellation fees. It submitted that, should early cancellation fee provisions be included in the Code, any limits should be per access, not per customer, noting that a single customer may subscribe to more than one Internet Service, such as at home and at the cabin. SaskTel also submitted that if the Commission imposes a limit, it should be at least \$25 per month remaining on the contract.

340. CNOC argued that the Code should not limit or prohibit early cancellation fees, which enable service providers to make offers that would not otherwise be financially feasible. CNOC submitted that early cancellation fees should be capped at the full value of any incentive provided to a customer for entering a fixed-term arrangement.
341. SaskTel and Xplornet opposed the proposed provision that would prevent ISPs from charging any fees other than cancellation fees in the event that a customer discontinues their service. Xplornet argued that some fees, such as equipment return fees, are required to ensure that customers return their equipment at the end of a contract. SaskTel added that any provider-owned equipment that was installed must be returned in good working order, or charges in addition to early cancellation fees may apply.
342. Xplornet argued that the costs of completing installations in rural and remote regions can be significant, with travel costs alone amounting to hundreds, even thousands, of dollars. To provide service to rural customers as affordably as possible, the company needs to be able to recover the unique and significant costs associated with rural installations over time. It argued that imposing caps on recovered installation fees would make the company's services less affordable for rural Canadians.

Commission's analysis and determinations

343. Early cancellation fees continue to be a leading cause of customer complaints to the CCTS about Internet Services. In its 2016-2017 report, the CCTS noted the increase in complaints related to Internet Service and stated the following: "We have also noted similar trends regarding early cancellation fees, which were raised 392 times this year, 57% more often than last year. In fact, across all lines of business, Internet customers raise concerns about material contract changes, incorrect monthly charges and early cancellation fees more often than any other telecom customer." An analysis of the open data for the 2017-2018 CCTS report, available on the CCTS's website, confirms that this trend is continuing and that complaints increased by a further 48%, to 580 complaints received.
344. The record of this proceeding shows that one in five individual Internet Service contracts is subject to an early cancellation fee. These fees are typically charged for cancellations that occur one to two years into a contract; however, these fees can sometimes extend well beyond this period.
345. One of the key objectives of the Internet Code is to contribute to a dynamic Internet Service market, which is in part achieved by reducing barriers to switching ISPs. The Commission continues to be of the view that early cancellation fees can be a barrier to switching ISPs. The Commission considers that excessive early cancellation fees can hinder a customer's ability to take advantage of other competitive offers. Accordingly, the Commission determines that provisions related to early cancellation fees are to be included in the Code.

346. Though subsidized devices are not currently commonplace in the Internet Service market, the Commission anticipates that, in the future, ISPs may wish to offer device subsidies as a means to provide customers with more expensive devices on a cost-deferred basis. As a result, the Commission considers that the Code should address early cancellation fees in the context of a subsidized device. The Commission considers that, when included as part of a contract, device subsidies generally represent the amount the ISP seeks to recoup if the customer cancels early, and should be represented in the value of the early cancellation fee that would be charged to that customer.
347. The Commission notes that Internet Services are often sold as part of a bundle with mobile wireless services. The Commission considers that adopting a provision similar to the one contained in the Wireless Code would provide clarity and consistency to customers, ISPs, and the CCTS as it relates to the application of early cancellation fees in the context of device subsidies. The Commission further notes that most of the large facilities-based ISPs subject to the Internet Code also operate as WSPs, and are therefore already complying with a comparable obligation in the context of mobile wireless services.
348. As noted earlier, at present, most Internet Service contracts do not include a subsidized device, and early cancellation fees are generally lower than they are in the mobile wireless service market. As a result of the different permutations that exist in the Internet Service market, the Commission considers that applying a cap to cover all types of early cancellation fees is inappropriate as it would unduly stifle an ISP's ability to differentiate itself in the offering of Internet Services. However, the Commission considers that there should be a maximum time period during which early cancellation fees may be charged, and that such fees should decrease over time.
349. With respect to indeterminate contracts, the Commission considers that setting a time period during which customers without a subsidized device should be subject to an early cancellation fee could result in effectively turning those contracts into the functional equivalent of term contracts. Moreover, due to the nature of the indeterminate contracts, the Commission cannot envision a scenario where it would be appropriate to charge an early cancellation fee if there is no subsidized device. Accordingly, the Commission considers that for indeterminate contracts, when a subsidized device is not provided as part of the contract, an ISP should not be permitted to charge an early cancellation fee.
350. The Commission considers that if a customer cancels a contract before the end of the commitment period, the ISP should not be permitted to charge the customer any fee or penalty other than the early cancellation fee. This approach is necessary to ensure clarity for customers and to reduce barriers to switching ISPs. Such a provision, however, would not prevent ISPs from charging other fees, such as equipment return fees where the equipment is not returned in good working order or not returned at all, as set out in the contract, and would not prevent an ISP from recovering any costs that may be owing, such as unpaid amounts or overage fees.

351. In light of the above, the Commission determines that if a customer cancels a contract before the end of the commitment period, ISPs subject to the Internet Code must not charge the customer any cancellation fee or penalty other than the early cancellation fee.

352. The Commission also determines that when a subsidized device is provided as part of the contract, the following apply:

- for fixed-term contracts: the early cancellation fee must not exceed the value of the device subsidy, and the early cancellation fee must be reduced by an equal amount each month, such that the early cancellation fee is reduced to \$0 by the end of the period that is the lesser of 24 months or the total number of months in the contract term; and
- for indeterminate contracts: the early cancellation fee must not exceed the value of the device subsidy, and the early cancellation fee must be reduced by an equal amount each month, over a maximum of 24 months, such that the early cancellation fee is reduced to \$0 by the end of that period.

353. The Commission determines that when a subsidized device is not provided as part of the contract, the following apply:

- for fixed-term contracts: the early cancellation fee must be set out in the contract and may be charged only for the lesser of 24 months or the total number of months in the contract term. The early cancellation fee must be reduced to \$0 by the end of that period; and
- for indeterminate contracts, ISPs subject to the Internet Code must not charge an early cancellation fee.

354. The Commission further determines that for the purpose of calculating the early cancellation fee, the value of the device subsidy is the retail price of the device minus the amount that the customer paid for the device when the contract was agreed to. In addition, the retail price of the device is the lesser of the manufacturer's suggested retail price or the price set for the device when it is purchased from the ISP without a contract. The Commission also determines that for the purpose of calculating the time remaining in a contract to determine the early cancellation fee, a month that has partially elapsed at the time of cancellation is considered a month that has completely elapsed.

Trial periods

Positions of parties

355. Consumer groups and some ISPs supported the inclusion of a trial period in the Internet Code on the basis that it would benefit customers, including those with disabilities, by providing them with time to try the service they have purchased to ensure that it meets their needs.

356. Bell Canada, CNOC, Cogeco, RCCI, TCI, and Videotron opposed the inclusion of a trial period provision in the Code, providing the following arguments:

- a trial period is unnecessary;
- a trial period should be seen as a competitive differentiator;
- it should be left to individual ISPs to determine what trial period, if any, to offer to customers;
- the imposition of this provision may limit innovation;
- there are no issues analogous to the coverage or equipment suitability issues faced by mobile wireless service customers;
- some customers could abuse the provision of trial periods;
- ISPs should be allowed to deny the exercise of a trial period if they suspect the provision is being abused;
- a generous trial period may actually lead to more aggressive sales practices if a customer's previous ISP attempts to win them back; and
- the provision through which a customer can cancel their service if the contract they receive does not match what they agreed to with the ISP should be sufficient.

357. In contrast, consumer groups generally supported a broader application of trial periods, such as to new contracts and amended contracts rather than to new customers. FADOQ submitted that for existing customers who change their plans, there should be no penalties incurred to go back to their previous plans. L'Union submitted that changing the wording in the provision to address "new contracts" instead of "new customers" would ensure that upgrading customers are better protected by the provision.

358. Cogeco and RCCI disagreed with the proposal to apply a trial period to amended contracts as this would enable a customer to return to previous plans or services following a trial period. Applying the trial period in this manner would introduce significant costs and complexity for ISPs since many grandfathered services or services that rely on legacy technology may no longer be available for sale. Shaw argued that with respect to service upgrades, customers should be informed about whether it would be possible to return to their previous plans or services.

359. The CCTS submitted that, based on complaints it has received, it should be clarified that a trial period must start on the date on which service begins, for example, when the installation of the service is completed.

360. SaskTel, Shaw, and Xplornet submitted that, should a provision with respect to the duration of a trial period be included in the Internet Code, a 15-day trial period would sufficiently meet customers' needs and be consistent with the Wireless Code.
361. FADOQ and TCI argued that the Internet Code should include a provision for a 30-day trial period to benefit customers. TCI submitted that customers will, in most instances, receive a bill within 30 days and will be able to address any issues with this bill. L'Union proposed a 31-day trial period, while Rothschild proposed a 45-day trial period. Rothschild argued that contracts can be materially different than the original offer and that a customer may need more time to notice the discrepancies.
362. Videotron opposed having a longer trial period than set out in the Wireless Code on the basis that the company already offers 30-day trial periods for all its customers. It submitted that this is a business decision, which demonstrates that the Internet Service market is competitive.
363. With respect to customers with disabilities, Cogeco and RCCI supported a 30-day trial period, while CAD et al. and FADOQ argued that 45 days would be more appropriate to meet the needs of Canadians with disabilities.
364. Shaw submitted that usage limits should not be doubled during a trial period for customers with disabilities, and Cogeco said that this doubling may lead customers to believe their limits would always be doubled in this way. CAD et al. disagreed with Shaw's argument, submitting that video is essential to some customers with disabilities, and that video uses significant amounts of data. Xplornet suggested that the Commission set specific limits on the number of days in the trial period and on data usage, and not determine the limits as a function of what the monthly limits are.
365. With respect to conditions of use for a trial period, should one be included in the Internet Code, ISPs submitted that customers should, in all instances, be required to pay for services provided up to the cancellation date; customers should be required to return any equipment in good working order; ISPs should be able to recoup promotional costs and customers should be required to return any gift with purchase; and ISPs should be able to charge the full installation fee.
366. L'Union agreed that customers should be required to return any equipment they have received. In addition, it argued that ISPs should be required to reimburse customers for the price paid for this equipment, noting that this equipment is often specific to the ISP, and that a lack of reimbursement would be a barrier to switching ISPs.
367. FADOQ submitted that ISPs should be prevented from charging "uninstallation fees," while l'Union was of the view that activation fees should be reimbursed, or they would become a further barrier to switching ISPs.
368. With respect to gifts with purchase, Eastlink submitted that it had concerns about the inequity created between providers like Eastlink and their much larger competitors. While the Draft Code clearly limits what a provider can recover via an early cancellation fee, it is silent on the ability to recoup any gift with purchase that may be

given in exchange for a fixed-term commitment – thereby favouring large ISPs who are able to use other means to tie customers to term commitments.

Commission's analysis and determinations

369. One of the key purposes of a trial period is to enable a customer to try out a service to assess its quality.
370. With respect to the arguments that trial periods are not necessary because customers can avail themselves of the provision in the Code that allows them to exit a contract if the contract does not match the offer they received, the Commission considers that these provisions have distinct purposes. In the latter case, there is a mismatch between the offer and the contract, while in the trial period, there may be a mismatch between aspects of the service that the customer expected to receive, such as speed, quality, or service reliability, and the service they actually receive.
371. A customer who is not subject to an early cancellation fee and who is dissatisfied with the service they are receiving can leave without penalties. However, a customer who is subject to an early cancellation fee faces more barriers to cancelling a contract that does not match their expectations. Accordingly, the Commission considers that a targeted trial period that applies to new customers with contracts subject to an early cancellation fee is necessary to respond to their concerns.
372. The Commission considers that it would be appropriate to have a 15-day trial period to provide customers with a reasonable time frame to assess the extent to which their selected service meets their needs. This trial period will align with the one set out in the Wireless Code, making the trial period consistent for customers with bundles that include mobile wireless services and Internet Services. The Commission further considers that a trial period should begin on the day the service begins, that is, when the customer can start using the service.
373. Further, the Commission considers that Canadians with disabilities have distinct needs, and that a trial period would better help them assess the extent to which the service they have selected meets their needs, including equipment, which Internet Service contracts generally do include, though it is generally not subsidized. The Commission considers that the value of being able to assess the extent to which the device or equipment works or is accessible to Canadians with disabilities is relevant whether or not the device or equipment is subsidized. Arguments related to the lack of significant device subsidies in the Internet Service market, which correlates to early cancellation fees or the fact that some ISPs add time for customers to try out devices, are not relevant to determining whether a trial period is necessary for persons with disabilities.
374. The Commission considers that the trial period for Canadians with disabilities should be 30 days, double the duration of the standard trial period. This is consistent with CAD et al.'s view that, at a minimum, the trial period for Canadians with disabilities should be 30 days. The Commission also considers that ASL/LSQ videos explaining

trial periods would enable Canadians with disabilities to better understand and avail themselves of the extended trial periods.

375. The Commission considers that the trial period should have standard minimum usage and time limits across all ISPs so that customers know what to expect. Given that the 15-day trial period represents approximately half a month, minimum trial period usage limits should correspond to at least half the amount of monthly usage limits that the customer's plan offers. The Commission considers that the extended trial period for Canadians with disabilities, which is twice the duration of the standard trial period, should also have twice the usage limits of the standard trial period, effectively, a full month of usage. The Commission considers that both time periods and usage limits are consumer-friendly and represent appropriate business practices, since they would (i) allow customers to test their devices and services, and (ii) in coordination with data monitoring tools also required by the Internet Code, enable customers to assess how their usage compares with the limits of their plans.
376. Another objective of the trial period is to enable the customer to try the service without being responsible for paying a significant early cancellation fee. If a customer is dissatisfied with the service offering, they are not required to pay such a fee, and they can leave without penalty.
377. Installation fees were included in the Draft Code because preliminary research indicated that some, but not all, ISPs charge installation fees in a manner that functions like an early cancellation fee. However, the Commission considers that prohibiting ISPs from recovering installation fees even if a customer cancels their service during a trial period is not justified at this time.
378. The Commission is of the view that the principles behind its determinations related to conditions of use in the Wireless Code Review, which do not require that gifts with purchase be returned, remain valid and apply to Internet Services. As Eastlink submitted, many of the largest ISPs use gifts with purchase as incentives to lock customers into term contracts. In the Wireless Code Review, the Commission stated that "to require the return of gifts in the event customers cancel their agreement during the trial period would introduce a further barrier to switching. Given the ... incentive WSPs would have to offer a gift with purchase that might get used right away to invalidate the trial period, the risk associated with providing a gift or promotional incentive during the trial period should be borne by WSPs rather than by consumers. The Commission notes that WSPs have the option of waiting until the trial period has elapsed before issuing a gift."
379. With respect to the proposal to apply trial periods to amended contracts, the Commission agrees with certain parties that the feasibility of this proposal is unclear. In this regard, the record of this proceeding does not sufficiently address the necessity of this proposal, how it would be implemented by ISPs, and the associated costs. However, the Commission reminds ISPs that the Code will require them, when proposing amendments to existing contracts, to inform customers about whether or

not they can go back to their previous plans and services and, if so, under what conditions.

380. In light of the above, the Commission determines the following:

- When a new customer agrees to a contract through which they are subject to an early cancellation fee, an ISP subject to the Internet Code must offer the customer a trial period lasting a minimum of 15 calendar days to enable the customer to determine whether the service meets their needs.
- If a customer self-identifies as a person with a disability, an ISP subject to the Internet Code must offer an extended trial period lasting a minimum of 30 calendar days to enable the customer to determine whether the service meets their needs.
- The trial period must start on the date on which service begins.
- The usage limits for the standard trial period service must correspond to half the permitted monthly usage specified in the customer's contract, whether the contract includes limited or unlimited monthly use. For customers with disabilities, the permitted usage amounts in the extended trial period must be at least double the ISP's usage limits for the standard trial period.
- During the trial period, customers may cancel their contract without penalties or early cancellation fees if they have
 - used less than the permitted usage as specified in the contract; and
 - returned any equipment or device provided by the ISP, in near-new condition, including original packaging, if applicable.

Cancellation dates and refunds for services not provided following cancellation

Positions of parties

381. Parties generally supported including provisions in the Code regarding cancellation dates and refunds for services that were not provided.

382. RCCI submitted that the inclusion of these provisions is unnecessary since they are already set out in Broadcasting and Telecom Regulatory Policy 2014-576 and Telecom Decision 2016-171.

383. FADOQ and l'Union asked the Commission to clarify that customers may send their cancellation notice through the means of their choice, for example, by phone, email, or mail. L'Union noted that some ISPs only consider the date they receive a written request as the official cancellation date.

384. FADOQ submitted that the media has reported many instances of service providers trying to prevent customers from cancelling their services. FADOQ submitted that the cancellation date provision should make it clear that ISPs must respect customers' wishes to cancel their services.
385. The CCTS, Distributel, and l'Union asked the Commission to clarify that the cancellation date provision allows a customer to cancel their service at a future date.
386. Cogeco submitted that this provision should be clarified to note that customers may still be subject to an early cancellation fee.

Commission's analysis and determinations

387. Including provisions in the Internet Code regarding cancellation dates and refunds for services that were not provided following cancellation would ensure that customers are more aware of these provisions and would align the Internet Code with the Wireless Code.
388. The Commission considers that it would be in the interests of customers, ISPs, and the CCTS to include the requested clarifications in the Code, as detailed below.
389. The Commission notes that these provisions do not specify the means through which an ISP is to be notified of a customer's decision to cancel their services and, as such, do not preclude customers from using the means of their choosing, such as phone, email, or mail, to cancel their services.
390. With respect to when a cancellation takes effect, it takes effect upon receipt of the notice of cancellation; however, the Commission clarifies that this does not preclude a customer from selecting a future date as the effective cancellation date when providing their notice, and that ISPs must respect their customers' wishes in this regard.
391. Further, depending on when a customer cancels their service, an early cancellation fee established in compliance with the Code may still be applicable.
392. In light of the above, the Commission determines that (i) a customer may cancel their contract at any time by notifying their ISP, using the means of the customer's choosing, such as phone, email, or mail, and the ISP must cancel the service on the day requested by the customer or another party acting on behalf of the customer; and (ii) ISPs subject to the Internet Code must not charge for a service that is not, and cannot be, provided following cancellation.

Contract extension – Automatic renewal

Positions of parties

393. Cogeco argued that provisions relating to notification prior to the end of the initial commitment period should not be included in the Code. It argued that certain promotions are shorter than the 90-day period proposed in the Draft Code, that the

CIS already contains this information, and that the notice would confuse customers, adding further notifications and information that customers must keep track of. Eastlink also argued that this information is already present in the CIS.

394. Xplornet argued that notification should be required only if the contract will renew into a new long-term commitment period without intervention from the customer or if any key terms will change at the end of the commitment period.
395. CNOC argued that 60 days would be a sufficient time frame for a customer to make an informed decision. L'Union argued that requiring that a notice be sent at least 90 days prior to renewal may be too far in advance, and proposed a time frame of 60 to 90 days prior to renewal.
396. L'Union added that ISPs should be required to inform customers at the time of notification about how they can change ISPs.

Commission's analysis and determinations

397. The proposed provision regarding automatic contract renewal is intended to ensure that the terms under which contracts automatically renew are clear, fair to customers, and communicated in a timely manner.
398. In addition, timely and proactive notification would be helpful to inform customers who may have forgotten the information contained in the CIS related to their exact contract renewal date. No compelling evidence to modify the 90-day notification period was submitted on the record.
399. The Commission considers that automatic contract renewal, in combination with early cancellation fees or a requirement for customers to provide notice far in advance prior to cancelling their service, can be used as a method of keeping customers effectively locked into term contracts, even after the original contract term has expired.
400. Allowing automatic contract renewal, but limiting it so that contracts can renew only on a month-to-month basis, will ensure that customers' service is not interrupted, while reducing barriers to switching ISPs so that customers can take advantage of competitive offers.
401. Accordingly, the Commission determines that ISPs subject to the Internet Code must notify customers on fixed-term contracts, at least 90 calendar days before the end of their initial commitment periods, whether or not the contracts will be automatically extended.
402. The Commission also determines that at the time that an ISP subject to the Internet Code offers a customer a contract change, including, for example, a promotional offer or equipment upgrade, the ISP must clearly explain to the customer any changes to the existing contract terms caused by the customer's acceptance of the contract change, including any extension to the commitment period and any impacts on benefits from bundling of services.

403. Finally, the Commission determines that to ensure that customers are not disconnected at the end of the commitment period, ISPs subject to the Internet Code may extend contracts, with the same rates, terms, and conditions, on a month-to-month basis.

Section H. Security deposits

Positions of parties

404. L'Union argued that a security deposit should be limited to an amount equivalent to two months of service charges.

405. CNOC submitted that security deposits under a small threshold amount should not be required to bear interest due to the burden imposed on providers to assess the interest applicable on small deposits.

Commission's analysis and determinations

406. The proposed provision is intended to ensure that customers and ISPs understand the circumstances under which ISPs may ask for security deposits. The Commission is aware that issues related to security deposits disproportionately affect low-income customers.

407. However, the record of this proceeding is insufficient for the Commission to determine whether there should be a limit on the amount of a security deposit and, if so, what that limit should be.

408. Accordingly, the Commission considers that the proposed text presented in the Draft Code remains appropriate in that (i) the Draft Code frames provisions related to the requirement of a security deposit, (ii) the deposit is subject to an interest rate, and (iii) ISPs may apply the deposit toward any amount that is past due, and may require customers to replenish the deposits after such a use so that the ISPs may continue providing service.

Section I. Disconnection

Positions of parties

409. While parties generally supported the disconnection provisions proposed in the Draft Code, certain parties did propose changes.

410. Cogeco argued that instead of the proposed provisions, the Commission should use the provisions set out for television services in the TVSP Code. These provisions only require ISPs to explain their disconnection policy in any written agreement or related documents as opposed to the requirements related to when disconnection may occur, to notice before disconnection, and to disputing disconnection charges as proposed in the Draft Code.

411. With respect to when disconnection may occur, the CCTS proposed that the Commission include in this provision that an ISP cannot disconnect a customer's service if the customer has paid a security deposit and the security deposit covers the past due amount. The CCTS submitted that such a requirement would be in line with the Commission's view expressed in the Wireless Code and would protect vulnerable customers like customers who have to pay a security deposit initially and have trouble paying their bills.
412. FADOQ and l'Union argued that \$50 is too low a threshold for disconnection for non-payment given that the average customer, based on their research, spends approximately \$49.50 on Internet Service per month. L'Union submitted that the threshold should be increased to \$100 to better reflect two months of service. L'Union further submitted that, given the importance of Internet Service, the two conditions should be cumulative, that is, an ISP should be able to disconnect a customer for non-payment only if the account has been in arrears for more than two months and the amount owing is at least \$100.
413. TCI disagreed with FADOQ and l'Union, submitting that their reasons were not compelling.
414. CNOC and Cogeco opposed the proposed requirement that disconnection take place only on weekdays between 8 a.m. and 9 p.m. or on weekends between 9 a.m. and 5 p.m. CNOC argued that disconnections can occur remotely and do not generally require a visit to the customer's premises. CNOC further argued that disconnection at any time of day would not cause any more inconvenience to a customer than a disconnection within the proposed time frames.
415. Xplornet raised concerns about its ability to reconnect rural and remote customers disconnected in error within a single business day. Xplornet submitted that restoring service to a rural or remote customer within one business day would not necessarily be achievable. The company suggested a requirement that ISPs instead reconnect customers as soon as reasonably possible after they are made aware of the error.

Commission's analysis and determinations

416. The purpose of provisions regarding disconnection is to provide clear obligations about when and how an ISP may disconnect service due to a customer's failure to pay.
417. Including provisions related to disconnection in the Code would align the disconnection notification requirements between mobile wireless, Internet, and home phone services set out in the Wireless Code, Internet Code, and Deposit and Disconnection Code, respectively. This would ensure that customers with bundles that include mobile wireless, Internet, and home phone services would be subject to the same provisions for all telecommunications services included in their bundles, including the same notice prior to disconnection.

418. The Commission notes that the CCTS already receives customer complaints regarding the disconnection of Internet Services. The Commission agrees with the CCTS's proposal and determines that customers should not be disconnected for failure to pay if their security deposit covers the outstanding amount.
419. With regard to l'Union's submission regarding the importance of Internet services, the Commission notes that in Telecom Regulatory Policy 2016-496, it defined fixed and mobile wireless broadband Internet access services as basic telecommunications services. The Commission further noted that Canadians will increasingly need to access broadband Internet access services to effectively participate in the digital economy and society. Given that Internet services are now considered basic services, the Commission determines that the two disconnection conditions are cumulative obligations; in other words, the ISPs subject to the Internet Code may disconnect service only once an amount has been past due for more than two months and once the amount owing reaches a particular threshold.
420. With respect to FADOQ and l'Union's proposal to increase the monetary disconnection threshold from \$50 to \$100, the Commission notes that the threshold in the Draft Code is based on the Wireless Code, which is itself based on the Deposit and Disconnection Code for home phone services. The Commission considers that prior to adjusting the threshold, it would be reasonable to assess whether other changes to this provision of the Internet Code are sufficient to address these concerns. Accordingly, the Commission determines that this change is not necessary.
421. With respect to CNOC's and Cogeco's proposal to remove restrictions on when Internet Services can be disconnected, the intended purpose of imposing these restrictions is to provide customers with a reasonable opportunity to take action to prevent disconnection during business hours. It is generally more difficult to seek prompt assistance overnight or during holidays. Given that Internet services are basic telecommunications services, it is important to ensure that customers have a reasonable opportunity to prevent disconnection once they are notified of the situation. Further, limiting disconnection to business hours helps achieve the underlying objective of disconnection policies, which is to ensure that customers pay their service providers the amounts owing in a timely manner. Accordingly, the Commission determines that this change is not appropriate.
422. With respect to Xplornet's concern about its ability to meet provisions regarding prompt reconnection for customers in rural or remote locations whose service was disconnected in error, the Commission recognizes that in some instances, restoring service may require a technician to travel to a remote location and that reconnection within a single business day may not always be feasible in these circumstances. Nevertheless, customers should be reconnected promptly. Some level of flexibility should be granted to ISPs with respect to customers living in rural or remote regions.
423. To effectively account for this flexibility, the CCTS will require clear instructions on how to assess complaints on this issue for compliance with the Code. In the 2018 CMR, the Commission noted that "rural communities are defined as areas with

a population of less than 1,000 and a density of 400 or fewer people per square kilometre.” However, using this definition, which is based on census data, may be administratively difficult for the CCTS on a complaint-by-complaint basis.

424. In light of the above, and given that the purpose of Xplornet’s proposed modification is to reflect the distinct challenges of reconnecting services in rural or remote areas, the Commission determines that the onus will be on the ISP in question to demonstrate that the area where the customer’s service is located is rural or remote, consistent with the Commission’s definition in the CMR. Should the ISP fail to demonstrate that a customer’s service was provided in a rural or remote region, the CCTS should administer the complaint as though the customer is in an urban region. The Commission determines that this approach is reasonable and balances the flexibility requested by ISPs serving customers in rural or remote areas and the administrative burden imposed on the CCTS when it assesses complaints.

Administration and enforcement of the Code

Positions of parties

425. Parties generally supported the Commission and the CCTS enforcing the Internet Code jointly, with the CCTS being responsible for tracking and resolving customer complaints, and the Commission being responsible for enforcing compliance by ISPs. They noted that the CCTS already administers the Wireless Code and the TVSP Code, and considered that this is the most efficient way to help customers address issues that were not resolved by their ISP.
426. Some customers indicated that they have struggled with the current complaint processes available through their ISPs and did not understand how to escalate a complaint effectively. An individual Canadian stated that they would like to see ASL/LSQ videos to explain the CCTS’s complaint process or to obtain explanations from CCTS staff on how complaints can be made in sign language.
427. The CCTS argued that to facilitate the Internet Code’s administration, the Commission should add a new requirement for ISPs to retain any evidence or information necessary to defend an allegation of a breach of the Internet Code. The CCTS noted that access to recordings and logs is often an essential component of its investigations, since this information provides a better understanding of the mismatch between a customer’s expectation and the service they received. The CCTS submitted that this would align with the TVSP Code.
428. Most parties, except RCCI, Shaw, and Xplornet, agreed that it would be appropriate for the Commission to require ISPs to file compliance reports with the Commission on how they are implementing and complying with the Internet Code. RCCI opposed reporting requirements, noting that it has not yet been required to show its compliance with the TVSP Code. Shaw and Xplornet opposed annual compliance reports to minimize administrative burdens, arguing that written certification should be

sufficient. Xplornet argued that the Commission should require such compliance reports only once and not on a yearly basis, if at all.

Commission's analysis and determinations

429. Parties generally agreed with the Commission's preliminary view that the CCTS should administer the Internet Code since the current complaint and dispute resolution model through the CCTS is functioning well and, despite its increasing case load, the CCTS has been able to resolve a significant percentage of complaints.
430. With respect to systemic or serious issues, the Commission's mandate enables it to address these issues, and it has a number of regulatory tools available to it to ensure compliance with the Internet Code.
431. To enable the CCTS to fully assess complaints, the Commission considers that ISPs should be required to retain information to demonstrate their compliance with the Internet Code on a customer-by-customer basis. For example, in the case of verbal agreements, which are common in the Internet Service market, a recording of a call may be essential to determine whether a verbal agreement matches the written agreement, which is provided at a later date. ISPs should retain such information in accordance with the CCTS's Procedural Code during the time frame in which a complaint is valid.
432. The Commission considers that, in addition to the dispute resolution information it may receive from the CCTS, other information is required to ensure that the Commission can enforce the Internet Code. Just as with the Wireless Code, the Commission also intends to monitor ISPs' compliance in implementing the requirements of the Internet Code. For this reason, the compliance reporting provision set out in the Notice was modelled after the one set out in the Wireless Code Review.
433. When the Commission created the Wireless Code, it required WSPs to submit a one-time report following implementation to enable the Commission to assess the extent to which that code had been implemented appropriately and on time. Through this process, the Commission was able to identify and resolve several instances of potential non-compliance. The Commission considers that it should require ISPs subject to the Internet Code to submit such a report to the Commission following implementation.
434. In the Wireless Code Review, the Commission found it appropriate to require WSPs to report annually on their ongoing compliance with the Wireless Code. These reports have been valuable in the Commission's assessment of ongoing compliance, including in response to new issues as they emerge.
435. The Commission considers that it would be appropriate to require the ISPs subject to the Internet Code to submit annual reports demonstrating ongoing compliance with the Code. The Commission intends to issue a set of questions that must be answered in the report before the report is due.

436. Accordingly, the Commission hereby requests that the CCTS administer the Internet Code. This includes (i) resolving any complaints related to the Internet Code, (ii) monitoring trends in complaints, and (iii) reporting on both complaints and trends in its annual report. The Commission will enforce the Internet Code by addressing issues related to delayed implementation and systemic non-compliance. As well, if ISPs or other interested parties are unclear about the application or interpretation of the Internet Code or of this decision, they may seek guidance from the Commission. The Commission also reserves the right to issue guidelines of general application.
437. In addition, the Commission hereby **directs** the ISPs subject to the Internet Code to (i) report annually to the Commission, by **31 August**, to demonstrate that they have implemented the Code effectively and on time; (ii) retain statistics on an ongoing basis on how many customers they informed about the CCTS, out of the total number of customers who make a formal complaint; and (iii) provide these statistics to the Commission as part of their compliance reports.

Implementation of the Code

Positions of parties

Single implementation date versus phased-in implementation

438. All parties supported the Internet Code taking effect on a single date. Parties considered that a phased-in approach to certain provisions would be more costly, more difficult to administer, and more confusing to customers.

Extension requests for specific provisions

439. Parties generally agreed that if an ISP can demonstrate that it faces unique barriers that would make the implementation of a specific provision of the Internet Code technically impossible or financially unreasonable, the ISP should be able to submit a Part 1 application, following this proceeding, to seek an extension for the implementation of that provision. Many parties noted that this would be consistent with the Commission's approach in the Wireless Code.

Implementation date

440. The CCTS submitted that it needs at least four months to review the final Internet Code, revise its systems, and train its complaint-handling staff.
441. L'Union stated that given the speed of this proceeding, it expects an implementation date shortly following publication of the Commission's decision, to benefit customers. Other consumer groups emphasized the importance of timely implementation to ensure that customers can benefit from the Internet Code as quickly as possible.
442. ISPs submitted various time frames for implementing various proposed provisions and options, which ranged from less than two months to two years.

443. The CCTS noted that the Wireless Code took effect within six months of its publication date, whereas the TVSP Code was implemented through licence renewal processes over a two-year period. Several ISPs argued that the implementation time frame for the Internet Code should be aligned with that of the TVSP Code rather than that of the Wireless Code. Some parties, including Cogeco and Shaw, submitted that the TVSP Code was less onerous to implement than the Wireless Code since it included fewer and less-detailed provisions in response to the unique needs of each market.
444. TCI indicated that there are only two provisions in the Draft Code that it considers would take 18 months to implement: pre-sales quotes and data overage notifications.
445. CNOC argued that if the Code were to apply to small ISPs, they would need a minimum of 12 months to implement the Code due to resource constraints and lack of experience. CNOC submitted that large facilities-based ISPs should be expected to implement the Internet Code within six to nine months.
446. Cogeco, RCCI, and Shaw argued that the Internet Code should not take effect until after the proceeding to harmonize the existing codes is completed.

Commission's analysis and determinations

Single implementation date versus phased-in implementation

447. The Commission considers that the Internet Code should be fully implemented on a single date. This approach, which is consistent with that used for the Wireless Code and the TVSP Code, is supported by all parties and will help reduce implementation costs and provide more clarity to customers.

Extension requests for specific provisions

448. The Commission considers that if an ISP can demonstrate that it faces unique barriers that would make the implementation of a specific provision of the Internet Code technically impossible or financially unreasonable, the ISP can submit a Part 1 application to seek an extension for the implementation of that provision. In this respect, the ISP must provide detailed evidence and rationale to show that its circumstances are unique and that the burden it faces is exceptional and unreasonable. This approach is consistent with the Commission's approach with respect to the Wireless Code.

Implementation date

449. The Commission considers that the Internet Code should be implemented as soon as reasonably possible, to benefit customers.
450. In light of the CCTS's indication that it needs at least four months to prepare to administer the Code, and considering that the Code would not be useful until it can be

administered by the CCTS, four months from the date of publication is the soonest the Code could take effect.

451. On the basis of the record of this proceeding, the Commission considers that the final Internet Code, set out in the Appendix below, should be less onerous, costly, and time-consuming for ISPs to implement than the Draft Code, while maintaining benefits to customers. While most ISPs submitted that they would need more than six months to fully implement the Draft Code, including all options, the Draft Code provisions would have introduced more onerous obligations that have not been retained by the Commission. Specifically, the final Internet Code does not include many of the issues or options that ISPs identified as being most burdensome to implement in terms of costs and time, such as the Code's application to existing contracts, the Code's application to small businesses, the supplying of a pre-sales CIS, and provisions relating to data overages beyond notifications. The modifications to the formula for early cancellation fees should also reduce the overall burden of compliance with the Code on ISPs.
452. With respect to the estimates for costs, the Commission intentionally included in the Draft Code both more and less onerous options for all parties to comment on in order to have a robust record regarding potential costs of proposals. The Commission balanced the need for customer protections with the ISPs' financial and time constraints to implement the provisions of the Code.
453. Further, as noted in paragraph 448 of this decision, ISPs facing unique implementation barriers may submit a Part 1 application to seek an extension for the implementation of that provision, with detailed evidence and rationale.
454. Accordingly, the Commission does not see any reason to deviate from the approach taken in the Wireless Code, the most recent telecommunications-oriented code, which WSPs were given six months to implement.

Conclusion

455. In light of the above the Commission determines that the Internet Code will take effect **six months** from the date of this decision, on **31 January 2020**.

Promoting awareness of the Code and rights

Positions of parties

456. Parties generally agreed that promotion of the Internet Code is important and that the Commission, the CCTS, and ISPs share the responsibility of promoting the Code through various channels.
457. Consumer groups, such as FADOQ, argued that ISPs should be required to promote the Internet Code and customer rights, similar to what is required by the Wireless Code. CAD et al. submitted that the Wireless Code requires the creation of sign-language videos to provide the information in that code and explanations of key terms

used in mobile wireless service contracts, and argued that the Internet Code should include such a requirement as well.

458. Most parties were of the view that ISPs should inform their customers of the Internet Code and their associated rights through websites, bills, contracts, customer service representatives, and ad campaigns that use traditional and social media. Eastlink, Shaw, and TCI submitted that they would provide training related to the Internet Code to their customer service representatives.
459. With respect to how to promote the Code and associated rights in an accessible manner, one individual submitted that the use of ASL/LSQ interpreted terminology would increase contract clarity. Another individual submitted that it would be helpful for a digital display of Internet Service contract terms, such as ASL and LSQ videos on a tablet, to be available at cashier terminals in ISP storefronts.
460. CAD et al., in their survey, highlighted concerns including the technical or legal language used in Internet Service contracts, a lack of awareness of data monitoring tools and the complaints process, and bill shock from data overages. CAD et al. argued that promotional efforts should address these concerns.

Commission's analysis and determinations

461. The Commission considers it necessary for the Internet Code to be promoted effectively to (i) ensure that customers and ISPs are aware of their rights and responsibilities, and (ii) achieve the Code's objectives. Customers also need to be aware of and understand their rights in order to effectively make a complaint when they believe that their ISP is not complying with its obligations under the Code.
462. The Commission also considers that ISPs should be required to make information about the Internet Code available on their websites, in stores, and in bill statements/inserts. This requirement will ensure that information about customer's rights is readily available so that they can exercise these rights.
463. In addition, the Commission considers that ISPs must ensure that their sales representatives are knowledgeable about the ISPs' and customers' rights and responsibilities under the Code. A requirement in this respect will ensure that these rights and responsibilities are communicated to customers. The Commission clarifies that training for ISPs' customer service representatives must cover accessibility needs and how representatives can best address those needs so that customers who have a disability are able to navigate the available information in an accessible manner.
464. The record of this proceeding shows that customers with disabilities are experiencing similar challenges with respect to obtaining accessible information about contract terminology as they did in the context of mobile wireless services before the implementation of the Wireless Code. The Commission notes that clear, accessible information about Internet Service contract terms and conditions is necessary to enable Canadians with disabilities to make informed choices about Internet Service offers and contracts.

465. The Commission considers that the approach previously used in the context of the Wireless Code to create accessible explanatory videos has the benefits of (i) ensuring that the same standardized information is used by all ISPs and provided to customers; (ii) making efficient use of resources by requiring the large ISPs to collaborate on a shared series of videos, rather than requiring each ISP to develop its own videos; and (iii) requiring ISPs to collaborate with groups representing the interests of Canadians with disabilities to ensure that the needs of those Canadians are accurately addressed during the video development process.

466. The Commission considers that requiring ISPs to produce videos in ASL and LSQ in their Internet Code awareness campaigns is appropriate and that requiring additional measures to ensure that customers with disabilities are aware of the Code would help further the Code's objectives and fulfill the policy objectives set out in section 7 of the Act. The Commission also recognizes the need for consistent messaging to customers across all ISPs, and determines that the large facilities-based ISPs should collaborate to create and promote videos (i) that are not an advertising vehicle for any particular ISP; (ii) in consultation with the DDBHH community, with consultations starting no later than **2 December 2019**; and (iii) with closed captioning.

467. In addition, the Commission determines that the videos should be made available on each ISP's website, and expects that they be made available to any organization that requests them, free of charge, no later than **31 January 2020**.

468. In light of the above, to ensure that customers and ISPs are aware of their rights and responsibilities, the Commission **directs** the ISPs subject to the Internet Code to

- ensure that their customer service representatives are (i) knowledgeable about the Code, (ii) able to effectively describe the Code's provisions, and (iii) able to explain recourse options for customers;
- provide prominent links to the Code on their websites, including on their home pages, and on all pages on which their Internet Service plans and offerings are described;
- display information about the Code in a visual format in their stores and kiosks;
- add a notification regarding the Code to their bill statements in the month in which the Code takes effect, another notification three months later, and subsequent notifications semi-annually thereafter;
- inform customers of their right of recourse to the CCTS immediately upon a failure by an ISP to resolve a complaint at the second level of escalation, and again at subsequent levels of escalation with the ISP; and
- collaborate with the other large facilities-based ISPs on the production of videos in ASL and LSQ that (i) promote awareness of the Code and associated

rights, (ii) explain terminology that is commonly used in Internet Service contracts, (iii) inform customers about methods to manage data consumption and the typical amount of data required for common Internet activities, and (iv) are consistent with the determinations set out in paragraphs 466 and 467 of this decision.

469. The Commission also **directs** the ISPs subject to the Internet Code, as part of their compliance reports, to describe how they are ensuring that their customer service representatives are knowledgeable about both the ISPs' and customers' rights and responsibilities under the Code, including those specifically related to Canadians with disabilities.

Review and measuring success

Positions of parties

470. Parties generally supported a review of the Internet Code within three to five years. The CCTS and the Competition Bureau proposed that the Commission review the Internet Code concurrently with its review of the Wireless Code and the TVSP Code to ensure consistency across the codes and to maximize the resources of all parties involved.

471. However, Bell Canada argued that the Commission can issue guidance or clarifications related to the Internet Code in response to applications from ISPs or other parties and that doing so should mitigate the need for frequent comprehensive reviews of the Code.

472. Videotron proposed public opinion research as a tool to measure the Code's effectiveness. Bell Canada stated that the Code's effectiveness should be assessed annually, through the CCTS's annual reports, based on the total number of (i) complaints about Internet Services, and (ii) breaches of the Code and the nature of those breaches.

Commission's analysis and determinations

473. Given the rapid evolution of Internet services and contracts, the Internet Code must evolve over time to remain effective. As well, it will be necessary to review the Internet Code to ensure that it continues to be effective in meeting its objectives as the Internet service market evolves. However, the Commission recognizes that participation in its regulatory processes requires significant resources by all parties.

474. In addition to the ISP compliance reports, complaints to the CCTS and complaints and inquiries to ISPs by customers will help inform the extent to which the issues that the Code aims to address are being addressed.

475. The CCTS's annual reports provide a broad picture of how complaints regarding all participating ISPs and key trends in customer complaints change over time. In addition, customer complaints and data from ISPs that are subject to the Code would

provide valuable insight into complaints that are not escalated to the CCTS. To that end, ISPs subject to the Internet Code will be required to provide such data as part of their annual compliance reporting.

476. Consistent with the approach taken by the Commission to assess public opinion regarding the Wireless Code and the TVSP Code, public opinion research would help demonstrate the size and scope of specific customer issues. Such research would also provide information on customers' understanding of their Internet Service contracts and related rights, and would capture data from customers who do not have any complaint issues to raise.
477. The Commission considers that a formal review of the Internet Code within three years of it taking effect will allow enough time to appropriately monitor compliance, ensure effectiveness, and correct any issues that may develop during the implementation process. Three years will provide sufficient time for the Commission to assess the Internet Code's effect on the market while taking into account the ongoing evolution of the market. The Commission thus intends to initiate a formal review of the Internet Code within three years of the Code taking effect.
478. The Commission notes parties' support for public opinion research relating to the Code and suggestions for other evaluation and monitoring methodologies. The Commission intends to monitor the efficacy of the Internet Code using the most appropriate tools available.

Conclusion

479. The Commission **directs** the following Canadian carriers that provide retail fixed Internet access services to individuals, as a condition of providing these services pursuant to section 24 of the Act, to adhere to the Internet Code, as set out in the Appendix to this decision, according to the implementation schedule set out above, starting no later than **31 January 2020**: Bell Canada (including Bell MTS, NorthernTel, and Télébec), Cogeco, Eastlink, Northwestel, RCCI, SaskTel, Shaw, TCI, Videotron, and Xplornet.
480. As set out above, the Commission also **directs** the ISPs subject to the Internet Code to
- report annually to the Commission, by **31 August**, to demonstrate that they have implemented the Code effectively and on time, and describe how they are ensuring that their customer service representatives are knowledgeable about both the ISPs' and customers' rights and responsibilities under the Code, including those specifically related to Canadians with disabilities;
 - retain statistics on an ongoing basis on how many customers, out of the total number of customers who make a formal complaint, were informed about the CCTS and provide these statistics to the Commission as part of their compliance reports;

- collaborate with other large facilities-based ISPs on the production of videos in ASL and LSQ; and
- promote the Code.

481. The Commission also **directs** Northwestel to (i) modify the terms and conditions specified in its tariffs (for regulated services) to reflect the requirements set out in this decision, including in the Internet Code; and (ii) issue revised tariff pages no later than **31 January 2020**.

2006 Policy Direction

482. The 2006 Policy Direction¹³ requires, among other things, that the Commission rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives set out in the Act. The 2006 Policy Direction also requires the Commission to regulate, where there is still a need to do so, in a manner that interferes with market forces to the minimum extent necessary to meet these policy objectives.
483. Consistent with subparagraph 1(a)(i) of the 2006 Policy Direction, the Commission considers that market forces alone cannot be relied upon to ensure that customers have the information they need to participate effectively in the market for Internet Services.
484. Consistent with subparagraph 1(a)(ii) of the 2006 Policy Direction, the Commission considers that the regulatory requirements set out in the Internet Code are efficient and proportionate to their purpose, and minimally interfere with market forces. The Commission considers that the most efficient and least intrusive way of ensuring that customers understand their rights and responsibilities with respect to retail fixed Internet access services is the development of a code of conduct for ISPs. These regulatory requirements are necessary because market forces alone have not ensured that customers benefit from the associated protections, which will foster customers' effective participation in the Internet Service market. In determining each requirement set out in this decision, the Commission has considered the burden that will be imposed on the ISPs and the effect on their business models. These companies will retain a substantial degree of flexibility in structuring their affairs in the competitive Internet Service market in order to obtain, retain, and serve customers.
485. Consistent with subparagraph 1(b)(iii) of the 2006 Policy Direction, which requires that regulatory measures that are not of an economic nature be implemented, to the greatest extent possible, in a symmetrical and competitively neutral manner, the Commission considers that the application of the Internet Code is symmetrical across all large facilities-based ISPs, regardless of the technology they use and the geographic market in which they operate.

¹³ As noted above, this decision is not subject to the 2019 Policy Direction.

486. The Commission considers that the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the Act are advanced by the regulatory measures established in this decision and in the Code.

Secretary General

Related documents

- *Proceeding to establish a mandatory code for Internet services*, Telecom Notice of Consultation CRTC 2018-422, 9 November 2018; as amended by Telecom Notices of Consultation CRTC 2018-422-1, 21 February 2019; and 2018-422-2, 18 March 2019
- *TELUS Communications Inc. – Request to review and vary Telecom Decision 2016-171*, Telecom Decision CRTC 2018-194, 1 June 2018
- *Review of the Wireless Code*, Telecom Regulatory Policy CRTC 2017-200, 15 June 2017
- *Application of regulatory obligations directly to non-carriers offering and providing telecommunications services*, Telecom Regulatory Policy CRTC 2017-11, 17 January 2017; as amended by Telecom Regulatory Policies CRTC 2017-11-1, 10 July 2017; and 2017-11-2, 17 July 2018
- *Modern telecommunications services – The path forward for Canada’s digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Quebecor Media Inc. – Prohibition of 30-day cancellation policies – Application regarding prorated refunds for cancelled services*, Telecom Decision CRTC 2016-171, 5 May 2016
- *Review of the structure and mandate of the Commissioner for Complaints for Telecommunications Services Inc.*, Broadcasting and Telecom Regulatory Policy CRTC 2016-102, 17 March 2016
- *The Television Service Provider Code*, Broadcasting Regulatory Policy CRTC 2016-1, 7 January 2016
- *Prohibition of 30-day cancellation policies*, Broadcasting and Telecom Regulatory Policy CRTC 2014-576, 6 November 2014
- *Northwestel Inc. – Regulatory Framework, Modernization Plan, and related matters*, Telecom Regulatory Policy CRTC 2013-711, 18 December 2013
- *CISC non-consensus report – Draft Deposit and Disconnection Code*, Telecom Decision CRTC 2011-702, 14 November 2011
- *Review of the Commissioner for Complaints for Telecommunications Services*, Telecom Regulatory Policy CRTC 2011-46, 26 January 2011

- *Accessibility of telecommunications and broadcasting services*, Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009
- *Establishment of an independent telecommunications consumer agency*, Telecom Decision CRTC 2007-130, 20 December 2007
- *Forbearance from retail Internet services*, Telecom Order CRTC 99-592, 25 June 1999

Appendix to Telecom Regulatory Policy CRTC 2019-269

The Internet Code

The Canadian Radio-television and Telecommunications Commission (CRTC) has created the Internet Code (or the Code) so that customers of retail fixed Internet access services (Internet services) are better informed of their rights and responsibilities contained in their contracts with Internet service providers (service providers).

Objectives

The Internet Code will

- i. make it easier for individual customers to obtain and understand the information in their Internet service contracts;
- ii. establish consumer-friendly business practices for the Internet service industry where necessary;
- iii. contribute to a dynamic Internet service market; and
- iv. further the policy objectives set out in paragraphs 7(a), (b), (f), and (h) of the *Telecommunications Act*.

Application

The Code applies to large facilities-based Internet service providers. A list of the service providers to which the Code applies is available [here](#).

The Code applies to all Internet services provided to individual customers by large facilities-based Internet service providers, in all provinces and territories, regardless of the status and business models of the service provider, whether purchased on a stand-alone basis or as part of a bundle, and whether purchased in person, online, or over the phone. All service providers to which the Code applies must comply with the Code.

Note: The [Wireless Code](#), as set out in Telecom Regulatory Policy 2017-200, applies to mobile wireless data services.

Definitions

Definitions of key terms are provided at the end of the Code.

Implementation date

The Internet Code comes into effect on **31 January 2020**.

Implementation for new, renewed, amended, and existing contracts

The Internet Code applies in full to new, renewed, and amended contracts. It also applies to existing contracts, excluding provisions B.1., B.2., B.5., C.1., F.2., G.1., and G.2.

Administration

A customer who believes that their service provider is not adhering to the Code must first try to resolve the problem directly with the service provider. If the customer is not satisfied with the service provider's response, they can contact the Commission for Complaints for Telecom-television Services Inc. (CCTS) as follows:

Mail: P.O. Box 56067 Minto Place RO, Ottawa ON K1R 7Z1

Website: www.ccts-cprst.ca

Toll-free phone: 1-888-221-1687

TTY: 1-877-782-2384

Email: response@ccts-cprst.ca

Fax: 1-877-782-2924

Preamble

1. Interpretation

- i. In interpreting the Code:
 - a. if any part of the Code or a contract for Internet services is ambiguous, or if it is unclear how the terms of the Code or the contract are to be applied, then the Code and the contract must be interpreted in a manner that is favourable to the customer;
 - b. a service provider may not require a customer to waive a right under the Code, contractually or otherwise, in order to receive the service provider's services; and
 - c. the Code and its provisions are to be interpreted purposively, by reference to their objectives.
- ii. The CCTS may interpret the Code for the purpose of investigating complaints. Decisions rendered by the CCTS about specific complaints cannot be appealed to the CRTC. If, however, at any time service providers or other interested persons are unclear about the application or interpretation of the Code by the CCTS, they may seek guidance or interpretation from the CRTC through Part 1 applications. The CRTC reserves the right to issue guidelines of general application.

2. Retaining evidence

- i. A service provider must retain any information necessary to defend an allegation of a breach of the Internet Code.

A. Clarity**1. Clear communication**

- i. A service provider must communicate with customers in a way that is clear, easy to understand, timely, accurate, and accessible, and that uses plain language.
- ii. A service provider must ensure that its written contracts and related documents, such as privacy policies and fair use policies, are written and communicated in a way that is clear, accessible, and easy for customers to read and understand.

2. Prices

- i. A service provider must ensure that the prices set out in offers and contracts are clear, including prices related to promotions, discounts, incentives, other time-limited offers, and bundles.
- ii. A service provider must indicate whether these prices include taxes.

3. Unlimited services

- i. A service provider must not charge a customer any overage charge for services purchased on an unlimited basis.
- ii. A service provider must not limit the use of a service purchased on an unlimited basis unless these limits are clearly explained in the fair use policy.

4. Unsolicited services

- i. A service provider must not charge for any device or service that the account holder or authorized user has not expressly purchased.

5. Clarity of offers

- i. A service provider must ensure that offers are clearly communicated before the customer consents to the offer, including during phone calls and door-to-door sales and in its promotional material.
- ii. A service provider's offer must include all key contract terms.
- iii. A service provider must retain information demonstrating that all key contract terms were disclosed at the time of an offer. A service provider must provide this information to customers and to the CCTS upon request at no charge.

B. Contracts and related documents**1. Provision of contract**

- i. When a contract is agreed to, a service provider must give the customer a contract that meets all the conditions regarding the content of the contract as set out in

provision B.5. A terms of service document is sufficient to meet this requirement only if it contains all of the information required by provision B.5.

- ii. A service provider must give the customer a permanent copy of the contract and related documents, in the format of the customer's choosing (electronic or paper) and at no charge, in the following circumstances:
 - a. if the contract is agreed to in person, the service provider must give the contract and related documents to the customer immediately after the customer agrees to the contract; or
 - b. if the contract is not agreed to in person (i.e. if it is agreed to over the phone, online, or otherwise at a distance), the service provider must,
 - 1. where the customer chooses to receive a paper copy of the contract, send the contract and related documents to the customer within 15 calendar days of the customer agreeing to the contract; or
 - 2. where the customer chooses to receive the contract electronically, send the contract and related documents to the customer no later than one business day after the contract was entered into.

2. Cancellation period when the permanent contract conflicts with the customer's agreement

- i. If a service provider fails to provide the contract within the required time frame, or if the terms and conditions of the permanent copy of the contract conflict with the terms and conditions that the customer agreed to, the customer may, within 45 calendar days of the start of the contract, cancel the contract without paying an early cancellation fee or any other penalty.

3. When a customer requests a copy of their contract

- i. A service provider must also provide the customer with a permanent copy of the contract and related documents in the format of the customer's choosing (electronic or paper), upon request and at no charge, at any time during the commitment period as follows:
 - 1. if the customer chooses to receive a paper copy, the service provider must send the document(s) to the customer within 15 calendar days; or
 - 2. if the customer requests to receive the document(s) electronically, the service provider must send the document(s) to the customer within no later than one business day.

4. Accessible formats

- i. A service provider must provide a customer with a copy of the contract and related documents in an accessible format for persons with disabilities upon request, at no charge, at any time during the commitment period.

5. Content of contracts

- i. Contracts must set out all the information listed below in a clear manner (items a-n):

Key contract terms and conditions

- a. the services included in the contract, such as data, that the customer agreed to upon entering into the contract and will receive for the duration of the contract, and any limits on the use of those services that could trigger overage charges or additional fees;
- b. the minimum monthly charge for services included in the contract;
 - 1. if the contract includes a promotional price or another time-limited discount,
 - (a) the minimum monthly charge for services included in the contract during and after any time-limited discount or promotion; and
 - (b) when any time-limited discount or promotion will end;
 - 2. if the Internet service is purchased as part of a bundle,
 - (a) the minimum monthly charge for services included in the contract during and after any price adjustment related to the bundle; and
 - (b) whether the minimum monthly charge for services included in the contract depends on a bundling arrangement with other services and, if so, a description of those other services;
- c. the commitment period, including the end date of the contract;
- d. if applicable
 - 1. the total installation fee and the conditions under which it must be paid;
 - 2. the rental or purchase price of non-subsidized equipment included with the contract;

3. the total early cancellation fee;
 4. the amount by which the early cancellation fee will decrease each month; and
 5. the date on which the customer will no longer be subject to the early cancellation fee. The date may be presented as an outside limit (i.e. no later than date X).
- e. if a subsidized device is provided as part of the contract,
1. the retail price of the device, which is the lesser of the manufacturer's suggested retail price or the price set for the device when it is purchased from the service provider without a contract; and
 2. the amount the customer paid for the device.

Other aspects of the contract

- f. an explanation of all related documents, including privacy policies and fair use policies;
- g. all one-time costs, itemized separately;
- h. the trial period for the contract and conditions of use, including the associated time and usage limits;
- i. optional services selected by the customer at the time the contract is agreed to and the service rates;
- j. a policy for service outages and how rebates will be applied;
- k. whether the contract will be extended automatically on a month-to-month basis when it expires and, if so, starting on what date;
- l. whether amending a contract term or condition, including changing the contract or promotion, would
 - change the price of the services;
 - extend the customer's commitment period; or
 - change any other aspect of the contract, including changes to related bundles.
- m. if applicable, the amount of any security deposit and any applicable conditions, including the conditions for return of the deposit; and
- n. where customers can find information about

1. rates for optional services, if applicable;
2. rates for pay-per-use services, including overage fees, if applicable;
3. the equipment manufacturer's warranty, if applicable;
4. tools to help customers manage their bills, including notifications on data usage and usage monitoring tools;
5. how to contact the service provider's customer service department;
6. how to make a complaint about Internet services, including contact information for the CCTS; and
7. the Internet Code.

C. Critical Information Summary

1. General

- i. A service provider must provide a Critical Information Summary to a customer when it provides a permanent copy of the contract. This document summarizes the most important elements of the contract for the customer.
- ii. The Critical Information Summary may be provided as a separate document from the written contract or prominently as the first pages of the written contract. In either case, the information provided in the Critical Information Summary does not replace or fulfill any requirements to provide the same or similar information within the actual written contract.
- iii. A service provider must ensure that the Critical Information Summary contains all of the following:
 - a. a complete description of all key contract terms and conditions;
 - b. the total monthly charge, including rates for optional services selected by the customer at the time the contract is agreed to and, if applicable, any time-limited discount or promotion;
 - c. information on all one-time charges and additional fees;
 - d. information about the trial period, including
 1. descriptions of usage limits, duration, and conditions for the standard trial period; and
 2. descriptions of usage limits, duration, and conditions for the extended trial period for customers who self-identify as having a disability;

- e. a description of any limits imposed on services purchased on an unlimited basis; and
 - f. information on how to complain about the service provider's Internet services, including how to contact the service provider's customer service department and the CCTS.
- iv. A service provider must ensure that the Critical Information Summary
 - a. accurately reflects the content of the written contract; and
 - b. is clear and concise (does not exceed two pages), uses plain language, and is in an easily readable font.
- v. A service provider must provide a customer with a copy of the Critical Information Summary in an accessible format for persons with disabilities, upon request and at no charge, at any time during the commitment period.

D. Changes to contracts and related documents

1. Changes to key contract terms and conditions during the commitment period

- i. A service provider must not change the key contract terms and conditions of an Internet service contract without the account holder's or authorized user's informed and express consent.
- ii. When a service provider notifies a customer that it intends to change a key contract term or condition, the account holder or authorized user may refuse the change.
- iii. As an exception, a service provider may change a key contract term or condition without the account holder's or authorized user's express consent only if the change clearly benefits the customer by either
 - a. reducing the rate for a single service; or
 - b. increasing the customer's usage allowance or speed for a single service for the same price.

2. Changes to key contract terms and conditions after the commitment period

- i. A service provider may change a key contract term if it provides the account holder with a notice that explains (a) the change, (b) when the change will take effect, and (c) the customer's right to receive an updated contract that reflects this change upon request at no charge. The notice must be provided at least 60 calendar days before the change to the key contract term.

3. Changes to other contract terms and conditions or related documents

- i. If, during the commitment period, a service provider wishes to change other contract terms and conditions or the related documents, it must provide the account holder with at least 30 calendar days' notice before making such changes.
- ii. This notice must explain the change and when it will take effect.

4. Information that must be disclosed during offers to change existing contracts

- i. When a service provider offers a customer a change to their existing contract, including an upgrade, a discount, or a promotional offer, the service provider must clearly explain to the customer
 - a. any resulting change(s) to the existing contract terms, including any change(s) to the price of the service or related bundles or to the commitment period; and
 - b. whether or not the customer can return to the existing contract terms if they are not satisfied with the change(s).

E. Bill management

1. Notification – Usage limit

- i. A service provider must notify a customer at least once when the customer reaches 75% of their usage limit, and again when they reach 90% of their usage limit, within a single monthly billing cycle.
- ii. A service provider must notify a customer when they reach 100% of their usage limit within a single monthly billing cycle.

2. Data monitoring tools

- i. If a service provider applies overage fees, the service provider must offer tools, at no charge, to help a customer monitor and manage their data usage and any additional fees incurred during a monthly billing cycle. A service provider is responsible for ensuring that such tools are accessible to customers with disabilities.
- ii. A service provider must offer plain-language information on the data usage associated with common online activities. Such information must be clear, accurate, accessible, and easy to understand.

3. Notification – Data overage charges

- i. A service provider must notify a customer who has incurred data overage charges during a billing cycle of where they can find information about (i) the account management tools the service provider offers, (ii) the data usage associated with

common online activities, and (iii) alternative plans that may better suit the customer's needs. Customers may opt out of these notifications at any time. Such notifications must be provided for each billing cycle in which a customer incurs data overage charges, unless the customer opts out of receiving such notifications.

F. Equipment issues

1. Service calls, including visits to residences for installation and repairs

- i. A service provider must provide a customer with a time frame for when a service call to a residence will begin.
- ii. Before any service call to a residence, a service provider must specify the potential charges associated with the service call, including any minimum charge, if applicable.
- iii. Before any service call to a residence, a service provider must explain to a customer how both the service provider and the customer may cancel or reschedule the appointment, including any associated charges.

2. Service outages

- i. A service provider must explain in its contracts and related documents its policy for service outages and how rebates will be applied.

G. Contract cancellation and extension

1. Early cancellation fees – General

- i. If a customer cancels a contract before the end of the commitment period, the service provider must not charge the customer any fee or penalty other than the early cancellation fee. This fee must be calculated in the manner set out below.
- ii. When a subsidized device is provided as part of the contract,
 - a. for fixed-term contracts,
 - the early cancellation fee must not exceed the value of the device subsidy; and
 - the early cancellation fee must be reduced by an equal amount each month, such that the early cancellation fee is reduced to \$0 by the end of the lesser of 24 months or the total number of months in the contract term.

- b. for indeterminate contracts,
 - the early cancellation fee must not exceed the value of the device subsidy; and
 - the early cancellation fee must be reduced by an equal amount each month, over a maximum of 24 months, such that the early cancellation fee is reduced to \$0 by the end of that period.
- iii. When a subsidized device is not provided as part of the contract,
 - a. for fixed-term contracts: the early cancellation fee must be set out in the contract and may be charged only for the lesser of 24 months or the total number of months in the contract term. The early cancellation fee must be reduced to \$0 by the end of that period.
 - b. for indeterminate contracts: a service provider must not charge an early cancellation fee.
- iv. When calculating the early cancellation fee,
 - a. the value of the device subsidy is the retail price of the device minus the amount that the customer paid for the device when the contract was agreed to;
 - b. the retail price of the device is the lesser of the manufacturer's suggested retail price or the price set for the device when it is purchased from the service provider without a contract; and
 - c. a month that has partially elapsed at the time of cancellation is considered a month that has completely elapsed.

2. Trial period

- i. When a new customer agrees to a contract through which they are subject to an early cancellation fee, a service provider must offer the customer a trial period lasting a minimum of 15 calendar days to enable the customer to determine whether the service meets their needs.
- ii. If a customer self-identifies as a person with a disability, the service provider must offer an extended trial period lasting a minimum of 30 calendar days to enable the customer to determine whether the service meets their needs.
- iii. The trial period must start on the date on which service begins.
- iv. The usage limits for the standard trial period must correspond to half the permitted monthly usage specified in the customer's contract, whether the contract includes limited or unlimited monthly use. For customers with

disabilities, the permitted usage amounts must be at least double the service provider's usage limits for the standard trial period.

- v. During the trial period, customers may cancel their contract without penalty or early cancellation fees if they have
 - a. used less than the permitted usage; and
 - b. returned any equipment or device provided by the service provider, in near-new condition, including original packaging, if applicable.

3. Cancellation date

- i. A customer may cancel their contract at any time by notifying their service provider.
- ii. A service provider must cancel service on the day requested by the customer or by another party acting on behalf of the customer.

4. Refunds for prepaid services not provided following cancellation

- i. A service provider must not charge for a service that is not, and cannot be, provided following cancellation.
- ii. All service providers must provide refunds for Internet services following cancellation of such services when some or all of the monthly service fees are billed in advance. The refunds must be pro-rated, based on the number of days left in the last monthly billing cycle after cancellation.

5. Contract extension

- i. To ensure that customers are not disconnected at the end of the commitment period, a service provider may extend a contract, with the same rates, terms, and conditions, on a month-to-month basis.
- ii. A service provider must notify a customer on a fixed-term contract, at least 90 calendar days before the end of their initial commitment period, whether or not the contract will be automatically extended. This notification must include
 - a. the date on which the contract is set to expire;
 - b. a statement informing the customer that as of that date, they can switch plans, change service providers, or cancel their service without penalty; and
 - c. information explaining
 - 1. whether the contract will be automatically extended with the same rates, terms, and conditions, on a month-to-month basis; and

2. if the contract is not being automatically extended, the proposed new minimum monthly charge for service going forward.

H. Security deposits

1. Requesting, reviewing, and returning a security deposit

- i. If a service provider requires a security deposit from a customer, the service provider must
 - a. inform the customer of the reasons for requesting the deposit;
 - b. keep a record of those reasons for as long as the service provider holds the deposit;
 - c. specify in the written contract the conditions for the return of the deposit;
 - d. review, at least once per year, the continued appropriateness of retaining the deposit; and
 - e. return the deposit with interest to the customer, retaining only any amount owed by the customer, no more than 30 calendar days after
 1. the contract is terminated by either the customer or the service provider; or
 2. the service provider determines that the conditions for the return of the deposit have been met.
- ii. A service provider must calculate interest on security deposits using the Bank of Canada's overnight rate in effect at the time, plus at minimum 1%, on the basis of the actual number of days in a year, accruing on a monthly basis.
- iii. A service provider may apply the security deposit toward any amount past due and may require customers to replenish the security deposit after such use in order to continue providing service.

I. Disconnection

1. When disconnection may occur

- i. If the grounds for disconnecting a customer are failure to pay, a service provider can disconnect a customer's postpaid service only if the customer
 - a. fails to pay an account that is past due, provided that it exceeds \$50 and has been past due for more than two months;
 - b. fails to provide or maintain a reasonable security deposit or alternative when requested to do so by the service provider; or

- c. agreed to a deferred payment plan with the service provider and fails to comply with the terms of this plan.
- ii. A service provider cannot disconnect a customer's service on the grounds of failure to pay if the customer has paid a security deposit and the security deposit covers the past due amount.
- iii. Except with customer consent or in other exceptional circumstances, disconnection may occur only on weekdays between 8 a.m. and 9 p.m. or on weekends between 9 a.m. and 5 p.m., unless the weekday or weekend day precedes a statutory holiday, in which case disconnection may not occur after noon. The applicable time is that of the customer's declared place of residence.
- iv. If a service provider disconnects a customer in error,
 - a. for customers not in rural or remote areas, it must restore service to the customer no later than one business day after they are made aware of the error;
 - b. for customers in rural or remote areas, it must restore service to the customer as soon as possible and notify the customer of the reconnection date; and
 - c. it must not impose reconnection charges.

2. Notice before disconnection

- i. If a service provider intends to disconnect a customer, it must notify the customer before disconnection, except in cases where
 - a. action is necessary to protect the network from harm;
 - b. the service provider has a reasonable suspicion that fraud is occurring or is likely to occur; or
 - c. a pre-set spending limit is reached, such as for customers on credit-limited spending programs, in instances where the customer was previously made aware of this limit.
- ii. In all other cases, before a disconnection, including the first instance of a suspension in a disconnection cycle, a service provider must give reasonable notice to the customer at least 14 calendar days before disconnection. The notice must contain the following information:
 - a. the reason for disconnection and amount owing, if any;
 - b. the scheduled disconnection date;
 - c. the availability of deferred payment plans;

- d. the amount of the reconnection charge, if any; and
 - e. contact information for a service provider representative with whom the disconnection can be discussed.
- iii. A service provider must provide, at least 24 hours before disconnection, a second notice to advise a customer that their service will be disconnected, except if
 - a. repeated attempts to contact the customer have failed;
 - b. action is necessary to protect the network from harm; or
 - c. the service provider has a reasonable suspicion that fraud is occurring or likely to occur.
- iv. A service provider must notify a customer of the specific terms leading to further suspensions or disconnection should the customer not pay according to the terms in their promise-to-pay agreement.
- v. Should a customer fulfill the terms of their promise-to-pay agreement, the service provider must treat any future non-payment by the customer as the start of a new disconnection cycle.

3. Disputing the reasons for disconnection

- i. A service provider must not disconnect a customer's service if
 - a. the customer notifies the service provider on or before the scheduled disconnection date listed in the notice that they dispute the reasons for the disconnection;
 - b. the customer pays the amount due for any undisputed portion of the charges; and
 - c. the service provider does not have reasonable grounds to believe that the purpose of the dispute is to evade or delay payment.

Definitions

Accessible formats

Accessible formats are an alternative to standard print so that the document is accessible for Canadians with disabilities, based on their individual needs. They include, but are not limited to Braille, plain text, and large font.

Account holder

A person who is responsible for payment under a contract.

Authorized user

A user who has been authorized by the account holder to consent to additional charges on the account or to changes to key contract terms and conditions.

Bundle

An offer of multiple communications services to a customer to incent that customer, financially or otherwise, to subscribe to more than one communications service. In many cases, changes to or removal of one of the underlying services may affect the prices or characteristics of the remaining services.

Canadian Radio-television and Telecommunications Commission (CRTC or the Commission)

A public organization that regulates and supervises the Canadian broadcasting and telecommunications systems to ensure that Canadians have access to a world-class communication system.

Commission for Complaints for Telecom-television Services Inc. (CCTS)

An independent organization dedicated to working with customers and their communications service providers to resolve complaints relating to their communications services. The CCTS (i) responds to and resolves complaints from customers in order to ensure that the complaints are treated in a way that is consistent with the Internet Code and (ii) collects data on complaints related to the Internet Code. To learn more about the data collected by the CCTS, see the CCTS's [website](#).

Commitment period

The term or duration of the contract. For fixed-term contracts, the commitment period is the entire duration of the contract. For indeterminate contracts, the commitment period is the current month or billing cycle.

Contracts: new, amended, renewed, existing, and written contracts

A contract is a binding agreement between a service provider and a customer to provide Internet services. A new contract is a contract that is agreed to on or after the date on which the Internet Code comes into effect. An amended contract is a contract that is changed after the date on which the Internet Code comes into effect. A renewed contract is a contract that automatically renews under the same terms and conditions at the end of the commitment period. An existing contract is a contract that is agreed to before the date on which the Internet Code comes into effect. A written contract is a written instrument that expresses the content of the contract.

Customers

Individuals subscribing to Internet services, including account holders and authorized users.

Disconnection

The termination of Internet services by a service provider.

Early cancellation fee

A fee that may be applied when a customer cancels their service before the end of the initial commitment period.

Equipment

A device or combination of devices necessary to receive a service provided by a service provider or to optimize the reception of a service, such as a modem or router.

Fair (or acceptable) use policy

A policy that explains what is considered to be unacceptable use of the service provider's Internet services and the consequences of unacceptable use (e.g. using the service to engage in an activity that constitutes a criminal offence). Violations of a fair or acceptable use policy may result in (i) disconnection or service suspension, or (ii) a modification of the services available to the customer.

Fixed-term contracts

Contracts that have a set duration (e.g. one or two years).

Indeterminate contracts

Indeterminate contracts do not have a set duration. They automatically renew each month.

Internet services

All retail fixed Internet access services, including cable, fibre, digital subscriber line (DSL), fixed wireless, and satellite services. Fixed Internet access services do not include mobile wireless data services.

Key contract terms and conditions

The elements of the contract that the customer agreed to upon entering into the contract and will receive for the duration of the contract, and that the service provider cannot change without the customer's express consent. These are listed in provision B.5 of the Internet Code.

Minimum monthly charge

The minimum amount that customers will have to pay for Internet services each month if they do not use optional services or incur any additional fees or overage charges. This charge may be subject to taxes, as set out in the contract.

Mobile wireless data services

These services include, but are not limited to, data plans for smartphones and tablets as well as mobile Internet plans used with Internet hubs, sticks, keys, and MiFi or similar devices. The Wireless Code applies to contracts for mobile wireless data services.

Optional services

Services that a customer can choose to add to their Internet service plan, usually for an additional charge, which may include data add-ons, security services, parental control services, and extended warranties.

Overage charge

A charge for exceeding an established limit on the use of a service.

Permanent copy

An inalterable copy (e.g. a paper copy or PDF version) of the contract that is free of hyperlinks to content that can be changed by the service provider, as of the date the contract is agreed to or the date of the latest amendment.

Plain language

Plain language communication is clear and easy to understand for a public audience, including for the most vulnerable and inexperienced customer.

Privacy policy

A policy that explains how service providers will handle customers' personal information.

Promise-to-pay agreement

An agreement that set outs a payment schedule for amounts owing by a customer whose financial situation does not enable them to meet the payment deadline on their bill.

Promotions, discounts, incentives, and other time-limited offers

Various incentives that service providers use to make their offers more appealing to customers, financially or otherwise. These incentives may be offered only for a specific period of time or may have conditions associated with them.

Related documents

Any documents referred to in the contract that affect the customer's use of the service provider's services. Related documents include, but are not limited to, privacy policies and fair use or acceptable use policies.

Service provider

A provider of retail fixed Internet access services.

Suspension (of a customer's service)

A temporary halt in Internet service that can result from a lack of payment or reaching a set spending or usage limit. The customer's account and contract remain in effect during service suspension.

Unlimited services

Services (e.g. unlimited data) that can be used on an unlimited basis for a fixed price.