

June 8, 2011

Clerk of Committees
251 Legislative Building
Winnipeg, Manitoba R3C 0V8

Submission of the Canadian Wireless Telecommunications Association to the Standing Committee on Social and Economic Development Consideration of Bill 35(Consumer Protection Act – Cell Phones)

Introduction

1. The Canadian Wireless Telecommunications Association (CWTA) is the authority on wireless issues, developments and trends in Canada. It represents wireless service providers, as well as companies that develop products and services for the industry. CWTA welcomes the opportunity to share its views at Committee examination of Bill 35 as part of the legislative process.
2. CWTA represents wireless service providers, as well as companies that develop products and services for the industry. Wireless telecommunications play an important role in the economic, social, and cultural life of Canadians, employing 260,000 Canadians in high paying jobs, delivering \$41 billion in economic benefits, with coverage to more than 99% of Canadians , with 96% having access to advanced 3G (or faster) networks and handsets, tablets etc.
3. Advanced wireless networks support more than interpersonal communications. They are the backbone of the digital economy, and play an ever-expanding role in the delivery of a wide range of government services. For example, last year Canadians made more than 6 million calls to 9-1-1 or emergency numbers over mobile networks.
4. CWTA maintains that the provisions of Bill 35 are unnecessary, and that government regulations inevitably add costs to government, industry, and ultimately consumers. Wireless customers are better served by open competitive markets and a self-regulated wireless industry with a strong Code of Conduct. Moreover, through a range of recent market-driven initiatives, Canadian wireless carriers are improving the consumer experience and increasing the value Canadians receive through a variety of choice and pricing offers.

Code of Conduct

5. CWTA's wireless service provider members subscribe to a Code of Conduct that underscores their commitment to providing the highest standards of service and support to their customers. Specifically the Code serves to:

- Provide our customers with complete details on rates, terms and coverage offered in each of our plans
 - Help ensure that our customers understand the terms of their contracts
 - Communicate with our customers in a way they understand
 - Ensure that our advertising is clear
 - Protect consumers' rights when we must change contract terms
 - Provide ready access to customer service
 - Safeguard our customers' personal information
 - Resolve your complaints efficiently, fairly and courteously
6. CWTA notes that the Code of Conduct already ensures that consumers have all the information they need to make informed purchasing decisions with respect to the aspects of the commercial relationship between carriers and subscribers addressed in the Bill.
 7. Although sometimes misrepresented as being “without consequences,” the Code of Conduct is in fact used as a tool by the Commissioner for Complaints for Telecommunication Services when evaluating the basis for complaints against its signatory members. In a recent media interview, the Commissioner for Complaints noted that “I’m a big supporter of industry codes of conduct—especially good ones—because they clarify what consumers can expect. They set minimum standards for the industry and they give us a tool.”
 8. CWTA does not agree that only micro-regulation of commercial relationships can compel service providers to respect their customers. Such a conclusion overlooks the fundamental motivation of carriers to keep their customers happy, or suffer the “consequences” of losing that customer to a competitor.
 9. Over the past two years, numerous new entrants have come into the market across the country. Since 2008 the wireless industry’s \$9.2 billion investment in spectrum and capital infrastructure has permitted a wide range of advanced wireless products and services to come into the marketplace.
 10. Canada now boasts more of the fastest HSPA+ networks than any other country. The wireless industry now employs 260,000 people in Canada, each of whom has a direct stake in ensuring that customers feel well served by their carrier. Clearly, all wireless carriers have incentives to comply with the Code of Conduct in order to minimize customer losses to competitors. In other words, the competitive imperative for wireless carriers to comply with the Code of Conduct is very strong, because the consequences of losing a customer have never been higher.

Recent Consumer Friendly Developments

11. In addition to the Code of Conduct, CWTA notes that individual carriers have recently implemented a range of consumer-friendly practices:
 - Unlocking handsets at the end of the contract, or earlier if the device has been fully paid for
 - Online account usage details that provide records of voice, data and text usage
 - Alerts to let customers know when they start roaming, and when additional charges will apply

- Text messages alerts when a customer is approaching and/or has reached their data allotment, and also at predetermined increments throughout the usage period
- Data usage calculator tools to help customers determine the appropriate amount of data to purchase for their personal usage habit, and applications that allow subscribers to check data usage

Conclusion

12. In conclusion, CWTA appreciates the opportunity to provide this submission to the legislative committee review of Bill 35. Further to realities in the marketplace, CWTA maintains there is no compelling rationale for provincial intervention in the commercial relationship between wireless carriers and their customers.
13. Consumers are well served and the industry is self-regulated through the CWTA's Code of Conduct, the CCTS, and a competitive marketplace of wireless providers offering an unparalleled choice of devices, plans, and price ranges. Consumers are motivated by excellent products and service at the best possible price, while carriers are driven to gain and maintain market share.
14. CWTA respectfully submits that government micro-regulation will only add costs for the industry and consumers, and that consumers are better served by competition than by regulation, and by a self-regulated wireless industry with a strong Code of Conduct.
15. CWTA appreciates the opportunity to share its views in this important process, and looks forward to continuing to work with officials as the regulatory process moves forward, to ensure there are no unintended regulatory consequences that could wind up harming Manitoba's wireless consumers.

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