



Telecom Decision CRTC 2007-79

Ottawa, 31 August 2007

Bell Aliant – Application for forbearance from the regulation of residential local exchange services

Reference: 8640-B54-200706476 and 8640-C12-200706351

In this Decision, the Commission determines that it will forbear from regulating Bell Aliant Regional Communications, Limited Partnership's (Bell Aliant) residential local exchange services in 32 exchanges in Ontario and Quebec, once it determines that Bell Aliant has met the competitor quality of service criterion for the Ontario and Quebec portion of its serving territory. The Commission denies Bell Aliant's request for forbearance in 35 other exchanges.

1. The Commission received an application by Bell Aliant Regional Communications, Limited Partnership (Bell Aliant), dated 25 April 2007, in which the company requested forbearance from the regulation of residential local exchange services¹ in 67 exchanges in Ontario and Quebec. A list of these exchanges is set out in Appendix 1 to this Decision.
2. In a letter dated 7 May 2007, the Commission directed incumbent local exchange carriers (ILECs), competitive local exchange carriers, and wireless service providers to provide additional information regarding current local forbearance applications.
3. The Commission received submissions and/or data regarding Bell Aliant's application and/or local forbearance applications in general from Access Communications Co-operative Limited; Amtelecom Cable Limited Partnership; Bell Canada; Bell Aliant; Bell Mobility Inc.; Bragg Communications Inc., carrying on business as EastLink; Bruce Telecom; Canadian Cable Systems Alliance Inc.; Cogeco Cable Inc.; Execulink Telecom Inc.; Globility Communications Corporation; Mountain Cablevision Ltd.; MTS Allstream Inc. (MTS Allstream); Primus Telecommunications Canada Inc.; the Public Interest Advocacy Centre on behalf of the Consumers' Association of Canada and the National Anti-Poverty Organization (the Consumer Groups); Quebecor Media Inc. on behalf of Videotron Ltd.; Rogers Communications Inc.; Saskatchewan Telecommunications; Shaw Communications Inc.; 9164-3122 Québec inc., doing business as Sogetel Numérique; Téléphone Drummond inc.; TELUS Communications Company; Wightman Telecom Ltd. (Wightman); and WTC Communications (WTC).
4. The record of this proceeding closed with MTS Allstream's comments, dated 10 August 2007.

¹ In this Decision, "residential local exchange services" refers to local exchange services used by residential customers to access the public switched telephone network, and any associated service charges, features, and ancillary services.

5. The Commission has assessed Bell Aliant's application based on the local forbearance test set out in Telecom Decision 2006-15, as amended by the Governor in Council's *Order Varying Telecom Decision CRTC 2006-15*, P.C. 2007-532, 4 April 2007 (modified Telecom Decision 2006-15), by examining the following:
 - a) Product market
 - b) Competitor presence test
 - c) Competitor quality of service (Q of S) results
 - d) Communications plan
6. The Commission notes that it has already addressed an additional issue raised by Bell Aliant in its application, namely limitation of liability provisions, in Telecom Decision 2007-59.

Commission's analysis and determinations

a) Product market

7. The Commission received no comments with respect to Bell Aliant's proposed list of residential local exchange services.
8. The Commission notes that Bell Aliant is seeking forbearance for 20 tariffed residential local exchange services and that 19 of these services were included in the list of services set out in Telecom Decision 2005-35. The Commission notes that the other service, Bell Digital Voice, did not exist when Telecom Decision 2005-35 was issued. However, the Commission considers that this service clearly falls within the definition of local exchange services set out in Telecom Public Notice 2005-2.
9. Accordingly, the Commission considers the list of services proposed by Bell Aliant for forbearance to be appropriate. The list of approved services is set out in Appendix 2 to this Decision.

b) Competitor presence test

10. The Commission notes that Bell Aliant requested forbearance from the regulation of residential local exchange services in 67 exchanges in Ontario and Quebec.
11. The Commission also notes that information provided by parties indicates that there is no facilities-based fixed-line telecommunications service provider, other than Bell Aliant, offering residential services in the exchanges of Anse-St-Jean, Baie-St-Paul, Bridgenorth, Deschaillons, Fortierville, La Baie, La Pocatière, Lac-Mégantic, Lakefield, Linwood, Rawdon, Rivière-du-Loup, Sault Ste. Marie, St-Alexandre, St-Alphonse-de-Rodriguez, St-Éleuthère, Ste-Monique-de-Nicolet, Ste-Sophie-de-Lévrard, St-Félix-de-Valois, St-Pacôme, St-Pascal, St-Philippe-de-Néri, St-Pierre-les-Becquets, Tadoussac, and Victoriaville. Accordingly, the Commission determines that these 25 exchanges do not meet the competitor presence test.

12. The Commission notes Bell Aliant's submission that competitors were capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Aliant is capable of serving in the remaining 42 exchanges. The Commission also notes that competitors provided information regarding their presence in each of those exchanges.
13. Certain competitors noted that they leased unbundled loops from Bell Canada and commented that in the case of end-user locations served off remotes, they were unable to serve any end-user locations in the absence of the deployment of Central Office Terminal technology by Bell Canada or the availability of an end-to-end copper loop. In these circumstances, the Commission notes that it adjusted the competitor serving capability accordingly.
14. The Commission notes that information provided by parties confirms that there are, in addition to Bell Aliant, at least two other independent facilities-based telecommunications service providers, including providers of mobile wireless services, in the following exchanges: Alma, Asbestos, Bright's Grove, Brockville, Chatham, Chicoutimi, Cornwall, Corunna, Dolbeau, Erin, Grand Valley, Hanover, Harriston, Hillsburgh, Inverary, Jonquière, La Malbaie, Laterrière, Listowel, Maniwaki, Mount Forest, North Bay, Owen Sound, Palmerston, Roberval, Sarnia, Southampton, St-Clet, St-Félicien, St-Prime, Thetford Mines, and Walkerton. Each of these service providers offers local exchange services in the market and is capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Aliant is capable of serving and at least one, in addition to Bell Aliant, is a facilities-based, fixed-line telecommunications service provider. Accordingly, the Commission determines that these 32 exchanges, listed in Appendix 3, meet the competitor presence test.
15. The Commission determines that the remaining 10 exchanges do not meet the competitor presence test, as the other fixed-line telecommunications service providers are not capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Aliant is capable of serving.

c) Competitor Q of S results

16. The Commission notes that, as it determined in Telecom Decision 2007-67, Bell Aliant's competitor Q of S results do not meet the competitor Q of S criterion insofar as they relate to the Ontario and Quebec portion of its serving territory. The Commission also notes that Bell Aliant filed updated evidence on 31 July 2007 to demonstrate that it has met the competitor Q of S criterion for the Ontario and Quebec portion of its serving territory. The Commission expects to issue a determination shortly as to whether Bell Aliant's competitor Q of S has met the requirement set out in modified Telecom Decision 2006-15.

d) Communications plan

17. The Commission notes that it approved Bell Aliant's proposed communications plan, with revisions, in Telecom Decision 2007-59. The Commission directs Bell Aliant to provide these revised communications materials to its customers in both official languages, where appropriate.

Conclusion

18. The Commission determines that for the 32 exchanges listed in Appendix 3, Bell Aliant's application meets all the local forbearance criteria set out in modified Telecom Decision 2006-15, except for the competitor Q of S criterion.
19. Accordingly, for these 32 exchanges, the Commission determines that it will forbear from regulating Bell Aliant's local exchange services listed in Appendix 2 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2, as they pertain to residential customers only, subject to the powers and duties that the Commission has retained as set out in modified Telecom Decision 2006-15, once it determines that Bell Aliant has met the required competitor Q of S criterion for the Ontario and Quebec portion of its serving territory.
20. The Commission notes, however, that modified Telecom Decision 2006-15 states that if, prior to granting forbearance, the Commission were informed that an ILEC's application was based on competition in the relevant market from an independent fixed-line telecommunications service provider that, including all of its affiliates, had fewer than 20,000 local exchange service customers in Canada, the forbearance would not become effective until at least 18 months after the day on which the service provider began providing local exchange services in that market.
21. The Commission notes that Bell Aliant named Bruce Telecom, Wightman, and WTC as competitors in nine exchanges for which Bell Aliant requested forbearance in this application. Based on the Commission's information, these telecommunications service providers have fewer than 20,000 local exchange customers.
22. Further, the Commission notes that, except in the Inverary and Southampton exchanges, where information is not yet available, information indicates that these competitors have acquired residential customers in these exchanges.
23. The Commission considers that, in the circumstances of this case and absent any other information on the record of this proceeding from the competitors with fewer than 20,000 local exchange customers, forbearance will become effective 18 months after the day on which the competitor began providing local exchange services in that market, once the Commission determines that Bell Aliant meets the competitor Q of S criterion.
24. In regard to the Owen Sound exchange, which has two competitors with fewer than 20,000 local exchange customers, the Commission considers that forbearance will become effective 18 months after 12 December 2006, which is the latest in-service date of the competitors.
25. In regard to the Hanover, Harriston, and Walkerton exchanges, the Commission notes that the 18-month period has expired and, accordingly, the Commission will forbear from regulating Bell Aliant's local exchange services listed in Appendix 2 in those exchanges once it determines that Bell Aliant has met the required competitor Q of S criterion for the Ontario and Quebec portion of its serving territory.

26. In light of the above, the Commission determines that for the following exchanges, the effective date of forbearance will be the latest of the date set out below or the date on which the Commission determines that Bell Aliant has met the competitor Q of S criterion:

Exchange	Competitor	End of 18-month period
Hanover	Wightman	8 June 2007
Harriston	Wightman	8 June 2007
Inverary	WTC	1 July 2008
Listowel	Wightman	3 October 2007
Mount Forest	Wightman	3 October 2007
Owen Sound	Bruce Telecom / Wightman	12 June 2008
Palmerston	Wightman	3 October 2007
Southampton	Bruce Telecom	15 June 2008
Walkerton	Wightman	8 June 2007

27. The Commission determines that Bell Aliant's application does not meet all the local forbearance criteria set out in modified Telecom Decision 2006-15 for the remaining 35 exchanges. Accordingly, the Commission **denies** Bell Aliant's application for forbearance in these 35 exchanges.

Secretary General

Related documents

- *Bell Aliant – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-67, 9 August 2007
- *Bell Aliant – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-59, 25 July 2007, as amended by Telecom Decision CRTC 2007-59-1, 3 August 2007
- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006, as amended by the Governor in Council's *Order Varying Telecom Decision CRTC 2006-15*, P.C. 2007-532, 4 April 2007

- *List of services within the scope of the proceeding on forbearance from the regulation of local exchange services*, Telecom Decision CRTC 2005-35, 15 June 2005, as amended by Telecom Decision CRTC 2005-35-1, 14 July 2005
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005

This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>

Bell Aliant requested forbearance from the regulation of its residential local exchange services in the following 67 exchanges:

Alma
Anse-St-Jean
Asbestos
Baie-St-Paul
Bridgenorth
Bright's Grove
Brockville
Chatham
Chicoutimi
Clermont
Cornwall
Corunna
Deschaillons
Dolbeau
Erin
Fortierville
Grand Valley
Hanover
Harriston
Hillsburgh
Howick
Inverary
Jonquière
La Baie
La Doré
La Malbaie
La Pocatière
Lac-Mégantic
Lakefield
Laterrière
Linwood
Listowel

Maniwaki
Mount Forest
North Bay
Owen Sound
Palmerston
Parkhill
Rawdon
Rivière-du-Loup
Roberval
Sarnia
Sault Ste. Marie
Southampton
St-Alexandre
St-Alphonse-de-Rodriguez
St-Ambroise-de-Chicoutimi
St-Blaise
St-Clet
St-Éleuthère
Ste-Martine
Ste-Monique-de-Nicolet
Ste-Sophie-de-Lévrard
St-Félicien
St-Félix-de-Valois
St-Fulgence
St-Honoré
St-Pacôme
St-Pascal
St-Philippe-de-Néri
St-Pierre-les-Becquets
St-Prime
Tadoussac
Thetford Mines
Victoriaville
Walkerton
Wallaceburg

**Local exchange services eligible for forbearance from regulation in this Decision
(for residential customers only):**

Tariff	Item	List of services
21560	29	Telephone Set Loss Charge
21560	70	Rate Schedules for Primary Exchange (Local) Service
21560	72	Reference of Calls (ROC) Service
21560	73	Telephone Number Services
21560	82	Toll Restriction
21560	86	Call Display Blocking
21560	220	Extra Listings
21560	1060	Service on Stationary Boats, Ships, Trailers and Trains
21560	1130	Suspension of Service
21560	2025	Integrated Voice Messaging Service (IVMS)
21560	2030	Universal Messaging
21560	2150	Push-Button Dialing (Touch-Tone)
21560	2165	Calling Features
21560	2180	PrimeLine Executive
21560	2185	Single Number Reach
21560	2200	Call Blocking Service
21560	2210	SimplyOne Service
21560	2300	Telephone Station Equipment
21560	4699	Internet Call Display Service
21560	7031	Bell Digital Voice

The 32 exchanges that meet the competitor presence test:

Alma
Asbestos
Bright's Grove
Brockville
Chatham
Chicoutimi
Cornwall
Corunna
Dolbeau
Erin
Grand Valley
Hanover
Harriston
Hillsburgh
Inverary
Jonquière
La Malbaie
Laterrière
Listowel
Maniwaki
Mount Forest
North Bay
Owen Sound
Palmerston
Roberval
Sarnia
Southampton
St-Clet
St-Félicien
St-Prime
Thetford Mines
Walkerton