



Telecom Decision CRTC 2014-367

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Huron Telecommunications Co-operative Limited – Application to modify the band assignment for the Ripley wire centre

*The Commission (i) **approves**, effective 1 January 2014, the reclassification of Huron Telecommunications Co-operative Limited's (HuronTel) Ripley wire centre to Band F-1, and (ii) **approves on an interim basis** a 2014 subsidy per residential network access service amount of \$9.68 for HuronTel's Band F-1.*

Introduction

1. During the 1990s, through a series of proceedings and decisions, the Commission opened up various telecommunications markets to competition, including the local telephone market, to enhance the Canadian telecommunications system and to give Canadians the benefits of competition. The Commission also established a subsidy regime, whereby money is collected from telecommunications companies to subsidize residential telephone service.
2. Under this subsidy regime, incumbent local exchange carriers (ILECs) receive a monthly subsidy from the National Contribution Fund for providing residential telephone service in high-cost serving areas (HCSAs). The amount of subsidy paid per month varies by ILEC and by band.¹ This subsidy regime helps to keep residential local telephone service rates just and reasonable, as required by subsection 27(1) of the *Telecommunications Act*.
3. The Commission received an application from Huron Telecommunications Co-operative Limited (HuronTel), dated 28 February 2014, requesting that the band assignment approved in Telecom Regulatory Policy 2013-160 for its Ripley wire centre be modified from Band F-2 to Band F-1, effective 1 January 2014.²
4. HuronTel acknowledged that, based on its 2010 network access service (NAS) information, its Ripley wire centre had been appropriately classified as Band F-2 in Telecom Regulatory Policy 2013-160. However, HuronTel submitted that the wire centre's total NAS count has declined steadily since January 2012 and, since October 2013, it has been below the upper threshold of 2,500 NAS for Band F-1.

¹ For the small ILECs, a band represents a group of exchanges or wire centres with similar characteristics, such as number of lines and remoteness. The small ILEC exchanges or wire centres in Bands E, F-1, F-2, F-3, F-4, and G, as defined in Decision 2001-756, are designated as HCSAs.

² Band F-1 contains 1,501 to 2,500 total network access services (NAS) and Band F-2 contains 2,501 to 4,000 total NAS.

5. The Commission received no interventions with respect to this application. The public record of this proceeding, which closed on 2 April 2014, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.

Commission's analysis and determinations

6. Based on the information provided, HuronTel's Ripley wire centre dropped below the Band F-1 upper threshold in October 2013, and its total NAS has continued to decline since then. Therefore, it is appropriate for the wire centre to be reclassified as Band F-1.
7. Accordingly, the Commission **approves**, effective 1 January 2014, the reclassification of HuronTel's Ripley wire centre from Band F-2 to Band F-1.
8. Given this reclassification, the Commission has used the small ILEC subsidy calculation formula used in Telecom Decision 2013-630 to determine that, as a Band F-1 wire centre, HuronTel's Ripley wire centre should receive an interim 2014 subsidy per residential NAS amount of \$9.68 per month, effective 1 January 2014.³
9. The Commission therefore **approves on an interim basis**, effective 1 January 2014, a 2014 subsidy per residential NAS amount of \$9.68 per month for HuronTel's Band F-1. The Commission **directs** the Central Fund Administrator to adjust the distribution of monthly subsidy for the Ripley wire centre to reflect this interim amount.

Secretary General

Related documents

- *Final 2013 revenue-percent charge and related matters*, Telecom Decision CRTC 2013-630, 27 November 2013
- *Regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Regulatory Policy CRTC 2013-160, 28 March 2013
- *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001

³ In Telecom Decision 2013-630, the Commission approved the interim 2014 subsidy per residential NAS amounts for the small ILECs, including HuronTel. For HuronTel's Ripley wire centre, the interim subsidy amount was \$8.10 when it was classified as Band F-2.