



Telecom Order CRTC 2016-317

PDF version

Ottawa, 9 August 2016

File numbers: Tariff Notices 619, 619A, and 619B

TELUS Communications Company – Implementation of determinations set out in Telecom Regulatory Policy 2015-326

Background

1. In Telecom Regulatory Policy 2015-326, the Commission made a number of determinations that affected, among other things, the following wholesale legacy services provided by the large incumbent local exchange carriers (ILECs):¹
 - unbundled local loops (ULLs);²
 - digital subscriber line services provided over non-fibre-to-the-node technologies; and
 - low-speed competitor digital network access services (i.e. DS-0 and DS-1 access services).³
2. The Commission determined that the rates for these services would be frozen at existing rate levels, as of the date of Telecom Regulatory Policy 2015-326. The Commission further determined that any affected service rate that was interim on the date of that decision would be final.
3. As well, the Commission determined that, subject to a three-year phase-out period, it would no longer require that the large ILECs provide ULLs. Specifically, the Commission determined that ULLs would have to continue to be made available at Commission-approved rates for at least the duration of the three-year phase-out period in exchanges where there was demand. However, the Commission forbore from regulating ULLs in exchanges where there was no existing demand.

¹ Bell Aliant Regional Communications, Limited Partnership and Bell Canada; MTS Inc.; Saskatchewan Telecommunications; Télébec, Limited Partnership; and TELUS Communications Company

² ULLs provide a transmission path between an end-user's premises and an ILEC's central office by means of copper facilities. ULLs can be used by competitors to provide local telephony and Internet access services to residential and business customers.

³ A DS-0 represents a channel capable of digital transmission at a rate of 56 kilobits per second, equivalent to one voice circuit. A DS-1 represents a channel capable of digital transmission at a rate of 1.544 megabits per second, equivalent to 24 voice circuits.

4. To implement these determinations, the Commission directed the large ILECs to file revised tariffs within 30 days of the date of its decision.

Application

5. The Commission received an application from TELUS Communications Company (TCC), dated 21 August 2015 and amended on 9 September and 30 November 2015, in which the company proposed revisions to the following items in its Access Services Tariff for its serving territory in Quebec, pursuant to the Commission's directive in Telecom Regulatory Policy 2015-326:
 - item 1.05 – Local Network Interconnection and Component Unbundling,
 - item 4.06 – Wholesale Internet ADSL⁴ Service, and
 - item 4.07 – Wide Area Network (WAN) ADSL Service
6. With respect to item 1.05, TCC proposed to indicate (i) that the monthly rates and service charges for ULL service are frozen, and (ii) for which exchanges in Quebec its ULL service would remain available. TCC also proposed to indicate that type-B ULLs are no longer available in rate bands D, E, and G because the company currently has no demand for this service in these rate bands.
7. For item 4.06, TCC proposed to indicate that the monthly rates and service charges for its 1 megabit-per-second (Mbps) and 5 Mbps access service speeds are frozen.
8. Regarding item 4.07, TCC proposed to indicate that the monthly rates and service charges for the access service, which is offered at a download speed of 6 Mbps, are frozen.
9. The Commission did not receive any interventions regarding TCC's application. The public record of this proceeding, which closed on 18 January 2016, is available on the Commission's website at www.crtc.gc.ca or by using the file numbers provided above.

Commission's analysis and determinations

10. TCC's proposed changes are consistent with the Commission's determinations set out in Telecom Regulatory Policy 2015-326.
11. The Commission set TCC's dry loop rates using the percentage of ULL costs that is uniquely associated with the provision of dry loops (i.e. copper facility loop costs and associated maintenance costs).⁵

⁴ Asymmetric digital subscriber line

⁵ Dry loop rates were first established for TCC in its Quebec serving territory in Telecom Decision 2006-50.

12. As noted above, the Commission determined in Telecom Regulatory Policy 2015-326 that ULL rates would be frozen at existing rate levels. However, the freezing of dry loop rates was not an issue before the Commission in the proceeding leading to that decision and no corresponding determination was made regarding dry loop rates. Accordingly, the existing regulatory framework for dry loop rates, which allows ILECs to propose modified dry loop rates justified with cost studies, has not changed. Therefore, the dry loop rates themselves are not frozen.
13. In Telecom Order 2016-316, in which the Commission dealt with TCC's Tariff Notice 499 concerning the company's operating territories in Alberta and British Columbia, the Commission directed TCC to modify its tariffs to express its dry loop rates using specific numerical values rather than percentages of ULL rates.
14. As a result, and to provide additional clarity to customers, TCC should do the same for its dry loop rates applicable in its Quebec serving territory.
15. In light of the above, the Commission **approves** TCC's application, and **directs** the company to file for approval, within **10 days** of the date of this order, tariff revisions for items 4.06.02.c. and 4.07.02.j. in order to express its dry loop rates as specific numerical values.

Secretary General

Related documents

- *TELUS Communications Company – Implementation of determinations from Telecom Regulatory Policy 2015-326*, Telecom Order CRTC 2016-316, 9 August 2016
- *Review of wholesale wireline services and associated policies*, Telecom Regulatory Policy CRTC 2015-326, 22 July 2015; as amended by Telecom Regulatory Policy CRTC 2015-326-1, 9 October 2015
- *Bell Canada – Part VII application regarding Ethernet and digital subscriber line services in TELUS Communications Company's territory in Quebec*, Telecom Decision CRTC 2006-50, 11 August 2006