



## Telecom Public Notice CRTC 2006-9

Ottawa, 16 June 2006

### **Proceeding to examine whether mobile wireless services should be considered to be in the same relevant market as wireline local exchange services with respect to forbearance, and related issues**

Reference: 8640-C12-200607210

*In this Public Notice, the Commission invites comments regarding whether mobile wireless services, or a subset thereof, should be considered to be part of the same relevant market as wireline local exchange services for forbearance analysis purposes and, if so, how wireless mobile services, or a subset thereof, should be measured for the purpose of inclusion in the relevant market and calculation of market share loss.*

#### **Background**

1. In *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006 (Decision 2006-15), the Commission considered that mobile wireless services did not belong in the same relevant market as wireline local exchange services at that time. The Commission's conclusion was based on the following considerations:
  - While the prices of wireline local exchange services and mobile wireless services may be similar in some cases, the pricing methodologies represent a fundamental difference in how the services are priced;
  - Generally mobile wireless services are not marketed as a replacement for wireline services;
  - The Statistics Canada *Residential Telephone Service Survey*, December 2004, in which Statistics Canada had estimated that, as of December 2004, only 2.7 percent of all households in Canada had replaced their wireline services with wireless services; and
  - The Commission's view that while some consumers were substituting mobile wireless services for their wireline services, the level of substitution was not significant enough at the time to provide a constraint on the market power of the incumbent local exchange carrier.
2. The Commission notes that on 5 April 2006, Statistics Canada released its *Residential Telephone Service Survey*, December 2005 (the 2005 Survey). In the accompanying official release bulletin, Statistics Canada indicated that as of December 2005, the estimated percentage of households in Canada that had replaced their wireline services with wireless services had increased to 4.8 percent. It also indicated that British Columbia, at approximately 7.1 percent,

and Alberta, at approximately 5.8 percent, led the way in growth. In the 2005 Survey, Statistics Canada estimated that the percentage of households that had replaced their wireline services with wireless services was approximately 9.6 percent in Vancouver, approximately 6.2 percent in Victoria, and approximately 6.4 percent in Calgary.

3. In light of this more recent information, which was not available to be taken into account in the proceeding leading to Decision 2006-15, the Commission considers that the issue of whether mobile wireless services are in the same relevant market as wireline local exchange services should be re-examined.
4. In Decision 2006-15 the Commission determined that market share loss should be measured based on total local wireline connections. If, as a result of this proceeding, a determination is made that mobile wireless services, or a subset thereof, should be considered to be part of the same relevant market as wireline local exchange services, the Commission notes that wireless mobile services, or a subset thereof, will need to be measured for the purposes of inclusion in the relevant market and calculation of market share loss.

### **Call for comments**

5. Accordingly, the Commission invites comments regarding whether mobile wireless services, or a subset thereof, should be considered to be part of the same relevant market as wireline local exchange services for forbearance analysis purposes. To the extent that parties consider that a subset of mobile wireless services should be part of the relevant market, comments are also invited on the criteria necessary to define the subset.
6. In the event that mobile wireless services, or a subset thereof, are determined to be part of the same relevant market, comments are also invited as to: (i) how mobile wireless services, or a subset thereof, should be measured for the purpose of inclusion in the relevant market, and (ii) what modifications should be made to the formula set out in paragraph 515 of Decision 2006-15 for the purpose of calculating market share loss.

### **Procedure**

7. Aliant Telecom Inc., Bell Canada, MTS Allstream Inc., Saskatchewan Telecommunications, and TELUS Communications Company (the telephone companies) are made parties to this proceeding.
8. Other parties wishing to participate fully in this proceeding (including receiving copies of all submissions) must notify the Commission of their intention to do so by filling out the online form, or by writing to the Secretary General, CRTC, Ottawa, Ontario, K1A 0N2, or by faxing at: (819) 994-0218 by **30 June 2006** (the registration date). They are to indicate in the notice their email address, where available. If parties do not have access to the Internet, they are to indicate in their notice whether they wish to receive disk versions of hard-copy filings.
9. The Commission will issue on its website, as soon as possible after the registration date, a complete list of parties and their mailing addresses (including their email addresses, if available), identifying those parties who wish to receive disk versions.

10. Any party who wishes merely to file written comments, without receiving copies of the various submissions, may do so by writing to the Commission by **7 July 2006** at the address or fax number noted above or by filling out the online form.
11. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding.
12. Parties may file comments with the Commission on any matter within the scope of this proceeding, serving copies on all other parties, by **28 July 2006**. Parties are to include with their comments any evidence they consider necessary to support their arguments. This includes any research studies or other material that parties wish to refer to in this proceeding.
13. Parties may address interrogatories to any party that filed comments pursuant to paragraph 12. Any such interrogatories must be filed with the Commission and served on the relevant party or parties by **18 August 2006**. It is expected that the Commission will also address interrogatories at the same time.
14. Interrogatory responses are to be filed with the Commission and served on all parties by **8 September 2006**.
15. Requests by parties for further responses to their interrogatories, specifying in each case why a further response is both relevant and necessary, and requests for public disclosure of information for which confidentiality has been claimed, setting out in each case the reasons for disclosure, must be filed with the Commission and served on the relevant party or parties by **15 September 2006**.
16. Written responses to requests for further responses to interrogatories and for public disclosure must be filed with the Commission and served on the party or parties making the request by **22 September 2006**.
17. Determinations with respect to requests for further information and for public disclosure will be issued as soon as possible. Any information to be provided pursuant to that determination must be filed with the Commission and served on all parties, by **6 October 2006**.
18. All parties may file final comments with the Commission, serving a copy on all other parties, by **18 October 2006**.
19. All parties may file reply comments with the Commission, serving a copy on all other parties, by **1 November 2006**.
20. The Commission expects to issue a decision on the issues raised in this Public Notice within 150 days after the record closes.
21. Where a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date.
22. Parties may file their submissions electronically or on paper. Submissions longer than five pages should include a summary.

23. Electronic submissions should be in HTML format. As an alternative, those making submissions may use "Microsoft Word" for text and "Microsoft Excel" for spreadsheets.
24. Each paragraph of all submissions should be numbered. In addition, the line \*\*\*End of document\*\*\* should be entered following the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
25. The Commission also encourages parties to monitor the record of this proceeding (and/or the Commission's website) for additional information that they may find useful when preparing their submissions.

### **Important notice**

26. Note that all information that you provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, email or through the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes your personal information, such as your full name, email address, postal/street address, telephone and facsimile number(s), and any other personal information you provide.
27. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as you send them, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
28. The personal information you provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.

### **Location of CRTC offices**

29. Submissions may be examined or will be made available promptly upon request at the Commission offices during normal business hours:

Central Building  
Les Terrasses de la Chaudière  
1 Promenade du Portage, Room 206  
Gatineau, Quebec J8X 4B1  
Tel: (819) 997-2429  
Toll free: 1-877-249-2782  
TDD: 1-877-909-2782  
Fax: (819) 994-0218

Metropolitan Place  
99 Wyse Road, Suite 1410  
Dartmouth, Nova Scotia B3A 4S5  
Tel: (902) 426-7997  
Fax: (902) 426-2721

205 Viger Avenue West, Suite 504  
Montréal, Quebec H2Z 1G2  
Tel: (514) 283-6607

55 St. Clair Avenue East, Suite 624  
Toronto, Ontario M4T 1M2  
Tel: (416) 952-9096

Kensington Building  
275 Portage Avenue, Suite 1810  
Winnipeg, Manitoba R3B 2B3  
Tel: (204) 983-6306 - TDD: 983-8274  
Fax: (204) 983-6317

Cornwall Professional Building  
2125 - 11<sup>th</sup> Avenue, Suite 103  
Regina, Saskatchewan S4P 3X3  
Tel: (306) 780-3422

10405 Jasper Avenue, Suite 520  
Edmonton, Alberta T5J 3N4  
Tel: (780) 495-3224

580 Hornby Street, Suite 530  
Vancouver, British Columbia V6C 3B6  
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Secretary General

*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>*