



Telecom Decision CRTC 2007-58

Ottawa, 25 July 2007

Forbearance from the regulation of residential local exchange services in Fort McMurray, Alberta

Reference: 8640-T66-200613069

In this Decision, the Commission forbears from regulating residential local exchange services in Fort McMurray, Alberta.

1. In Telecom Decision 2007-18, the Commission indicated that it would forbear from regulating residential local exchange services¹ in the exchange of Fort McMurray, Alberta, once TELUS Communications Company (TCC) had demonstrated that it met the competitor quality of service (Q of S) criterion as set out in Telecom Decision 2006-15.
2. On 8 June 2007, TCC provided the Commission with a six-month period of competitor Q of S data to demonstrate that it had met the competitor Q of S criterion 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). TCC requested, accordingly, that the Commission forbear from regulating residential local exchange services in Fort McMurray.
3. The Commission received comments from MTS Allstream Inc. (MTS Allstream). The record closed with TCC's reply comments, dated 19 June 2007.
4. The Commission considers that MTS Allstream's comments raise the following two issues:
 - I) Has TCC demonstrated that it met, on average, the Q of S standard for each of the nine applicable competitor Q of S indicators, with respect to the services provided to competitors in its territory?
 - II) Has TCC demonstrated that it did not consistently provide any competitor with services that were below those Q of S standards?

I) Has TCC demonstrated that it met, on average, the Q of S standard for each of the nine applicable competitor Q of S indicators, with respect to the services provided to competitors in its territory?
5. MTS Allstream argued that TCC's data failed to demonstrate that it had met the competitor Q of S standard for each indicator averaged across six months for each competitor, as it submitted was required by modified Telecom Decision 2006-15.

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.

6. TCC submitted that its evidence demonstrated that it had fulfilled the competitor Q of S criterion articulated in modified Telecom Decision 2006-15.
7. The Commission notes that paragraph 242 b) i) of modified Telecom Decision 2006-15 requires that an incumbent local exchange carrier demonstrate that on average, for each applicable indicator, it met the Q of S standard "with respect to the services provided to competitors in its territory." The Commission considers that had modified Telecom Decision 2006-15 meant that the test was to be applied for each competitor, the direction would have read "with respect to the services provided to each competitor in its territory."
8. Based on the above, the Commission considers that TCC has demonstrated that it has met the first part of the competitor Q of S criterion as set out in modified Telecom Decision 2006-15.

II) Has TCC demonstrated that it did not consistently provide any competitor with services that were below those Q of S standards?

9. MTS Allstream argued that TCC had consistently provided it and other competitors with below-standard service during the six-month period in question.
10. TCC replied that it had not consistently provided any of its competitors with services that were below the applicable Q of S standards.
11. The Commission notes that during the six-month period in question, TCC provided at- or above-standard service to MTS Allstream for more than 80 percent of the individually reported numbers, where each reported number is one indicator's result for one month. The Commission considers that this demonstrates that TCC did not consistently provide MTS Allstream with services that were below the Q of S standards.
12. In addition, the Commission notes that except in a few cases where a competitor only had one or two data points for the six-month period, TCC provided services to the other competitors as effectively as it did to MTS Allstream. The Commission considers that where there are only a few data points during a six-month period, there is insufficient data to make a finding that a company has consistently provided below-standard Q of S.
13. Based on the above, the Commission considers that TCC has demonstrated that it has met the second part of the competitor Q of S criterion as set out in modified Telecom Decision 2006-15.

Conclusion

14. Based on an examination of the evidence, the Commission agrees that the competitor Q of S data demonstrates that TCC has met the competitor Q of S criterion as set out in modified Telecom Decision 2006-15.
15. Pursuant to subsection 34(1) of the *Telecommunications Act* (the Act), the Commission finds as a question of fact that a determination to forbear, to the extent specified in modified Telecom Decision 2006-15, from the regulation of residential services that fall within the

definition of local exchange services set out in Telecom Public Notice 2005-2, in the Fort McMurray, Alberta exchange would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.

16. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that in the Fort McMurray, Alberta exchange, these residential local exchange services are subject to a level of competition sufficient to protect the interests of users of these services.
17. Pursuant to subsection 34(3) of the Act, the Commission finds as a question of fact that to forbear, to the extent specified in modified Telecom Decision 2006-15, from regulating residential local exchange services in the Fort McMurray, Alberta exchange would be unlikely to impair unduly the continuance of a competitive market for these services.
18. The Commission therefore forbears from regulating residential local exchange services in the exchange of Fort McMurray, Alberta, in accordance with and under the terms and conditions established in Telecom Decision 2007-18.

Secretary General

Related documents

- *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
- *Application for forbearance from the regulation of residential local exchange services in Fort McMurray, Alberta*, Telecom Decision CRTC 2007-18, 27 March 2007, as amended by Telecom Decision CRTC 2007-18-1, 27 March 2007
- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005

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