



## Telecom Decision CRTC 2007-67

Ottawa, 9 August 2007

### **Bell Aliant – Applications for forbearance from the regulation of residential local exchange services**

Reference: 8640-B54-200705717, 8640-B54-200705741, 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 four exchanges in the census metropolitan area (CMA) of Toronto and three exchanges in the CMA of London once it determines that Bell Aliant has met the required competitor quality of service criterion. The Commission denies Bell Aliant's request for forbearance in the Ailsa Craig exchange in the London CMA.*

#### **Introduction**

1. The Commission received applications by Bell Aliant Regional Communications, Limited Partnership (Bell Aliant), dated 16 April 2007, in which the company requested forbearance from the regulation of residential local exchange services<sup>1</sup> in eight exchanges in Ontario. Four of these exchanges – Ailsa Craig, Melbourne, Mount Bridges, and Strathroy – are in the census metropolitan area (CMA) of London,<sup>2</sup> and four exchanges – Caledon, Orangeville, Pefferlaw, and Shelburne – are in the CMA of Toronto.
2. In a letter dated 7 May 2007, the Commission directed incumbent local exchange carriers, 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 applications and/or local forbearance applications in general from Access Communications Co-operative Limited; Amtelecom Cable Limited Partnership; Bell Aliant; Bell Canada; Bell Mobility Inc.; Bragg Communications Inc., carrying on business as EastLink; Bruce Telecom; Canadian Cable Systems Alliance Inc.; Cogeco Cable Inc.; Execulink Telecom Inc. (Execulink Telecom); Globility Communications Corporation; Maskatel inc.; Mountain Cablevision Ltd; MTS Allstream Inc.; Primus Telecommunications Canada Inc.; the Public Interest Advocacy Centre on behalf of the Consumers' Association of Canada and the National Anti-Poverty Organization; Quebecor Media Inc., on behalf of Videotron Ltd.; Rogers Communications Inc.;

<sup>1</sup> 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.

<sup>2</sup> Paragraph 522 of 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) states that applications for local forbearance related to local exchanges located wholly or partially within the census metropolitan areas of Calgary, Edmonton, Halifax, Hamilton, London, Montréal, Ottawa-Gatineau, Québec, Toronto, Vancouver, or Winnipeg will be given priority by the Commission.

Saskatchewan Telecommunications; Shaw Communications Inc.; 9164-3122 Québec inc., doing business as Sogetel Numérique; Téléphone Drummond inc.; TELUS Communications Company; Wightman Telecom Ltd.; and WTC Communications.

4. The record of this proceeding closed with Bell Aliant's reply comments, dated 11 June 2007.
5. The Commission has assessed Bell Aliant's applications 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 applications, 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. The Commission also notes that all but one of these 20 services were included in the list of services set out in Telecom Decision 2005-35.
9. The Commission notes that the additional service, Bell Digital Voice, is a new local exchange service that did not exist when Telecom Decision 2005-35 was issued. However, the Commission considers that Bell Digital Voice falls within the definition of local exchange services set out in Telecom Public Notice 2005-2.
10. Accordingly, the Commission considers the list of services proposed by Bell Aliant for forbearance to be appropriate. The list is set out in the Appendix to this Decision.

#### **b) Competitor presence test**

11. The Commission notes that for the exchanges of Melbourne, Mount Bridges, Strathroy, Caledon, Orangeville, Pefferlaw, and Shelburne, information provided by parties confirms that there are, in addition to Bell Aliant, at least two independent facilities-based telecommunications service providers, including providers of mobile wireless services. 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.

12. The Commission notes that Bell Aliant submitted that Execulink Telecom was capable of serving 100 percent of the access lines in the Ailsa Craig exchange. However, Execulink Telecom indicated that it was capable of serving less than 50 percent of the residential households in the exchange over its own facilities.
13. Based on its review of the companies' data, the Commission considers that Execulink Telecom is not capable of serving the required 75 percent of the number of residential local exchange service lines that Bell Aliant is capable of serving in the Ailsa Craig exchange.
14. Accordingly, the Commission determines that only the exchanges of Melbourne, Mount Bridges, Strathroy, Caledon, Orangeville, Pefferlaw, and Shelburne meet the competitor presence test.

**c) Competitor Q of S results**

15. The Commission notes that Bell Aliant provided competitor Q of S results for the period of August 2006 to January 2007. Specifically, for the period from August 2006 to December 2006, Bell Aliant proposed to use competitor Q of S results for the Atlantic provinces portion of its serving territory; for January 2007, the company proposed to use consolidated results for its entire serving territory.<sup>3</sup> Bell Aliant also proposed to use these competitor Q of S results in all its current forbearance applications, whether for exchanges located in the Atlantic provinces or in the Ontario and Quebec portions of its operating territory.
16. In Telecom Decision 2007-59, the Commission examined this methodology in the context of Bell Aliant's applications for forbearance in the Atlantic region and considered that it was appropriate to use Bell Aliant's consolidated results from January 2007. However, the Commission considered that using the August to December 2006 Q of S results – which reflect services provided to competitors only in the Atlantic provinces – when assessing forbearance for exchanges located in Ontario and Quebec would be contrary to the intent of the Q of S forbearance criterion.
17. The Commission further considered that exchanges in Ontario and Quebec would be assessed based on Bell Canada's Q of S results for August to December 2006 plus Bell Aliant's consolidated Q of S results for January 2007. Based on this methodology, the Commission notes that Bell Aliant provided at- or above-standard Q of S results for seven of nine indicators when averaged across the applicable six-month period, but did not provide at- or above-standard results for indicator 2.9 – Competitor Degraded Trouble Reports Cleared Within 48 Hours and indicator 2.10 – Mean Time to Repair – CDN Services and Type C Loops.
18. Accordingly, the Commission determines that 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.

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<sup>3</sup> On 7 July 2006, Bell Canada's regional wireline telecommunications operations in Ontario and Quebec were combined with, among other things, the wireline telecommunications operations of Aliant Telecom Inc., Société en commandite Télébec, and NorthernTel, Limited Partnership to form Bell Aliant Regional Communications, Limited Partnership.

#### **d) Communications plan**

19. 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**

20. The Commission determines that for the exchanges of Melbourne, Mount Bridges, Strathroy, Caledon, Orangeville, Pefferlaw, and Shelburne, Bell Aliant's applications meet all the local forbearance criteria set out in modified Telecom Decision 2006-15, except for the competitor Q of S criterion.
21. In light of the above, the Commission determines that it will forbear from regulating the 20 local exchange services listed in the Appendix 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, in the exchanges of Melbourne, Mount Bridges, Strathroy, Caledon, Orangeville, Pefferlaw, and Shelburne, once the Commission determines that Bell Aliant has met the competitor Q of S criterion for the Ontario and Quebec portion of its serving territory.
22. However, the Commission **denies** Bell Aliant's application for forbearance in the Ailsa Craig exchange since it does not meet the competitor presence test.

#### **Related documents**

- *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

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>*

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

<b>Tariff</b>	<b>Item</b>	<b>List of services</b>
21560	29	Telephone Set Loss Charge
21560	70	Rate Schedules for Primary Exchange (Local) Service
21560	72	Reference of Calls
21560	73	Telephone Number Services
21560	82	Toll Restriction
21560	86	Call Display Blocking
21560	220	Extra Listings – Omission of a Primary Exchange Listing
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