



Telecom Decision CRTC 2007-84

Ottawa, 10 September 2007

TELUS Communications Company – Application for forbearance from the regulation of residential local exchange services

Reference: 8640-T66-200709777

In this Decision, the Commission approves TELUS Communications Company's request for forbearance from the regulation of residential local exchange services in nine exchanges in Quebec.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 3 July 2007, in which the company requested forbearance from the regulation of residential local exchange services¹ in nine exchanges in Quebec. These exchanges are listed in Appendix 1.
2. The Commission received submissions and/or data regarding TCC's application from Bell Mobility Inc.; Cogeco Cable Inc.; MTS Allstream Inc.; and Quebecor Media Inc., on behalf of Videotron Ltd. The record of this proceeding closed with a letter by TCC, dated 9 August 2007, modifying the list of services for which it is seeking forbearance.
3. The Commission has assessed TCC's application 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

Commission's analysis and determinations

a) Product market

4. The Commission received no comments with respect to TCC's proposed list of residential local exchange services.

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.

5. The Commission notes that TCC is seeking forbearance for 11 tariffed residential local exchange services offered in Quebec. The Commission also notes that all but 3 of these services were included in the list of services eligible for forbearance set out in Telecom Decision 2005-35.
6. The Commission notes that former TELUS Communications (Québec) Inc. (TCQ) General Tariff sub-item 2.01.06a, Basic Service – Residence, and General Tariff sub-item 2.01.06e, Telephone Services for Senior Citizens' Clubs, were not included in Telecom Decision 2005-35. However, the Commission notes that since these services fall within the definition of local exchange services set out in Telecom Public Notice 2005-2, they are therefore eligible for forbearance.
7. Accordingly, the Commission considers TCQ General Tariff sub-items 2.01.06a and 2.01.06e, and the above-referenced items listed in Telecom Decision 2005-35, to be appropriate for forbearance.
8. The Commission notes that the remaining service – TCQ General Tariff item 2.27, Residential Bundles – was excluded from the scope of eligible local exchange services in Telecom Decision 2005-35 on the basis that it was a service bundle. In that Decision, the Commission noted that tariff approval was not required for a bundle that did not include any tariffed service.
9. The Commission notes that it has already addressed an additional issue raised by TCC, namely, its request for forbearance from regulation of TCQ General Tariff items 1.02, Terms of Service, and 1.04, General Rules, in Telecom Decision 2007-64.
10. The list of approved services is set out in Appendix 2.

b) Competitor presence test

11. The Commission notes that for all nine of the exchanges, information provided by parties confirms that there are, in addition to TCC, 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 TCC is capable of serving, and at least one, in addition to TCC, is a facilities-based, fixed-line telecommunications service provider.
12. Accordingly, the Commission determines that the nine exchanges listed in Appendix 1 meet the competitor presence test.

c) Competitor Q of S results

13. The Commission notes that TCC submitted competitor Q of S results for the period of December 2006 to May 2007. The Commission also notes that in Telecom Decision 2007-64 it determined that TCC's competitor Q of S results for this period met the competitor Q of S criterion.

d) Communications plan

14. The Commission notes that it approved TCC's proposed communications plan, with revisions, in Telecom Decision 2007-64. In accordance with its determinations in that Decision, the Commission directs TCC to provide revised communications materials to its customers in both official languages, where appropriate.

Conclusion

15. The Commission determines that TCC's application regarding the nine exchanges listed in Appendix 1 meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
16. 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 the residential local exchange services listed in Appendix 2 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 nine exchanges listed in Appendix 1, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
17. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that these residential local exchange services are subject to a level of competition in these exchanges sufficient to protect the interests of users of these services.
18. 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 these residential local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.
19. In light of the above, the Commission **approves** TCC's application for forbearance from the regulation of the local exchange services listed in Appendix 2 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 nine exchanges listed in Appendix 1, subject to the powers and duties that the Commission has retained as set out in modified Telecom Decision 2006-15. This determination takes effect as of the date of this Decision. The Commission directs TCC to file for Commission approval revised tariff pages within 30 days.

Secretary General

Related documents

- *TELUS Communications Company – Applications for forbearance from the regulation of residential local exchange services, Telecom Decision CRTC 2007-64, 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

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List of exchanges

Baie-Comeau (Marquette sector)
Baie-Comeau (Hauterive sector)
Matane
Mont-Joli
Montmagny
Port Cartier
Sept-Îles
Saint-Georges-de-Beauce
Saint-Lambert

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

Tariff	Item	List of services
25080	2.01.06a	Basic Service – Residence
25080	2.01.06e	Telephone Service to Senior Citizens' Clubs
25080	2.02.03	Residence Service
25080	2.05	Directories and Listings
25080	2.12	Telephone Number Reservation Service
25080	2.16.03	Toll Restriction Service
25080	2.19	Voice Messaging Services
25080	2.20	TELUS Québec's SmartTouch Services
25080	2.22	Call Display Blocking
25080	3.02.07	Call Blocking Service – 900 Service