



Telecom Decision CRTC 2008-107

Ottawa, 19 November 2008

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

Reference: 8640-T66-200810160

In this Decision, the Commission approves TCC's request for forbearance from the regulation of business local exchange services in 10 exchanges in Alberta, British Columbia, and Quebec. The Commission denies TCC's request for forbearance in 52 other exchanges in these provinces.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 23 July 2008, in which the company requested forbearance from the regulation of business local exchange services¹ in 62 exchanges in Alberta, British Columbia, and Quebec. A list of these 62 exchanges is set out in Appendix 1 of this Decision.
2. The Commission received submissions and/or data regarding TCC's application from Bell Canada, Cogeco Cable Inc. (Cogeco), MTS Allstream Inc. (MTS Allstream), Quebecor Media Inc., on behalf of its affiliate Videotron Ltd. (Videotron), Rogers Communications Inc., and Shaw Cablesystems Ltd. (Shaw). The public record of this proceeding, which closed on 15 September 2008, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Commission's analysis and determinations

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 four criteria set out below.

a) Product market

4. The Commission received no comments with respect to TCC's proposed list of business local exchange services.
5. The Commission notes that TCC is seeking forbearance for 51 tariffed business local exchange services in Alberta and British Columbia. The Commission also notes that in Telecom Decision 2008-67 it found 50 of these services to be appropriate for forbearance. The other service, Centrex Services, is a recent consolidation of Centrex services previously approved in Telecom Decision 2008-67.

¹ In this Decision, "business local exchange services" refers to local exchange services used by business customers to access the public switched telephone network and any associated service charges, features, and ancillary services.

6. The Commission further notes that TCC is also seeking forbearance for 19 tariffed business local exchange services in Quebec. Of these, the Commission found 17 to be appropriate for forbearance in Telecom Decision 2007-92. The Commission finds that the other two services, Telephone service to Senior Citizens' Club and Basic service – Business, fall within the definition of local exchange services as set out in Telecom Public Notice 2005-2. The list of approved services is set out in Appendix 2 of this Decision.

b) Competitor presence test

7. The Commission notes that for the exchanges of Canmore, Alberta; Aldergrove, Cloverdale, Mission, Duncan, Parksville, Qualicum, and Whistler, British Columbia; and St-Antoine-de-Tilly and St-Roch-des-Aulnaies, Quebec, information provided by parties confirms that there is, in addition to TCC, at least one independent, facilities-based, fixed-line telecommunications service provider² that offers local exchange services in the market and is capable of serving at least 75 percent of the number of business local exchange service lines that TCC is capable of serving in each exchange.
8. The Commission notes that in the remaining exchanges listed in Appendix 3 where Bell Canada is identified as a competitor, Bell Canada offers wholesale services, but does not offer retail business local exchange services. Accordingly, the Commission determines that these exchanges do not meet the competitor presence test.
9. With regards to the remaining exchanges listed in Appendix 3 where Cogeco is identified as a competitor, the Commission is of the view that the information on the record is not sufficient to establish that Cogeco is capable of serving at least 75 percent of the number of business local exchange service lines that TCC is capable of serving. Accordingly, the Commission determines that these exchanges do not meet the competitor presence test.
10. In the remaining exchanges in Alberta and British Columbia listed in Appendix 3 where Shaw is identified as a competitor, the Commission notes that Shaw is not capable of serving at least 75 percent of the number of business local exchange service lines that TCC is capable of serving. Accordingly, the Commission determines that these exchanges do not meet the competitor presence test.
11. The Commission notes that TCC identified Videotron as the competitor in the exchange of St-Tite, Quebec; however, in this exchange, Videotron offers only wholesale services and does not offer retail business local exchange services. As for the remaining exchanges listed in Appendix 3 where Videotron is identified as a competitor, the Commission notes that Videotron is not capable of serving 75 percent of the number of business local exchange service lines that TCC is capable of serving in these exchanges. Accordingly, the Commission determines that these exchanges do not meet the competitor presence test.
12. In light of the above, the Commission determines that the remaining 52 exchanges listed in Appendix 3 do not meet the competitor presence test.

² These telecommunications service providers are Bell Canada, Shaw, and/or Videotron.

c) Competitor quality of service (Q of S) results

13. The Commission notes that TCC submitted competitor Q of S results for the period of December 2007 to May 2008.
14. MTS Allstream submitted that TCC provided it with consistently below-standard service. The Commission notes that in Telecom Decision 2007-65, it considered that in order to make a determination that an incumbent local exchange carrier (ILEC) has provided consistently below-standard service to any one competitor, the Commission would, as a general guideline, have to find that an ILEC has provided below-standard service to that competitor for at least two-thirds of the individually reported numbers, where each reported number is one indicator's result for one month.
15. The Commission has reviewed TCC's competitor Q of S results and finds that the company has demonstrated that during this six-month period it
 - i) met, on average, the Q of S standard for each indicator set out in Appendix B of modified Telecom Decision 2006-15, as defined in Telecom Decision 2005-20, with respect to the services provided to competitors in its territory; and
 - ii) did not consistently provide any of those competitors with services that were below those Q of S standards.
16. Accordingly, the Commission determines that TCC meets the competitor Q of S criterion for this period.

d) Communications plan

17. The Commission has reviewed TCC's revised draft communications plan and is satisfied that it meets the information requirements set out in modified Telecom Decision 2006-15.
18. The Commission **approves** the proposed communications plan and directs TCC to provide the resulting communications materials to its customers in both official languages, where appropriate.

Conclusion

19. The Commission determines that TCC's application regarding Canmore, Alberta; Aldergrove, Cloverdale, Mission, Duncan, Parksville, Qualicum, and Whistler, British Columbia; and St-Antoine-de-Tilly and St-Roch-des-Aulnaies, Quebec, meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
20. Pursuant to subsection 34(1) of the *Telecommunications Act* (the Act), the Commission finds as a question of fact that to refrain from exercising its powers and performing its duties, to the extent specified in modified Telecom Decision 2006-15, in relation to the provision by TCC of business 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 business customers only, in these 10 exchanges, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.

21. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that these business local exchange services are subject to a level of competition in these exchanges sufficient to protect the interests of users of these services.
22. Pursuant to subsection 34(3) of the Act, the Commission finds as a question of fact that to refrain from exercising its powers and performing its duties, to the extent specified in modified Telecom Decision 2006-15, in relation to the provision by TCC of these business local exchange services would be unlikely to impair unduly the continuance of a competitive market for these services in these exchanges.
23. 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 business customers only, in Canmore, Alberta; Aldergrove, Cloverdale, Mission, Duncan, Parksville, Qualicum, and Whistler, British Columbia; and St-Antoine-de-Tilly and St-Roch-des-Aulnaies, Quebec, 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 revised tariff pages with the Commission within 30 days of the date of this Decision.
24. The Commission determines that TCC's application does not meet all the local forbearance criteria set out in modified Telecom Decision 2006-15 for the 52 remaining exchanges, as listed in Appendix 3, in Alberta, British Columbia, and Quebec. Accordingly, the Commission **denies** TCC's application for forbearance from the regulation of the business local exchange services in these exchanges.

Secretary General

Related documents

- *TELUS Communications Company – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2008-67, 28 July 2008
- *TELUS Communications Company – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2007-92, 27 September 2007, as amended by Telecom Decision CRTC 2007-92-1, 3 October 2007, and Telecom Decision CRTC 2007-92-2, 29 November 2007
- *Bell Canada – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-65, 3 August 2007

- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006, as amended by Order in Council P.C. 2007-532, 4 April 2007
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005
- *Finalization of quality of service rate rebate plan for competitors*, Telecom Decision CRTC 2005-20, 31 March 2005

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>

TCC requested forbearance from the regulation of its business local exchange services in the following 62 exchanges:

Alberta

Canmore
Fort Saskatchewan
Sherwood Park
Spruce Grove
St. Albert

British Columbia

Aldergrove
Chemainus
Cloverdale
Cobble Hill
Duncan
Fort Langley
Ganges
Haney
Lakeview Heights
Lantzville
Mission
North Kamloops
Okanagan Falls
Okanagan Mission
Parksville
Pitt Meadows
Qualicum
Rutland
Saanich
Sardis
Summerland
Wellington
Westbank
Whistler

Quebec

Bic
Donnacona
L'Islet
Luceville
Matane
Mont-Joli
Montmagny
Neuville

Quebec

Port-Cartier

Portneuf

Sept-Îles

Saint-Agapit

Saint-Anselme

Saint-Antoine-de-Tilly

Saint-Apollinaire

Saint-Augustin

Saint-Basile

Saint-Charles

Saint-Damien

Sainte-Blandine

Sainte-Claire

Sainte-Croix

Saint-Édouard-de-Lotbinière

Saint-Flavien

Saint-François

Saint-Henri-de-Lévis

Saint-Jean-Port-Joli

Saint-Lambert-de-Lauzon

Saint-Martin

Saint-Michel

Saint-Raphaël

Saint-Roch-des-Aulnaies

Saint-Tite

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

Alberta and British Columbia

Tariff	Item	List of services
1005	25	Exchange Classification and Rates
1005	26	Business and Residence service
1005	27	Base Rate Areas
1005	32	Exchange Rates
1005	122	Foreign Central Office Service – Voice
1005	122A	Foreign Central Office Service – Data
1005	126	Direct-In-Dial
1005	132	Service to Ships and Trains
1005	138	Intelliroute
1005	150	Reserve Telephone Number Service
1005	153	Optional Hunting Arrangement
1005	157	Suspension of Service
1005	161	Call Guardian
1005	164	Dual Tone Multi-Frequency
1005	168C	Voice Messaging Options Service
1005	169	Universal Messaging Options Service
1005	200	Terminal Attachment Program
1005	405	Internet Call Director
1005	465	ISDN-BRI (formerly Microlink)
1005	470	ISDN-PRI (formerly Megalink)
1005	470A	ISDN-PRI (non-contracted) Access
1005	490	Datadial
1005	495	Digital Exchange Access
18001	165	Digital Exchange Access (DEA)
18001	170	Direct-In-Dial Service (DID)
18001	215	Dataline
18001	230	Voice Messaging Options Service

Alberta and British Columbia

Tariff	Item	List of services
18001	235	Calling Features
18001	240	Extended Area Service (Centrex)
18001	250	Intelliroute
18001	295	Inbound Data Access
18001	305	Denial Service
18001	310	Toll Restrict
18001	380	Temporary Disconnect
18001	425	Exchange Service
18001	430	Deductions – Churches, Community centres and Senior Citizen Drop-in centres
18001	485	ISDN-BRI (formerly Microlink)
18001	495	ISDN-PRI (formerly Megalink)
18001	505	Switched 56 Digital Service
18001	520	Universal Messaging
21461	129	Directory Listings
21461	202	Individual Line Service
21461	209	Local Calling Area Expansion
21461	213	Centrex Services
21461	300	Call Management Services
21461	301	Voice Mail Services (VMS)
21461	307	Special Number Search
21461	311	Dual Line Call Manager
21461	314	Remote Call Forwarding
21461	316	900 Blocking
21461	1000	Chargeable Call Intercept Service

Quebec

Tariff	Item	List of services
21461	1000	Chargeable Call Intercept Service
25080	2.01.06 a.	Basic service – Business
25080	2.01.06 e.	Telephone service to Senior Citizens' Club
25080	2.02	Business and Residence Service
25080	2.04	Shared Use
25080	2.05	Directories and Listings
25080	2.11	Service to Immobilized Ships, Trailers and Trains
25080	2.12	Telephone Number Reservation Service
25080	2.16.03	Toll Restriction Service
25080	2.17	Direct Inward Dialling
25080	2.19	Voice Messaging Services
25080	2.20	TELUS Québec's SmartTouch Services
25080	2.22	Call Display Blocking
25080	2.29	Access service 310-XXXX
25080	3.02.07	Call Blocking Service – 900 Service
25080	4.08	Use of Customer-Provided Equipment with the Company's Facilities
25080	5.03	Multiflex Service
25080	5.05	ISDN-PRI Service
25081	5.08	Call Screening Intelliroute

Exchanges that do not meet all the local forbearance criteria set out in modified Telecom Decision 2006-15:

Exchanges	Competitors
Alberta	
Fort Saskatchewan	Bell Canada, Shaw
Sherwood Park	Bell Canada, Shaw
Spruce Grove	Bell Canada, Shaw
St. Albert	Bell Canada, Shaw
British Columbia	
Chemainus	Shaw
Cobble Hill	Shaw
Fort Langley	Shaw
Ganges	Shaw
Haney	Shaw
Lakeview Heights	Bell Canada, Shaw
Lantzville	Shaw
North Kamloops	Shaw
Okanagan Falls	Bell Canada
Okanagan Mission	Bell Canada
Pitt Meadows	Shaw
Rutland	Bell Canada, Shaw
Saanich	Bell Canada, Shaw
Sardis	Shaw
Summerland	Shaw
Wellington	Shaw
Westbank	Bell Canada
Quebec	
Bic	Cogeco
Donnacona	Videotron
L'Islet	Videotron
Luceville	Cogeco
Matane	Cogeco
Mont-Joli	Cogeco
Montmagny	Cogeco
Neuville	Videotron
Port-Cartier	Cogeco
Portneuf	Videotron
Sept-Îles	Cogeco
Saint-Agapit	Videotron
Saint-Anselme	Videotron

Exchanges

Competitors

Quebec

Saint-Apollinaire	Videotron
Saint-Augustin	Videotron
Saint-Basile	Videotron
Saint-Charles	Videotron
Saint-Damien	Videotron
Sainte-Blandine	Cogeco
Sainte-Claire	Videotron
Sainte-Croix	Videotron
Saint-Édouard-de-Lotbinière	Videotron
Saint-Flavien	Videotron
Saint-François	Videotron
Saint-Henri-de-Lévis	Videotron
Saint-Jean-Port-Joli	Videotron
Saint-Lambert-de-Lauzon	Videotron
Saint-Martin	Cogeco
Saint-Michel	Videotron
Saint-Raphaël	Videotron
Saint-Tite	Videotron