



Telecom Decision CRTC 2008-58

Ottawa, 26 June 2008

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

Reference: 8640-T69-200806565

In this Decision, the Commission approves TELUS Communications Company's (TCC) request for forbearance from the regulation of residential local exchange services in the exchanges of Bic, Luceville, and Saint-Fabien, Quebec. The Commission denies TCC's request for forbearance from the regulation of residential local exchange services in the exchanges of Sainte-Blandine, Saint-Gédéon, and Saint-Martin, Quebec.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 5 May 2008, in which the company requested forbearance from the regulation of residential local exchange services¹ in the exchanges of Bic, Luceville, Sainte-Blandine, Saint-Flavien, Saint-Gédéon, and Saint-Martin, Quebec.
2. The Commission received submissions and/or data regarding TCC's application from Bell Mobility Inc. (Bell Mobility), Rogers Communications Inc. (RCI), and Cogeco Cable Inc. (Cogeco). The public record of this proceeding, which closed on 26 May 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 residential local exchange 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 in Telecom Decision 2007-64 it found all of these services to be appropriate for forbearance. The list of approved services is set out in the Appendix to this Decision.

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.

b) Competitor presence test

6. The Commission notes that for the exchanges of Bic, Luceville, and Saint-Fabien, 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.² 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.
7. Accordingly, the Commission determines that these three exchanges meet the competitor presence test.
8. The Commission also notes that for the exchanges of Sainte-Blandine, Saint-Gédéon, and Saint-Martin, there is one independent facilities-based provider of mobile wireless services capable of serving at least 75 percent of the number of residential local exchange service lines that TCC is capable of serving in those exchanges.³ The Commission further notes, however, that Cogeco, the only other facilities-based, fixed-line telecommunications service provider present in these three exchanges, is not capable of serving 75 percent of the number of residential local exchange service lines that TCC is capable of serving in those exchanges.
9. Accordingly, the Commission determines that these three exchanges do not meet the competitor presence test.

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

10. The Commission notes that TCC submitted competitor Q of S results for the period of October 2007 to March 2008.
11. 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.
12. Accordingly, the Commission determines that TCC meets the competitor Q of S criterion for this period.

² These competitors are Bell Mobility, Cogeco, and RCI.

³ This competitor is Bell Mobility.

d) Communications plan

13. The Commission notes that in lieu of filing a communications plan, TCC submitted that its communications plan specific to the exchanges in the present application would conform to the Commission's requirements as set out in Telecom Decision 2007-64.
14. The Commission **approves**, for the purpose of the current application, the communications plan that TCC submitted in the proceeding leading to Telecom Decision 2007-64, subject to compliance with the revisions outlined in that Decision. The Commission directs TCC to provide the communications materials to its customers in both official languages, where appropriate.

Conclusion

15. The Commission determines that TCC's application regarding the exchanges of Bic, Luceville, and Saint-Fabien, Quebec, 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 residential 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 these three exchanges, 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 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 Bic, Luceville, and Saint-Fabien, 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 within 30 days for Commission approval.
20. 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 exchanges of Sainte-Blandine, Saint-Gédéon, and Saint-Martin. Accordingly, the Commission **denies** TCC's application for forbearance from the regulation of the residential local exchange services in these three exchanges.

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
- *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>

**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	2.02.03	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 Quebec's Smart Touch Services
25080	2.22.01	Call Display Blocking – Per Line
25080	2.22.01	Call Display Blocking – Per Call
25080	2.22.01	Call Display Blocking – Call Dialed by an Operator
25080	3.02.07e	Call Blocking Service – 900 Service