



## Telecom Decision CRTC 2008-83

Ottawa, 4 September 2008

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

Reference: 8640-T66-200809163

*In this Decision, the Commission approves TCC's request for forbearance from the regulation of residential local exchange services in the exchanges of Cedar, Chemainus, Gabriola Island, Ladysmith, Lake Cowichan, Lantzville, Nanoose Bay, Squamish, and Whonnock, British Columbia.*

#### **Introduction**

1. The Commission received an application by TELUS Communications Company (TCC), dated 30 June 2008, in which the company requested forbearance from the regulation of residential local exchange services<sup>1</sup> in the exchanges of Cedar, Chemainus, Gabriola Island, Ladysmith, Lake Cowichan, Lantzville, Nanoose Bay, Squamish, and Whonnock, British Columbia.
2. The Commission received submissions and/or data regarding TCC's application from Bell Canada, Rogers Communications Inc. (RCI), and Shaw Telecom Inc. (Shaw). The public record of this proceeding, which closed on 28 July 2008, is available on the Commission's website at [www.crtc.gc.ca](http://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 27 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2008-55 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.

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<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.

**b) Competitor presence test**

6. The Commission notes that for the exchanges of Cedar, Chemainus, Gabriola Island, Ladysmith, Lake Cowichan, Lantzville, Nanoose Bay, Squamish, and Whonnock, 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.<sup>2</sup> 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 nine exchanges meet the competitor presence test.

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

8. The Commission notes that TCC submitted competitor Q of S results for the period of December 2007 to May 2008.
9. Shaw submitted that TCC failed to meet the minimum standards for indicator 1.19 in relation to competitor digital network service orders placed by Shaw. 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.
10. 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.
11. Accordingly, the Commission determines that TCC meets the competitor Q of S criterion for this period.

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<sup>2</sup> These competitors are Bell, RCI, and Shaw.

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

12. 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.
13. 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**

14. The Commission determines that TCC's application regarding the exchanges of Cedar, Chemainus, Gabriola Island, Ladysmith, Lake Cowichan, Lantzville, Nanoose Bay, Squamish, and Whonnock meets all the local forbearance criteria 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 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 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 nine exchanges, 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 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.
17. 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 residential local exchange services would be unlikely to impair unduly the continuance of a competitive market for these services in these exchanges.
18. 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 Cedar, Chemainus, Gabriola Island, Ladysmith, Lake Cowichan, Lantzville, Nanoose Bay, Squamish, and Whonnock, 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 of the date of this Decision for Commission approval.

Secretary General

### **Related documents**

- *TELUS Communications Company – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2008-55, 12 June 2008
- *Bell Canada - Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-65, 3 August 2007
- *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 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>*

## Appendix

### 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>
1005	25	Exchange Classification and Rates – General
1005	26	Business and Residence Service
1005	27	Base Rate Areas
1005	32	Exchange Rates
1005	122	Foreign Central Office Service – Voice
1005	157	Suspension of Service
1005	161	Call Guardian
1005	405	Internet Call Director
1005	168-C	Voice Messaging Options Service
1005	465.B	ISDN-BRI Home Service
18001	230	Voice Messaging Options Service
18001	235	Calling Features
18001	240	Extended Area Service
18001	305	Denial Services
18001	310	Toll Restriction Services
18001	380	Temporary Disconnect
18001	425	Exchange Service
21461	129.1.b; 129.1.c; 129.1.d	Directory Listings: Extra Listings; Non-Published Telephone Numbers; Non-Listed Telephone Numbers
21461	202	Individual Line Service
21461	209	Local Calling Area (LCA) Expansion
21461	300	Call Management Services
21461	301	Voice Mail Service (VMS)
21461	307	Special Number Search
21461	311	Dual Line Call Manager
21461	314	Remote Call Forwarding
21461	316	900 Blocking
21461	1000	Call Intercept Service (Residential Numbers only)