



Telecom Decision CRTC 2008-88

Ottawa, 9 September 2008

Quebecor Media Inc. – Application to review and vary certain aspects of Telecom Decision 2008-1 related to the use of deferral account funds for broadband expansion

Reference: 8662-Q15-200807448

In this Decision, the Commission denies an application by Quebecor Media Inc. to review and vary certain aspects of Telecom Decision 2008-1 with respect to the communities of Rivière-Bleue and Rock Island, Quebec.

Introduction

1. The Commission received an application by Quebecor Media Inc. (QMI) on behalf of its subsidiary Videotron Ltd. (Videotron), dated 27 May 2008, in which the company requested that the Commission review and vary certain aspects of Telecom Decision 2008-1.
2. Specifically, QMI requested that the Commission remove distribution serving areas (DSAs) 107-1 (Rivière-Bleue, Quebec) and 106-1, 204-1, and 205-1 (Rock Island, Quebec) from the list of communities approved for deferral account funding for broadband expansion.
3. The Commission received joint comments from Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) and Bell Canada. The public record of this proceeding, which closed on 7 July 2008, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Background

4. In Telecom Decision 2006-9, the Commission set out guidelines for the incumbent local exchange carriers (ILECs)¹ concerning the disposition of funds remaining in their deferral accounts. The Commission determined, among other things, that initiatives to expand broadband services to rural and remote communities would be an appropriate use of those funds. Accordingly, the Commission directed each ILEC that planned to pursue broadband expansion to file proposals to expand broadband services to the customer premises in communities in high-cost serving areas, where service was not available and where it was unlikely that those areas would receive such services from any other service provider in the near future.

¹ The ILECs referred to in Telecom Decision 2006-9 were Aliant Telecom Inc., now part of Bell Aliant; Bell Canada; MTS Communications Inc., now MTS Allstream Inc.; Saskatchewan Telecommunications; TELUS Communications Inc., now TELUS Communications Company (TCC); Société en commandite Télébec, now Télébec, Limited Partnership; and TELUS Communications (Québec) Inc., now part of TCC.

5. In Telecom Public Notice 2006-15, the Commission initiated a proceeding to consider the ILECs' proposals. As part of this process, alternative broadband service providers (ABSPs) had the opportunity to file submissions with respect to the exclusion of any community identified in the ILECs' proposals, on the basis that it was already served or likely to be served in the near future. ABSPs were directed to file certain information regarding their current and proposed service areas by 19 January 2007. This date was subsequently extended to 19 February 2007.
6. In Telecom Decision 2008-1, the Commission approved the use of deferral account funds by Bell Aliant, Bell Canada, MTS Allstream Inc., and TELUS Communications Company to expand broadband services to certain rural and remote communities in British Columbia, Alberta, Manitoba, Ontario, and Quebec. The four DSAs associated with the communities of Rivière-Bleue and Rock Island that are the subject of QMI's application were included in the list of approved communities contained in Appendix B of that Decision.

Positions of parties

7. QMI submitted that the Commission made an error in fact by approving deferral account-funded broadband expansion by Bell Aliant in DSAs 107-1 in Rivière-Bleue and 106-1, 204-1, and 205-1 in Rock Island. Specifically, QMI submitted that it had provided the Commission with sufficient evidence as part of the proceeding initiated by Telecom Public Notice 2006-15 to support its claim that it had firm plans to serve these DSAs.
8. QMI noted that in that proceeding it had listed communities for exclusion, including DSAs 107-1, 106-1, 204-1, and 205-1, for which Videotron's board of directors had approved a three-year expenditure plan for the modernization of its network. QMI also noted that in follow-up submissions, it had provided details regarding its plans to provide broadband service to these communities.
9. QMI submitted that it currently provides broadband service in the three Rock Island DSAs, and expects to provide service in the Rivière-Bleue DSA in 2009.
10. In reply, Bell Aliant and Bell Canada argued that the evidence QMI submitted as part of the public record of Telecom Public Notice 2006-15 was insufficient to justify QMI's review and vary request. Specifically, they argued that QMI's submission did not clearly show the extent to which Videotron planned to deploy broadband services to the DSAs in question, nor did it set out any time frames for this deployment.
11. In its final reply comments, QMI reiterated that it had provided specific details regarding the rollout plan for each of the municipalities included in the proceeding that led to Telecom Decision 2008-1.

Commission's analysis and determinations

12. In the proceeding initiated by Telecom Public Notice 2006-15, ABSPs were specifically directed to file a detailed rollout plan by year for communities where they planned to provide broadband service in the near future, among other information. The Commission notes that,

while QMI did provide much of the evidence required by the Commission about the communities it planned to serve, it did not provide a detailed rollout plan by year for any of the DSAs in question.

13. Therefore, the Commission confirms its finding in Telecom Decision 2008-1 that the evidence that QMI submitted did not satisfy the requirements set out in the proceeding initiated by Telecom Public Notice 2006-15 for the exclusion of a community on the basis that it was already served or likely to be served in the near future.
14. In Telecom Decision 2007-111, the Commission acknowledged the dynamic nature of the broadband service marketplace, but also noted that in any regulatory proceeding certain dates must be established that apply to all parties. Thus, the Commission considers that it would be inappropriate to vary Telecom Decision 2008-1 even if broadband service is now being provided in the DSAs in question, since the evidence submitted by QMI as part of the Telecom Public Notice 2006-15 proceeding did not satisfy the Commission's clear requirements.

Conclusion

15. The Commission considers that QMI has failed to show substantial doubt as to the correctness of Telecom Decision 2008-1 and, accordingly, **denies** QMI's request to remove DSAs 107-1 in Rivière-Bleue, and 106-1, 204-1, and 205-1 in Rock Island from the list of communities approved for deferral account funding for broadband expansion in Telecom Decision 2008-1.

Secretary General

Related documents

- *Use of deferral account funds to improve access to telecommunications services for persons with disabilities and to expand broadband services to rural and remote communities*, Telecom Decision CRTC 2008-1, 17 January 2008
- *Barrett Xplore Inc. – Application to review and vary certain determinations in Telecom Decision 2007-50*, Telecom Decision CRTC 2007-111, 22 November 2007
- *Review of proposals to dispose of the funds accumulated in the deferral accounts*, Telecom Public Notice CRTC 2006-15, 30 November 2006
- *Disposition of funds in the deferral accounts*, Telecom Decision CRTC 2006-9, 16 February 2006

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