



Telecom Public Notice CRTC 2008-2

Ottawa, 29 February 2008

Notice of consultation

Review of approval mechanisms for retail and CLEC tariffs in light of Telecom Decision 2007-51

Reference: 8663-C12-200803032

Introduction

1. In *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006 (the Policy Direction), the Governor in Council requires the Commission, among other things, to use tariff approval mechanisms that are as minimally intrusive and as minimally onerous as possible.
2. In Telecom Decision 2007-51, the Commission issued an action plan in which it indicated its intention to review existing regulatory measures in light of the Policy Direction. The action plan identified the process for retail tariff filings and the competitive local exchange carrier (CLEC) tariff filing process as matters to be reviewed in 2008-2009. The current process for retail tariff filings, which includes the requirement for prior Commission approval, was established in Telecom Circulars 2005-6 and 2005-9. Although CLEC tariffs are considered competitive, not retail, in most cases the Commission has assessed CLEC tariff applications using the retail tariff filing process established in Telecom Circulars 2005-6 and 2005-9.

Call for comments

3. The Commission therefore invites parties to comment, in light of the Policy Direction, on the continued appropriateness of the processes for retail and CLEC tariff filings (the current tariff approval mechanisms). In this proceeding, the Commission is prepared to consider proposals that would permit tariffs to become effective without prior Commission approval or with deemed Commission approval.
4. For each of the current tariff approval mechanisms, parties should address the following in their initial comments, providing full supporting rationale and all evidence on which they rely, and structure their submissions according to the issues identified below:
 - (1) Can the purpose underlying the current tariff approval mechanism be achieved through the reliance on market forces or is the current tariff approval mechanism still necessary?
 - a) Identify the purpose of the current tariff approval mechanism and the telecommunications policy objectives that are relevant to this purpose.
 - b) Identify the relevant market forces.

- c) Can market forces be relied on to achieve the policy objectives?
Why or why not?
 - (i) Identify and weigh the positive and negative consequences of
 - (1) eliminating, and (2) retaining, the current tariff approval mechanism.
 - (2) Is the current tariff approval mechanism efficient and proportionate to its purpose? Identify the benefits and the harmful effects of the current tariff approval mechanism. Explain whether the benefits of the current tariff approval mechanism outweigh the harmful effects.
 - (3) Does the current tariff approval mechanism interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives? Identify whether, and if so how and to what extent, the current tariff approval mechanism interferes with the operation of competitive market forces, including the associated impacts on service providers and customers.
 - (4) Is the current tariff approval mechanism as minimally intrusive and as minimally onerous as possible?
- 5. In this proceeding parties may propose changes to the current tariff approval mechanisms. Attachment 1 sets out interrogatories to parties that propose such changes. Parties proposing changes are to respond to these interrogatories in accordance with the procedures set out below.

Procedure

- 6. Incumbent local exchange carriers (ILECs), small incumbent local exchange carriers (SILECs), and CLECs are made parties to this proceeding. These parties are listed in Attachment 2.
- 7. Other persons interested in participating in this proceeding (including receiving copies of all submissions) must notify the Commission of their intention to do so by filling out the online form, or by writing to the Secretary General, CRTC, Ottawa, Ontario, K1A 0N2, or by faxing at: 819-994-0218 by **20 March 2008** (the registration date). Parties are to provide their email address, where available. If parties do not have access to the Internet, they are to indicate in their notice whether they wish to receive disk versions of hard-copy filings.
- 8. The Commission will post on its website, as soon as possible after the registration date, a complete list of interested parties and their mailing addresses (including their email addresses, if available), identifying those parties who wish to receive disk versions.
- 9. All parties may file with the Commission, serving a copy on all other parties, comments with regard to the above-noted issues by **4 April 2008**.
- 10. Responses to interrogatories issued pursuant to paragraph 5 above are to be filed with the Commission and served on all parties by **4 April 2008**.
- 11. All parties may file with the Commission, serving a copy on all other parties, reply comments by **22 April 2008**.

12. The Commission expects to issue a decision on the issues raised in this Public Notice within 120 days after the record closes.
13. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding.
14. Where a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date.
15. Parties may file their submissions electronically or on paper. Submissions longer than five pages should include a summary.
16. Electronic submissions should be in HTML format. As an alternative, those making submissions may use "Microsoft Word" for text and "Microsoft Excel" for spreadsheets.
17. Each paragraph of all submissions should be numbered. In addition, the line ***End of document*** should be entered following the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
18. The Commission also encourages parties to monitor the record of this proceeding (and/or the Commission's website) for additional information that they may find useful when preparing their submissions.

Important notice

19. Note that all information that you provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, email or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This information includes your personal information, such as your full name, email address, postal/street address, telephone and facsimile number(s), and any other personal information you provide.
20. The personal information you provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
21. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as you send them, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
22. Please note that the information you provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of our website with the help of either our own search engine or a third-party search engine will not provide access to the information which was provided as part of this public process.

Location of CRTC offices

23. Submissions may be examined or will be made available promptly upon request at the Commission offices during normal business hours:

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

Central Building

Les Terrasses de la Chaudière

1 Promenade du Portage, Room 206

Gatineau, Quebec J8X 4B1

Tel.: 819-997-2429

Fax: 819-994-0218

Metropolitan Place

99 Wyse Road, Suite 1410

Dartmouth, Nova Scotia B3A 4S5

Tel.: 902-426-7997

Fax: 902-426-2721

205 Viger Avenue West, Suite 504

Montréal, Quebec H2Z 1G2

Tel.: 514-283-6607

55 St. Clair Avenue East, Suite 624

Toronto, Ontario M4T 1M2

Tel.: 416-952-9096

Kensington Building

275 Portage Avenue, Suite 1810

Winnipeg, Manitoba R3B 2B3

Tel.: 204-983-6306 – TDD: 204-983-8274

Fax: 204-983-6317

Cornwall Professional Building

2125 – 11th Avenue, Suite 103

Regina, Saskatchewan S4P 3X3

Tel.: 306-780-3422

10405 Jasper Avenue, Suite 520

Edmonton, Alberta T5J 3N4

Tel.: 780-495-3224

580 Hornby Street, Suite 530
Vancouver, British Columbia V6C 3B6
Tel.: 604-666-2111 – TDD: 604-666-0778
Fax: 604-666-8322

Secretary General

Related documents

- *Action plan for the review of Commission regulatory measures in light of Order in Council P.C. 2006-1534, Telecom Decision CRTC 2007-51, 11 July 2007*
- *Introduction of a streamlined process for retail tariff filings, Telecom Circular CRTC 2005-6, 25 April 2005*
- *Finalization of a streamlined process for retail tariff filings, Telecom Circular CRTC 2005-9, 1 November 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>

Pursuant to paragraph 5 of Telecom Public Notice 2008-2, parties that propose changes to any of the current tariff approval mechanisms are to provide responses to the following interrogatories in accordance with the procedures specified in the Public Notice.

(CRTC)29Feb08-1

For all proposed changes to the current tariff approval mechanisms,

- a) provide a detailed description of the proposed change; and
- b) explain whether each proposed tariff approval mechanism should apply to,
 - i) all, or a subset of, retail tariffs or CLEC tariffs, and
 - ii) the destandardization or withdrawal of any, all, or a subset of, retail tariffed services or CLEC tariffed services.

For each of b(i) and b(ii), if a proposed mechanism should apply to a subset, specify how the subset would be defined and provide examples of tariffs or services that would, and would not, be included in the subset.

(CRTC)29Feb08-2

- a) Discuss, with full supporting rationale and evidence, the Commission's ability to implement each proposed tariff approval mechanism in light of existing legislation.
- b) Discuss whether each proposed tariff approval mechanism would require modifications to the *CRTC Telecommunications Rules of Procedure* and, if so, suggest potential modifications.

(CRTC)29Feb08-3

- a) With reference to the Policy Direction, provide a detailed explanation, with full supporting rationale, as to why each proposed tariff approval mechanism would, relative to the current tariff approval mechanisms,
 - i) be more efficient and proportionate,
 - ii) interfere less with the operation of competitive market forces, and
 - iii) be less intrusive and less onerous.
- b) Provide a detailed explanation, with full supporting rationale, as to how each proposed tariff approval mechanism would achieve the policy objectives.

(CRTC)29Feb08-4

Certain tariffs must comply with specific regulatory rules (e.g., imputation test, price cap constraints, requirements associated with service destandardization and withdrawal, and

requirements associated with expansion of local calling areas). In addition, tariffs must comply with general provisions stated in the *Telecommunications Act*; for example, every rate charged by a Canadian carrier must be just and reasonable.

- a) For each proposed mechanism, provide a detailed description of the processes, including information requirements, by which the Commission would attempt to ensure compliance with these rules and provisions. Provide a detailed demonstration, with full supporting rationale and evidence, that these processes would ensure compliance with these rules and provisions.
- b) With respect to instances of non-compliance, provide, with supporting rationale,
 - i) a detailed description of the measures that the Commission should take against the non-compliant service provider,
 - 1. in the event of an isolated instance of non-compliance, and
 - 2. in the event of several instances of non-compliance (for example, should the Commission suspend the proposed mechanism and revert to the pre-existing mechanism);
 - ii) a detailed discussion of the extent to which the Commission could and should take corrective action. In particular, for instances in which non-compliant tariffs have gone into effect, could and should the Commission modify tariff changes back to their effective date?
 - iii) a detailed discussion, with full supporting rationale and evidence, of the Commission's ability to implement these measures and take the corrective actions identified in (i) and (ii) above in light of existing legislation; and
 - iv) a detailed discussion, with examples, of the potential impacts of these corrective actions on customers (for example, rebates, increased rates, or loss of service).
- c) For each proposed mechanism, provide a detailed discussion, with full supporting rationale, of the incentives, including market-based incentives, for service providers to comply with these rules and provisions. Provide a detailed demonstration, with full supporting rationale, that these incentives are sufficient to ensure compliance with these rules and provisions.

Parties to Telecom Public Notice 2008-2

Incumbent Local Exchange Carriers

Bell Aliant Regional Communications, Limited Partnership
Bell Canada
MTS Allstream Inc.
Saskatchewan Telecommunications
TELUS Communications Company
Northwestel Inc.
Télébec, Limited Partnership

Small Incumbent Local Exchange Carriers

Amtelecom Limited Partnership
Brooke Telecom Co-operative Ltd.
Bruce Telecom
CityWest Telephone Corporation
Cochrane Telecom Services
Compagnie de téléphone Nantes inc.
CoopTel
Dryden Municipal Telephone System
Execulink Telecom Inc.
Gosfield North Communications Co-operative Limited
Hay Communications Co-operative Limited
Huron Telecommunications Co-operative Limited
Kenora Municipal Telephone System
La Cie de Téléphone de Courcelles Inc.
La Compagnie de Téléphone de Lambton Inc.
La Compagnie de Téléphone de St-Victor
La Compagnie de Téléphone de Warwick
La Compagnie de Téléphone Upton Inc.
La Corporation de Téléphone de La Baie – 1993
Lansdowne Rural Telephone Co. Ltd.
Le Téléphone de St-Éphrem inc.
Mornington Communications Co-operative Limited
Nexicom Telecommunications Inc.
Nexicom Telephones Inc.
North Frontenac Telephone Corporation Ltd.
NorthernTel, Limited Partnership
NRTC Communications
Ontera
People's Tel Limited Partnership
Quadro Communications Co-operative Inc.
Roxborough Telephone Company Limited
Sogetel inc.

TBayTel
Téléphone Guèvremont inc.
Téléphone Milot inc.
Tuckersmith Communications Co-operative Limited
Wightman Telecom Ltd.
WTC Communications

Competitive Local Exchange Carriers

Cogeco Cable Canada Inc.
ISP Telecom Inc.
Mountain Cablevision Ltd.
Videotron Ltd.
ExaTEL Inc.
Maskatel inc.
Téléphone Drummond inc.
Access Communications Co-operative Limited
Persona Communications Corp.
Bragg Communications Incorporated
(EastLink)
Globility Communications Corporation
Distributel Communications Limited
Shaw Telecom Inc.
Fido Solutions Inc.
IVIC Télécom s.e.n.c.
(IVIC Internet)
Rogers Cable Communications Inc.
TelNet Communications
Iristel Inc.