



Telecom Public Notice CRTC 2008-3

Ottawa, 3 March 2008

Notice of consultation

Review of the regulatory requirements pertaining to the BITS licensing regime, sharing groups, and CLEC/Municipality agreements for the provision of 9-1-1 service in light of Telecom Decision 2007-51

Reference: 8663-C12-200803115

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 required the Commission to, among other things, rely on market forces to the maximum extent feasible to achieve the telecommunications policy objectives (the policy objectives) set out in section 7 of the *Telecommunications Act* (the Act).
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 Basic International Telecommunications Services (BITS) licensing regime as a matter to be reviewed during the 2008-2009 fiscal year. The action plan also identified the rules relating to sharing groups and the competitive local exchange carrier (CLEC) requirement to sign 9-1-1 municipal agreements as regulatory measures to be reviewed during the 2009-2010 fiscal year.

Background

3. Subsection 16.1(1) of the Act states that no telecommunications service provider that is of a class specified by the Commission shall provide international telecommunications services except in accordance with an international telecommunications service licence. In Telecom Decision 98-17, the Commission established a licensing regime for BITS. The Commission last amended the BITS licensing regime in Telecom Circular 2005-8.
4. In Telecom Decision 92-12, the Commission defined sharing as the use by two or more persons, in an arrangement not involving resale, of a telecommunications service leased from a company. A sharing group meant a group of persons engaged in sharing. In Telecom Letter Decision 93-13, the Commission stated that a sharing group must be treated as a single customer for the purposes of billing, collection, and liability for services rendered. In Telecom Decision 94-12, the Commission considered that, from an economic perspective, there was no reason to distinguish between resellers and sharing groups, noting that both resellers and sharing groups sought to obtain an economic advantage from the shared use of discounted services by their customers or members. Sharing groups are currently required to register with the Commission and provide information relating to their activities as part of the Commission's annual collection of telecommunications industry data.

5. In Telecom Decision 97-8, the Commission set out the entry obligations for CLECs which included, among other things, the requirement to provide 9-1-1 service. The provision of 9-1-1 service requires the CLEC to enter into an agreement with the municipality or other government authority responsible for providing 9-1-1 services to the community (CLEC/Municipality agreement).

Call for comments

6. The Commission invites parties to comment, in light of the Policy Direction, on the continued appropriateness of the regulatory requirements relating to the BITS licensing regime, sharing groups, and CLEC/Municipality agreements for the provision of 9-1-1 service.
7. For each of the regulatory measures identified in paragraph six above, 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 regulatory measure be achieved through reliance on market forces or is the regulatory measure still necessary?

- a) Identify the purpose of the regulatory measure and the 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?
- d) Identify and weigh the positive and negative consequences of (i) eliminating, and (ii) retaining, the regulatory measure.

(2) Is the regulatory measure efficient and proportionate to its purpose?

- a) Identify the benefits and the harmful effects of the regulatory measure. Explain whether the benefits of the regulatory measure outweigh the harmful effects.
- b) Identify any alternative regulatory measure that would be more efficient and proportionate. Explain why that regulatory measure would be more efficient and proportionate and how it would achieve the policy objectives.

(3) Does the regulatory measure, if of an economic nature, interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives?

- a) Identify whether, and if so how and to what extent, the regulatory measure interferes with the operation of competitive market forces, including the associated impacts on service providers and customers.

- b) Identify any possible alternative regulatory or non-regulatory measure that would be less intrusive and explain how it would achieve the policy objectives.
- (4) Is the regulatory measure, if not of an economic nature, implemented in a symmetrical and competitively neutral manner?
- a) If not, identify the possible modifications to the measure that would be necessary to correct the situation.
- (5) With regard to the BITS licensing regime, demonstrate that any proposed changes continue to comply with the Commission's statutory obligations.

Procedure

8. 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.
9. 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.
10. All parties may file with the Commission, serving a copy on all other parties, comments with regard to the above-noted issues by **31 March 2008**.
11. All parties may file with the Commission, serving a copy on all other parties, reply comments by **14 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*
- *Basic international telecommunications services (BITS) licensing regime – Amendments, Telecom Circular CRTC 2005-8, 23 June 2005*

- *Regulatory regime for the provision of international telecommunications services*, Telecom Decision CRTC 98-17, 1 October 1998
- *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997
- *Sharing groups*, Telecom Decision CRTC 94-12, 8 July 1994
- *Re: Sharing Groups*, Telecom Letter Decision CRTC 93-13, 19 August 1993
- *Competition in the provision of public long distance voice telephone services and related resale and sharing issues*, Telecom Decision CRTC 92-12, 12 June 1992

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>