



## Telecom Public Notice CRTC 2008-4

Ottawa, 17 April 2008

### Notice of consultation

#### Review of the regulatory requirements associated with the retail quality of service regime in non-forborne markets

Reference: 8663-C12-200805609

#### 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 to, among other things, rely on market forces to the maximum extent feasible and when relying on regulation, use measures in a manner that interferes with market forces to the minimum extent necessary to meet the telecommunications policy objectives (the policy objectives) set out in section 7 of the *Telecommunications Act* (the Act).
2. In Telecom Decision 2008-34, the Commission established an action plan to review existing social and non-economic regulatory measures in light of the Policy Direction. The action plan identified the regulatory requirements associated with the retail quality of service (Q of S) regime as a matter to be reviewed during the 2008-2009 fiscal year.

#### Background

3. The retail Q of S regime (the regulatory measure) varies as between differing local exchange carriers (LECs). In general, in the case of the large incumbent local exchange carriers (ILECs), the regulatory measure includes service indicators and standards, monitoring and reporting requirements, and a rate adjustment plan, as set out in a variety of Commission decisions. These requirements, other than the rate adjustment plan, are set out in Telecom Decision 97-16 and Telecom Decision 2000-24, among others. The requirements for the rate adjustment plan are set out in Telecom Decision 2005-17. In general, the small incumbent local exchange carriers (SILECs) are only required to submit annual reports pertaining to retail customer Q of S complaints while the competitive local exchange carriers (CLECs) have no obligations with respect to retail Q of S.
4. In Telecom Decision 2006-15, the Commission considered that it was not necessary for it to maintain its retail Q of S standards in a forborne market and it would not, therefore, retain its powers under subsection 27(1) of the Act in order to do so. The Commission directed the ILECs to continue reporting Q of S results for regulated areas and to develop protocols to address the provision of retail Q of S rebates in markets which transition to a forborne environment during a retail Q of S reporting cycle.

## Call for comments

5. The Commission invites parties to comment, in light of the Policy Direction, on the continued appropriateness of the regulatory measure identified above in non-forborne markets.
6. For the regulatory measure identified above, parties should address the following issues in their initial comments, providing 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 the 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) Can market forces be relied on to achieve the policy objectives? Why or why not? Identify the relevant market forces.
    - (c) Identify and weigh the positive and negative consequences of (1) eliminating, and (2) 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 measure would be more efficient and proportionate and how it would achieve the policy objectives.
  - (3) Does the regulatory measure 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 current regulatory measure interferes with the operation of competitive market forces, including the associated impacts on service providers and customers.
  - (4) Is the regulatory measure implemented in a symmetrical and competitively neutral manner? If not,
    - (a) Identify aspects of the regulatory measure that are not symmetrical and/or competitively neutral.
    - (b) Specify disadvantages faced by service providers impacted by the regulatory measure and quantify the disadvantages to the extent possible.
    - (c) Discuss the implications and feasibility of applying the regulatory measure in a symmetrical or competitively neutral manner to all Canadian carriers providing local exchange service.

(d) Identify any possible alternative regulatory or non-regulatory measure and explain how that measure would achieve the policy objectives and comply with the Policy Direction.

7. In this proceeding, parties may propose variations to the current Q of S regime. Attachment 1 sets out interrogatories to parties that propose such variations. Parties proposing variations are to respond to these interrogatories in accordance with the applicable procedures set out below.

### **Procedure**

8. ILECs, SILECs, and CLECs are made parties to this proceeding. These parties are listed in Attachment 2.
9. 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 **8 May 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.
10. 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 that wish to receive disk versions.
11. All parties may file with the Commission, serving a copy on all other parties, comments with regard to the above-noted issues by **22 May 2008**.
12. Responses to interrogatories issued pursuant to paragraph 7 above are to be filed with the Commission and served on all parties by **22 May 2008**.
13. All parties may file with the Commission, serving a copy on all other parties, reply comments by **5 June 2008**.
14. The Commission expects to issue a decision on the issues raised in this Public Notice within 120 days after the record closes.
15. 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.
16. 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.
17. Parties may file their submissions electronically or on paper. Submissions longer than five pages should include a summary.
18. Electronic submissions should be in HTML format. As an alternative, those making submissions may use "Microsoft Word" for text and "Microsoft Excel" for spreadsheets.

19. 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.
20. 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**

21. 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](http://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.
22. 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.
23. 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.
24. 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 webpage 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**

25. 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 – 11<sup>th</sup> 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 reviewing social and other non-economic regulatory measures in light of Order in Council P.C. 2006-1534, Telecom Decision CRTC 2008-34, 17 April 2008*
- *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*

- *Retail quality of service rate adjustment plan and related issues*, Telecom Decision CRTC 2005-17, 24 March 2005
- *Final standards for quality of service indicators for use in telephone company regulation and other related matters*, Decision CRTC 2000-24, 20 January 2000, as amended by Decision 2000-24-1, 15 February 2000
- *Quality of service indicators for use in telephone company regulation*, Telecom Decision CRTC 97-16, 24 July 1997

*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 7 of this Public Notice, parties that propose variations to the current retail quality of service (Q of S) regime are to provide responses to the following interrogatories in accordance with the procedures specified in the Public Notice.

(CRTC)17Apr08-1

Pursuant to paragraph 7(b) of the *Telecommunications Act* (the Act), the Commission must ensure that reliable and affordable telecommunications services of high quality are accessible to Canadians in both urban and rural areas in all regions of Canada. With reference to the Governor in Council's *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006 (the Policy Direction), and in light of paragraph 7(b) of the Act, provide a detailed explanation, with supporting rationale, indicating how the proposed variation to the retail Q of S regime would, relative to the status quo

- i) be more efficient and proportionate;
- ii) interfere less with the operation of competitive market forces; and/or
- iii) be implemented in a more symmetrical and competitively neutral manner.

(CRTC)17Apr08-2

- a) If the proposed variation is to reduce the current number of retail Q of S indicators from seventeen to some lesser number, discuss with supporting rationale how such a variation would achieve the policy objectives of paragraph 7(b) of the Act and comply with the Policy Direction.
- b) Where a) above applies, for each indicator proposed to be eliminated, provide the indicator name and numerical designation along with supporting rationale for eliminating the indicator, including any relevant statistics for the period 2005 to 2007 inclusive, such as performance by indicator and volumes of customer reports pertaining to the indicator.
- c) For those retail Q of S indicators not proposed for elimination in b) above, provide the indicator name and numerical designation along with supporting rationale for retaining the indicator, including any relevant statistics for the period 2005 to 2007 inclusive, such as performance by indicator and volumes of customer reports pertaining to the indicator.

(CRTC)17Apr08-3

Discuss, with supporting rationale, whether a regulatory mechanism is necessary to ensure that customers in non-forborne markets are compensated in the event of substandard Q of S performance.

(CRTC)17Apr08-4

Other jurisdictions such as Australia and some American states have implemented mechanisms whereby specific adjustments are made to a customer's monthly bill in the event of substandard service relating to such occurrences as a missed appointment (where the customer's presence is required) or a lengthy delay for a new installation or an out-of-service repair. Discuss, with supporting rationale, the appropriateness of implementing a mechanism to compensate individual customers for substandard Q of S performance in non-forborne markets.

(CRTC)17Apr08-5

If a new mechanism is established with respect to retail Q of S in non-forborne markets, should it be made applicable to all Canadian carriers providing local exchange service in such markets? Why?



**Parties to Telecom Public Notice 2008-4**

**Incumbent Local Exchange Carriers**

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

**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**

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