



Telecom Decision CRTC 2010-696

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Ottawa, 21 September 2010

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

File number: 8640-T66-200814881

In this decision, the Commission approves TCC's request for forbearance from the regulation of residential local exchange services in 24 exchanges in Alberta and British Columbia.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 31 October 2008, in which the company requested forbearance from the regulation of residential local exchange services¹ in 24 exchanges in Alberta and British Columbia. A list of these 24 exchanges is set out in Appendix 1 of this decision.
2. The Commission received submissions and/or data regarding TCC's application from Bell Mobility Inc. (Bell Mobility), MTS Allstream Inc. (MTS Allstream), Rogers Communications Inc. (RCI), and Shaw Cablesystems Ltd. (Shaw). The application was completed on 23 July 2010 with the receipt of revised competitor quality of service (Q of S) results from TCC. The Commission received no further submissions from the parties. The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.

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 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.

¹ 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.

5. The Commission notes that TCC is seeking forbearance from the regulation of 29 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2008-55, it found all of these services to be eligible for forbearance. A list of the 29 approved services is set out in Appendix 2 of this decision.

b) Competitor presence test

6. The Commission notes that for the 24 exchanges listed in Appendix 1, 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.² 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 the 24 exchanges listed in Appendix 1 meet the competitor presence test.

c) Competitor Q of S results

8. The Commission notes that in November 2008, MTS Allstream and Shaw indicated that the competitor Q of S results submitted by TCC for the period of March to August 2008 did not reflect the actual level of service delivered by TCC during that period. The Commission also notes that at that time it was unable to conclude whether the competitor Q of S results that TCC had submitted for indicator 1.19 met the Q of S standards set out in Appendix B of Telecom Decision 2006-15, as defined in Telecom Decision 2005-20, with respect to the services TCC provided to competitors in its territory.
9. Accordingly, the Commission initiated a proceeding and informed interested parties that it would not dispose of existing and future forbearance applications that rely on Q of S indicator 1.19 performance results until the Commission had made a determination on the issue of meeting Q of S standards. Following that proceeding, in Telecom Decision 2009-514, the Commission determined that it would not take further action to dispose of pending forbearance applications until the applicants had submitted revised results or an explanation, to the Commission's satisfaction, as to why revised results were not required.
10. The Commission notes that TCC submitted revised competitor Q of S results, dated 23 July 2010, for the period of December 2009 to May 2010. The Commission has reviewed these competitor Q of S results and finds that TCC has demonstrated that during this six-month period it

² These competitors are Bell Mobility, RCI, and Shaw.

- i) met, on average, the Q of S standards for each indicator set out in Appendix B of 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.

d) Communications plan

12. The Commission notes that in lieu of filing a communications plan, TCC submitted that its plan specific to the 24 exchanges listed in Appendix 1 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 use of the communications plan that TCC submitted in the proceeding leading to Telecom Decision 2007-64, subject to TCC's compliance with the revisions outlined in that decision. The Commission directs TCC to provide the resulting communications materials to its customers, in both official languages where appropriate.

Conclusion

14. The Commission determines that TCC's application regarding the exchanges in Alberta and British Columbia listed in Appendix 1 meets all the local forbearance criteria set out in 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 Telecom Decision 2006-15, in relation to the provision by TCC of the residential local exchange services listed in Appendix 2 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 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 Telecom Decision 2006-15, in relation to the provision by TCC of these residential local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.

18. In light of the above, the Commission **approves** TCC's application for forbearance from the regulation of the local exchange services listed in Appendix 2 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 24 exchanges listed in Appendix 1, subject to the powers and duties that the Commission has retained as set out in Telecom Decision 2006-15. This determination takes effect as of the date of this decision. The Commission directs TCC to file revised tariff pages with the Commission within 30 days of this decision.

Secretary General

Related documents

- *MTS Allstream Inc. – Application concerning provisioning of competitor digital network services in accordance with competitor quality of service standards*, Telecom Decision CRTC 2009-514, 21 August 2009
- *TELUS Communications Company – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2008-55, 12 June 2008
- *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

Exchanges for which TCC requested forbearance from the regulation of its residential local exchange services:

Alberta

Beaumont
Bentley
Blackfalds
Bowden
Carstairs
Crossfield
Devon
Didsbury
Exshaw
Innisfail
Lacombe
Leduc
Olds
Ponoka
Sylvan Lake

British Columbia

Agassiz
Bowser
Comox
Courtenay
Cumberland
Oyster Bay
Union Bay
Whistler
Youbou

Appendix 2

*Local exchange services eligible for forbearance from regulation in this decision
(for residential customers only)*

Tariff	Item	List of services
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	Integrated Services Digital Network – Basic Rate Interface (ISDN-BRI) Home Service
18001	230	Voice Messaging Options Service
18001	235	Calling Features
18001	240	Extended Area Service (EAS)
18001	305	Denial Services
18001	310	Toll Restriction Services
18001	380	Temporary Disconnect
18001	425	Exchange Service
21461	129.1.b	Directory Listings – Extra Listings
21461	129.1.c	Directory Listings – Non-Published Telephone Numbers
21461	129.1.d	Directory Listings – Non-Listed Telephone Numbers
21461	202	Individual Line Service (ILS)
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