



## Telecom Decision CRTC 2012-253

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Ottawa, 27 April 2012

### **Bell Canada – Application for forbearance from the regulation of residential local exchange services**

File number: 8640-B2-200817413

*In this decision, the Commission approves Bell Canada's request for forbearance from the regulation of residential local exchange services provided in 7 exchanges in Ontario and Quebec. The Commission also denies Bell Canada's request concerning 11 other exchanges in these provinces.*

#### **Introduction**

1. The Commission received an application by Bell Canada, dated 23 December 2008, in which the company requested forbearance from the regulation of residential local exchange services<sup>1</sup> in 18 exchanges in Ontario and Quebec. A list of these exchanges is set out in Appendix 1 to this decision.
2. The Commission received submissions and data regarding Bell Canada's application from Cogeco Cable Inc. (Cogeco); 9163-7918 Québec inc., operating as CoopTel; Rogers Communications Partnership (RCP); Téléphone Drummond inc.; TELUS Communications Company (TCC); and Quebecor Media Inc., on behalf of Videotron Ltd. The application was completed on 15 February 2012 with the submission of revised competitor quality of service results from Bell Canada. The Commission received no further submissions from the parties regarding Bell Canada's application. The public record of this proceeding is available on the Commission's website at [www.crtc.gc.ca](http://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 Bell Canada'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 notes that Bell Canada is seeking forbearance from the regulation of 19 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2007-65, it found all of these services to be eligible for forbearance.

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<sup>1</sup> 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.

However, the Commission notes that in Telecom Regulatory Policy 2010-777, it forbore conditionally from regulating two of these services, Integrated Voice Messaging Service and Universal Messaging. Pursuant to Telecom Regulatory Policy 2010-777, forbearance from the regulation of these services will take effect on the date that Bell Canada issues revised tariff pages for the services. The Commission also notes that, since Bell Canada filed its application, it has withdrawn the last service, Simply One Service.

5. The Commission received no comments with respect to Bell Canada's proposed list of residential local exchange services.
6. The Commission therefore determines that the 16 services listed in Appendix 2 to this decision are eligible for forbearance.

**b) Competitor presence test**

7. The Commission notes that information provided by parties confirms that there are, in addition to Bell Canada, at least two independent, facilities-based telecommunications service providers operating in 7 of the 18 exchanges listed in Appendix 1, including providers of mobile wireless services.<sup>2</sup> 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 Bell Canada is capable of serving, and at least one, in addition to Bell Canada, is a facilities-based, fixed-line telecommunications service provider.
8. The Commission therefore determines that the seven exchanges listed in Appendix 3 to this decision meet the competitor presence test.
9. The Commission notes that for the 11 other exchanges, there is at least one independent facilities-based telecommunications service provider of mobile wireless services capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Canada is capable of serving in those exchanges.<sup>3</sup> The Commission notes, however, that there is no other facilities-based, fixed-line telecommunications service provider present in those exchanges capable of serving at least 75 percent of the number of residential local exchange service lines that Bell Canada is capable of serving in those exchanges.
10. Accordingly, the Commission determines that the 11 other exchanges do not meet the competitor presence test.

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<sup>2</sup> These competitors are Cogeco, RCP, and TCC.

<sup>3</sup> These competitors are RCP and TCC.

### **c) Competitor quality of service (Q of S) results**

11. The Commission notes that Bell Canada submitted competitor Q of S results, dated 15 February 2012, for the period of July to December 2011.<sup>4</sup> The Commission has reviewed Bell Canada's competitor Q of S results and finds that the company did not meet the Q of S standards for certain competitors. However, the Commission notes that in each case, there were few data points for the six-month period. The Commission also notes that in Telecom Decision 2007-58, it considered that where there are only a few data points during a six-month period, there is insufficient data to make a finding that a company has consistently provided below-standard Q of S.
12. The Commission therefore notes that Bell Canada has demonstrated that during the six-month period it
  - 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.
13. Accordingly, the Commission determines that Bell Canada meets the competitor Q of S criterion for this period.

### **d) Communications plan**

14. The Commission has reviewed Bell Canada's proposed communications plan and is satisfied that it meets the information requirements set out in Telecom Decision 2006-15. However, the Commission considers that the company should change the city, province, and postal code information in the mailing address for the Canadian Radio-television and Telecommunications Commission, as set out in the plan, to "Ottawa, Ontario K1A 0N2."
15. The Commission **approves** the proposed communications plan with the revision outlined above and directs Bell Canada to provide the resulting communications materials to its customers, in both official languages where appropriate.

### **Conclusion**

16. The Commission determines that Bell Canada's application regarding the seven exchanges in Ontario and Quebec listed in Appendix 3 meets all the local forbearance criteria set out in Telecom Decision 2006-15.

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<sup>4</sup> The Commission notes that Bell Canada originally submitted competitor Q of S results for the period of May to October 2008. However, in Telecom Decision 2009-514, the Commission determined that it would not take any 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.

17. 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 Bell Canada 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.
18. 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.
19. 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 Bell Canada of these residential local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.
20. In light of the above, the Commission **approves** Bell Canada'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 seven exchanges listed in Appendix 3, 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 Bell Canada to file revised tariff pages with the Commission within 30 days of the date of this decision.
21. In Telecom Regulatory Policy 2011-291, the Commission determined that the large incumbent local exchange carriers would no longer receive subsidies for residential network access services (NAS) in high-cost exchanges for which the Commission has granted forbearance from regulation. Therefore, in accordance with the directions in Appendix B to Telecom Regulatory Policy 2011-291, Bell Canada is to stop reporting to the Central Fund Administrator any high-cost residential NAS associated with the seven exchanges listed in Appendix 3, effective the date of this decision.

Secretary General

### **Related documents**

- *Obligation to serve and other matters*, Telecom Regulatory Policy CRTC 2011-291, 3 May 2011, as amended by Telecom Regulatory Policy CRTC 2011-291-1, 12 May 2011

- *Forbearance from the regulation of retail voice mail services provided by the incumbent local exchange carriers*, Telecom Regulatory Policy CRTC 2010-777, 20 October 2010
- *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
- *Bell Canada – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-65, 3 August 2007
- *Forbearance from the regulation of residential local exchange services in Fort McMurray, Alberta*, Telecom Decision CRTC 2007-58, 25 July 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

## Appendix 1

*Bell Canada requested forbearance from the regulation of its residential local exchange services in the following 18 exchanges:*

### **Ontario**

Acton  
Stevensville  
West Lincoln  
Winona

### **Quebec**

Acton Vale  
Champlain  
Maskinongé  
St-Adolphe-d'Howard  
St-Boniface-de-Shawinigan  
St-Damase  
St-Faustin  
St-Germain-de-Grantham  
St-Pie  
Ste-Madeleine  
Val-David  
Wickham  
Windsor  
Yamachiche

## Appendix 2

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

<b>Tariff</b>	<b>Item</b>	<b>List of services</b>
6716	29	Telephone Set Loss Charge
6716	70	Rate Schedules for Primary Exchange (Local) Services
6716	72	Reference of Calls
6716	73	Telephone Number Services
6716	82	Toll Restriction
6716	86	Call Display Blocking
6716	220	Extra Listings – Omission of a Primary Exchange Listing
6716	1060	Service on Stationary Boats, Ships, Trailers and Trains
6716	1130	Suspension of Service
6716	2150	Push-Button Dialling (Touch-Tone)
6716	2165	Calling Features
6716	2185	Single Number Reach
6716	2200	Call Blocking Service
6716	2300	Telephone Station Equipment
6716	4699	Internet Call Display Service
6716	7031	Bell Digital Voice

## Appendix 3

*Exchanges that meet all the local forbearance criteria set out in Telecom Decision 2006-15:*

### **Ontario**

Acton  
Winona

### **Quebec**

St-Boniface-de-Shawinigan  
St-Faustin  
St-Germain-de-Grantham  
Val-David  
Windsor