



Telecom Decision CRTC 2012-603

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Ottawa, 30 October 2012

TELUS Communications Company – Application to replace communities in the company’s deferral account funded broadband expansion plan

File number: 8678-T66-201207639

In this decision, the Commission approves TCC’s application to replace three already-approved communities included in the company’s deferral account funded broadband expansion plan with three other communities.

Introduction

1. The Commission received an application from TELUS Communications Company (TCC), dated 21 June 2012, in which the company proposed to replace three already-approved communities in its deferral account funded broadband expansion plan with three other communities.
2. The Commission received no comments regarding this application. The public record of this proceeding, which closed on 23 July 2012, is available on the Commission’s website at www.crtc.gc.ca under “Public Proceedings” or by using the file number provided above.

Background

3. In Telecom Decision 2006-9, the Commission approved the use of funds accumulated in the incumbent local exchange carriers’ deferral accounts¹ to, among other things, expand broadband services to rural and remote communities.
4. In Telecom Decision 2010-639, the Commission, among other things, approved TCC’s planned expansion of broadband services to a total of 159 communities, 98 of which are in British Columbia.

¹ In Telecom Decision 2002-34, the Commission imposed a pricing constraint on residential local service in non-high-cost serving areas. In order to avoid an adverse impact on local competition, the Commission required the incumbent local exchange carriers subject to the decision to place, in a deferral account, amounts equal to the revenue reductions that would have resulted from the pricing constraint.

The application

5. TCC indicated that it had found that three of the British Columbia communities initially included in its deferral account funded broadband expansion plan have no permanent residents, namely Beaver Valley (Marguerite Lake), Mowachaht (Ahaminaquus 12), and Compton Island No. 6. As such, TCC proposed the following replacements for these communities:
 - Dog Creek IR#1 for Beaver Valley (Marguerite Lake);
 - Dog Creek IR#2 for Mowachaht (Ahaminaquus 12); and
 - Nicola Lake IR#1 for Compton Island No. 6.²
6. TCC stated that, as a result of negotiations with the Canoe Creek Band Chief and Council, it is requesting to add Dog Creek IR#1 and Dog Creek IR#2 as deferral account communities. TCC indicated that Dog Creek IR#2 is located approximately 10 kilometres from Dog Creek IR#1, and that none of its residents have either telephone or broadband service. As such, TCC indicated that, in addition to broadband services, it is planning to add telephone service in Dog Creek IR#2 if it is approved as a replacement community.
7. TCC noted that Nicola Lake IR#1 is one of two primary communities as part of the Upper Nicola Band. In requesting that Nicola Lake IR#1 be approved as a replacement community, TCC indicated that it would have to pass through that community in order to serve the already-approved deferral account community of Upper Nicola (Douglas Lake IR#3).
8. TCC also identified a case where one community was included twice in its approved deferral account funded broadband expansion plan under different names: Kitwanga (Kitsegulecla) and Kitwanga (Gitsegukla) are two names for the same community. TCC indicated that it planned to replace the duplicate Kitwanga community in its deferral account funded broadband expansion plan with another community to be named at a later date.

Commission's analysis and determinations

9. The Commission notes that TCC's proposal with regard to Dog Creek IR#1 and Dog Creek IR#2 stems from discussions with community leaders, and that its proposal with regard to Nicola Lake IR#1 is based on practical considerations.

² TCC noted that the proposed replacement communities are part of First Nations bands, located in high-cost serving areas in the central interior of British Columbia near Merritt.

10. The Commission considers that TCC's proposal to remove the above-referenced communities with no permanent residents from its deferral account funded broadband expansion plan and replace them with other communities is consistent with the objective to expand broadband services to citizens in unserved communities in high-cost serving areas.
11. Accordingly, the Commission **approves** TCC's proposal to replace Beaver Valley (Marguerite Lake) with Dog Creek IR#1, Mowachaht (Ahaminaquus 12) with Dog Creek IR#2, and Compton Island No. 6 with Nicola Lake IR#1, as part of its deferral account funded broadband expansion plan.
12. With regard to the company's plan to name a replacement community for the duplicate Kitwanga community referenced above, the Commission requires TCC to file an application to replace that community with another community in time to complete its rollout by the end of August 2014, at the latest.

Secretary General

Related documents

- *Follow-up to Telecom Decision 2008-1 – Proposal by TELUS Communications Company to dispose of the funds remaining in its deferral accounts*, Telecom Decision CRTC 2010-639, 31 August 2010
- *Disposition of funds in the deferral accounts*, Telecom Decision CRTC 2006-9, 16 February 2006
- *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002, as amended by Telecom Decision CRTC 2002-34-1, 15 July 2002