



Telecom Decision CRTC 2014-476

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

*The Commission **approves** TCC's request for forbearance from the regulation of residential local exchange services in six exchanges in Alberta and British Columbia.*

Introduction

1. The Commission received an application from TELUS Communications Company (TCC), dated 16 May 2014, in which the company requested forbearance from the regulation of residential local exchange services¹ in eight exchanges in Alberta and British Columbia. TCC subsequently withdrew its request regarding two exchanges, Brooks and Hinton, Alberta, because the competitor identified by TCC indicated that it was not present in those exchanges. A list of the six remaining exchanges is set out in Appendix 1 to this decision.
2. The Commission received submissions and/or data regarding TCC's application from Bell Mobility Inc. (Bell Mobility); Bragg Communications Inc., operating as Eastlink (Eastlink); and Shaw Telecom G.P. (Shaw). The public record of this proceeding, which closed on 27 June 2014, is available on the Commission's website at www.crtc.gc.ca 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.

Product market

4. The Commission received no comments with respect to TCC's proposed list of residential local exchange services.
5. The Commission notes that TCC is seeking forbearance from the regulation of 22 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2012-337, it found all of these services to be eligible for forbearance. However, in Telecom Order 2014-67, the Commission approved TCC's

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.

request to withdraw one of the items on its list – Individual Line Service – from its General Tariff. The Commission therefore determines that the 21 services set out in Appendix 2 to this decision are eligible for forbearance.

Competitor presence test

6. The Commission notes that information provided by parties confirms that there are, in addition to TCC, at least two independent, facilities-based telecommunications service providers operating in the six exchanges in question, 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 six exchanges listed in Appendix 1 meet the competitor presence test.
8. The Commission notes that TCC acknowledged that the exchanges of Brooks and Hinton do not meet the competitor presence test because 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 TCC is capable of serving.

Competitor quality of service (Q of S) results

9. The Commission notes that TCC submitted its competitor Q of S results for the period of October 2013 to March 2014. The Commission considers that these results demonstrate that TCC met the first part of the competitor Q of S criterion set out in Telecom Decision 2006-15.
10. The Commission notes Shaw's comments that TCC had consistently provided below-standard service to other competitors. In Telecom Decision 2007-65, the Commission found that in order to make such a determination regarding any competitor, it would have to find that an incumbent local exchange carrier (ILEC) has provided below-standard service to that competitor for at least two thirds of the individually reported numbers, where each reported number is one indicator's result for one month.
11. The Commission has reviewed TCC's competitor Q of S results and finds that, based on this general guideline, TCC did not consistently provide any of the competitors in its territory with services that were below the applicable Q of S standards.

² These competitors are Bell Mobility in all exchanges, as well as Eastlink and Shaw in certain exchanges.

12. The Commission finds that TCC has demonstrated that during the six-month period from October 2013 to March 2014, 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 TCC meets the competitor Q of S criterion for this period.

Communications plan

14. In lieu of filing a communications plan, TCC submitted that its plan specific to the exchanges listed in Appendix 1 would conform to the Commission's requirements as set out in Telecom Decisions 2007-64 and 2008-67.
15. The Commission **approves**, for the purpose of the current application, the use of the communications plan that TCC submitted in the proceedings leading to Telecom Decisions 2007-64 and 2008-67, subject to TCC's compliance with the revisions outlined in those decisions. As well, the Commission considers that the company should include the mailing address for the Canadian Radio-television and Telecommunications Commission in its communications material, which is "Ottawa, Ontario K1A 0N2." The Commission directs TCC to provide the resulting communications material to its customers, in both official languages where appropriate.

Conclusion

16. The Commission determines that TCC's application regarding the six exchanges in Alberta and British Columbia listed in Appendix 1 meets all the local forbearance criteria set out in Telecom Decision 2006-15.
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 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.
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 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.
20. 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 six exchanges in Alberta and British Columbia 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 the date of this decision.
21. In Telecom Regulatory Policy 2011-291, the Commission determined that the large ILECs would no longer receive subsidies for residential network access service (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, TCC is to stop reporting to the Central Fund Administrator any high-cost residential NAS associated with the six exchanges listed in Appendix 1, effective the date of this decision.

Secretary General

Related documents

- *TELUS Communications Company – Withdrawal of Individual Line Service*, Telecom Order CRTC 2014-67, 17 February 2014
- *TELUS Communications Company – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2012-337, 20 June 2012
- *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
- *TELUS Communications Company – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2008-67, 28 July 2008
- *Bell Canada – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-65, 3 August 2007

- *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

Appendix 1 to Telecom Decision CRTC 2014-476

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

Alberta

Cold Lake

Fox Creek

Mayerthorpe

St. Paul

Whitecourt

British Columbia

Salmon Arm

Appendix 2 to Telecom Decision CRTC 2014-476

*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 | 465.B | ISDN-BRI Home 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 |
| | 129.1.c | Directory Listings – Non-Published Telephone Numbers |
| | 129.1.d | Directory Listings – Non-Listed Telephone Numbers |
| 21461 | 209 | Local Calling Area (LCA) Expansion |
| 21461 | 300 | Call Management Services |
| 21461 | 307 | Special Number Search |
| 21461 | 314 | Remote Call Forwarding |

| | | |
|-------|------|---|
| 21461 | 316 | 900 Blocking |
| 21461 | 1000 | Call Intercept Service (Residential numbers only) |