



Telecom Order CRTC 2018-35

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Ottawa, 26 January 2018

Public record: Tariff Notices 26, 26A, and 26B

Fido Solutions Inc. – Introduction of local service request rejection charge

Application

1. The Commission received an application from Fido Solutions Inc. (Fido), dated 24 November 2017, and amended on 4 and 11 December 2017, in which the company proposed to revise its Access Services Tariff to introduce item 503 – Local Service Request (LSR) Rejection Charge.¹
2. Fido proposed to apply a monthly LSR rejection charge of \$70 for each rejected LSR originating from a local exchange carrier (LEC), wireless service provider, or Internet service provider whose monthly LSR rejection rates exceed the following thresholds:
 - a monthly LSR rejection rate threshold of 12.8% until 1 December 2018, a threshold of 10.4% until 1 December 2019, and a threshold of 8% thereafter would apply to each telecommunications service provider (TSP) that submits more than 500 LSRs in a month, unless at least 75% of the LSRs it submits in that month relate to business services.
 - a monthly LSR rejection rate threshold of 25.6% until 1 December 2018, a threshold of 20.8% until 1 December 2019, and a threshold of 16% thereafter would apply to each TSP that submits 500 or fewer LSRs in a month, and to each TSP in cases where at least 75% of the LSRs it submits in that month relate to business services.
3. Fido submitted that the LSR rejection charge would not apply when the rejection is due to (i) errors attributable to Fido, (ii) Fido's winback activities, or (iii) deactivation of the telephone number subsequent to LSR submission.
4. Fido submitted that its proposed LSR rejection charge provisions are consistent with Telecom Regulatory Policy 2012-523, in which the Commission set out a framework for LSR rejection charges to incent competitors to reduce their controllable LSR

¹ When a customer wishes to move from one local exchange carrier (LEC) to another, the new LEC sends a completed LSR form to the LEC that has been serving the customer to transfer the customer's services. This form specifies all the customer information that is needed to effectively process a transfer of service. LSR forms that contain errors are rejected and returned to the originating LEC.

rejections, and determined that LSR rejection charges would apply only to the quantity of LSR rejections above certain thresholds.²

5. The Commission received no interventions regarding Fido's application.

Commission's analysis and determinations

6. Fido's proposed text regarding the LSR rejection rate thresholds is consistent with the Commission's determinations set out in Telecom Regulatory Policy 2012-523. That text and the proposed charge of \$70 are also consistent with those the Commission has approved for other competitive local exchange carriers. For example, Fido's proposed monthly charge of \$70 for each LSR above the approved threshold is equal to the Commission-approved charge for the same service provided by Cogeco Cable Inc.,³ as set out in Telecom Order 2014-530.
7. However, Fido's proposed effective dates for the LSR rejection rate thresholds are not consistent with the Commission's determinations set out in Telecom Regulatory Policy 2012-523, since these dates must be based on the date the tariff is approved by the Commission, rather than the December dates proposed by the company.
8. In light of the above, the Commission **approves** Fido's application, effective the date of this order, subject to the revision of the effective dates for the LSR rejection rate thresholds to reflect the date of this order.
9. The Commission **directs** Fido to issue revised tariff pages⁴ within **10 days** of the date of this order.

Secretary General

Related documents

- *Cogeco Cable Inc. – Introduction of Local Service Request Rejection Charge*, Telecom Order CRTC 2014-530, 8 October 2014
- *Review of conditions for approval of a local service request rejection charge*, Telecom Regulatory Policy CRTC 2012-523, 28 September 2012

² In that decision, the Commission determined that LSR rejection charges could only be applied to the quantity of LSR rejections above the following thresholds: for LECs that submit more than 500 LSRs monthly, the threshold is set at 12.8% on the date that the tariff is first approved by the Commission. That rate will decrease to 10.4% one year after the tariff is approved, and to 8% two years after the tariff is approved. For LECs that submit 500 or fewer LSRs monthly, or if 75% or more of the LSRs they submit relate to business services, the threshold is set at 25.6% on the date that the tariff is first approved by the Commission, decreasing to 20.8% one year after the tariff is approved, and to 16% two years after the tariff is approved.

³ As of 14 January 2016, Cogeco Cable Inc. operates as Cogeco Communications Inc.

⁴ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.