



Telecom Order CRTC 2020-224

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Ottawa, 15 July 2020

Public record: Tariff Notice 12

9315-1884 Québec inc. – Service charges for local service requests

*The Commission **approves on a final basis, with changes**, the application by 9315-1884 Québec inc. to apply service charges to local service requests.*

Application

1. The Commission received an application from 9315-1884 Québec inc. (9315-1884 Québec), dated 14 January 2019, in which the company proposed to modify section 4.1 of its Access Services Tariff. Specifically, 9315-1884 Québec requested approval to apply charges to local exchange carriers (LECs), Internet service providers (ISPs), and wireless service providers (WSPs) that request accelerated processing of their local service requests (LSRs).¹ No charges are required for regular requests. 9315-1884 Québec also requested approval to charge LECs and WSPs for the cancellation of any port-out requests in progress and for LSR rejections.
2. 9315-1884 Québec proposed to align the above-mentioned charges with the Commission-approved rates set out in Telecom Regulatory Policy 2013-160, indicating that it is appropriate to establish initial rates for small incumbent local exchange carriers' (ILECs) competitor services by matching the rates that apply in an adjacent large ILEC territory for the same service.
3. 9315-1884 Québec submitted that the three monthly rates that it proposed to add to section 4.1 of its Access Services Tariff had previously been approved by the Commission in the following orders:
 - Charges for the accelerated processing of LSRs (section 4.1.1): Telecom Order 2018-451 regarding Sogetel inc. (Sogetel);

¹ An LSR form is sent to the company each time a subscriber cancels their service to obtain service from another LEC, another ISP, or a WSP.

- Port-out cancellation charges (section 4.1.2): Telecom Order 2017-234 regarding TELUS Communications Company (TCC)² and Telecom Order 2018-451 regarding Sogetel; and
 - LSR rejection charges (section 4.1.3): Telecom Order 2009-805 regarding Bell Aliant Regional Communications, Limited Partnership (Bell Aliant)³ and Telecom Order 2012-525 regarding Bruce Telecom.
4. 9315-1884 Québec proposed to implement the terms and conditions approved in those Commission orders.
 5. The Commission did not receive any interventions regarding 9315-1884 Québec's application.

Commission's analysis and determinations

6. Regarding the charges for accelerated processing requests, in section 4.1.1 of its tariff, 9315-1884 Québec initially proposed to use the rate approved in Telecom Order 2018-451 for Sogetel. In Telecom Regulatory Policy 2013-160, the Commission determined that the initial rates for wholesale services offered by small ILECs can be established by matching the Commission-approved rates for the same service in an adjacent large ILEC territory. Because there is no equivalent rate for a large ILEC, and because Sogetel is a small ILEC, 9315-1884 Québec had to provide a cost study to support its proposed rate. 9315-1884 Québec therefore submitted a cost study to the Commission.
7. The Commission considers that the proposed accelerated processing rates are acceptable. In its cost study, 9315-1884 Québec increased costs by 25% to establish the proposed rate, in accordance with Telecom Order 2017-282 regarding rates for direct connect services and in accordance with the 25% increase approved for Sogetel. The Commission therefore considers the rate just and reasonable. In addition, the Commission considers that the terms and conditions proposed by 9315-1884 Québec are acceptable, given that the company based its terms and conditions on those that the Commission had already approved for a small ILEC in Telecom Order 2018-451.
8. Regarding port-out cancellations, 9315-1884 Québec aligned the rate it proposed in section 4.1.2 with the rates established for TCC in Telecom Order 2017-234, in which the Commission approved a \$50 charge to cancel port-out requests that were in progress and some terms and conditions concerning the application of charges. Specifically, charges will be applied to a competitor for each port-out request cancellation if the number of cancellations surpasses 10% of the total number of

² As of 1 October 2017, TCC's assets were legally transferred to TELUS Communications Inc. and TCC ceased to exist.

³ Bell Aliant is now a division of Bell Canada.

valid requests in a calendar month, with certain exceptions.⁴ 9315-1884 Québec proposed to implement the same charges and terms and conditions that were approved for TCC.

9. The Commission notes that the proposed cancellation charges meet the requirements set out in Telecom Regulatory Policy 2013-160 because the charges match those of an adjacent large ILEC. In addition, the proposed terms and conditions concerning the billing threshold and the exemptions for applying charges correspond to those approved for TCC in Telecom Order 2017-234. Therefore, in the Commission's view, the tariff wording proposed by 9315-1884 Québec and the \$50 charge to cancel port-out requests that are in progress are acceptable.
10. Regarding the LSR rejection charge, in section 4.1.3 of its tariff, 9315-1884 Québec proposed to implement the rates and the terms and conditions that were initially approved for Bell Aliant in Telecom Order 2009-805 and modified for Bruce Telecom in Telecom Order 2012-525. Consequently, 9315-1884 Québec proposed a rate of \$70 for the LSR rejection charge. In Telecom Order 2012-525, the Commission found that it was acceptable for Bruce Telecom's proposed threshold for LSR rejection charges to be modified to respect the determinations set out in Telecom Regulatory Policy 2012-523, given that Bruce Telecom did not provide access to its operational support system service. 9315-1884 Québec thus used the modified terms and conditions set out in Telecom Order 2012-525.
11. The Commission notes that the proposed LSR rejection charges are acceptable because they meet the requirement in Telecom Regulatory Policy 2013-160 that charges must match those of an adjacent large ILEC. The Commission therefore considers that for a small ILEC such as 9315-1884 Québec, it is appropriate to apply the terms and conditions approved for Bruce Telecom, which is also a small ILEC.
12. In light of the above, the Commission **approves, with changes**, Tariff Notice 12, submitted by 9315-1884 Québec, effective the date of this order. The charge for the accelerated processing of an LSR, which corresponds to section 4.1.1 of 9315-1884 Québec's tariff, is set at \$81.38, following the filing of a cost study as requested by the Commission.

Policy Directions

13. In accordance with subparagraph 1(b)(i) of the 2006 Policy Direction⁵ and the 2019 Policy Direction,⁶ the Commission considers that approving 9315-1884 Québec's

⁴ 9315-1884 Québec proposed exemptions (identical to those approved for TCC) for the application of charges to competitors for port-out request cancellations because of (i) the customer's previous decision, (ii) factors beyond the competitor's control, (iii) a more recent port-out request for the same customer by a different competitor, (iv) customers telling 9315-1884 Québec that they want to keep their subscription with the company instead of proceeding with their approved port-out to a competitor, or (v) an approved port-out request that has not been completed within seven days of the execution date indicated in the request.

request will advance the objective set out in paragraph 7(f) of the *Telecommunications Act*.⁷

14. In accordance with the 2019 Policy Direction, the Commission considers that the approval of this application will have a positive impact on competition because it will improve operations between parties. Moreover, the proposed service charges are consistent with those of other telecommunication companies.

Secretary General

Related documents

- *Sogetel inc. – Introduction of two competitor service charges*, Telecom Order CRTC 2018-451, 4 December 2018
- *Various companies – Final rates for direct connect services*, Telecom Order CRTC 2017-282, 10 August 2017
- *Various companies – Final approval of tariff applications*, Telecom Order CRTC 2017-234, 5 July 2017
- *Regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Regulatory Policy CRTC 2013-160, 28 March 2013
- *Bruce Telecom – Local service request rejection charge*, Telecom Order CRTC 2012-525, 28 September 2012
- *Review of conditions for approval of a local service request rejection charge*, Telecom Regulatory Policy CRTC 2012-523, 28 September 2012
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Introduction of Local Service Request Rejection Charge*, Telecom Order CRTC 2009-805, 23 December 2009

⁵ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁶ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

⁷ The cited policy objective is: 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective.