



## Telecom Decision CRTC 2020-59

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Ottawa, 13 February 2020

*Public record: 8640-S4-201907180*

### **Sogetel inc. – Application for forbearance from the regulation of business local exchange services in the exchange of Saint-Ludger, Quebec**

*The Commission **approves** Sogetel inc.’s request for forbearance from the regulation of business local exchange services in the exchange of Saint-Ludger, Quebec.*

#### **Application**

1. The Commission received an application dated 15 August 2019 from Sogetel inc. (Sogetel), a small incumbent local exchange carrier (ILEC), in which the company requested forbearance from the regulation of business local exchange services<sup>1</sup> in the exchange of Saint-Ludger, Quebec.
2. Pursuant to the Commission’s requirements in Telecom Decision 2006-15, Sogetel provided evidence to support its forbearance request and a draft communications plan for the Commission’s approval.
3. The Commission did not receive any interventions regarding Sogetel’s application.

#### **Commission’s analysis and determinations**

4. The Commission has assessed Sogetel’s application on the basis of the local forbearance test set out in Telecom Decision 2006-15 by examining the following four criteria: (i) product market, (ii) competitor presence test, (iii) competitor quality of service (Q of S) results, and (iv) communications plan. These criteria are based on the local forbearance test originally set out in Telecom Decision 2006-15 and applied to the small ILECs, with modifications, in Telecom Regulatory Policy 2009-379.

#### **Product market**

5. Sogetel is seeking forbearance from the regulation of 16 tariffed business local exchange services. A list of these services is set out in the Appendix to this decision. In Telecom Decision 2005-35, the Commission found that services similar to these 16 services were eligible to be considered for forbearance. In addition, the Commission has previously

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<sup>1</sup> In this decision, “business local exchange services” refers to local exchange services used by business customers to access the public switched telephone network and any associated service charges, features, and ancillary services.

approved applications for forbearance from the regulation of the same 16 services offered by Sogetel in other exchanges.<sup>2</sup>

6. Accordingly, the Commission determines that the 16 services listed in the Appendix to this decision are eligible for forbearance.

### **Competitor presence test**

7. Information provided by Sogetel, which was not disputed, demonstrates that there is, in addition to Sogetel, an independent, facilities-based, fixed-line telecommunications service provider<sup>3</sup> that offers local exchange services in the exchange of Saint-Ludger, Quebec, and that is capable of serving at least 75% of the number of business local exchange service lines that Sogetel is capable of serving.
8. Accordingly, the exchange of Saint-Ludger, Quebec, meets the competitor presence test.

### **Competitor Q of S results**

9. Sogetel attested that it received no Q of S complaints from competitors in the six months prior to the date of this application for forbearance.<sup>4</sup> As well, the Commission has received no comments with respect to Sogetel's competitor Q of S results for that period.
10. Accordingly, Sogetel's competitor Q of S is at a sufficient level to warrant forbearance from the regulation of business local exchange services in the exchange of Saint-Ludger, Quebec.

### **Communications plan**

11. The Commission has reviewed Sogetel's proposed communications plan and is satisfied that it meets the information requirements set out in Telecom Decision 2006-15. The Commission **approves** the proposed communications plan and **directs** Sogetel to provide the resulting communications materials to its customers, in both official languages where appropriate.

### **Conclusion**

12. Sogetel's application regarding the exchange of Saint-Ludger, Quebec, meets all the local forbearance criteria set out in Telecom Decision 2006-15 and modified by Telecom Regulatory Policy 2009-379 for small ILECs.
13. 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 Sogetel in this exchange, of the business local exchange services listed in the Appendix to this decision and of future local exchange services (as defined in Telecom Public Notice 2005-2 and as

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<sup>2</sup> See, for example, Telecom Decisions 2017-190, 2019-55, 2019-197, and 2019-294.

<sup>3</sup> This competitor is Cogeco Connexion Inc.

<sup>4</sup> In Telecom Regulatory Policy 2009-379, the Commission stated that, if applicable, a small ILEC could submit an attestation that it had received no complaints from competitors in the six months prior to the date of the forbearance application, or since the implementation of local competition if less than six months had passed.

they pertain to business customers only) would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.

14. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that these business local exchange services are subject to a level of competition in this exchange sufficient to protect the interests of users of these services.
15. 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 Sogetel of these business local exchange services in this exchange would be unlikely to unduly impair the continuance of a competitive market for these services.
16. In light of the above, the Commission **approves** Sogetel's application for forbearance from the regulation of the local exchange services listed in the Appendix to this decision and of future local exchange services (as defined in Telecom Public Notice 2005-2 and as they pertain to business customers only), in the exchange of Saint-Ludger, Quebec, 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** Sogetel to issue revised tariff pages<sup>5</sup> within **30 days** of the date of this decision.

## Policy Directions

17. The Governor General in Council issued a new policy direction to the Commission, pursuant to section 8 of the Act (the 2019 Policy Direction).<sup>6</sup> The 2019 Policy Direction provides that when the Commission is exercising its powers and performing its duties under the Act, it should consider how its decisions can promote competition, affordability, consumer interests, and innovation.
18. Moreover, the Commission should, in its decisions, demonstrate its compliance with the 2019 Policy Direction and specify how those decisions can, as applicable, promote competition, affordability, consumer interests, and innovation.
19. The Commission considers that its forbearance determination in this decision is consistent with paragraphs 1(a)(i), (ii), and (iii) of the 2019 Policy Direction, which state that the Commission should consider the extent to which its decisions
  - i. encourage all forms of competition and investment;
  - ii. foster affordability and lower prices, particularly when telecommunications service providers exercise market power; and
  - iii. ensure that affordable access to high-quality telecommunications services is available in all regions of Canada, including rural areas.

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<sup>5</sup> Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

<sup>6</sup> *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

20. In particular, the Commission considers that its forbearance determination will promote affordability and consumer interests, since it will help to ensure that consumers have access to affordable high-quality telecommunications services resulting from local competition.
21. In light of the above, the Commission considers that its determination to approve Sogetel's forbearance application will promote competition, affordability, and consumer interests.
22. In addition, consistent with subparagraph 1(b)(i) of the 2006 Policy Direction,<sup>7</sup> the Commission considers that the regulatory measures set out in this decision serve to advance the policy objectives set out in paragraphs 7(b), (f), and (h) of the Act.<sup>8</sup>

Secretary General

### Related documents

- *Sogetel inc. – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2019-294, 16 August 2019
- *Sogetel inc. – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2019-197, 5 June 2019
- *Sogetel inc. – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2019-55, 27 February 2019
- *Sogetel inc. – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2017-190, 8 June 2017
- *Framework for forbearance from regulation of retail local exchange services in the serving territories of the small incumbent local exchange carriers*, Telecom Regulatory Policy CRTC 2009-379, 23 June 2009
- *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
- *List of services within the scope of the proceeding on forbearance from the regulation of local exchange services*, Telecom Decision CRTC 2005-35, 15 June 2005; as amended by Telecom Decision CRTC 2005-35-1, 14 July 2005
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005

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<sup>7</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

<sup>8</sup> The cited policy objectives are 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; (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; and (h) to respond to the economic and social requirements of users of telecommunications services.

## Appendix to Telecom Decision CRTC 2020-59

### Local exchange services eligible to be considered for forbearance from regulation in this decision (for business customers only)

Tariff	Item	List of services
25130	2.1.8	Basic Service and Regional Service – Table of Monthly Rates, with the exception of the Bell Relay Service Rate and the 9-1-1 Public Emergency Reporting Service Access Line Rate
25130	2.1.9	Telephone Service for Senior Citizens' Club
25130	2.4.6	Extra Directory Listings
25130	2.4.7	Omission of Directory Listings
25130	2.4.8	Charges for Additions, Modifications, etc. to Directory Listings
25130	2.6	Intra-Exchange Distance Charges
25130	2.9	Local Conference Service
25130	2.10	Suspension of Service (upon subscriber request)
25130	2.11	Shared Use
25130	2.12	Telephone Number Reservation Service
25130	2.13.2	Custom Calling Features
25130	2.13.3	Call Management Services
25130	2.13.4	Call Display Blocking of Caller's Name and/or Number
25130	2.13.5	Voice Messaging Service
25130	2.13.6	Sogetel inc.'s Multi Services Packages
25130	4.2.10.5	900 Call Blocking Service