



Telecom Decision CRTC 2012-344

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Ottawa, 22 June 2012

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

File number: 8640-T69-201203679

In this decision, the Commission approves TCC's request for forbearance from the regulation of residential local exchange services in the exchanges of Cap-des-Rosiers, St-Joseph, Ste-Marie-de-Beauce, and Vallée-Jonction, Quebec. It denies TCC's request for forbearance for the exchanges of Frampton, St-Bernard-de-Dorchester, and St-Patrice-de-Beaurivage, Quebec.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 23 March 2012, in which the company requested forbearance from the regulation of residential local exchange services¹ in the exchanges of Cap-des-Rosiers, Frampton, St-Bernard-de-Dorchester, St-Joseph, St-Patrice-de-Beaurivage, Ste-Marie-de-Beauce, and Vallée-Jonction, Quebec.
2. The Commission received submissions and data regarding TCC's application from Bell Mobility Inc. (Bell Mobility); Cogeco Cable Inc., on behalf of Cogeco Câble Québec s.e.n.c. (Cogeco); and CoopTel, on behalf of itself and Câble-Axion Digitel inc. The public record of this proceeding, which closed on 14 May 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" 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.

a) Product market

4. The Commission notes that TCC is seeking forbearance from the regulation of 10 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2010-749, it found all of these services to be eligible for forbearance.

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.

5. The Commission received no comments with respect to TCC's proposed list of residential local exchange services.
6. A list of the 10 approved services is set out in the Appendix to this decision.

b) Competitor presence test

7. The Commission notes that, for the exchanges of Cap-des-Rosiers, St-Joseph, Ste-Marie-de-Beauce, and Vallée-Jonction, no parties objected to the forbearance application. The Commission also notes that information provided by parties confirms that there are, in addition to TCC, at least two independent, facilities-based telecommunications service providers, including a provider 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.
8. Accordingly, the Commission determines that the exchanges of Cap-des-Rosiers, St-Joseph, Ste-Marie-de-Beauce, and Vallée-Jonction meet the competitor presence test.
9. The Commission notes that, for the exchanges of Frampton, St-Bernard-de-Dorchester, and St-Patrice-de-Beaurivage, the facilities-based, fixed-line telecommunications service provider on which the forbearance application is based in each of these exchanges indicated that it is not capable of serving at least 75 percent of the number of residential local exchange service lines that TCC is capable of serving.
10. Accordingly, the Commission determines that the exchanges of Frampton, St-Bernard-de-Dorchester, and St-Patrice-de-Beaurivage do not meet the competitor presence test.

c) Competitor quality of service (Q of S) results

11. The Commission notes that TCC submitted competitor Q of S results for the period of August 2011 to January 2012. 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. With regard to the second part of the criterion, the Commission considers that, overall, the results demonstrate that TCC has met the Q of S standards for each individual competitor. However, the Commission notes that there were few data points for some competitors during the six-month period. The Commission notes that, in Telecom Decision 2007-58, it considered that when there are only a few data points during a six-month period, there is insufficient data to make a finding that a company has consistently provided below-standard Q of S. The Commission considers that this principle applies in the case of the competitors mentioned above.

² These competitors are Bell Mobility, Cogeco, and CoopTel.

12. Accordingly, the Commission finds that TCC has demonstrated that during the six-month period from August 2011 to January 2012, 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.

d) Communications plan

14. The Commission notes that in lieu of filing a communications plan, TCC submitted that the plan it submitted in the proceeding leading to Telecom Decision 2007-64 also applies to the exchanges in the present application and conforms to the Commission's requirements set out in Telecom Decision 2007-64.
15. The Commission **approves**, for the purpose of the current application, the communications plan that TCC submitted in the proceeding leading to Telecom Decision 2007-64, subject to compliance with the revisions outlined in that decision. The Commission directs TCC to provide the resulting communications materials to its customers, in both official languages where appropriate.

Conclusion

16. The Commission determines that TCC's application regarding the exchanges of Cap-des-Rosiers, St-Joseph, Ste-Marie-de-Beauce, and Vallée-Jonction, Quebec, 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 the Appendix 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 the Appendix 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 exchanges of Cap-des-Rosiers, St-Joseph, Ste-Marie-de-Beauce, and Vallée-Jonction, 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 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 incumbent local exchange carriers would no longer receive subsidies for residential network access services (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 exchanges of Cap-des-Rosiers and Vallée-Jonction, effective the date of this decision.

Secretary General

Related documents

- *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 residential local exchange services*, Telecom Decision CRTC 2010-749, 8 October 2010
- *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 residential local exchange services in Fort McMurray, Alberta*, Telecom Decision CRTC 2007-58, 25 July 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

Local exchange services eligible for forbearance from regulation in this decision (for residential customers only)

Tariff	Item	List of services
25080	2.03.01a	Basic Service – Residence
25080	2.02.03	Residence Service
25080	2.05	Directories and Listings
25080	2.12	Telephone Number Reservation Service
25080	2.16.03	Toll Restriction Service
25080	2.20	TELUS – SmartTouch Services
25080	2.22.01a(1)	Call Display Blocking – Per Call
25080	2.22.01a(2)	Call Display Blocking – Per Line
25080	2.22.01a(3)	Call Display Blocking – Call Dialed by an Operator
25080	3.02.07e	Call Blocking Service – 900 Service