



## Telecom Decision CRTC 2020-72

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Ottawa, 25 February 2020

*Public record: 8663-K1-201903071*

### **KMTS, a division of Bell Canada – Implementation of local competition for TBayTel in the exchanges of Kenora and Keewatin, Ontario**

*The Commission **approves** KMTS's implementation plan for local competition, including local number portability, for TBayTel in the exchanges of Kenora and Keewatin, Ontario. The Commission's decision gives customers in these exchanges a greater choice of telecommunications services.*

#### **Application**

1. The Commission received an implementation plan for local competition, including local number portability (LNP) [the implementation plan], dated 2 May 2019, from KMTS, a division of Bell Canada (KMTS). In accordance with the framework set out in Telecom Decision 2006-14 and modified in Telecom Regulatory Policies 2011-291 and 2018-213, the implementation plan was submitted in response to a formal signed expression of interest from TBayTel, which indicated that TBayTel wished to interconnect with KMTS to provide local services as a competitive local exchange carrier in the exchanges of Kenora and Keewatin, Ontario (hereafter, the affected exchanges).
2. In its implementation plan, KMTS identified the services and network components that it planned to make available to TBayTel effective 30 September 2019. KMTS did not submit cost estimates or propose to recover its costs associated with the implementation of local competition for TBayTel in the affected exchanges.<sup>1</sup>
3. KMTS also submitted that it would file tariff applications associated with its proposed implementation plan within 90 days of the Commission's approval of its plan to implement local competition and LNP in the affected exchanges.
4. The Commission did not receive any interventions regarding KMTS's application.

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<sup>1</sup> KMTS submitted that it was not proposing to recover those costs at this time, given the Commission's current review of the ongoing appropriateness of the use of exogenous factors announced in Telecom Notice of Consultation 2018-214.

## Commission's analysis and determinations

5. The regulatory framework for the implementation of local competition in the small incumbent local exchange carriers' (ILECs) serving territories was established in Telecom Decision 2006-14, with the implementation of LNP being one of the key requirements. Pursuant to that framework, the small ILECs are required to file an implementation plan with the Commission within 30 days following a formal signed expression of interest from a carrier requesting to use competitor services within a small ILEC's serving territory. This implementation plan must include certain information with respect to the filing of tariffs for services to competitors; the timing of the implementation of local competitor services; the start-up cost estimates to implement local competition, including LNP, if appropriate, and how those costs could be recovered; and any other implementation issues that may be unique to the small ILEC. The Commission reviewed the framework in Telecom Regulatory Policy 2011-291 and determined that local competition should continue to be introduced in the serving territories of all the small ILECs based on the existing framework, subject to the modifications set out in that decision. In Telecom Regulatory Policy 2018-213, the Commission modified certain regulatory measures related to the framework.<sup>2</sup>
6. As indicated above, KMTS requested Commission approval of its plan to introduce local competition in its serving territory in response to a request from TBayTel. The services and network components proposed in KMTS's implementation plan are reasonable and similar to those that the Commission has approved for the small ILECs that have implemented local competition in their serving territories.
7. At this time, KMTS is not proposing to recover the costs associated with its implementation plan. However, any future proposal by KMTS for the recovery of its costs should be made by a specific deadline. Given that KMTS proposed to implement local competition and LNP within 90 days following the date of a Commission decision, the Commission considers that KMTS should be in a position to have an accurate estimate of its implementation costs within 60 days of the date of this decision.
8. The Commission considers that approving the implementation of local competition and LNP in the affected exchanges is appropriate and would benefit consumers. Accordingly, the Commission **approves** KMTS's implementation plan, and expects local competition to be implemented for TBayTel in the exchanges of Kenora and Keewatin by **25 May 2020**. The Commission **directs** KMTS to (i) provide information and assistance to TBayTel, as needed, to enable local competition and LNP to be implemented as quickly as possible and to ensure that TBayTel can begin its activities in the affected exchanges in accordance with the implementation plan;

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<sup>2</sup> In Telecom Regulatory Policy 2018-213, the Commission determined, among other things, that effective 26 June 2018, it would no longer accept new applications from small ILECs either for lost network access services subsidy or for local service subsidy for the recovery of ongoing costs related to local competition or wireless number portability.

and (ii) provide a proposal for the recovery of its implementation costs to the Commission by **27 April 2020**, should it seek to recover these costs.

## Policy Direction

9. In accordance with the 2019 Policy Direction,<sup>3</sup> the Commission considers that its approval of KMTS's implementation plan for local competition can promote competition, affordability, consumer interests, and innovation. Specifically, the approval of KMTS's application will promote competition and consumer interests, since it will (i) give customers in the affected exchanges a greater choice of telecommunications services, and (ii) help to ensure that consumers have access to high-quality telecommunications services resulting from local competition. Further, the Commission considers that its conclusions in this decision serve to further the achievement of the policy objectives set out in paragraphs 7(b), (c), (f), and (h) of the *Telecommunications Act*.<sup>4</sup>

Secretary General

## Related documents

- *Review of the price cap and local forbearance regimes*, Telecom Notice of Consultation CRTC 2018-214, 26 June 2018; as amended by Telecom Notices of Consultation CRTC 2018-214-1, 31 July 2018; and 2018-214-2, 20 February 2019
- *Phase-out of the local service subsidy regime*, Telecom Regulatory Policy CRTC 2018-213, 26 June 2018
- *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
- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006

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<sup>3</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

<sup>4</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; (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications; (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.