



Telecom Notice of Consultation CRTC 2009-575

Ottawa, 11 September 2009

Call for comments – Identification, scope, and prioritization of issues regarding obligation to serve, basic service objective, and local service subsidy regime

File number: 8663-C12-200912437

Introduction

1. In Telecom Decisions 2007-51 and 2008-34, the Commission established action plans to review existing regulatory measures pursuant to the Governor in Council's Policy Direction.¹ The action plans identified the obligation to provide telephone service (obligation to serve) and the local service subsidy regime as matters to be reviewed; however, in the proceedings that led to the development of the plans, parties provided little or no reasons for reviewing these particular measures. While neither plan mentioned the basic service objective for review, the Commission considers that this measure is associated with both the obligation to serve and the local service subsidy regime, and that these three measures are interrelated.
2. The Commission is seeking comments regarding the identification, scope, and prioritization of the issues, if any, associated with the obligation to serve, the basic service objective, and the local service subsidy regime that the parties consider warrant review at this time. Once the Commission has examined and analyzed the submissions in this proceeding, it will determine whether a review of these regulatory measures is warranted, and if so, the scope of such a review.

Background

3. In Telecom Decision 86-7, the Commission established the terms of service for the incumbent local exchange carriers (ILECs) then under its jurisdiction. In subsequent decisions, the Commission approved similar terms of service for all ILECs under its jurisdiction² that were not subject to Telecom Decision 86-7. These terms of service include the obligation to provide service to
 - existing customers,
 - new customers requesting service where the carrier has facilities (including the requirement to act as carrier of last resort), and

¹ The Governor in Council's *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006

² The ILECs currently include: Bell Aliant Regional Communications, Limited Partnership; Bell Canada; MTS Allstream Inc.; Saskatchewan Telecommunications; Télébec, Limited Partnership; TELUS Communications Company; Northwestel Inc.; and the small ILECs operating in Ontario, Quebec, and British Columbia.

- new customers requesting service beyond the limits of the carrier's facilities.³
4. The local service subsidy regime, along with the associated contribution regime, was set out in Decision 2000-745 with a view to subsidizing the provision of residential telephone service in rural and remote areas of Canada. The Commission has made a number of changes to the subsidy regime through subsequent decisions.⁴ The current local service subsidy regime provides funding to any local exchange carrier that provides a subscriber in a high-cost serving area with local service that is, at a minimum, equivalent to the basic service objective.⁵
 5. In Telecom Decision 2006-15, as amended by the Governor in Council's *Order Varying Telecom Decision CRTC 2006-15*, P.C. 2007-532, 4 April 2007, the Commission retained the ILECs' obligation to provide residential stand-alone primary exchange service in forborne markets in a manner consistent with the basic service objective.

Call for comments

6. The Commission seeks comments from parties with respect to the following:
 - Indicate, with supporting rationale, whether a review of the obligation to serve, the basic service objective, and/or the local service subsidy regime is necessary at this time.
 - If a review is considered necessary, (a) indicate whether these measures should be reviewed together in one proceeding or in separate proceedings, and (b) identify, including with respect to scope, and prioritize, with supporting rationale (e.g. importance, necessity, impact, etc.), the substantive issues associated with any of the identified regulatory measures that the Commission should address.
 - If a review is not considered necessary at this time, explain why not.
7. Parties should address, among other relevant matters, and as deemed necessary, the following in their comments:
 - the relationship between the obligation to serve, the basic service objective, and the local service subsidy regime; and

³ The terms and conditions associated with such service extensions are set out in the ILECs' respective General Tariffs.

⁴ The current subsidy regime is consolidated and summarized in Telecom Circular 2007-15.

⁵ In Telecom Decision 99-16, the Commission established the basic service objective, setting out a target for residential local exchange service in Canada. The basic service objective reflects the level of service available to most Canadians at that time and includes the following:

- individual line local Touch-Tone service;
- access to low-speed Internet at local rates;
- access to the long distance network and to operator/directory assistance services;
- enhanced calling features, including access to emergency services, voice message relay service, and privacy protection features; and
- a copy of a current local telephone directory.

- changes that have occurred in the telecommunications industry since these measures were first implemented (e.g. level of competition, technological change, regulatory environment, other jurisdictions).

Procedure

8. Parties interested in participating in this proceeding (including receiving copies of all submissions) must notify the Commission of their intention to do so by filling out the online form; or by writing to the Secretary General, CRTC, Ottawa, Ontario, K1A 0N2; or by faxing to: 819-994-0218 by **25 September 2009** (the registration date). Parties are to provide their email address, where available. If parties do not have access to the Internet, they are to indicate in their notice whether they wish to receive disk versions of hard-copy filings.
9. The Commission will post on its website, as soon as possible after the registration date, a complete list of interested parties and their mailing addresses (including their email addresses, if available), identifying those parties who wish to receive disk versions.
10. All parties may file with the Commission, serving copies on all other parties, comments with regard to the above-noted issues by **13 November 2009**.
11. The Commission expects to issue a decision on the issues raised in this notice within 120 days after the record closes.
12. The Commission will not formally acknowledge comments. It will, however, fully consider all comments and they will form part of the public record of the proceeding.
13. Where a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date.
14. Parties may file their submissions electronically or on paper. Submissions longer than five pages should include a summary.
15. Electronic submissions should be in HTML format. As an alternative, those making submissions may use "Microsoft Word" for text and "Microsoft Excel" for spreadsheets.
16. Each paragraph of all submissions should be numbered. In addition, the line *****End of document***** should be entered following the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
17. The Commission also encourages parties to monitor the record of this proceeding (and/or the Commission's website) for additional information that they may find useful when preparing their submissions.

Important notice

18. Note that all information that you provide as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be

posted on the Commission's website. This information includes your personal information, such as your full name, email address, postal/street address, telephone and facsimile number(s), and any other personal information you provide.

19. The personal information you provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
20. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as you send them, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
21. Please note that the information you provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of our website with the help of either our own search engine or a third-party search engine will not link directly to the information that was provided as part of this public process.

Location of CRTC offices

22. Submissions may be examined or will be made available promptly upon request at the Commission offices during normal business hours.

Toll-free telephone: 1-877-249-2782
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Secretary General

Related documents

- *Action plan for reviewing social and other non-economic regulatory measures in light of Order in Council P.C. 2006-1534*, Telecom Decision CRTC 2008-34, 17 April 2008
- *Action plan for the review of Commission regulatory measures in light of Order in Council P.C. 2006-1534*, Telecom Decision CRTC 2007-51, 11 July 2007
- *The Canadian revenue-based contribution regime*, Telecom Circular CRTC 2007-15, 8 June 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
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000

- *Telephone service to high-cost serving areas*, Telecom Decision CRTC 99-16, 19 October 1999
- *Review of the general regulations of the federally regulated terrestrial telecommunications common carriers*, Telecom Decision CRTC 86-7, 26 March 1986

This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>