



Telecom Decision CRTC 2017-5

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Bell Canada – Application for forbearance from the regulation of residential local exchange services

*The Commission **approves** Bell Canada’s request for forbearance from the regulation of residential local exchange services in 38 exchanges in New Brunswick and Nova Scotia. The Commission **denies** Bell Canada’s request for forbearance from the regulation of residential local exchange services in five exchanges in Nova Scotia and five exchanges in Prince Edward Island.*

Introduction

1. The Commission received an application from Bell Canada, dated 26 August 2016, in which the company requested forbearance from the regulation of residential local exchange services¹ in 48 exchanges in New Brunswick, Nova Scotia, and Prince Edward Island. A list of the 48 exchanges is set out in Appendix 1 to this decision.
2. The Commission received submissions and/or data regarding Bell Canada’s application from Bragg Communications Incorporated, operating as Eastlink (Eastlink); Cross Country TV Ltd. (Cross Country); Rogers Communications Canada Inc. (RCCI); Seaside Communications (Seaside); and TELUS Communications Company (TCC). The public record of this proceeding, which closed on 29 September 2016, is available on the Commission’s website at www.crtc.gc.ca or by using the file number provided above.

Commission’s analysis and determinations

3. Pursuant to the Commission’s requirements in Telecom Decision 2006-15, Bell Canada provided evidence to support its forbearance request, including competitor quality of service (Q of S) results for the six months preceding its application, and a draft communications plan for the Commission’s approval. The Commission has assessed Bell Canada’s application based on the local forbearance test set out in Telecom Decision 2006-15 by examining the four criteria set out below.

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.

Product market

4. Bell Canada is seeking forbearance from the regulation of 16 tariffed residential local exchange services. In Telecom Decision 2013-134, the Commission found all of these services to be eligible for forbearance. Therefore, the 16 services set out in Appendix 2 to this decision are eligible for forbearance.
5. The Commission received no comments with respect to Bell Canada's proposed list of residential local exchange services.

Competitor presence test

6. Information provided by parties demonstrates that there are, in addition to Bell Canada, at least two independent, facilities-based telecommunications service providers operating in 38 of the exchanges in question, including a provider of mobile wireless services.² These exchanges are set out in Appendix 3 to this decision. Each of these service providers offers local exchange services in the market and is capable of serving at least 75% of the number of residential local exchange service lines that Bell Canada is capable of serving, and at least one, in addition to Bell Canada, is a facilities-based, fixed-line telecommunications service provider.
7. Accordingly, the 38 exchanges listed in Appendix 3 meet the competitor presence test.
8. However, information provided by parties also demonstrates that in the 10 remaining exchanges in question, there are not at least two other independent, facilities-based telecommunications service providers operating in addition to Bell Canada. Accordingly, the Commission **denies** Bell Canada's request for forbearance from the regulation of residential local exchange services in five exchanges in Nova Scotia and five exchanges in Prince Edward Island.³

Competitor Q of S results

9. Bell Canada submitted its competitor Q of S results for the period of January to June 2016. The Commission has reviewed these results and finds that Bell Canada has demonstrated that during this six-month period 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.

² These competitors are Cross Country, Eastlink, RCCI, Seaside, and TCC.

³ These exchanges are Bedeque, Borden, Georgetown, Rusticoville, and Tignish (Prince Edward Island), and Canning, Guysborough, New Germany, Port Hawkesbury, and Port Greville (Nova Scotia).

10. Accordingly, Bell Canada meets the competitor Q of S criterion for this period.

Communications plan

11. The Commission has reviewed Bell Canada's proposed communications plan and is satisfied that it meets the information requirements set out in Telecom Decision 2006-15. However, Bell Canada should change the mailing address for the Canadian Radio-television and Telecommunications Commission to "Ottawa, Ontario K1A 0N2."

12. The Commission **approves** the proposed communications plan with the revision noted above and **directs** Bell Canada to provide the resulting communications materials to its customers, in both official languages where appropriate.

Conclusion

13. Bell Canada's application regarding the 38 exchanges in New Brunswick and Nova Scotia set out in Appendix 3 meets all the local forbearance criteria set out in Telecom Decision 2006-15.

14. 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 Bell Canada in these exchanges, of the residential local exchange services listed in Appendix 2 and of future local exchange services (as defined in Telecom Public Notice 2005-2 and as they pertain to residential customers only) would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.

15. 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.

16. 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 Bell Canada of these residential local exchange services in these exchanges would be unlikely to unduly impair the continuance of a competitive market for these services.

17. In light of the above, the Commission **approves** Bell Canada's application for forbearance from the regulation of the local exchange services listed in Appendix 2 and future local exchange services (as defined in Telecom Public Notice 2005-2), as they pertain to residential customers only, in the 38 exchanges in New Brunswick and Nova Scotia listed in Appendix 3, 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**

Bell Canada to file revised tariff pages⁴ with the Commission within **30 days** of the date of this decision.

18. 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, Bell Canada is to stop reporting to the Central Fund Administrator any high-cost residential NAS associated with the 38 exchanges listed in Appendix 3, effective the date of this decision.

Secretary General

Related documents

- *Bell Aliant Regional Communications, Limited Partnership – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2013-134, 18 March 2013
- *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
- *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

⁴ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

Appendix 1 to Telecom Decision CRTC 2017-5

Exchanges for which Bell Canada requested forbearance from the regulation of its residential local exchange services

New Brunswick

Allardville
Baker Brook
Balmoral
Belledune
Blacks Harbour
Cap-Pelé
Caraquet
Clair
Cocagne
Dalhousie
Florenceville
Fredericton Junction
Grand Falls
Grand Manan
Kedgwick
Lameque
Mcadam
Nackawic
Neguac
New Denmark
Paquetville
Sainte-Anne-de-Madawaska
Saint-Isidore
Shippagan
St. George
St. Leonard
St. Stephen
Welsford

Nova Scotia

Annapolis Royal
Barrington
Bridgetown
Canning
Digby
Guysborough
Louisbourg
Marion Bridge
Meteghan

New Germany
Port Greville
Port Hawkesbury
Pubnico
Shelburne
St. Peters

Prince Edward Island

Bedeque
Borden
Georgetown
Rusticoville
Tignish

Appendix 2 to Telecom Decision CRTC 2017-5

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

Tariff	Item	List of services
21491	125.3	Extra Listings
21491	125.4	Non-Listed, Non-Published Service
21491	125.5	Contract Period for Chargeable Extra Listings
21491	125.6	Directories and Listings – Rates and Charges
21491	205.1	Residence Single Line Access Service
21491	205.3	Residence Multi-line Access Service
21491	205.5	Residence Party Line Access Service
21491	257	Express Service
21491	280	Fibre to the Home (FTTH)
21491	300	Residence Single-Line Access Bundles
21491	300.1	Enhanced Consumer Access
21491	300.2	Atlantic Access Bundle
21491	300.3	Canada/U.S. Access Bundle
21491	304	Enhanced Local Calling (Calling Features)
21491	312	900 Call Denial/Blocking Service
21491	348	Hospital Patient Telephone Service

Appendix 3 to Telecom Decision CRTC 2017-5

Exchanges that meet all the local forbearance criteria set out in Telecom Decision 2006-15

New Brunswick

Allardville
Baker Brook
Balmoral
Belledune
Blacks Harbour
Cap-Pelé
Caraquet
Clair
Cocagne
Dalhousie
Florenceville
Fredericton Junction
Grand Falls
Grand Manan
Kedgwick
Lameque
Mcadam
Nackawic
Neguac
New Denmark
Paquetville
Sainte-Anne-de-Madawaska
Saint-Isidore
Shippagan
St. George
St. Leonard
St. Stephen
Welsford

Nova Scotia

Annapolis Royal
Barrington
Bridgetown
Digby

Louisbourg
Marion Bridge
Meteghan
Pubnico
Shelburne
St. Peters