



Telecom Decision CRTC 2019-49

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DMTS – Implementation of local competition for TBayTel in the exchange of Dryden, Ontario

*The Commission **approves** DMTS's implementation plan for local competition, including local number portability, for TBayTel in the exchange of Dryden, Ontario.*

Application

1. The Commission received an implementation plan for local competition, including local number portability (LNP), dated 5 March 2018, from DMTS. In accordance with the framework set out in Telecom Decision 2006-14 and modified in Telecom Regulatory Policy 2011-291, the implementation plan was submitted in response to a formal signed expression of interest from TBayTel, which indicated that TBayTel wished to interconnect with DMTS to provide local services as a competitive local exchange carrier (CLEC) in the exchange of Dryden, Ontario.
2. In its implementation plan, DMTS identified the services and network components that it planned to make available to TBayTel effective 30 September 2018. DMTS also submitted that it was planning on filing its cost recovery proposal by the end of June 2018.
3. The Commission received an intervention in support of DMTS's application from TBayTel in early April 2018.
4. On 17 September 2018, in response to a request for information from Commission staff, DMTS informed the Commission that it was not proposing to recover its start-up and ongoing costs associated with the implementation of local competition for TBayTel in the Dryden exchange.¹ Further, DMTS submitted that its application under the small incumbent local exchange carriers' (ILECs) framework was appropriate even though it is a division of Bell Canada and not a separate legal entity.² TBayTel did not oppose DMTS's approach.

¹ DMTS submitted that it was not proposing to recover those costs given the Commission's current review of the ongoing appropriateness of the use of exogenous factors announced in Telecom Notice of Consultation 2018-214.

² In Telecom Regulatory Policy 2018-213, the Commission noted that DMTS became a division of Bell Canada and determined that for the purposes of qualifying for and calculating any subsidy, DMTS should be subject to the subsidy regime for large ILECs. This determination was applicable only to the

5. On 5 October 2018, the Commission received a tariff application from DMTS (Tariff Notice 73) in which the company proposed changes to its General Tariff for local interconnection as per the proposed implementation plan.

Commission's analysis and determinations

6. The regulatory framework for the implementation of local competition in the small ILECs' serving territories was established in Telecom Decision 2006-14, with the implementation of LNP being one of the key requirements. In that decision, the Commission directed each small ILEC 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. The decision also included directives that the small ILECs must follow when submitting their implementation plans. For example, the Commission indicated that the plan should include certain details, such as when tariffs will be filed, the timing of the implementation of local competitor services, the start-up costs to implement local competition including LNP if appropriate and how those costs will be recovered, and any other implementation issues that may be unique to that small ILEC. The Commission reviewed this framework and determined, in Telecom Regulatory Policy 2011-291, that local competition should continue to be introduced in the serving territories of all the small ILECs based on the existing frameworks, subject to the modifications set out in that decision.
7. As indicated above, DMTS requested Commission approval of a plan for the implementation of local competition in the Dryden exchange in response to a request from TBayTel, and the implementation plan is supported by TBayTel. Further, the services and network components proposed in the implementation plan are similar to those that the Commission has approved for small ILECs that have implemented local competition in their serving territories. In addition, DMTS is not proposing to recover its start-up and ongoing costs associated with the implementation of local competition for TBayTel.
8. The Commission considers that approval of DMTS's implementation plan is reasonable and would benefit both competition and consumers in the Dryden exchange. Accordingly, the Commission **approves** DMTS's implementation plan, and expects local competition to be implemented for TBayTel in the exchange of Dryden, Ontario within **90 days** of the date of this decision. The Commission **directs** DMTS to provide information and assistance to TBayTel, as required, to implement local competition in accordance with the implementation plan.

Secretary General

question of subsidy for DMTS and does not affect the company's treatment under the Commission's local competition regulatory framework.

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 Notice of Consultation CRTC 2018-214-1, 31 July 2018
- *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