



Telecom Decision CRTC 2021-313

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Cochrane Telecom Services – Application for forbearance from the regulation of residential local exchange services

The Commission **approves** Cochrane Telecom Services' request for forbearance from the regulation of residential local exchange services in the exchange of Cochrane, Ontario.

Application

1. The Commission received an application from Cochrane Telecom Services (CochraneTel), dated 27 April 2021, in which the company requested forbearance from the regulation of residential local exchange services¹ in the exchange of Cochrane, Ontario.
2. Pursuant to the Commission's requirements in Telecom Regulatory Policy 2009-379 and Telecom Decision 2006-15, CochraneTel provided evidence to support its application.
3. The Commission received interventions from Bragg Communications Incorporated, carrying on business as Eastlink (Eastlink), and TELUS Communications Inc. (TCI).
4. TCI confirmed that its wireless service is capable of covering at least 75% of the Ontario exchange of Cochrane. Eastlink confirmed that it offers wireline residential service to at least 75% of the number of residential local exchange lines in the Cochrane exchange. Eastlink further clarified that it does not offer wireless service in this exchange.

Commission's analysis and determinations

5. The Commission notes that this application pertains to the serving territory of CochraneTel, which, as a small incumbent local exchange carrier (ILEC), is subject to the regulatory framework for forbearance in Telecom Regulatory Policy 2009-379.
6. The Commission has assessed CochraneTel's application on the basis of the local forbearance test set out in Telecom Decision 2006-15 by examining the following four criteria: (i) product market, (ii) competitor presence test, (iii) competitor quality of

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.

service (Q of S) results, and (iv) communications plan. These criteria are based on the local forbearance test originally set out in Telecom Decision 2006-15 and applied to the small ILECs, with modifications, in Telecom Regulatory Policy 2009-379.

Product market

7. CochraneTel is seeking forbearance from the regulation of 11 tariffed residential local exchange services. A list of these services is set out in the Appendix to this decision. In Telecom Decision 2005-35, the Commission found that services similar to these 11 services are eligible to be considered for forbearance. In addition, the Commission has previously approved applications for forbearance from the regulation of business local exchange services offered by CochraneTel in this exchange.²
8. Accordingly, the Commission determines that the 11 services listed in the Appendix to this decision are eligible for forbearance.

Competitor presence test

9. Information provided by CochraneTel, which was not disputed, demonstrates that there are, in addition to CochraneTel, at least two independent, facilities-based telecommunications service providers (TSPs) operating in the exchange of Cochrane, including a provider of mobile wireless services.³ Each of these service providers offers local exchange services in the exchange of Cochrane and is capable of serving at least 75% of the number of residential local exchange service lines that CochraneTel is capable of serving and at least one, in addition to CochraneTel, is a facilities-based, fixed-line telecommunications service provider.
10. Accordingly, the exchange of Cochrane meets the competitor presence test.

Competitor Q of S results

11. CochraneTel attested that it received no Q of S complaints from competitors in the six months prior to the date of this application for forbearance.⁴
12. Accordingly, Cochrane's competitor Q of S is at a sufficient level to warrant forbearance from the regulation of residential local exchange services in the exchange of Cochrane.

Communications plan

13. The Commission has reviewed CochraneTel's proposed communications plan and is satisfied that it meets the information requirements set out in Telecom Decision 2006-

² See Telecom Decision 2016-209.

³ These competitors are Eastlink and TCI.

⁴ In Telecom Regulatory Policy 2009-379, the Commission stated that, if applicable, a small ILEC could submit an attestation that it had received no complaints from competitors in the six months prior to the date of the forbearance application, or since the implementation of local competition if less than six months had passed.

15. The Commission **approves** the proposed communications plan and **directs** CochraneTel to provide the resulting communications materials to its customers, in both official languages where appropriate.

Conclusion

14. CochraneTel's application regarding the exchange of Cochrane meets all the local forbearance criteria set out in Telecom Decision 2006-15 and modified by Telecom Regulatory Policy 2009-379 for small ILECs.
15. 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 CochraneTel in this exchange, of the residential local exchange services listed in the Appendix to this decision 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.
16. 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 this exchange sufficient to protect the interests of users of these services.
17. 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 CochraneTel of these residential local exchange services in this exchange would be unlikely to unduly impair the continuance of a competitive market for these services.
18. In light of the above, the Commission **approves** CochraneTel's application for forbearance from the regulation of the local exchange services listed in the Appendix to this decision and of future local exchange services (as defined in Telecom Public Notice 2005-2 and as they pertain to residential customers only), in the exchange of Cochrane, 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** CochraneTel to issue revised tariff pages⁵ by **4 October 2021**.

Policy Directions

19. The Governor General in Council issued a new policy direction to the Commission, pursuant to section 8 of the Act (the 2019 Policy Direction).⁶ The 2019 Policy Direction

⁵ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

⁶ *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

provides that when the Commission is exercising its powers and performing its duties under the Act, it should consider how its decisions can promote competition, affordability, consumer interests, and innovation.

20. Moreover, the Commission should, in its decisions, demonstrate its compliance with the 2019 Policy Direction and specify how those decisions can, as applicable, promote competition, affordability, consumer interests, and innovation.
21. The Commission considers that its forbearance determination in this decision is consistent with subparagraphs 1(a)(i), (ii), and (iii) of the 2019 Policy Direction, which state that the Commission should consider the extent to which its decisions
 - encourage all forms of competition and investment;
 - foster affordability and lower prices, particularly when TSPs exercise market power; and
 - ensure that affordable access to high-quality telecommunications services is available in all regions of Canada, including rural areas.
22. In particular, the Commission considers that its forbearance determination will promote affordability and consumer interests, since it will help to ensure that consumers have access to affordable high-quality telecommunications services resulting from local competition.
23. In light of the above, the Commission considers that its determination to approve CochraneTel's forbearance application will promote competition, affordability, and consumer interests.
24. In addition, consistent with subparagraph 1(b)(i) of the 2006 Policy Direction,⁷ the Commission considers that the regulatory measures set out in this decision serve to advance the policy objectives set out in paragraphs 7(b), (f), and (h) of the Act.⁸

Secretary General

Related documents

- *Cochrane Telecom Services – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2016-209, 31 May 2016

⁷ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁸ 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; (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.

- *Framework for forbearance from regulation of retail local exchange services in the serving territories of the small incumbent local exchange carriers*, Telecom Regulatory Policy CRTC 2009-379, 23 June 2009
- *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
- *List of services within the scope of the proceeding on forbearance from the regulation of local exchange services*, Telecom Decision CRTC 2005-35, 15 June 2005; as amended by Telecom Decision CRTC 2005-35-1, 14 July 2005
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005

Appendix to Telecom Decision CRTC 2021-313

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

Tariff	Item	List of Services
25350	100	Exchange Service
25350	110	Service Charges
25350	120	Telephone Set Loss
25350	140 (4)	Extra Listings
25350	140 (5)	Initial Service Period for Chargeable Extra Listings
25350	140 (6)	Rate for Extra Listings
25350	170	Residential Service
25350	220	Additional Telephone
25350	240	Multi-line Telephone Systems and Key Equipment
25350	400	Exchange Radio Telephone
25350	490	Miscellaneous Equipment