



Telecom Decision CRTC 2007-63

Ottawa, 3 August 2007

MTS Allstream Inc. – Application for forbearance from the regulation of residential local exchange services

Reference: 8640-M59-200707135 and 8640-C12-200706351

In this Decision, the Commission approves MTS Allstream Inc.'s request for forbearance from the regulation of residential local exchange services in the Winnipeg exchange.

Introduction

1. The Commission received an application by MTS Allstream Inc. (MTS Allstream), dated 7 May 2007, in which the company requested forbearance from the regulation of residential local exchange services¹ in the Winnipeg exchange. This exchange is associated with a priority census metropolitan area (CMA).²
2. In a letter dated 7 May 2007, the Commission directed incumbent local exchange carriers (ILECs), competitive local exchange carriers, and wireless service providers to provide additional information regarding current local forbearance applications.
3. The Commission received submissions and/or data regarding MTS Allstream's application and/or local forbearance applications in general from Access Communications Co-operative Limited; Amtelecom Cable Limited Partnership; Bell Aliant Regional Communications, Limited Partnership; Bell Canada; Bell Mobility Inc.; Bragg Communications Inc., carrying on business as EastLink; Bruce Telecom; Canadian Cable Systems Alliance Inc.; Cogeco Cable; Execulink Telecom Inc.; Globility Communications Corporation; Mountain Cablevision Ltd; Primus Telecommunications Canada Inc.; the Public Interest Advocacy Centre on behalf of the Consumers' Association of Canada and the National Anti-Poverty Organization; Quebecor Media Inc. for Videotron Ltd.; Rogers Communications Inc.; Saskatchewan Telecommunications; Shaw Telecom Inc.; 9164-3122 Québec inc., doing business as Sogetel Numérique; Téléphone Drummond inc.; TELUS Communications Corporation; and WTC Communications.
4. The record of this proceeding closed with MTS Allstream's revised competitor quality of service (Q of S) submission, dated 28 June 2007.

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.

² Paragraph 522 of 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 (modified Telecom Decision 2006-15) states that applications for local forbearance related to local exchanges located wholly or partially within the census metropolitan areas of Calgary, Edmonton, Halifax, Hamilton, London, Montréal, Ottawa-Gatineau, Québec, Toronto, Vancouver, or Winnipeg will be given priority by the Commission.

5. The Commission has assessed MTS Allstream's application based on the local forbearance test set out 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 (modified Telecom Decision 2006-15), by examining the following:
 - a) Product market
 - b) Competitor presence test
 - c) Competitor Q of S results
 - d) Communications plan

Commission's analysis and determinations

a) Product market

6. The Commission received no comments with respect to MTS Allstream's proposed list of residential local exchange services.
7. The Commission notes that MTS Allstream is seeking forbearance for 23 tariffed residential local exchange services. The Commission also notes that 13 of these services were included in the list of services set out in Telecom Decision 2005-35.
8. Accordingly, the Commission considers these 13 services proposed by MTS Allstream for forbearance to be appropriate.
9. The remaining 10 services were excluded from the scope of eligible local exchange services in Telecom Decision 2005-35 because they were either generic services or service bundles. In that Decision, the Commission noted that:
 - i) tariffs for generic services apply not only to local exchange services, but also to other telecommunications services, and when it forbore from regulating a particular local exchange service, the relevant generic service tariffs would no longer apply to that forborne service; and
 - ii) tariff approval is not required for a bundle that does not include any tariffed service.
10. Accordingly, the Commission determines that it need not make forbearance findings regarding generic services and service bundles that do not include a tariffed service.
11. The list of approved services is set out in the Appendix to this Decision.

b) Competitor presence test

12. The Commission notes that for the Winnipeg exchange, information provided by parties confirms that there are, in addition to MTS Allstream, at least two independent facilities-based telecommunications service providers, including providers of mobile wireless services. Each

of these service providers offers local exchange services in the market and is capable of serving at least 75 percent of the number of residential local exchange service lines that MTS Allstream is capable of serving, and at least one, in addition to MTS Allstream, is a facilities-based, fixed-line telecommunications service provider.

13. Accordingly, the Commission determines that the Winnipeg exchange meets the competitor presence test.

c) Competitor Q of S results

14. The Commission notes that MTS Allstream submitted competitor Q of S results for the period of December 2006 to May 2007.
15. The Commission has reviewed MTS Allstream's competitor Q of S results and finds that the company has demonstrated that during this six-month period it
 - i) met, on average, the Q of S standard for each indicator set out in Appendix B of modified 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.
16. Accordingly, the Commission determines that MTS Allstream's competitor Q of S results meet the competitor Q of S criterion.

d) Communications plan

17. The Consumer Groups submitted that MTS Allstream's communications plan was inadequate and proposed specific and detailed elements to be addressed by the company in its plan.
18. The Commission notes that modified Telecom Decision 2006-15 states that the communications plan should describe how the ILEC intends to explain local forbearance to customers in the relevant market, provide information concerning the ongoing availability of stand-alone primary exchange service in the market, and provide contact information for customers who have questions or concerns.
19. The Commission has reviewed MTS Allstream's draft communications plan and is satisfied that it generally meets the information requirements set out in modified Telecom Decision 2006-15. However, the Commission considers that the company should make the following changes to the plan (*italics represent revisions to be made*):
 - i) Revise the first sentence of the first paragraph as follows:

MTS would like to let Winnipeg customers know that as of (date), the price and most terms for local telephone services in your area are no longer regulated by the Canadian Radio-television and Telecommunications Commission (CRTC).

- ii) Revise the second sentence of the second paragraph as follows:

The CRTC has directed MTS Allstream to maintain certain requirements, such as continuing to provide stand-alone residential primary exchange service in forborne areas at no more than the most recently CRTC-approved rates.

- iii) Indicate that MTS Allstream is to be the first point of contact for its local service customers' questions regarding local forbearance. Contact information must include a mailing address, telephone number, and email address.
- iv) Provide mailing addresses for each organization listed in the communications plan.
- v) Add the following information to the contact list, after MTS Allstream's contact information and before the Commission's contact information:

Commissioner for Complaints for Telecommunications Services (CCTS)

Website

www.ccts-cprst.ca

Email

General inquiries: info@ccts-cprst.ca

Complaints: complaints@ccts-cprst.ca

Telephone

Toll-free: 1-888-221-1687

Ottawa area: 613-244-9585

Toll-free fax: 1-877-782-2924

Postal address

P.O. Box 81088, Ottawa, ON K1P 1B1

- vi) Add the following information to the contact list, after the Commission's contact information:

Canadian Consumer Information Gateway – Office of Consumer Affairs
Industry Canada
235 Queen Street
6th Floor West
Ottawa, ON
K1A 0H5

Tel: 613-946-2576

Email: consumer.information@ic.gc.ca

and

Office of the Privacy Commissioner of Canada
112 Kent Street
Place de Ville
Tower B, 3rd Floor
Ottawa, Ontario
K1A 1H3
Toll-free: 1-800-282-1376
Phone: 613-995-8210
Fax: 613-947-6850
TTY: 613-992-9190

20. The Commission **approves** the proposed communications plan with the revisions outlined above. The Commission directs MTS Allstream to provide the resulting communications materials to its customers in both official languages, where appropriate.

Conclusion

21. The Commission determines that MTS Allstream's application meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
22. Pursuant to subsection 34(1) of the *Telecommunications Act* (the Act), the Commission finds as a question of fact that a determination to forbear, to the extent specified in modified Telecom Decision 2006-15, from the regulation of the residential local exchange services listed in the Appendix and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2 as they pertain to residential customers only, in the Winnipeg exchange, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
23. 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 the Winnipeg exchange sufficient to protect the interests of users of these services.
24. Pursuant to subsection 34(3) the Act, the Commission finds as a question of fact that to forbear, to the extent specified in modified Telecom Decision 2006-15, from regulating these residential local exchange services in the Winnipeg exchange would be unlikely to impair unduly the continuance of a competitive market for these services.
25. In light of the above, the Commission **approves** MTS Allstream's application for forbearance from the regulation of the local exchange services listed in the Appendix and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2, as they pertain to residential customers only, in the Winnipeg exchange, subject to the powers and duties that the Commission has retained as set out in modified Telecom Decision 2006-15. This determination takes effect as of the date of this Decision. The Commission directs MTS Allstream to file for Commission approval revised tariff pages within 30 days.

Related documents

- *Forbearance from the regulation of retail local exchange services*, Telecom Decision CRTC 2006-15, 6 April 2006, as amended by the Governor in Council's *Order Varying Telecom Decision CRTC 2006-15*, 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
- *Finalization of quality of service rate rebate plan for competitors*, Telecom Decision CRTC 2005-20, 31 March 2005
- *Forbearance from regulation of local exchange services*, Telecom Public Notice CRTC 2005-2, 28 April 2005

Secretary General

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>

Appendix

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

Tariff	Item	List of services
24001	475	Rate Schedule for Primary Exchange Service
24001	480	Community Calling Service
24001	490	Urban Unlimited Service
24001	720	Premium Exchange Service (Residential)
24001	800	Suspension of Service
24001	1000	Joint User Service (Residential)
24001	1600	Directory Listings
24001	2126	Label Service
24001	2135	Custom Telephone Number Service
24001	2136	Rotary Service (Residential)
24001	2142	Calling Features
24001	2148	Voice Messaging Service
24001	2450	Remote Call Forwarding