



Telecom Decision CRTC 2007-66

Ottawa, 3 August 2007

Saskatchewan Telecommunications – Application for forbearance from the regulation of residential local exchange services

Reference: 8640-S22-200706179 and 8640-C12-200706351

In this Decision, the Commission approves Saskatchewan Telecommunications' request for forbearance from the regulation of residential local exchange services in the Saskatoon exchange.

Introduction

1. The Commission received an application by Saskatchewan Telecommunications (SaskTel), dated 18 April 2007, in which the company requested forbearance from the regulation of residential local exchange services¹ in the Saskatoon exchange.
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 SaskTel'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; MTS Allstream Inc.; Primus Telecommunications Canada Inc.; Public Interest Advocacy Centre on behalf of the Consumers' Association of Canada and the National Anti-Poverty Organization (the Consumer Groups); Quebecor Media Inc. for Videotron Ltd.; Rogers Communications Inc.; SaskTel; 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 SaskTel's reply comments, dated 11 June 2007.
5. The Commission has assessed SaskTel'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:

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.

- a) Product market
- b) Competitor presence test
- c) Competitor quality of service (Q of S) results
- d) Communications plan

Commission's analysis and determinations

a) Product market

- 6. The Commission received no comments with respect to SaskTel's proposed list of residential local exchange services.
- 7. The Commission notes that SaskTel is seeking forbearance for 17 tariffed residential local exchange services. The Commission also notes that 15 of these services were included in the list of services set out in Telecom Decision 2005-35.
- 8. The Commission notes that the other two services, Feature Package and Network Access Service Promotion, did not exist when Telecom Decision 2005-35 was issued. However, the Commission considers that these services fall within the definition of local exchange services set out in Telecom Public Notice 2005-2.
- 9. Accordingly, the Commission considers the list of services proposed by SaskTel for forbearance to be appropriate. The list of approved services is set out in the Appendix to this Decision.

b) Competitor presence test

- 10. The Commission notes that for the Saskatoon exchange, information provided by parties confirms that there are, in addition to SaskTel, 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 SaskTel is capable of serving, and at least one, in addition to SaskTel, is a facilities-based, fixed-line telecommunications service provider.
- 11. Accordingly, the Commission determines that the Saskatoon exchange meets the competitor presence test.

c) Competitor Q of S results

- 12. The Commission notes that SaskTel submitted competitor Q of S results for the period of October 2006 to March 2007.
- 13. The Commission has reviewed SaskTel'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.

14. Accordingly, the Commission determines that SaskTel's competitor Q of S results meet the competitor Q of S criterion.

d) Communications plan

15. The Consumer Groups submitted that SaskTel's communications plan was inadequate and proposed specific and detailed elements to be addressed by the company in its plan.

16. 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.

17. The Commission has reviewed SaskTel'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 bullet in the section entitled Key Messages as follows:

– A general explanation of what local forbearance means:

- *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).*
- SaskTel will not require CRTC approval before launching services or making changes to *many* existing services and rates.

ii) Revise the second bullet of the second item in the Key Messages section as follows:

The CRTC has directed SaskTel 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 SaskTel 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) Provide the following information to the contact list, after SaskTel'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

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

Conclusion

19. The Commission determines that SaskTel's application meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
20. 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 Saskatoon exchange, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.

21. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that these residential exchange local services are subject to a level of competition in the Saskatoon exchange sufficient to protect the interests of users of these services.
22. 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 Saskatoon exchange would be unlikely to impair unduly the continuance of a competitive market for these services.
23. In light of the above, the Commission **approves** SaskTel'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 Saskatoon 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.

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
- *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

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>

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

Services included in Telecom Decision 2005-35

Tariff	Item	List of services
21411	100.3	Extended Area Service (Discontinued)
21411	105.1	Excess Mileage Charges
21411	110.02	Seasonal Service
21411	110.06	Extended Network Access Service
21411	110.10	Network Access Service (Discontinued)
21411	110.12	Network Access Service
21411	110.14	Temporary Telephone Service
21411	150.05	Rotary Hunting Service
21411	150.15	SmartTouch Subscription Service
21411	160.10	Telephone Directory Service – Non-Listed and Non-Published Numbers
21411	160.25	Intercept Service
21412	550.06	MessageManager One
21412	550.08	MessageManager
21412	550.10	TalkMail
21412	580.02	Internet Call Waiting

Additional forbearance-eligible services

Tariff	Item	List of services
21411	300.05	Feature Package
21411	420.01	Network Access Service Promotion