



Telecom Decision CRTC 2007-92

Ottawa, 27 September 2007

TELUS Communications Company – Application for forbearance from the regulation of business local exchange services

Reference: 8640-T66-200709074

In this Decision, the Commission approves TELUS Communications Company's (TCC) request for forbearance from the regulation of business local exchange services in 35 exchanges in Alberta, British Columbia, and Quebec. The Commission denies TCC's request for forbearance in 42 other exchanges in these provinces.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 15 June 2007, in which the company requested forbearance from the regulation of business local exchange services¹ in 77 exchanges. These exchanges are located in Alberta, British Columbia, and Quebec and include exchanges in the priority census metropolitan areas (CMAs) of Calgary, Edmonton, Quebec, and Vancouver. A list of these exchanges is set out in Appendix 1 of this Decision.
2. The Commission received submissions and/or data regarding TCC's application from Bell Canada; Cogeco Cable Inc. (Cogeco); MTS Allstream Inc. (MTS Allstream); Quebecor Media Inc., on behalf of Videotron Ltd. (Videotron); Rogers Communications Inc. (RCI); and Shaw Telecom Inc. (Shaw).
3. The record of this proceeding closed with RCI's response to a Commission interrogatory, dated 20 August 2007.
4. The Commission has assessed TCC'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 quality of service (Q of S) results
 - d) Communications plan

¹ In this Decision, "business local exchange services" refers to local exchange services used by business customers to access the public switched telephone network, and any associated service charges, features, and ancillary services.

Commission's analysis and determinations

a) Product market

5. The Commission notes that TCC is seeking forbearance for 65 tariffed business local exchange services in Alberta and British Columbia, and 24 in Quebec. Of these, 49 of the services in Alberta and British Columbia and 16 of the services in Quebec were included in the list of services eligible for forbearance set out in Telecom Decision 2005-35.
6. The Commission notes that MTS Allstream objected to Centrex services and services not listed in Telecom Decision 2005-35 being included in the relevant product market.
7. The Commission notes that it issued Telecom Public Notice 2007-14 to address the issue of Centrex services in relation to applications for forbearance from the regulation of business local exchange services. Accordingly, the Commission will not consider TCC's application regarding the Centrex services set out in Appendix 2 of this Decision.
8. The Commission notes, further, that in Telecom Decision 2005-35 it excluded from the scope of eligible local exchange services those that 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.
9. The Commission notes that it need not make forbearance findings regarding generic services and service bundles that do not include a tariffed service.
10. The Commission considers that although the remaining services – seven in Alberta and British Columbia and three in Quebec – were not included in the list of eligible local exchange services in Telecom Decision 2005-35, they fall within the definition of local exchange services as set out in Telecom Public Notice 2005-2.
11. The approved services, including the remaining services that fall within the definition set out in Telecom Public Notice 2005-2, are listed in Appendix 3 of this Decision.

b) Competitor presence test

12. The Commission notes that TCC requested forbearance from the regulation of business local exchange services in 17 exchanges in Alberta, 43 exchanges in British Columbia, and 17 exchanges in Quebec.

13. The Commission also notes that for 35 of these exchanges, information provided by parties confirms that there is, in addition to TCC, at least one other independent facilities-based, fixed-line telecommunications service provider that offers local exchange services in the market and is capable of serving at least 75 percent of the business local exchange service lines that TCC is capable of serving. Accordingly, the Commission determines that these 35 exchanges meet the competitor presence test.
14. The Commission notes TCC's submission that competitors were capable of serving at least 75 percent of the business local exchange service lines that TCC was capable of serving in the remaining 42 exchanges.
15. Bell Canada, Cogeco, MTS Allstream, RCI, and Shaw submitted that they did not offer retail business local exchange services in any of these 42 exchanges where TCC had identified them as competitors. Videotron submitted that although it did offer business local exchange services in some of these 42 exchanges where TCC had identified it as a competitor, it was not capable of serving at least 75 percent of the business local exchange service lines that TCC was capable of serving in those exchanges.
16. The Commission also notes TCC's reply that the answers provided by competitors, with the exception of those provided by Bell Canada and Cogeco, were not based on any evidence. The Commission notes, however, that MTS Allstream, RCI, Shaw, and Videotron did provide information regarding the exchanges where they were co-located and, where Videotron did offer business services, it provided an estimate of the number of business customers it was able to serve in the exchanges in question. The Commission considers that based on the above, for the remaining 42 exchanges, competitors are not capable of serving at least 75 percent of the business local exchange service lines that TCC is capable of serving.
17. Accordingly, the Commission determines that the remaining 42 exchanges do not meet the competitor presence test.
18. A list of the exchanges that meet the competitor presence test is set out in Appendix 4 of this Decision.

e) Competitor Q of S results

19. The Commission notes that, as determined in Telecom Decision 2007-64, TCC's competitor Q of S results for the period of December 2006 to May 2007 meet the competitor Q of S criterion for local forbearance.

d) Communications plan

20. The Commission notes that modified Telecom Decision 2006-15 states that an ILEC's 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.

21. The Commission has reviewed TCC'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) Ensure that it appropriately targets business customers.

ii) Include the following statement:

The CRTC has directed TCC to maintain certain requirements, such as the provision of telephone directories and the maintenance of customer confidentiality provisions, in the provision of local business exchange services in forborne areas.

iii) Indicate that TCC 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 TCC'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

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

Conclusion

23. The Commission determines that TCC's application regarding the 35 exchanges listed in Appendix 4 meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
24. 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 business local exchange services listed in Appendix 3 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2 as they pertain to business customers only, in the 35 exchanges listed in Appendix 4, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
25. Pursuant to subsection 34(2) of the Act, the Commission finds as a question of fact that these business local exchange services are subject to a level of competition in these exchanges sufficient to protect the interests of users of these services.
26. Pursuant to subsection 34(3) of 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 business local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.
27. In light of the above, the Commission **approves** TCC's application for forbearance from the regulation of the local exchange services listed in Appendix 3 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2, as they pertain to business customers only, in the 35 exchanges listed in Appendix 3, 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 TCC to file for Commission approval revised tariff pages within 30 days.
28. The Commission determines that TCC's application does not meet all the local forbearance criteria set out in modified Telecom Decision 2006-15 for the remaining 42 exchanges. Accordingly, the Commission **denies** TCC's application for forbearance from the regulation of business local exchange services in these 42 exchanges.

Secretary General

Related documents

- *TELUS Communications Company – Applications for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-64, 3 August 2007

- *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

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>

**TCC requested forbearance from the regulation of its business local exchange services
in the following 77 exchanges:**

Alberta

Calgary CMA

Airdrie
Calgary
Cochrane

Edmonton CMA

Edmonton
Fort Saskatchewan
Sherwood Park
Spruce Grove
St. Albert

Exchanges outside of the priority CMAs

Canmore
Fort McMurray
Grand Prairie
High River
Lethbridge
Medicine Hat
Okotoks
Red Deer
Strathmore

British Columbia

Vancouver CMA

Aldergrove
Fort Langley
Haney
Ladner
Langley
New Westminster
Newton
North Vancouver
Pitt Meadows
Port Coquitlam
Port Moody
Richmond
Vancouver
West Vancouver
Whalley
White Rock

Exchanges outside of the priority CMAs

Abbotsford
Agassiz
Chilliwack
Cobble Hill
Duncan
Fort St. John
Kelowna
Lakeview Heights
Lantzville
Mission
Nanaimo
North Kamloops
Okanagan Falls
Okanagan Mission
Penticton
Prince George
Qualicum
Rutland
Saanich
Sooke
South Kamloops
Squamish
Vernon
Victoria
Wellington
Westbank
Whistler

Quebec

Quebec CMA

St-Augustin-de-Desmaures
St-Lambert-de-Lauzon

Exchanges outside of the priority CMAs

Baie-Comeau (Hauterive)
Baie-Comeau (Marquette)
Donnacona
Matane
Mont-Joli
Montmagny
Neuville
Port-Cartier

Exchanges outside of the priority CMAs (cont'd)

Rimouski

Sainte-Marie-de-Beauce

Saint-Georges-de-Beauce

Sept-Îles

St-Henri-de-Lévis

St-Jean-Port-Joli

St-Tite

**List of Centrex services for which TCC requested forbearance
(out of the scope of this proceeding)****Alberta and British Columbia**

Tariff	Item	List of services
1005	42	Centrex-General
1005	43	Centrex
1005	43A	Centrex Call Processing
1005	43B	Electronic Transfer Capability for Centrex
18001	240	Extended Area Service (Centrex)
18001	530	Electronic Transfer Capability for Centrex
18001	585	Centrex Service

Quebec

25080	2.13	Centrex Business Service
25080	2.18	Centrex Plus Service
25080	2.21	Service DataMedia

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

Alberta and British Columbia

Services included in Telecom Decision 2005-35

Tariff	Item	List of services
1005	25	Exchange Classification and Rates
1005	26	Business and Residence service
1005	27	Base Rate Areas
1005	32	Exchange Rates
1005	122	Foreign Central Office Service – Voice
1005	126	Direct-In-Dial
1005	132	Service to Ships and Trains
1005	138	Intelliroute
1005	150	Reserve Telephone Number Service
1005	153	Optional Hunting Arrangement
1005	154	Call Info Services
1005	157	Suspension of Service
1005	161	Call Guardian
1005	164	Dual Tone Multi-Frequency
1005	168C	Voice Messaging Options Service
1005	169	Universal Messaging Options Service
1005	405	Internet Call Director
1005	465	ISDN-BRI (formerly Microlink)
1005	470	ISDN-PRI (formerly Megalink)
1005	470A	ISDN-PRI (non-contracted) Access
1005	490	Datadial
1005	495	Digital Exchange Access
18001	165	Digital Exchange Access (DEA)
18001	170	Direct-In-Dial Service (DID)
18001	215	Dataline
18001	230	Voice Messaging Options Service

18001	235	Calling Features
18001	250	Intelliroute
18001	305	Denial Service
18001	310	Toll Restrict
18001	380	Temporary Disconnect
18001	425	Exchange Service
18001	430	Deductions – Churches, Community centres and Senior Citizen Drop-in centres
18001	485	ISDN-BRI (formerly Microlink)
18001	495	ISDN-PRI (formerly Megalink)
18001	505	Switched 56 Digital Service
18001	520	Universal Messaging
21461	202	Individual Line Service
21461	209	Local Calling Area Expansion
21461	210	IP Evolution
21461	300	Call Management Services
21461	301	Voice Mail Services (VMS)
21461	307	Special Number Search
21461	311	Dual Line Call Manager
21461	314	Remote Call Forwarding

Additional forbearance-eligible services

1005	122A	Foreign Central Office Service – Data
1005	200	Terminal Attachment Program
18001	295	Inbound Data Access
21461	129	Directory Listings
21461	316	900 Blocking
21461	521	900 Service
21461	1000	Chargeable Call Intercept Service

Quebec

Services included in Telecom Decision 2005-35

Tariff	Item	List of services
25080	2.02	Business and Residence Service
25080	2.04	Shared Use
25080	2.05	Directories and Listings
25080	2.11	Service to Immobilized Ships, Trailers and Trains
25080	2.12	Telephone Number Reservation Service
25080	2.16.03	Toll Restriction Service
25080	2.17	Direct Inward Dialling
25080	2.19	Voice Messaging Services
25080	2.20	TELUS Québec's SmartTouch Services
25080	2.22	Call Display Blocking
25080	3.02.07	Call Blocking Service – 900 Service
25080	4.08	Use of Customer-Provided Equipment with the Company's Facilities
25080	5.03	Multiflex Service
25080	5.05	ISDN-PRI Service

Additional forbearance-eligible services

21461	1000	Chargeable Call Intercept Service
25080	2.29	Access service 310-XXXX
25081	5.08	Call Screening Intelliroute

The Commission forbears from the regulation of TCC's business local exchange services as set out in Appendix 3 in the following exchanges:

Alberta

Calgary CMA

Airdrie
Calgary
Cochrane

Edmonton CMA

Edmonton

Exchanges outside of the priority CMAs

Fort McMurray
Grand Prairie
High River
Strathmore
Medicine Hat
Okotoks
Red Deer
Lethbridge

British Columbia

Vancouver CMA

New Westminster
Newton
North Vancouver
Port Coquitlam
Port Moody
Richmond
Vancouver
Whalley

Exchanges outside of the priority CMAs

Abbotsford
Chilliwack
Fort St. John
Kelowna
Nanaimo
Penticton
Prince George
South Kamloops
Victoria
Vernon

Quebec

Exchanges outside of the priority CMAs

Rimouski

Baie-Comeau (Hauterive)

Baie-Comeau (Marquette)

Sainte-Marie-de-Beauce

Saint-Georges-de-Beauce