



Telecom Decision CRTC 2008-36

Ottawa, 1 May 2008

Télébec, Limited Partnership – Application for forbearance from the regulation of residential local exchange services

Reference: 8640-T78-200803214

In this Decision, the Commission approves Télébec, Limited Partnership's request for forbearance from the regulation of residential local exchange services in the exchange of Arthabaska, Quebec.

Introduction

1. The Commission received an application by Télébec, Limited Partnership (Télébec), dated 28 February 2008, in which the company requested forbearance from the regulation of residential local exchange services¹ in the exchange of Arthabaska, Quebec.
2. The Commission received submissions and/or data regarding Télébec's application from Quebecor Media Inc. on behalf of Videotron Ltd. (Videotron) and TELUS Communications Company (TCC). The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."
3. The Commission has assessed Télébec'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

Commission's analysis and determinations

a) Product market

4. The Commission received no comments with respect to Télébec's proposed list of residential local exchange services.

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.

5. The Commission notes that Télébec is seeking forbearance for 32 tariffed residential local exchange services, 28 of which were included in the list of services set out in Telecom Decision 2005-35.
6. The Commission notes that in Telecom Decision 2007-91 it determined that one of the four services not included in Telecom Decision 2005-35, Enhanced Telephone Service (item 2.19), falls within the definition of local exchange services set out in Telecom Public Notice 2005-2 and is therefore eligible for forbearance. The remaining three services, namely Residential Bundle (item 2.17), Enhanced Telephone Service and Internet Service Bundle (item 2.20), and Enhanced Telephone Service, Internet Service and Computer Bundle (item 2.21), were excluded from the scope of eligible local exchange services in Telecom Decision 2005-35 because they were bundles. In that Decision, the Commission noted that "tariff approval is not required for a bundle that does not include any tariffed service." The Commission determines that it need not make forbearance findings regarding service bundles that do not include a tariffed service.
7. The Commission also notes that seven of the services listed in Télébec's application, namely Temporary Business Service (item 2.10), Direct Inward Dialing (item 2.6), ISDN 23B+D Télébec – Basic Option (item 8.8), ISDN 23B+D Télébec – Premium Option (item 8.9), Boreal Service (item 8.11), Digital Exchange Service (item 8.13), and Telephone Service for Senior Citizens' Clubs (item 2.1.11), were approved in Telecom Decision 2007-96 as business local exchange services. Consequently, these seven business local exchange services are excluded from the relevant product market considered in the present Decision.
8. The Commission further notes that one of the services listed in Télébec's application, namely RAFA Plan – Expanded Local Calling Area for the "Lac-à-Foin" region (item 1.4), is offered in a single exchange that is not covered by the application. That service is consequently also excluded from the relevant product market considered in this Decision.
9. 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 exchange of Arthabaska, information provided by the parties confirms that there are, in addition to Télébec, at least two independent facilities-based telecommunications service providers, including providers of mobile wireless services.² 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 Télébec is capable of serving, and at least one, in addition to Télébec, is a facilities-based, fixed-line telecommunications service provider.
11. Accordingly, the Commission determines that the exchange of Arthabaska meets the competitor presence test.

² These competitors are TCC and Videotron.

e) Competitor Q of S results

12. The Commission notes that Télébec submitted competitor Q of S results for the period of July to December 2007.
13. The Commission has reviewed Télébec'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 Télébec's competitor Q of S results meet the competitor Q of S criterion.

d) Communications plan

15. The Commission has reviewed Télébec'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:
 - i) Revise the third item of the section entitled Objectives as follows (italics represent revisions to be made):

Advise customers that as of (date), the price and most terms for local telephone services in their area are no longer regulated by the CRTC, but rather by Télébec's unregulated terms of service which set out the basic rights, obligations and limitations of the Company and its customers.
 - ii) Provide mailing addresses for each organization listed in the communications plan.
 - iii) Add the following information to the contact list, after Télébec'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

16. The Commission **approves** the proposed communications plan with the revisions outlined above and directs Télébec to provide the resulting communications materials to its customers in both official languages if appropriate.

Conclusion

17. The Commission determines that Télébec's application regarding the exchange of Arthabaska meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
18. 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 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 exchange of Arthabaska, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
19. 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.
20. 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 residential local exchange services in the exchange of Arthabaska would be unlikely to impair unduly the continuance of a competitive market for these services.
21. In light of the above, the Commission **approves** Télébec'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 exchange of Arthabaska, 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 Télébec to file for Commission approval revised tariff pages within 30 days.

Secretary General

Related documents

- *Télébec, Limited Partnership – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2007-96, 3 October 2007
- *Télébec, Limited Partnership – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2007-91, 27 September 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
- *Finalization of quality of service rate rebate plan for competitors*, Telecom Decision CRTC 2005-20, 31 March 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>

Appendix

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

Tariff	Item	List of services
25140	1.7	Telephone Set Loss Charge (Residence)
25140	2.15	Service to Immobilized Ships, Trailers and Trains
25140	2.5	Telephones available only for two-party line or multi-party access service
25140	3.1	Intra-Exchange Distance Charges
25140	8.4	Internet Call Display
25140	11.1	Services for Handicapped Persons
25140	2.1.2.2	Basic Service for Students
25140	2.1.7.1	Basic Service and Regional Service – Monthly rates for basic services and other fees
25140	2.1.7.4	Basic Service and Regional Service – Rate Adjustment for Multi-Party Access Line Customers
25140	2.1.8	Basic services provided outside the Company's serving area
25140	2.23.2	Telephone Number Reservation Service
25140	2.27.6	Extra Listings
25140	2.19	Enhanced Telephone Service
25140	2.3.4	Individual Line and Two-Party Access Line Provided Outside the Base Rate Area – Distance Charges
25140	3.3.17	Toll Restriction Service
25140	3.3.18	Smart Touch Services
25140	3.3.19	Call Display Blocking – Per Line
25140	3.3.19	Call Display Blocking – Per Call
25140	3.3.20	Integrated Vocal Messaging Service
25140	5.2.6.5	Call Blocking Service – 900 Service
25140	8.7.3	Integrated Services Digital Network (ISDN) 2B+D Télébec