



## Telecom Decision CRTC 2008-64

Ottawa, 18 July 2008

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

Reference: 8640-S22-200804410

*In this Decision, the Commission approves Saskatchewan Telecommunications' request for forbearance from the regulation of residential local exchange services in the exchange of Regina, Saskatchewan, effective 2 August 2008.*

#### **Introduction**

1. The Commission received an application by Saskatchewan Telecommunications (SaskTel), dated 25 March 2008, in which the company requested forbearance from the regulation of residential local exchange services<sup>1</sup> in the exchange of Regina. On 30 April 2008, SaskTel asked the Commission to put the application on hold. SaskTel then asked the Commission to reactivate the application on 6 June 2008.
2. The Commission received submissions and/or data regarding SaskTel's application from Access Communications Co-operative Limited (Access); Rogers Communications Inc. (RCI); and TELUS Communications Corporation (TCC). The public record of this proceeding, which closed on 24 June 2008, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."

#### **Commission's analysis and determinations**

3. 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 four criteria set out below.

##### **a) Product market**

4. The Commission received no comments with respect to SaskTel's proposed list of residential local exchange services.
5. The Commission notes that SaskTel is seeking forbearance for 16 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2007-66 it found all of these services to be appropriate for forbearance. The list of approved services is set out in the Appendix to this Decision.

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<sup>1</sup> 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.

#### **b) Competitor presence test**

6. The Commission notes that for the exchange of Regina, 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.<sup>2</sup> 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.
7. Accordingly, the Commission determines that the exchange of Regina meets the competitor presence test.

#### **c) Competitor quality of service (Q of S) results**

8. The Commission notes that SaskTel submitted competitor Q of S results for the period of August 2007 to January 2008.
9. 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.
10. Accordingly, the Commission determines that SaskTel meets the competitor Q of S criterion for this period.

#### **d) Communications plan**

11. The Commission has reviewed SaskTel's draft communications plan and is satisfied that it meets the information requirements set out in modified Telecom Decision 2006-15. The Commission **approves** the proposed communications plan and directs SaskTel to provide the resulting communications materials to its customers in both official languages, if appropriate.

#### **Other Matters**

12. The Commission notes that Access, the only facilities-based, fixed-line telecommunications service provider capable of serving at least 75 percent of the number of residential local exchange service lines that SaskTel is capable of serving in the exchange, submitted that it should be allowed to benefit from the 18-month grace period for providers with fewer than 20,000 local exchange service customers in Canada found in paragraph 523 of modified Telecom Decision 2006-15.

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<sup>2</sup> These competitors are Access, RCI, and TCC.

13. The Commission notes that Access began offering residential local exchange services on 2 February 2007, and that forbearance from the regulation of residential local exchange services in the exchange of Regina should therefore not be effective until at least 2 August 2008.
14. The Commission also notes that SaskTel submitted that it was not averse to the Commission making a determination to grant forbearance of residential local exchange services in the exchange of Regina effective 2 August 2008.
15. In light of the above, the Commission determines that forbearance from the regulation of residential local exchange services in the exchange of Regina shall become effective as of 2 August 2008.

### **Conclusion**

16. The Commission determines that SaskTel's application regarding the exchange of Regina meets all the local forbearance criteria set out in modified Telecom Decision 2006-15.
17. 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 this exchange, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
18. 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.
19. 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 this exchange would be unlikely to impair unduly the continuance of a competitive market for these services.
20. 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 exchange of Regina, subject to the powers and duties that the Commission has retained as set out in modified Telecom Decision 2006-15. This determination takes effect on 2 August 2008. The Commission directs SaskTel to file revised tariff pages within 30 days of this decision for Commission approval.

Secretary General

## **Related documents**

- *Forbearance from the regulation of residential local exchange services in Saskatoon, Saskatchewan*, Telecom Decision CRTC 2007-66, 3 August 2007
- *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
- *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>*

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

<b>Tariff</b>	<b>Item</b>	<b>List of services</b>
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	Combined Voice Mail
21412	550.08	SaskTel Voice Mail Service
21412	550.10	TalkMail
21412	580.02	Internet Call Waiting
21411	300.05	Feature Package