



## Telecom Decision CRTC 2008-98

Ottawa, 2 October 2008

### **TELUS Communications Company – Application for forbearance from the regulation of residential local exchange services**

Reference: 8640-T69-200810037

*In this Decision, the Commission approves TCC's request for forbearance from the regulation of residential local exchange services in the exchange of Saint-Raymond, Quebec, effective 10 September 2009.*

#### **Introduction**

1. The Commission received an application by TELUS Communications Company (TCC), dated 21 July 2008, in which the company requested forbearance from the regulation of residential local exchange services<sup>1</sup> in the exchange of Saint-Raymond, Quebec.
2. The Commission received submissions and/or data regarding TCC's application from Bell Canada, DERYtelecom inc. (DERYtelecom), Rogers Communications Inc. (RCI), and Quebecor Media Inc. on behalf of its affiliate Videotron Ltd. The public record of this proceeding, which closed on 21 August 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 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 four criteria set out below.

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

4. The Commission received no comments with respect to TCC's proposed list of residential local exchange services.
5. The Commission notes that TCC is seeking forbearance for 11 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2007-64 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 Saint-Raymond, information provided by parties confirms that there are, in addition to TCC, 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 TCC is capable of serving, and at least one, in addition to TCC, is a facilities-based, fixed-line telecommunications service provider.
7. Accordingly, the Commission determines that the exchange of Saint-Raymond meets the competitor presence test.

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

8. The Commission notes that TCC submitted competitor Q of S results for the period of December 2007 to May 2008.
9. The Commission has reviewed TCC'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 TCC meets the competitor Q of S criterion for this period.

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

11. The Commission notes that in lieu of filing a communications plan, TCC submitted that its communications plan specific to the exchange of Saint-Raymond would conform to the Commission's requirements as set out in Telecom Decision 2007-64.
12. The Commission **approves**, for the purpose of the current application, the communications plan that TCC submitted in the proceeding leading to Telecom Decision 2007-64 subject to compliance with the revisions outlined in that Decision. The Commission directs TCC to provide the resulting communications materials to its customers in both official languages, where appropriate.

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<sup>2</sup> These telecommunications service providers are Bell Canada, DERYtelecom, and RCI.

## Other Matters

13. The Commission notes that DERYtelecom, 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 TCC is capable of serving in the exchange of Saint-Raymond, 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 as set out in paragraph 523 of modified Telecom Decision 2006-15.
14. The Commission notes that DERYtelecom began offering local exchange services in Saint-Raymond on 10 March 2008.
15. The Commission is satisfied that DERYtelecom meets the criterion of paragraph 523 of modified Telecom Decision 2006-15 and that it started offering local exchange services in the exchange of Saint-Raymond on 10 March 2008. Accordingly, the Commission determines that forbearance from the regulation of local exchange services in that exchange shall become effective as of 10 September 2009.

## Conclusion

16. The Commission determines that TCC's application regarding the exchange of Saint-Raymond, Quebec, 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 to refrain from exercising its powers and performing its duties, to the extent specified in modified Telecom Decision 2006-15, in relation to the provision by TCC 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 refrain from exercising its powers and performing its duties, to the extent specified in modified Telecom Decision 2006-15, in relation to the provision by TCC of these residential local exchange services in this exchange would be unlikely to impair unduly the continuance of a competitive market for these services in this exchange.
20. In light of the above, the Commission **approves** TCC'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 Saint-Raymond, 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 10 September 2009. The Commission directs TCC to file revised tariff pages with the Commission by 10 September 2009.

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 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>
25080	2.01.06a	Basic Service – Residence
25080	2.02.03	Residence Service
25080	2.05	Directories and Listings
25080	2.12	Telephone Number Reservation Service
25080	2.16.03	Toll Restriction Service
25080	2.19	Voice Messaging Services
25080	2.20	TELUS Quebec's Smart Touch Services
25080	2.22.01	Call Display Blocking – Per Line
25080	2.22.01	Call Display Blocking – Per Call
25080	2.22.01	Call Display Blocking – Call Dialed by an Operator
25080	3.02.07e	Call Blocking Service – 900 Service