



Telecom Decision CRTC 2009-52

Ottawa, 5 February 2009

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

File number: 8640-T69-200814907

In this decision, the Commission denies TCC's request for forbearance from the regulation of residential local exchange services in the exchanges of Cap-Saint-Ignace, Portneuf, and Saint-Basile, Quebec.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 31 October 2008, in which the company requested forbearance from the regulation of residential local exchange services¹ in the exchanges of Cap-Saint-Ignace, Portneuf, and Saint-Basile, Quebec.
2. The Commission received submissions and/or data regarding TCC's application from Bell Canada, MTS Allstream Inc., Rogers Communications Inc. (RCI) and Quebecor Media Inc., on behalf of its subsidiary Videotron Ltd. (Videotron). The public record of this proceeding, which closed on 16 December 2008, is available on the Commission's website at 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). In this case, the Commission will first consider the competitor presence test criterion of the local forbearance test.
4. The Commission notes that for the exchanges of Cap-Saint-Ignace, Portneuf, and Saint-Basile, 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.²

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.

² These telecommunications service providers are Bell Canada, RCI, and Videotron.

5. The Commission also notes that the two providers of mobile wireless services³ are capable of serving at least 75 percent of the number of residential local exchange service lines that TCC is capable of serving in these three exchanges. However, Videotron – the only other facilities-based, fixed-line telecommunications service provider present in these exchanges – is not capable of serving 75 percent of the number of residential local exchange service lines that TCC is capable of serving in these exchanges.
6. The Commission notes that the total number of local access lines submitted by TCC was determined using the common postal code method for each exchange for which it requested forbearance from regulation, including Portneuf, and that the competitors did not dispute these figures. In its response, TCC asked the Commission to use the total number of municipal addresses, rather than the common postal code method, to calculate Videotron's percentage of coverage in the Portneuf exchange. The Commission also notes that both these methods use the number of households in a given exchange to estimate the total number of local access lines. The Commission considers that, in this case, the approximate value obtained using the postal code method, as set out in the Commission's letter dated 7 May 2007,⁴ is still appropriate and that there is no information in the public record that does justify using the method based on the total number of municipal addresses in the Portneuf exchange.
7. Accordingly, the Commission determines that the exchanges of Cap-Saint-Ignace, Portneuf, and Saint-Basile do not meet the competitor presence test.

Conclusion

8. In light of the above, the Commission notes that it need not address TCC's submissions with respect to its product market, its competitor quality of service results, and its communications plan.
9. 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 exchanges of Cap-Saint-Ignace, Portneuf, and Saint-Basile, Quebec. Accordingly, the Commission **denies** TCC's application for forbearance from the regulation of the residential local exchange services in these exchanges.

Secretary General

³ The mobile wireless service providers are Bell Canada and RCI.

⁴ Commission's letter dated 7 May 2007 concerning file number 8640-C12-200706351

Related document

- *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

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