



Telecom Decision CRTC 2012-22

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Ottawa, 18 January 2012

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

File number: 8640-T69-201104364

In this decision, the Commission approves TCC's request for forbearance from the regulation of residential local exchange services in the exchanges of Gaspé and Rivière-au-Renard, Quebec.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 1 March 2011, in which the company requested forbearance from the regulation of residential local exchange services¹ in the exchanges of Gaspé and Rivière-au-Renard, Quebec.
2. The Commission received submissions and/or data regarding TCC's application from Bell Mobility Inc. (Bell Mobility) and Cogeco Cable Inc., on behalf of Cogeco Câble Québec s.e.n.c. (Cogeco). The public record of this proceeding, which closed on 20 December 2011, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.

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 by examining the four criteria set out below.

a) Product market

4. The Commission notes that TCC is seeking forbearance from the regulation of 11 tariffed residential local exchange services. The Commission also notes that in Telecom Decision 2010-749, it found all of these services to be eligible for forbearance. However, the Commission notes that in Telecom Regulatory Policy 2010-777, it forbore from regulating retail voice mail services. Accordingly, TCC's Tariff 25080 item 2.19 – Voice Messaging Service, one of the eleven services mentioned above, is already forborne from regulation.

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. A list of the 10 approved services is set out in the Appendix to this decision.
6. The Commission received no comments with respect to TCC's proposed list of residential local exchange services.

b) Competitor presence test

7. The Commission notes that information provided by parties confirms that there are, in addition to TCC, at least two independent, facilities-based telecommunications service providers operating in the exchanges of Gaspé and Rivière-au-Renard, including a provider 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 TCC is capable of serving, and at least one, in addition to TCC, is a facilities-based, fixed-line telecommunications service provider.
8. Accordingly, the Commission determines that the exchanges of Gaspé and Rivière-au-Renard meet the competitor presence test.

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

9. The Commission notes that TCC submitted its competitor Q of S results for the period from September 2010 to February 2011 and that originally, TCC did not meet, on average, the Q of S standard for indicator 1.19 for this period. The Commission also notes that TCC submitted a revised version of its competitor Q of S results for the same period and that this version takes into account the exclusion of certain data points associated with indicator 1.19, as approved by the Commission in Telecom Decisions 2011-563 and 2011-798.
10. The Commission has reviewed the revised competitor Q of S results that TCC submitted and finds that TCC has demonstrated that during this six-month period from September 2010 to February 2011 it
 - i) met, on average, the Q of S standards for each indicator set out in Appendix B of 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.
11. Accordingly, the Commission determines that TCC meets the competitor Q of S criterion for this period.

² These competitors are Bell Mobility and Cogeco.

d) Communications plan

12. The Commission notes that in lieu of filing a communications plan, TCC submitted that the plan it submitted in the proceeding leading to Telecom Decision 2007-64 also applies to the exchanges in the present application and conforms to the Commission's requirements as set out in Telecom Decision 2007-64.
13. 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.

Conclusion

14. The Commission determines that TCC's application regarding the exchanges of Gaspé and Rivière-au-Renard, Quebec, meets all the local forbearance criteria set out in Telecom Decision 2006-15.
15. 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 Telecom Decision 2006-15, in relation to the provision by TCC of the 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 these exchanges, would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
16. 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 these exchanges sufficient to protect the interests of users of these services.
17. 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 Telecom Decision 2006-15, in relation to the provision by TCC of these residential local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.
18. 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 exchanges of Gaspé and Rivière-au-Renard, Quebec, subject to the powers and duties that the Commission has retained as set out in Telecom Decision 2006-15. This determination takes effect as of the date of this decision. The Commission directs TCC to file revised tariff pages with the Commission within 30 days of the date of this decision.

19. In Telecom Regulatory Policy 2011-291, the Commission determined that the large incumbent local exchange carriers would no longer receive subsidies for residential network access services (NAS) in high-cost exchanges for which the Commission has granted forbearance from regulation. Therefore, in accordance with the directions in Appendix B to Telecom Regulatory Policy 2011-291, TCC is to stop reporting to the Central Fund Administrator any high-cost residential NAS associated with the exchanges of Gaspé and Rivière-au-Renard, effective the date of this decision.

Secretary General

Related documents

- *TELUS Communications Company – Application to exclude service orders due to HDSL card shortage from competition-related quality of service indicator 1.19 results for January to May 2011*, Telecom Decision CRTC 2011-798, 20 December 2011
- *TELUS Communications Company – Application to exclude competition-related quality of service indicator 1.19 results from the rate rebate plan for competitors for November and December 2010*, Telecom Decision CRTC 2011-563, 1 September 2011
- *Obligation to serve and other matters*, Telecom Regulatory Policy CRTC 2011-291, 3 May 2011, as amended by Telecom Regulatory Policy CRTC 2011-291-1, 12 May 2011
- *Forbearance from the regulation of retail voice mail services provided by the incumbent local exchange carriers*, Telecom Regulatory Policy CRTC 2010-777, 20 October 2010
- *TELUS Communications Company – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2010-749, 8 October 2010
- *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

Appendix

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

Tariff	Item	List of services
25080	2.03.01a	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	2.20	TELUS – SmartTouch Services
25080	2.22.01a(1)	Call Display Blocking – Per Call
25080	2.22.01a(2)	Call Display Blocking – Per Line
25080	2.22.01a(3)	Call Display Blocking – Call Dialed by an Operator
25080	3.02.07e	Call Blocking Service – 900 Service