



Telecom Decision CRTC 2012-23

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Ottawa, 18 January 2012

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

File number: 8640-T66-201104356

In this decision, the Commission approves TCC's request for forbearance from the regulation of business local exchange services in 60 exchanges in Alberta, British Columbia, and 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 business local exchange services¹ in 60 exchanges in Alberta, British Columbia, and Quebec. A list of these exchanges is set out in Appendix 1 to this decision.
2. The Commission received submissions and/or data regarding TCC's application from Cogeco Cable Inc. (Cogeco); Shaw Telecom G.P. (Shaw); and Quebecor Media Inc., on behalf of Videotron Ltd. (Videotron). 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 70 tariffed business local exchange services. The Commission also notes that in Telecom Decision 2008-107, it found 66 of these services to be eligible for forbearance. The Commission further notes that in Telecom Regulatory Policy 2010-777, the Commission forbore from regulating retail voice mail services.²

¹ In this decision, "business local exchange services" refers to local exchange services used by business customers to access the public switched telephone network and any associated service charges, features, and ancillary services.

² Accordingly, Tariff 1005, item 168C, Tariff 18001, item 230, Tariff 21461, item 301 and Tariff 25080, item 2.19 that TCC submitted in its forbearance application are already forborne.

5. For the remaining four services not addressed by the Commission in Telecom Decision 2008-107, the Commission notes that items 2.13 and 5.07 of TCC's Tariff 25080 for Quebec are equivalent to items 213 (Centrex Service) and 216 (IntelliRoute Service) of TCC's Tariff 21461, which were found to be eligible for forbearance in Telecom Decision 2010-742. The Commission also notes that item 2.21 of Tariff 25080 is a Centrex service that was found to be in the same relevant product market as business local exchange services in Telecom Decisions 2008-10 and 2008-57, which means it is also eligible for forbearance.
6. The Commission further notes that item 2.03.01 a. of Tariff 25080 is the rate schedule for Tariff 25080, item 2.02, and that item 2.02 was included in the list of services within the scope of the proceeding on forbearance from the regulation of local exchange services set out in Telecom Decision 2005-35. As well, the Commission notes that item 2.03.01 b. and d. of Tariff 25080 are equivalent to item 430 of TCC's Tariff 18001 for Alberta and item 209 of TCC's Tariff 21461 respectively, which were also included in the above-mentioned list.
7. In light of the above, the Commission finds items 2.13, 5.07, 2.21, and 2.03.01 a., b., and d. of TCC's Tariff 25080 to be eligible for forbearance.
8. The Commission notes that in 2007, the two IntelliRoute services in Alberta and British Columbia were aggregated into one and given a new tariff number (Tariff 21461, item 216).
9. The Commission received no comments with respect to TCC's proposed list of business local exchange services. A list of the approved services is set out in Appendix 2 to this decision.

b) Competitor presence test

10. The Commission notes that information provided by parties confirms that there is, in addition to TCC, one independent, facilities-based, fixed-line telecommunications service provider³ that offers local exchange services in each of the 60 exchanges and that is capable of serving at least 75 percent of the number of business local exchange service lines that TCC is capable of serving.
11. Accordingly, the Commission determines that the 60 exchanges listed in Appendix 1 meet the competitor presence test.

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

12. The Commission notes that TCC submitted its competitor Q of S results for the period of September 2010 to February 2011 and that TCC did not initially meet, on average, the Q of S standard for indicator 1.19 for that period. The Commission also notes that TCC submitted revised competitor Q of S results for that period to reflect the exclusion of certain data points from indicator 1.19, as approved by the Commission in Telecom Decisions 2011-563 and 2011-798.

³ These competitors are Shaw in Alberta and British Columbia, and Videotron or Cogeco in Quebec.

13. The Commission has reviewed TCC's revised competitor Q of S results and finds that the company has demonstrated that during the six-month period of 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.
14. Accordingly, the Commission determines that TCC meets the competitor Q of S criterion for this period.

d) Communications plan

15. The Commission notes that in lieu of filing a communications plan, TCC submitted that the plan it previously submitted in the proceeding leading to Telecom Decision 2007-64 also applies to the 60 exchanges listed in Appendix 1 and conforms to the Commission's requirements set out in Telecom Decision 2007-64.
16. 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 TCC's 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

17. The Commission determines that TCC's application regarding the exchanges in Alberta, British Columbia, and Quebec listed in Appendix 1 meets all the local forbearance criteria set out in 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 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 business local exchange services listed in Appendix 2 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2 as they pertain to business customers only, in these exchanges, 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 business local exchange services are subject to a level of competition in these exchanges 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 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 business local exchange services in these exchanges would be unlikely to impair unduly the continuance of a competitive market for these services.
21. In light of the above, the Commission **approves** TCC's application for forbearance from the regulation of the local exchange services listed in Appendix 2 and future services that fall within the definition of local exchange services set out in Telecom Public Notice 2005-2, as they pertain to business customers only, in the exchanges listed in Appendix 1, 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.

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
- *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 business local exchange services*, Telecom Decision CRTC 2010-742, 6 October 2010
- *TELUS Communications Company – Application for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2008-107, 19 November 2008
- *MTS Allstream Inc. 's request to review and vary two decisions related to Centrex services*, Telecom Decision CRTC 2008-57, 19 June 2008
- *The relevant product market for Centrex and Enhanced Exchange Wide Dial services for the purposes of forbearance from regulation*, Telecom Decision CRTC 2008-10, 31 January 2008

- *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
- *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

Appendix 1

TCC requested forbearance from the regulation of its business local exchange services in the following 60 exchanges:

Alberta	British Columbia	Quebec
Beaumont	Agassiz	Batiscan
Bentley	Bowser	Luceville
Bon Accord	Campbell River	Matane
Bow Island	Cedar	Montmagny
Bowden	Cobble Hill	Neuville
Bruderheim	Comox	Port-Cartier
Carstairs	Courtenay	Rivière-au-Renard
Coaldale	Cumberland	Sept-Îles
Devon	Dragon Lake	Ste-Anne-des-Monts
Didsbury	Fort Langley	St-Gédéon
Exshaw	Gabriola Island	St-Stanislas
Gibbons	Haney	St-Ulric
Lacombe	Hartway	
Lamont	Ladysmith	
Leduc	Lake Cowichan	
Magrath	Lantzville	
Penhold	Nanoose	
Picture Butte	Naramata	
Redwater	Oyster Bay	
	Peachland	
	Pitt Meadows	
	Port Alberni	
	Quesnel	
	Sardis	
	Squamish	
	Union Bay	
	Vanway	
	Wellington	
	Yarrow	

Appendix 2

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

Tariff	Item	List of services
1005	25	Exchange Classification and Rates
1005	26	Business and Residence Service
1005	27	Base Rate Areas
1005	32	Exchange Rates
1005	122	Foreign Central Office Service – Voice
1005	122A	Foreign Central Office Service – Data
1005	132	Service to Ships and Trains
1005	150	Reserved Telephone Number Service
1005	153	Optional Hunting Arrangements
1005	157	Suspension of Service
1005	161	Call Guardian
1005	164	Dual Tone Multi-Frequency (DTMF) / Multi-Frequency (MF) Services
1005	169	Universal Messaging
1005	200	Terminal Attachment Program
1005	405	Internet Call Director
1005	465	Integrated Services Digital Network – Basic Rate Interface (ISDN-BRI) Service (formerly Microlink)
1005	470	Integrated Services Digital Network – Primary Rate Interface (ISDN-PRI) Service (formerly Megalink)
1005	470A	Integrated Services Digital Network – Primary Rate Interface (ISDN-PRI) Monthly Non-Contracted Services
1005	490	DataDial Service
1005	495	Digital Exchange Access
18001	165	Digital Exchange Access (DEA)
18001	215	Dataline Service
18001	235	Calling Features
18001	240	Extended Area Service (EAS)
18001	295	Inbound Data Access (IDA) Service

Tariff	Item	List of services
18001	305	Denial Services
18001	310	Toll Restriction Services
18001	380	Temporary Disconnect
18001	425	Exchange Service
18001	430	Deductions – Churches, Community Centres and Senior Citizen Drop-In Centres
18001	485	Integrated Services Digital Network – Basic Rate Interface (ISDN-BRI) Service (formerly Microlink)
18001	495	Integrated Services Digital Network – Primary Rate Interface (ISDN-PRI) Service (formerly Megalink)
18001	505	Switched 56 Digital Service
18001	520	Universal Messaging
21461	129	Directory Listings
21461	202	Individual Line Service (ILS)
21461	209	Local Calling Area (LCA) Expansion
21461	213	Centrex Service
21461	215	Direct In Dial Service
21461	216	IntelliRoute Service
21461	217	Reserved Telephone Number Service
21461	300	Call Management Services
21461	307	Special Number Search
21461	311	Dual Line Call Manager
21461	314	Remote Call Forwarding
21461	316	900 Blocking
21461	1000	Chargeable Call Intercept – Business Numbers
25080	2.03.01 a., b., d.	Basic Business Service and Regional Service
25080	2.02	Business and Residence Service
25080	2.04	Shared Use
25080	2.05	Directories and Listings
25080	2.11	Service to Immobilized Ships, Trailers and Trains
25080	2.12	Telephone Number Reservation Service
25080	2.13	Centrex Business Service

Tariff	Item	List of services
25080	2.16.03	Toll Restriction Service
25080	2.17	Direct Inward Dialling
25080	2.20	TELUS Québec's SmartTouch Services
25080	2.21	DataMedia Service
25080	2.22	Call Display Blocking
25080	2.29	Access service 310-XXXX
25080	3.02.07 e.	Call Blocking Service – 900 Service
25080	4.08	Use of Customer-Provided Equipment with the Company's Facilities
25080	5.03	Multiflex Service
25080	5.05	ISDN-PRI Service
25080	5.07	IntelliRoute Call Redirection