



Telecom Decision CRTC 2014-348

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Télébec, Limited Partnership – Application for forbearance from the regulation of business local exchange services

*The Commission **approves** Télébec’s request for forbearance from the regulation of business local exchange services in 16 exchanges in Quebec. The Commission **denies** Télébec’s request for forbearance regarding the exchange of Chesterville, Quebec.*

Introduction

1. The Commission received an application from Télébec, Limited Partnership (Télébec), dated 7 March 2014, in which the company requested forbearance from the regulation of business local exchange services¹ in 17 exchanges in Quebec. A list of these exchanges is set out in Appendix 1 to this decision.
2. The Commission received answers regarding Télébec’s application from Cogeco Cable Inc. (Cogeco), Duclos & Michaud Télécom inc. (Duclos & Michaud), and Quebecor Media Inc., on behalf of its affiliate Videotron G.P. (Videotron). The public record of this proceeding, which closed on 22 April 2014, is available on the Commission’s website at www.crtc.gc.ca or by using the file number provided above.

Commission’s analysis and determinations

3. The Commission has assessed Télébec’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 Télébec is seeking forbearance from the regulation of 23 tariffed business local exchange services. The Commission also notes that in Telecom Decision 2005-35, it found all of these services to be eligible for forbearance. The Commission therefore determines that the services listed in Appendix 2 to this decision are eligible for forbearance.

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.

5. The Commission received no interventions with respect to Télébec's proposed list of business local exchange services.

b) Competitor presence test

6. Télébec indicated that Câble-Axion Digital inc. (Câble-Axion), the competitor in the exchanges of Frontenac and Woburn (Quebec), was served with its application. The Commission notes that Câble-Axion provided no information or evidence to either confirm or contest Télébec's evidence. Télébec noted that by letter dated 7 June 2007,² Commission staff noted that where there is no information or evidence provided to either confirm or contest the applicant incumbent local exchange carriers' (ILECs) evidence submitted in their respective local forbearance applications, the Commission would be required to rely on the information filed on the record of the proceeding by the applicant ILECs.
7. As such, the Commission finds that Télébec's assumption is reasonable and deems that Câble-Axion is capable of serving at least 75 percent of the business local exchange service lines in the exchanges of Frontenac and Woburn, Quebec.
8. The Commission notes that information provided by parties demonstrates that there is, in addition to Télébec, at least one independent, facilities-based, fixed-line telecommunications service provider³ in 16 of the 17 exchanges in question. Each of these providers is capable of serving at least 75 percent of the number of business local exchange service lines that Télébec is capable of serving.
9. Accordingly, the Commission determines that the 16 exchanges listed in Appendix 3 meet the competitor presence test.
10. Regarding the other exchange, Chesterville, Quebec, the Commission determines that it does not meet the competitor presence test because the other facilities-based, fixed-line telecommunications service provider, Videotron, is not capable of serving at least 75 percent of the business local exchange service lines that Télébec is capable of serving.
11. The Commission notes Duclos & Michaud's submission that its network covers more than 75 percent of all of Télébec's business and residential network access services in Îles-de-la-Madeleine, and that Télébec should request forbearance for these services.
12. The Commission notes that in Telecom Regulatory Policy 2013-160, it specified that any party can file an application for forbearance for any small (or large) ILEC exchange, and that the Commission would consider information from all parties when it examines a forbearance application.

² In this letter, Commission staff set out the process for applications for local forbearance.

³ These competitors are Câble-Axion, Cogeco, Duclos & Michaud, or Videotron.

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

13. The Commission notes that Télébec submitted competitor Q of S results for the period of August 2013 to January 2014. The Commission has reviewed these results and finds that Télébec has demonstrated that during this six-month period it
 - 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
 - did not consistently provide any of those competitors with services that were below those Q of S standards.
14. Accordingly, the Commission determines that Télébec meets the competitor Q of S criterion for this period.

d) Communications plan

15. The Commission has reviewed Télébec's proposed communications plan and is satisfied that it meets the information requirements set out in Telecom Decision 2006-15. However, the Commission considers that the company should modify its plan to ensure that the plan focuses on business services and not on residential services.
16. The Commission **approves** the proposed communications plan subject to the above-mentioned modifications and **directs** Télébec to provide the resulting communications materials to its customers, in both official languages where appropriate.

Conclusion

17. The Commission determines that Télébec's application regarding the 16 exchanges in Quebec that are listed in Appendix 3 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 Télébec 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 Télébec 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** Télébec'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 16 exchanges listed in Appendix 3, 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** Télébec to file revised tariff pages⁴ with the Commission within **30 days** of the date of this decision.

Secretary General

Related documents

- *Regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Regulatory Policy CRTC 2013-160, 28 March 2013
- *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

⁴ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

Appendix 1 to Telecom Decision CRTC 2014-348

Exchanges for which Télébec requested forbearance from the regulation of its business local exchange services

Quebec

Bécancour

Cap-aux-Meules

Chesterville

Contrecœur

Daveluyville

Disraeli

Frontenac

Gentilly

Havre-Aubert

Havre-aux-Maisons

Mont-Laurier

St-Cyrille

St-Honoré

St-Léonard-d'Aston

Ste-Angèle

Ste-Sabine

Woburn

Appendix 2 to Telecom Decision CRTC 2014-348

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

| Tariff | Item | List of services |
|---------------|-------------|--|
| 25140 | 1.7 | Telephone Set Loss Charge |
| 25140 | 2.1.7.1 | Monthly Rates for Access Lines, Regional Surcharges, and Other Fees |
| 25140 | 2.1.7.4 | Specialized Business Services |
| 25140 | 2.1.8 | Basic Services Provided Outside the Company's Serving Area |
| 25140 | 2.1.11 | Telephone Service for Senior Citizens' Club |
| 25140 | 2.5 | Telephones |
| 25140 | 2.6 | Access to Switched Automated Private Central Network Equipped with Direct Access |
| 25140 | 2.8 | Télébec Centrex Service |
| 25140 | 2.10 | Emergency Service |
| 25140 | 2.15 | Service to Immobilized Ships, Trailers and Trains |
| 25140 | 2.23.2 | Telephone Number Reservation/Activation – Rates and Fees |
| 25140 | 2.27.6 | Monthly Rates for Extra Listings |
| 25140 | 2.27.7 | Omission of Directory Listings (Business) |
| 25140 | 3.1 | Intra-Exchange Distance Charges |
| 25140 | 3.3.17 | Toll Restriction Service |
| 25140 | 3.3.18 | Call Management Services |
| 25140 | 3.3.19 | Call Display Blocking – Per Call |
| 25140 | 5.2.6.5 | Call Blocking Service |
| 25140 | 8.4 | Internet Call Display |
| 25140 | 8.7.3 | Integrated Services Digital Network (ISDN) 2B+D Télébec – Rates and Fees |
| 25140 | 8.9 | Integrated Services Digital Network (ISDN) 23B+D Télébec – Premium Option |
| 25140 | 8.11 | Boreal Service |
| 25140 | 8.13 | Digital Exchange Service |

Appendix 3 to Telecom Decision CRTC 2014-348

Exchanges that meet all the local forbearance criteria set out in Telecom Decision 2006-15

Quebec

Bécancour

Cap-aux-Meules

Contrecoeur

Daveluyville

Disraeli

Frontenac

Gentilly

Havre-Aubert

Havre-aux-Maisons

Mont-Laurier

St-Cyrille

St-Honoré

St-Léonard-d' Aston

Ste-Angèle

Ste-Sabine

Woburn