



Telecom Decision CRTC 2017-15

PDF version

Ottawa, 19 January 2017

File number: 8640-B2-201609002

Bell Canada – Application for forbearance from the regulation of residential local exchange services

*The Commission **approves** Bell Canada’s request for forbearance from the regulation of residential local exchange services in 54 exchanges in Ontario and Quebec. The Commission **denies** Bell Canada’s request for forbearance from the regulation of residential local exchange services in 104 exchanges in Ontario and Quebec.*

Introduction

1. The Commission received an application from Bell Canada, dated 26 August 2016, in which the company requested forbearance from the regulation of residential local exchange services¹ in 158 exchanges in Ontario and Quebec. A list of the 158 exchanges is set out in Appendix 1 to this decision.
2. The Commission received submissions regarding Bell Canada’s application from Bragg Communications Incorporated, operating as Eastlink (Eastlink); Cogeco Communications Inc. (Cogeco); DERYtelecom inc. (DERYtelecom); Execulink Telecom Inc. (Execulink); Hay Communications Co-operative Limited (Hay Communications); Quadro Communications Co-operative Inc. (Quadro); Quebecor Media Inc., on behalf of Videotron G.P. (Videotron); Rogers Communications Canada Inc. (RCCI); and TELUS Communications Company (TCC). The public record of this proceeding, which closed on 7 December 2016, 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. Pursuant to the Commission’s requirements in Telecom Decision 2006-15, Bell Canada provided evidence intended to support its forbearance request, including competitor quality of service (Q of S) results for the six months preceding its application, and a draft communications plan for the Commission’s approval. The Commission has assessed Bell Canada’s application based on the local forbearance test set out in Telecom Decision 2006-15 by examining the four criteria set out below.

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.

Product market

4. Bell Canada is seeking forbearance from the regulation of 15 tariffed residential local exchange services. In Telecom Decisions 2012-79 and 2013-134, the Commission found that all of these services are eligible to be considered for forbearance. The 15 services are set out in Appendix 2 to this decision.
5. The Commission received no comments with respect to Bell Canada's proposed list of residential local exchange services.

Competitor presence test

6. Information provided by parties demonstrates that there are, in addition to Bell Canada, at least two independent, facilities-based telecommunications service providers operating in 54 of the exchanges in question, including providers 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% of the number of residential local exchange service lines that Bell Canada is capable of serving, and at least one, in addition to Bell Canada, is a facilities-based, fixed-line telecommunications service provider.
7. Accordingly, the 54 exchanges listed in Appendix 3 to this decision meet the competitor presence test.

However, the record of this proceeding demonstrates that in the 104 remaining exchanges in question, there are not at least two other independent, facilities-based telecommunications service providers operating in addition to Bell Canada that meet the criteria set out in paragraph 6 above. Accordingly, the Commission **denies** Bell Canada's request for forbearance from the regulation of residential local exchange services in the remaining 104 exchanges in Ontario and Quebec.

Competitor Q of S results

8. Bell Canada submitted its competitor Q of S results for the period of January to June 2016. The Commission has reviewed these results and finds that Bell Canada has demonstrated that during this six-month period 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.
9. Accordingly, Bell Canada meets the competitor Q of S criterion for this period.

² These competitors are Câble Axion Digital inc., Cogeco, Coopérative de Câblodistribution Ste-Catherine-Fossambault, DERYtelecom, Eastlink, Execulink, Hastings Cable Vision Ltd., Hay Communications, Nexicom Inc., Nor-Del Cablevision Limited, Quadro, RCCI, TCC, and Videotron.

Communications plan

10. The Commission has reviewed Bell Canada's proposed communications plan and is satisfied that it meets the information requirements set out in Telecom Decision 2006-15. However, Bell Canada should change the mailing address for the Canadian Radio-television and Telecommunications Commission to "Ottawa, Ontario K1A 0N2."
11. The Commission **approves** the proposed communications plan with the revision noted above and **directs** Bell Canada to provide the resulting communications materials to its customers, in both official languages where appropriate.

Conclusion

12. Bell Canada's application regarding the 54 exchanges in Ontario and Quebec set out in Appendix 3 meets all the local forbearance criteria set out in Telecom Decision 2006-15.
13. 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 Bell Canada in these exchanges, of the residential local exchange services listed in Appendix 2 and of future local exchange services (as defined in Telecom Public Notice 2005-2 and as they pertain to residential customers only) would be consistent with the Canadian telecommunications policy objectives set out in section 7 of the Act.
14. 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.
15. 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 Bell Canada of these residential local exchange services in these exchanges would be unlikely to unduly impair the continuance of a competitive market for these services.
16. In light of the above, the Commission **approves** Bell Canada's application for forbearance from the regulation of the local exchange services listed in Appendix 2 and future local exchange services (as defined in Telecom Public Notice 2005-2), as they pertain to residential customers only, in the 54 exchanges in Ontario and Quebec 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** Bell Canada to issue revised tariff pages³ with the Commission within **30 days** of the date of this decision.

17. 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, Bell Canada is to stop reporting to the Central Fund Administrator any high-cost residential NAS associated with the 54 exchanges listed in Appendix 3, effective the date of this decision.

Secretary General

Related documents

- *Bell Aliant Regional Communications, Limited Partnership – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2013-134, 18 March 2013
- *Bell Aliant Regional Communications, Limited Partnership – Application for forbearance from the regulation of residential local exchange services*, Telecom Decision CRTC 2012-79, 8 February 2012
- *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 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

³ 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 2017-15

Exchanges for which Bell Canada requested forbearance from the regulation of its residential local exchange services

Ontario

Adolphustown

Ailsa Craig

Algoma Mills

Amherstburg

Arnprior

Arthur

Bath

Beaverton

Belle River

Blenheim

Bourget

Brechin

Brighton

Campbellford

Campbellville

Cannington

Centralia

Chesley

Chesterville

Colborne

Courtright

Crediton

Deseronto

Dresden

Durham

Eastwood

Fergus

Freelton

Gananoque
Grand Valley
Gravenhurst
Harrow
Harrowsmith
Hastings
Havelock
Ilderton
Ingleside
Iron Bridge
Iroquois
Jarvis
Kemptville
Kingsville
Lakefield
Lancaster
Leamington
Long Sault
Lucan
Lynden
Madoc
Maitland
Markstay
Marmora
Massey
McGregor
Newburgh
Nobel
Norwich
Odessa
Oil Springs
Omeme

Otter Lake
Otterville
Owen Sound
Parkhill
Pelham
Perth
Petrolia
Port Carling
Port Sydney
Prescott
Renfrew
Ridgetown
Ridgeway
Rockwood
Rosseau
Southampton
Spanish
St. Isidore
Stevensville
Sunderland
Thamesville
Thessalon
Thornbury
Thurlow
Tilbury
Verner
Verona
Vineland
Warren
Watford
Waubashene
Welcome

Wellington
West Lincoln
Wheatley
Whitefish
Whitefish Falls
Williamsburg
Woodville
Wyoming

Quebec

Acton Vale
Bergeronnes
Berthierville
Chambord
Champlain
Chartierville
Chelsea
Clermont
Desbiens
Eastman
Les Escoumins
Girardville
Hemmingford
Howick
Knowlton
La Doré
La Patrie
Lac-Bouchette
Lanoraie
Laurierville
Leeds
L'Île-Verte
Lyster

Metabetchouan
Ormstown
Petite-Rivière-St-François
Rawdon
Richmond
Rivière-Bleue
Sacré-Cœur
Sault-au-Mouton
Shawbridge
Squatec
St-Adolphe-d'Howard
St-André
St-Calixte-de-Kilkenny
St-Damase
St-Donat-de-Montcalm
Ste-Anne-de-Portneuf
Ste-Catherine
St-Éleuthère
Ste-Madeleine
St-Ferdinand-d'Halifax
St-Fulgence
St-Gédéon
St-Irénée
St-Jean-de-Dieu
St-Malo
St-Mathieu
St-Pascal
St-Pie
St-Urbain
Sutton
Tadoussac
Tring Junction

Waterloo

Wickham

Yamachiche

Appendix 2 to Telecom Decision CRTC 2017-15

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

Tariff	Item	List of services
6716	29	Telephone Set Loss Charge
6716	70	Rate Schedules for Primary Exchange (Local) Service
6716	72	Reference of Calls (ROC) Service
6716	73	Telephone Number Services
6716	82	Toll Restriction
6716	86	Call Display Blocking
6716	220	Extra Listings
6716	1060	Service on Stationary Boats, Ships, Trailers and Trains
6716	1130	Suspension of Service
6716	2150	Push-Button Dialing (Touch-Tone)
6716	2165	Calling Features
6716	2185	Single Number Reach
6716	2200	Call Blocking Service
6716	2300	Telephone Station Equipment
6716	2350	Fibre to the Home and Fibre to the Business

Appendix 3 to Telecom Decision CRTC 2017-15

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

Ontario

Beaverton
Breachin
Centralia
Durham
Eastwood
Grand Valley
Ingleside
Jarvis
Lakefield
Madoc
Maitland
Norwich
Otterville
Owen Sound
Pelham
Southampton
Spanish
Thessalon
Thornbury
Vineland
Watford
Waubauskene
Wellington

Quebec

Acton Vale
Bergeronnes
Chambord
Champlain

Chartierville
Desbiens
Eastman
Les Escoumins
Knowlton
La Doré
La Patrie
Laurierville
Lyster
Metabetchouan
Petite-Rivière-St-François
Sacré-Cœur
Sault-au-Mouton
St-André
St-Damase
Ste-Anne-de-Portneuf
Ste-Catherine
St-Éleuthère
Ste-Madeleine
Ste-Irénée
St-Malo
St-Pascal
St-Pie
St-Urbain
Sutton
Tadoussac
Waterloo