



Telecom Decision CRTC 2010-742

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Ottawa, 6 October 2010

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

File number: 8640-T66-201012137

In this decision, the Commission approves TCC's request for forbearance from the regulation of business local exchange services in 17 exchanges in Alberta and British Columbia. The Commission denies TCC's request for forbearance in three other exchanges in these provinces.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 30 July 2010, in which the company requested forbearance from the regulation of business local exchange services¹ in 20 exchanges in Alberta and British Columbia. A list of these 20 exchanges is set out in Appendix 1 to this decision.
2. The Commission received submissions and/or data regarding TCC's application from Bell Canada, MTS Allstream Inc. (MTS Allstream), and Shaw Communications Inc. (Shaw). The public record of this proceeding, which closed on 2 September 2010, 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 received no comments with respect to TCC's proposed list of business local exchange services.
5. The Commission notes that TCC is seeking forbearance from the regulation of 51 tariffed business local exchange services. The Commission also notes that in Telecom Decision 2008-107, it found 49 of these services to be eligible for forbearance. The other two were included in the list of services set out in

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.

Telecom Decision 2005-35, but have since been transferred to a different tariff and, accordingly, have new item numbers. In addition, the two IntelliRoute services in Alberta and British Columbia were aggregated into one and given a new tariff number. A list of the 50 approved services, including those with new item numbers, is set out in Appendix 2 to this decision.

b) Competitor presence test

6. The Commission notes that for the exchanges listed in Appendix 3, information provided by parties confirms that there is, in addition to TCC, at least one other independent facilities-based, fixed-line telecommunications service provider² that offers local exchange services in the market and is capable of serving at least 75 percent of the number of business local exchange service lines that TCC is capable of serving.
7. Accordingly, the Commission determines that the exchanges listed in Appendix 3 meet the competitor presence test.
8. The Commission also notes that, for the exchanges of Drumheller and Rocky Mountain House, Alberta, and Ladner, British Columbia, there is no other facilities-based, fixed-line telecommunications service provider capable of serving 75 percent of the number of business local exchange service lines that TCC is capable of serving in these three exchanges.
9. Accordingly, the Commission determines that the exchanges of Drumheller and Rocky Mountain House, Alberta, and Ladner, British Columbia, do not meet the competitor presence test.

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

10. The Commission notes that TCC submitted competitor Q of S results for the period of December 2009 to May 2010. The Commission has reviewed these results and finds that TCC 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.
11. Accordingly, the Commission determines that TCC meets the competitor Q of S criterion for this period.

² This competitor is either Shaw, or Bell and Shaw.

d) Communications plan

12. The Commission notes that in lieu of filing a communications plan, TCC submitted that its communications plan specific to the exchanges listed in Appendix 1 would conform to the Commission's determinations as set out in Telecom Decision 2008-107.
13. The Commission notes that TCC submitted a communications plan in the proceeding leading to Telecom Decision 2008-107 that complies with the Commission's requirements set out in Telecom Decision 2006-15.
14. The Commission **approves**, for the purpose of the current application, the use of the communications plan that TCC submitted in the proceeding leading to Telecom Decision 2008-107. The Commission directs TCC to provide the resulting communications material to its customers, in both official languages where appropriate.

Conclusion

15. The Commission determines that TCC's application regarding the exchanges listed in Appendix 3 meets all the local forbearance criteria set out in Telecom Decision 2006-15.
16. 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.
17. 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.
18. 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.
19. 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 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 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 for forbearance from the regulation of business local exchange services*, Telecom Decision CRTC 2008-107, 19 November 2008
- *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 20 exchanges:

Alberta

Drumheller
Fort Saskatchewan
Olds
Ponoka
Rocky Mountain House
Sherwood Park
Spruce Grove
St. Albert

British Columbia

Chemainus
Ganges
Ladner
Lakeview Heights
North Kamloops
Okanagan Falls
Okanagan Mission
Rutland
Saanich
Sooke
Summerland
White Rock

*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/Multi-Frequency Services
1005	168C	Voice Messaging Options Service
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	230	Voice Messaging Options Service
18001	235	Calling Features
18001	240	Extended Area Service (EAS)

18001	295	Inbound Data Access (IDA) Service
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	301	Voice Mail Services (VMS)
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 Service

Appendix 3

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

Alberta

Fort Saskatchewan
Olds
Ponoka
Sherwood Park
Spruce Grove
St. Albert

British Columbia

Chemainus
Ganges
Lakeview Heights
North Kamloops
Okanagan Falls
Okanagan Mission
Rutland
Saanich
Sooke
Summerland
White Rock