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November 17, 2005

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, ON
K1A 0N2

Dear Ms. Rhéaume:

Re: Telecom Public Notice 2005-2, Forbearance from regulation of local exchange services - Applications for Costs by ARCH and The Consumer Groups

1. The Canadian Cable Television Association (CCTA) is in receipt of two applications for costs, filed pursuant to s.44 of the *CRTC Telecommunications Rules of Procedure* and Telecom Public Notice CRTC 2005-2, by the following applicants:
 - a. ARCH: A Legal Resource Centre for Persons with Disabilities (ARCH), dated November 6, 2005, in respect of its intervention in the above named proceeding; and
 - b. the Public Interest Advocacy Centre, on behalf of the National Anti-Poverty Organization, the Consumers' Association of Canada and the Union des Consommateurs (the Consumer Groups), dated November 7, 2005, in respect of their joint intervention in the above named proceeding.

2. CCTA has no comments with respect to the appropriateness of a cost award to ARCH or the Consumer Groups for their interventions in PN 2005-2.
3. Neither applicant took any position respecting the respondents to their cost applications. CCTA submits that the appropriate respondents to the applicants' requests for costs are the incumbent local exchange carriers (ILECs). CCTA further submits that it would not be appropriate to name CCTA or its member companies as appropriate respondents.
4. The Commission's approach to determining the appropriate respondents to an award of costs has been generally to name those parties who are affected by the issues and have participated actively in the proceeding as respondents.
5. While CCTA and numerous other parties participated in this multi-stage proceeding, CCTA notes that this does not necessarily require that all such parties be named as respondents. Most recently, the Commission determined that the ILECs are the appropriate respondents to a cost application related to the current price regulation regime for the ILECs, regardless of the fact that CCTA participated in the proceeding.¹
6. Nor should the determination rest solely on the fact that CCTA, whose member companies compete with the ILECs in this market, has an interest in this proceeding. Companies competing with the ILECs may have an interest in any number of regulatory determinations that impact the largest service providers in the market. In fact, the Commission has appropriately looked to the matter of the purpose of the proceeding in its determinations on costs.²
7. The primary purpose of this proceeding is the establishment of criteria for forbearance from regulation of the ILECs' local exchange services, and the application of these criteria to Aliant's request for forbearance respecting residential local exchange services in certain locations. The proceeding also considered arguments on what changes, if any, should be made to competitive safeguards, including winback restrictions and regulations respecting the offering of promotions, that currently apply to the ILECs' local exchange services. The Commission's determinations will inform the ILECs as to the criteria to be met when applying for forbearance.

¹ See Telecom Costs Order CRTC 2005-14.

² See Telecom Costs Order CRTC 2004-16.

8. The outcome of this proceeding will significantly affect the terms and conditions under which the ILECs' local exchange services will be regulated or forborne. It follows, therefore, that the ILECs have the most direct and substantial interest in the outcome of this proceeding, since they stand to benefit the most from clear criteria for forbearing from regulation of their services.
9. The incumbent telephone companies have as much an interest in the outcome of this proceeding as was the case in the proceeding to consider forbearance from regulation of toll services (Telecom Public Notice CRTC 96-26). As with the issues in PN 2005-2, that earlier proceeding directly affected the terms under which the incumbent telephone companies' toll services would be regulated or forborne. Representatives of consumers participated actively in that proceeding, as did a number of competitors. In its determinations respecting applications for costs awards in the context of that previous proceeding, the Commission named Stentor, which represented the incumbent telephone companies, as the sole respondent.³
10. It would be consistent with the approach taken in that proceeding respecting forbearance to name the ILECs as the respondents to the applications for costs awards in PN 2005-2.
11. For all the reasons cited above, CCTA submits that the ILECs to which the forbearance criteria will apply should be named sole respondents for the costs of ARCH and The Consumer Groups.
12. In the event that the Commission determines that parties other than the ILECs should be named respondents, CCTA submits that the substantial majority of the costs should be allocated to the ILECs, consistent with their position in the local exchange telephony market.

Sincerely,

Michael Hennessy

Michael Hennessy

Cc: Phyllis Gordon, ARCH
Michael Janigan, PIAC
Parties to Public Notice 2005-2

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³ Telecom Costs Order CRTC 97-16 and 97-17.