SHAW

Delivered Electronically

July 20, 2005

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

Dear Ms. Rhéaume:

Re: Telecom Public Notice CRTC 2005-2, *Forbearance from regulation of local exchange services*

Pursuant to the procedures established by the Commission in Telecom Public Notice CRTC 2005-2, Shaw Cablesystems G.P. (Shaw), hereby submits the following interrogatories.

Question 1 – Addressed to Bell Canada

At paragraph 172 of Bell's June 22, 2005 submission, Bell states:

> The 5% standard is the appropriate competitive indicator for the following reasons:
> ... any loss of local share is in addition to the evidence related to other competitive indicators -- the above analysis of which sufficiently demonstrates that no competitor has substantial market power.

Should the Commission determined that Bell has market power and competitors have 6% of the market share, explain whether the Commission would forbear regulation of Bell's local exchange services, under Bell's proposal.

Question 2 – Addressed to Bell Canada

At paragraph 206 of Bell's June 22, 2005 submission, Bell states:

> The Commission has imposed a number of conditions on LECs to facilitate the orderly operation of the local telecommunications services market and to facilitate social objectives. Conditions

falling in the former category include: mandated interconnection amongst LECs, the provision of interconnection to wireless service providers (WSPs), rates for interconnection and call termination as well as other arrangements and agreements between LECs and other telecommunications service providers, including interexchange service providers operating within a LEC's serving territory, equal access and number portability.

a) Explain whether access to support structures is considered by Bell to be a condition imposed on LECs to facilitate the orderly operation of the local telecommunications services market.

b) Explain whether the Commission should retain its section 24 of the *Act* condition making powers in respect access to support structures.

If so, explain whether Bell contemplates any changes to the way support structures are currently regulated.

If not, explain whether and how facilities based competitors would have continued access to Bell support structures.

Question 3 – Addressed to Bell Canada

At paragraph 242 of Bell's June 22, 2005 submission, Bell states:

> The Companies consider that the Commission's powers under section 29 of the *Act* are largely irrelevant to the local services that are within the scope of this proceeding. In this regard, the ILECs' agreements with LECs and other carriers for local interconnection purposes are competitor services which are outside the scope of this proceeding. Consequently, there is no need for the CRTC to retain its power under section 29 in respect of services under consideration in this proceeding.

a) Clarify whether or not the existing regulatory treatment for intercarrier agreements between Bell and competitors, pursuant to section 29 of the *Act*, would continue after any forbearance of local telephone services.

b) Clarify what regulatory oversight, if any, Bell proposes for the following intercarrier agreements, pursuant to section 29 of the *Act*, should the Commission approve Bell's forbearance proposals;

- Master Agreement on Local Interconnection
- IXC Interconnection Agreement
- 9-1-1 Agreement
- Message Relay Service Agreement
- Support Structure Agreement
- Co-location Agreement
- Wholesale Operator Services Agreement

Question 4 – Addressed to Bell Canada

At paragraphs 95 and 271 of Bell's June 22, 2005 submission, Bell states:

> Cogeco has announced its intention to roll out local telephony service in two exchanges. This

> pattern of small scale entry has also been emulated elsewhere. For example, Shaw has limited its initial roll out of local telephony to Calgary, Edmonton and Winnipeg.
>
> Shaw Communications began offering VoIP service in Calgary on 14 February 2005 and Edmonton on 27 April 27 2005, allowing the company to introduce telephone service to 25% of the homes passed by its network in very short order. Shaw expects to offer telephony in all of the major centres it serves by the end of 2005.

Explain whether it is Bell's view that Shaw has exhibited a "small scale entry" in its "initial rollout of local telephony to Calgary, Edmonton and Winnipeg".

<u>Question 5 – Addressed to Bell Canada</u>

At paragraph 291 of Bell's June 22, 2005 submission, Bell states:

> ...in the case of cable companies like Shaw, Cogeco and Vidéotron, they provide local telephony service over their own networks and are capable of transitioning a customer without the active involvement of the ILEC.

Explain whether the companies identified above are "capable of transitioning a customer without the active involvement of the ILEC" when the customer has indicated a desire to port his or her telephone number from the ILEC.

<u>Question 1 – Addressed to Telus</u>

At paragraph 25 of the Telus June 22, 2005 submission, Telus proposes that in any geographic area where two criteria are met, "the provision of local exchange service is sufficiently competitive for the purposes of forbearance". The second of these two criteria requires that a "full facilities-based CLEC has 5% of the total residential NALs and NAL-equivalents in its serving area".

a) Provide the definition for "NAL-equivalents" which Telus proposes that the Commission use for determining whether a facilities-based CLEC has 5% of the market.

b) Explain whether, and if so how, wireless services would be included in this calculation.

<u>Question 2 – Addressed to Telus</u>

Based on the proposal set out by Telus at paragraph 25 of its June 22, 2005 submission, identify the Telus exchanges that would immediately qualify for forbearance.

<u>Question 3 – Addressed to Telus</u>

At paragraph 110 of the Telus June 22, 2005 submission, Telus states:

> Cable LECs are largely independent of the ILECs and require little from the ILECs or any other LEC in order to offer service.

Identify the access or other resources, referenced in Telus's submission, that cable LECs require from ILECs.

<u>Question 4 – Addressed to Telus</u>

At paragraph 111 of the Telus June 22, 2005 submission, Telus states:

> Local service requests (LSRs) are handled in a competitively neutral manner under mature, industry-standard, Commission-approved processes.

Explain whether, as a condition of forbearance, Telus would be prepared to submit itself to the identical LSR processes required of CLECs, and process its own LSRs in a manner identical to the way Telus processes LSRs received from CLECs.

<u>Question 5 – Addressed to Telus</u>

At paragraph 135 of the Telus June 22, 2005 submission, Telus indicates that the Commission should refrain from its powers and duties, pursuant to section 29 of the *Act*, respecting intercarrier agreements.

a) Clarify whether or not the existing regulatory treatment for intercarrier agreements between Telus and competitors, pursuant to section 29 of the *Act*, would continue, after any forbearance of local telephone services.

b) Clarify what regulatory oversight, if any, Telus proposes for the following intercarrier agreements, pursuant to section 29 of the *Act*, should the Commission approve Telus's forbearance proposals;

- Master Agreement on Local Interconnection
- IXC Interconnection Agreement
- 9-1-1 Agreement
- Message Relay Service Agreement
- Support Structure Agreement
- Co-location Agreement
- Wholesale Operator Services Agreement

<u>Question 1 – Addressed to the Competition Bureau</u>

At paragraph 140 of the Competition Bureau's June 22, 2005 submission, the Competition Bureau states:

> Several companies have already begun to offer VoIP or have announced plans to do so. Facilities-based VoIP offerings include those from the largest cable companies (i.e. Rogers, Shaw, Videotron and Cogeco) and the incumbent telcos (i.e. Bell and TELUS). As noted earlier, some (or all) of these facilities-based providers also intend to offer VoIP service outside their normal operating territory.

Identify the cable companies which have indicated an intention to "offer for VOIP service outside their normal operating territory".

Question 2 – Addressed to the Competition Bureau

At paragraph 207 of the Competition Bureau's June 22, 2005 submission, the Competition Bureau states:

> ...in assessing the likely competitive effects of a structural change such as forbearing from regulating an ILEC local exchange service, the Bureau would want to know whether timely entry by potential competitors would likely occur on a sufficient scale and magnitude to constrain a material price increase in the relevant market or a substantial part of the market.

In the context of the current proceeding, explain how the Competition Bureau would determine whether entry is of a "sufficient scale and magnitude to constrain a marked material price increase".

Question 3 – Addressed to the Competition Bureau

At paragraph 216 of the Competition Bureau's June 22, 2005 submission, the Competition Bureau states:

> Regulatory barriers (e.g., foreign ownership restrictions and regulatory control over entry) can provide incumbents with absolute cost advantages over potential entrants, presenting considerable and in some cases insurmountable impediments to entry.

Explain whether, in the Competition Bureau's view, foreign ownership restrictions constitute a barrier or impediment to entry in the local telephone service market.

Question 4 – Addressed to the Competition Bureau

At paragraph 254 of the Competition Bureau's submission, the Competition Bureau states:

> There may be some areas of Canada where a competing service is only likely to develop through sharing of essential facilities on a mandated basis. In such cases, getting the wholesale access price right will be critical. This is a difficult exercise that will require ongoing regulation and supervision by the Commission.

In addition to getting the wholesale access price "right", explain whether getting the terms and conditions right for access to essential facilities is also critical and whether ongoing regulation and supervision by the Commission is necessary.

Question 1 – Addressed to MTS Allstream Inc.

At paragraph 109 of MTS Allstream's June 22, 2005 submission, MTS Allstream identifies customer inertia as one of the "barriers to entry that continue to prevent meaningful and sustainable competition from taking hold in the local services market".

a) Explain how inertia has made entry difficult for MTS Allstream.

b) Explain what actions the Commission should adopt to remove this barrier.

Question 2 – Addressed to MTS Allstream Inc.

At paragraph 157 of MTS Allstream 's June 22, 2005 submission, MTS Allstream states:

> As the Commission is aware, competitors have struggled to gain access to this infrastructure when rolling out their networks and several disputes have ensued. In some instances, these disputes involve a complete denial of access by the infrastructure owner to the new entrant in question, and in other instances the owner of the infrastructure has indicated a willingness to provide access, but on usurious terms and conditions.

a) At paragraph 156, MTS Allstream states "[i]n order for new entrants in the local services market to build out their networks and provide service to end-user customers, they require access to... hydro utility support structures". With reference to paragraph 157, quoted above, explain with examples, how MTS Allstream has "struggled to gain access" to hydro utility support structures.

b) Explain, with examples, the nature of the struggles MTS Allstream has experienced to gain access to hydro utility support structures in Manitoba.

c) Explain whether competitors have "struggled to gain access" to MTS Allstream support structures located in Manitoba.

Question 3 – Addressed to MTS Allstream Inc.

At paragraph 109 of MTS Allstream's June 22, 2005 submission, MTS Allstream identifies access to infrastructure, including access to support structures, as one of the "barriers to entry that continue to prevent meaningful and sustainable competition from taking hold in the local services market".

Explain what steps MTS Allstream is currently taking or planning to take to remove access to its support structures as a barrier to entry by CLECs.

Question 4 – Addressed to MTS Allstream Inc.

At paragraph 134 of MTS Allstream's June 22, 2005 submission, MTS Allstream states:

> In the view of MTS Allstream, because xDSL technologies are now becoming one of the principal means by which competitors are delivering local services to their customers, it is imperative that the issues surrounding competitor access to ILEC remotes be resolved and that any associated solutions be fully tested and successfully implemented for a consecutive twelve (12) month period of time *prior* to any Commission decision to forbear in the local services market.

a) Explain, with examples, whether the provision of xDSL over dry loops by ILECs has been or is now a barrier or impediment to entry for MTS Allstream.

b) Explain whether the problem of the provision of xDSL over dry loops by ILECs has been resolved to MTS Allstream's satisfaction.

d) Where problems persist, explain MTS Allstream's proposal or recommended solution for the provision of xDSL over dry loops by ILECs.

e) Explain whether MTS Allstream offers xDSL services over dry loops in Manitoba.

i) If so, identify the xDSL services which are available over dry loops and identify any xDSL services which are not available over dry loops and explain why they are not available.

ii) Explain whether MTS Allstream's high speed Internet services offered to residential customers are available over dry loops. If not, explain why not.

iii) Explain whether MTS Allstream's MTS TV is available over dry loops. If not, explain why not.

f) For xDSL services which are not available over dry loops in Manitoba, explain what action, if any, MTS Allstream has initiated to make them available.

g) Do you provide MTS TV or MTS high speed internet service independently of local telephone service? If not, explain why not.

Yours truly,

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