



Telecom Order CRTC 2012-561

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Ottawa, 12 October 2012

TELUS Communications Company – Interconnecting carrier-to-interconnecting carrier cross-interconnection links

File numbers: TCC Tariff Notice 438, TCI Tariff Notice 644, and TCBC Tariff Notice 4357

1. The Commission received applications from TELUS Communications Company (TCC), dated 27 July 2012, in which the company proposed to i) add a 2.5 gigabit-per-second (Gbps) interconnecting carrier-to-interconnecting carrier (IC-to-IC)¹ cross-interconnection link, and ii) modify the structure and rates for its existing DS-1 and DS-3 IC-to-IC cross-interconnecting links.
2. TCC indicated that the new 2.5 Gbps IC-to-IC cross-interconnection link would be available for its wholesale customers 30 days after the Commission approved its applications.
3. TCC proposed a monthly rate of \$600 and a one-time service charge of \$50 for the 2.5 Gbps IC-to-IC cross-interconnection link. It submitted that the proposed rate is consistent with the pricing principles for conditional mandated non-essential wholesale services set out in Telecom Decision 2008-17. TCC submitted a Phase II cost study with a one-year study period to support the proposed rates.
4. With respect to the DS-1 and DS-3 IC-to-IC cross-interconnection links, TCC proposed to change its existing rates from one-time charges of \$801.85 and \$758.54² to monthly rates of \$60 and \$100, respectively. TCC submitted that the proposed monthly rates were the same as those approved by the Commission in Telecom Order 2009-695 for Bell Canada, and therefore a cost study for the revised proposed rates was not submitted.
5. The Commission received comments regarding TCC's applications from Bell Canada and from MTS Inc. and Allstream Inc. (collectively, MTS Allstream). The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.
6. MTS Allstream submitted that they welcomed the introduction of the 2.5 Gbps IC-to-IC cross-interconnection link and requested that it be made available as soon as possible. However, they objected to the proposed change in rate structure for the existing DS-1 and DS-3 IC-to-IC cross-interconnection links, preferring that TCC continue using one-time charges rather than monthly recurring charges.

¹ An IC-to-IC cross-interconnection link is a wholesale service that provides a connection between two interconnecting carriers (co-locators) in the same central office at a given speed.

² TCC approved tariff CRTC 21462, item 211

7. Bell Canada submitted that the proposed rates for DS-1 and DS-3 IC-to-IC cross-interconnection links should only apply to new customer orders made after the effective date of the service changes.

Commission's analysis and determinations

8. In its responses to Commission interrogatories, TCC submitted revised Phase II costs and a revised rate based on a five-year study period for the 2.5 Gbps IC-to-IC cross-interconnection link. Under this five-year study, the revised rate was set at \$541 and the one-time service charge was set at \$50.
9. With respect to the proposed changes to the DS-1 and DS-3 IC-to-IC cross-interconnection links, the Commission notes that TCC did not submit a Phase II cost study to support its proposed changes, but used the approved rates of another company as a proxy. The Commission notes that pursuant to Telecom Decision 2008-14, and consistent with the regulatory economic study manual, each large incumbent local exchange carrier is required to develop and make use of company-specific costs in support of tariff applications.
10. In light of the above, and in order to make the 2.5 Gbps IC-to-IC cross-interconnection link available as soon as possible, the Commission **approves on an interim basis** a monthly rate of \$541 and a one-time service charge of \$50 for TCC's 2.5 Gbps IC-to-IC cross-interconnection link, based on the company's revised Phase II cost study.
11. The Commission also **denies** TCC's proposed modifications to the rate structure and rates for DS-1 and DS-3 IC-to-IC cross-interconnection links. The Commission notes that TCC may file a separate application with a Phase II cost study supporting a change to the rate structure and rates for these services, should it choose to do so.

Secretary General

Related documents

- Telecom Order CRTC 2009-695, 5 November 2009
- *Revised regulatory framework for wholesale services and definition of essential service*, Telecom Decision CRTC 2008-17, 3 March 2008
- *Review of certain Phase II costing issues*, Telecom Decision CRTC 2008-14, 21 February 2008, as amended by Telecom Decision CRTC 2008-14-1, 11 April 2008