



Telecom Order CRTC 2005-114

Ottawa, 24 March 2005

Dedicated Services Interconnection and Settlement Agreements

Reference: 8340-B7-200415126; 8340-N6-200414110; 8340-C41-200414079;
8340-D3-200500729; 8340-K1-200415548; 8340-C4-200414087;
8340-W2-200414152; 8340-L1-200414095; 8340-U2-200414144;
8340-S5-200414136; 8340-O2-200414590; 8340-S4-200414128;
8340-M4-200414103

Background

1. In *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001 (Decision 2001-756), the Commission stated that it would initiate a CRTC Interconnection Steering Committee (CISC)-like consultative process to determine, among other things, a final methodology for cost recovery and allocation of network access costs for the year 2002 and beyond in the small incumbent local exchange carriers' (ILECs') territories. In Decision 2001-756, the Commission also froze network access per quarter-mile costs at approved 2001 levels and made the 2002 network access tariff per quarter-mile rates interim.
2. In *Ontario Telecommunications Association – Final 2001 and interim 2002 Network Access Tariffs*, Telecom Order CRTC 2003-217, 29 May 2003, and *Canadian Alliance of Publicly-Owned Telecommunications Systems - Final 2001 and interim 2002 Network Access Tariffs*, Telecom Order CRTC 2003-525, 23 December 2003, the Commission approved on an interim basis the 2002 network access tariffs for members of the Ontario Telecommunications Association (OTA) and the Canadian Alliance of Publicly-Owned Telecommunications Systems, respectively.
3. In *Direct toll and network access costing methodology for small incumbent local exchange carriers – Follow-up to Decision 2001-756*, Telecom Decision CRTC 2005-3, 31 January 2005, the Commission determined that the small ILECs with network access tariffs could best achieve cost recovery through negotiated settlement agreements with interexchange carriers purchasing network access services.

The applications

4. The Commission received applications for approval of Dedicated Services Interconnection and Settlement Agreements between Bell Canada and small ILECs. The proposed agreements would be effective retroactive to 1 January 2003; the applications filed were dated:
 - 22 November 2004 by Compagnie de téléphone Nantes inc.; CoopTel; La Cie de Téléphone de Courcelles Inc.; La Compagnie de Téléphone de Warwick; La Corporation de Téléphone de La Baie; La Compagnie de Téléphone Upton Inc.; Le Téléphone de St-Liboire de Bagot Inc.; Sogetel inc.; and Téléphone Milot inc.;

- 6 December 2004 by the OTA on behalf of its members;
 - 13 December 2004 by Bruce Municipal Telephone System;
 - 15 December 2004 by Kenora Municipal Telephone System; and
 - 19 January 2005 by Dryden Municipal Telephone System.
5. The small ILECs filed agreements in confidence and provided abridged versions for the public record.
 6. The Commission received no comments with respect to these applications.

Commission's analysis and determinations

7. The Commission finds that the filing of these agreements by the small ILECs is consistent with its determination that network access cost recovery should be based on negotiated settlement agreements.
8. The Commission notes that for some of the services listed in the agreements, there is already an approved tariff rate. The Commission is of the view that in such cases, the approved small ILEC's tariff rate should be used.
9. Accordingly, the Commission **approves with changes** the applications and directs each of the small ILECs listed in paragraph 4 above to amend the agreements in order to refer to its tariffs for those services with approved tariff rates. Further, given that the agreements are to be effective retroactive to 1 January 2003, the Commission **approves on a final basis** the 2002 network access tariffs for the small ILECs listed in paragraph 4 above.

Secretary General

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