



Telecom Order CRTC 2006-130

Ottawa, 31 May 2006

TBayTel – Dedicated Services Interconnection and Settlement Agreement

Reference: 8340-T8-200605397

Background

1. In *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001, 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. 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 application

4. On 26 April 2006 the Commission received an application by TBayTel for approval of a Dedicated Services Interconnection and Settlement Agreement between Bell Canada and TBayTel. The proposed agreement would be effective retroactive to 1 January 2003.
5. In Telecom Order CRTC 2006-113, 15 May 2006, the Commission approved the company's application on an interim basis.
6. The Commission received no comments with respect to the application.

Commission's analysis and determinations

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

Secretary General

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