



## Telecom Order CRTC 2007-427

Ottawa, 16 November 2007

### **Bell Canada and Bell Aliant Regional Communications, Limited Partnership**

Reference: Bell Canada Tariff Notice 6981  
Bell Aliant Tariff Notice 36

### **Co-location Arrangements for Interconnecting Canadian Carriers and Digital Subscriber Line Service Providers**

#### **Introduction**

1. The Commission received an application by Bell Aliant Regional Communications, Limited Partnership and Bell Canada (collectively, Bell Canada et al.), dated 8 September 2006, proposing revisions to their respective versions of Access Services Tariff item 110 – Co-location Arrangements for Interconnecting Canadian Carriers and Digital Subscriber Line Service Providers.
2. Specifically, Bell Canada et al. proposed to modify their tariffs to explicitly identify the monthly rates for DS-1 and DS-3 interconnecting carrier to interconnecting carrier (IC-to-IC) cross-connection links in place of references to National Services Tariff (NST) item 301.3 – Digital Network Access (DNA), in particular sub-items 301.3 (b) and (c).
3. The Commission received comments from MTS Allstream Inc. (MTS Allstream). The record of this proceeding closed with Bell Canada et al.'s reply comments, dated 18 October 2006. The public record of this proceeding is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."
4. The Commission has identified the following two issues to be addressed in its determinations:
  - What is the competitor service classification for DS-1 and DS-3 IC-to-IC cross-connection links?
  - What are the appropriate rates for DS-1 and DS-3 IC-to-IC cross-connection links?

**What is the competitor service classification for DS-1 and DS-3 IC-to-IC cross-connection links?**

#### *Positions of parties*

5. MTS Allstream noted that Rogers Wireless Partnership (Rogers Wireless) filed an application with the Commission, dated 23 December 2005, seeking clarification on the applicability of retail DNA link charges in conjunction with the competitor digital network services of the

incumbent local exchange carriers (ILECs). MTS Allstream submitted that, since this matter was under review as part of Rogers Wireless's application, Bell Canada et al.'s application should be either withdrawn or denied.

6. MTS Allstream submitted that, in situations where the ILEC was the only provider of a link service necessary to connect a combination of ILEC services or non-ILEC services and facilities, the link service was an essential service and should be classified as a Category I competitor service.
7. In reply, Bell Canada et al. submitted that IC-to-IC cross-connection links did not have to be provided by the ILECs, but instead could be provided using competitive local exchange carriers' (CLEC) facilities. Bell Canada et al. argued that the IC-to-IC cross-connection links should remain classified as a non-essential Category II competitor service since the IC-to-IC cross-connection links provided an alternative to interconnecting without using CLEC-provided facilities.

#### **Commission's analysis and determinations**

8. The Commission notes that while Rogers Wireless's application was disposed of in Telecom Decision 2007-6, that Decision did not address the service classification or rates for the IC-to-IC cross-connection links. The Commission further notes that, by contrast with other link services, IC-to-IC cross-connection links may be provided without using ILEC facilities.
9. The Commission further notes, however, that the matter of the service classification of competitor services is at issue in the current proceeding initiated by Telecom Public Notice 2006-14 (the Essential Services proceeding), to review the regulatory framework for wholesale services and the definition of what constitutes an essential service.
10. In the circumstances, the Commission considers that it would not be appropriate to dispose of Bell Canada et al.'s application on a final basis pending the outcome of the above-noted proceeding.
11. In light of the above, the Commission considers it appropriate to maintain the Category II competitor service classification of the IC-to-IC cross-connection links on an interim basis, pending the outcome of the Essential Services proceeding.

#### **What are the appropriate rates for DS-1 and DS-3 IC-to-IC cross-connection links?**

##### *Position of parties*

12. Bell Canada et al. submitted that the proposed monthly rates for DS-1 and DS-3 IC-to-IC cross-connection links were consistent with the rates approved by the Commission in Telecom Order 99-1201. Bell Canada et al. also submitted that the retail rates were appropriate for DS-1 and DS-3 IC-to-IC cross-connection links.

### Commission's analysis and determinations

13. The Commission notes that Bell Canada et al.'s proposed monthly rates for the DS-1 and DS-3 IC-to-IC cross-connection links are the same as those referenced in NST sub-items 301.3 (b) and (c).
14. The Commission notes that the matter of the appropriate pricing principles of competitor services is at issue in the Essential Services proceeding. The Commission also notes that the matter of the appropriate expense inclusions to be reflected in a regulatory economic study is at issue in the current proceeding initiated by Telecom Public Notice 2007-4 to review certain Phase II costing components.
15. In the circumstances, the Commission considers that the rates approved in Telecom Order 99-1201 remain appropriate, in the interim, pending the outcome of the above-noted proceedings. The Commission considers that the rates, terms, and conditions for the DS-1 and DS-3 IC-to-IC cross-connection links will be maintained on an interim basis.
16. The Commission considers that the above determination advances the following policy objectives as set out in section 7 of the *Telecommunications Act*, and otherwise comply with the Policy Direction<sup>1</sup>:
  - (b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;
  - (f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; and
  - (h) to respond to the economic and social requirements of users of telecommunications services.
17. In light of the above, the Commission **approves on an interim basis** the rates for the DS-1 and DS-3 IC-to-IC cross-connection links, effective the date of this Order. The Commission expects that the service classification, rates, terms, and conditions for the DS-1 and DS-3 IC-to-IC cross-connection links will not be applied retroactively when disposed of on a final basis.

Secretary General

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<sup>1</sup> On 27 December 2006, the Governor in Council published *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, which came into force on 14 December 2006.

## Related documents

- *Review of certain Phase II costing issues*, Telecom Public Notice CRTC 2007-4, 30 March 2007
- *Rogers Wireless Partnership – Part VII application with respect to the applicability of retail Digital Network Access link charges to Competitor Digital Network facilities*, Telecom Decision CRTC 2007-6, 2 February 2007, as amended by Telecom Decision CRTC 2007-6-1, 20 March 2007
- *Review of regulatory framework for wholesale services and definition of essential service*, Telecom Public Notice CRTC 2006-14, 9 November 2006, as amended by Telecom Public Notices CRTC 2006-14-1, 15 December 2006; 2006-14-2, 15 February 2007; 2006-14-3, 16 March 2007; and 2006-14-4, 20 March 2007
- *Interconnection tariffs for carriers and telephone companies at a central office*, Telecom Order CRTC 99-1201, 22 December 1999

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