



## Telecom Decision CRTC 2008-21

Ottawa, 6 March 2008

### **Follow-up to *Mitchell Seaforth Cable T.V. Ltd.* – Application to review and vary the determinations in Telecom Decision 2007-50 with respect to the community of Dublin, Ontario, Telecom Decision 2007-110**

Reference: 8662-M38-200710659 and 8678-C12-200615578

*In this Decision, the Commission approves in part Mitchell Seaforth Cable T.V. Ltd.'s request to exclude certain distribution serving areas in Dublin, Ontario from Bell Canada's broadband expansion plan.*

### **Introduction**

1. In Telecom Decision 2007-110, the Commission approved Mitchell Seaforth Cable T.V. Ltd.'s (Mitchell Seaforth) application to review and vary Telecom Decision 2007-50. As a result, the Commission excluded Dublin, Ontario from the list of uncontested communities in the Attachment to Telecom Decision 2007-50, pending further review of Mitchell Seaforth's request. In order to have a full record on which to base its final decision regarding Dublin, the Commission directed Mitchell Seaforth to file with the Commission and serve on all parties to the Telecom Public Notice 2006-15 proceeding the information identified in paragraph 9(a) of Telecom Public Notice 2006-15. The Commission also directed the company to file answers to Commission interrogatories issued concurrent with Telecom Decision 2007-110.
2. Bell Canada, on behalf of itself and Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) (collectively, Bell Canada et al.), filed comments regarding Mitchell Seaforth's submission. 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."
3. The Commission considers that the issue to be addressed in its determinations is whether the broadband service provided by Mitchell Seaforth is comparable to the one proposed by Bell Canada et al. for Dublin, based on the criteria established in Telecom Decision 2008-1.

### **Background**

4. In Telecom Public Notice 2006-15, the Commission initiated a proceeding to consider the incumbent local exchange carriers' (ILECs) proposals to use deferral account funds to expand broadband service to rural and remote communities within their serving territories. As part of this process, alternative broadband service providers (ABSPs) had the opportunity to file submissions to exclude any community identified in the ILECs' proposals that was already served or likely to be served in the near future.
5. In Telecom Decision 2007-50, the Commission approved the use of deferral account funds by Bell Aliant, Bell Canada, MTS Allstream Inc., and TELUS Communications Company to expand broadband services to certain rural and remote communities in Rate Bands E, F, and G

in British Columbia, Manitoba, Ontario, and Quebec where no ABSP had indicated, on the record of the Telecom Public Notice 2006-15 proceeding, that it currently provided or had firm plans to provide broadband services in the near future. As part of that Decision, the Commission approved the expansion of broadband services to the community of Dublin.

6. In Telecom Decision 2008-1, the Commission approved the use of deferral account funds for additional communities. The Commission also outlined the criteria it uses to assess ABSPs' claims that a community is already served or that firm plans are in place to serve it in the near future. As well, the Commission stated that an ABSP's broadband service rates, terms, conditions, upload and download speeds, and reliability must be comparable to those of the ILEC in order to exclude a community from the ILEC's proposed broadband expansion plan.

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

7. Mitchell Seaforth noted that the Dublin area includes Bell Canada et al.'s distribution serving areas (DSAs) 180-1, 180-2, 360-1, and 380-2 and submitted that those DSAs are already well served. Mitchell Seaforth confirmed that it serves DSA 360-1 using cable technology and DSAs 180-1 and 380-2 using wireless technology. It also confirmed that it currently serves part of DSA 180-2, including the hamlet of Brodhagen, using wireless service, and that it plans to expand its wireless service into the rest of DSA 180-2 in 2008. Bell Canada et al. agreed that DSA 360-1 should be excluded from Bell Canada's broadband expansion plan. However, they disagreed that DSAs 180-1, 180-2 and 380-2 should be excluded from their proposed broadband expansion plan.
8. Mitchell Seaforth submitted that it provides cable modem broadband service at a monthly cost of \$39.95, with a one-time service charge of \$9.95, for download and upload speeds of 3 Mbps and 385 Kbps respectively. Regarding its wireless broadband service, Mitchell Seaforth submitted that it charges \$44.95 per month, with a one-time service charge of \$600, for download and upload speeds of 2 Mbps and 256 Kbps respectively.
9. In Telecom Decision 2008-1, the Commission concluded that some variation in rates between the ILEC's and the ABSP's services is acceptable. However, the Commission determined that a rate would not be considered comparable where a significant installation cost applies that, alone or in combination with the monthly rate, would make the service unreasonably expensive for a large proportion of the general public in the identified community. The Commission considers that Mitchell Seaforth's wireless broadband service in DSAs 180-1, 180-2, and 380-2 is not comparable to Bell Canada et al.'s broadband service with respect to the rates charged, because the service charge of \$600 is sufficiently large so as to be unaffordable for a large proportion of residents of these DSAs.
10. Accordingly, the Commission determines that Mitchell Seaforth's broadband service in DSAs 180-1, 180-2, and 380-2 is not comparable to that of Bell Canada et al. The Commission therefore **denies** Mitchell Seaforth's request to exclude these DSAs from Bell Canada's broadband expansion plan and **approves** the use of deferral account funds by Bell Canada et al. for expansion of broadband service in these DSAs.

11. The Commission considers that Mitchell Seaforth's cable modem broadband service provided in DSA 360-1 is comparable to Bell Canada et al.'s broadband service, when assessed against the service requirements identified in Telecom Decision 2008-1. Accordingly, the Commission **approves** Mitchell Seaforth's request to exclude DSA 360-1 from Bell Canada's broadband expansion plan.

Secretary General

### **Related documents**

- *Use of deferral account funds to improve access to telecommunications services for persons with disabilities and to expand broadband services to rural and remote communities*, Telecom Decision CRTC 2008-1, 17 January 2008
- *Mitchell Seaforth Cable T.V. Ltd. – Application to review and vary the determinations in Telecom Decision 2007-50 with respect to the community of Dublin, Ontario*, Telecom Decision CRTC 2007-110, 22 November 2007
- *Telecom Public Notice CRTC 2006-15 – Use of deferral account funds to expand broadband services to certain rural and remote communities*, Telecom Decision CRTC 2007-50, 6 July 2007, as amended by Telecom Decision CRTC 2007-50-1, 27 July 2007
- *Review of proposals to dispose of the funds accumulated in the deferral accounts*, Telecom Public Notice CRTC 2006-15, 30 November 2006

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*