



## Telecom Decision CRTC 2011-355

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Ottawa, 31 May 2011

### **Globility Communications Corporation – Application regarding the provision of links between interconnecting carriers in central offices**

File number: 8622-G23-201018929

*In this decision, the Commission approves Globility's request that the incumbent local exchange carriers (ILECs) allow Globility to route all its traffic in their central offices over links between interconnecting carriers (IC-to-IC links). The Commission also directs the ILECs to file tariffs to provide higher-capacity IC-to-IC links to competitors when requested to do so.*

#### **Introduction**

1. The Commission received an application by Globility Communications Corporation (Globility), dated 24 December 2010, requesting that the Commission direct the incumbent local exchange carriers (ILECs)<sup>1</sup> to provide certain links between interconnecting carriers (IC-to-IC links) in the ILECs' central offices. Specifically, Globility requested that
  - the ILECs provide IC-to-IC links to allow Globility to route all its traffic originating from local access lines leased from an ILEC to the central office co-location space of another competitor, which would enable Globility to transport its traffic out of an ILEC's central office to its own point of presence using facilities owned by that other competitor; and
  - the ILECs be directed to file tariffs, upon request, for IC-to-IC links at capacities of OC-3, OC-12, and 10/100/1000 megabits per second (Mbps) or, alternatively, dark fibre IC-to-IC links.
2. Globility submitted that it filed its application because of a dispute between itself and Bell Canada related to Bell Canada's Toronto Asquith central office. Globility and another competitor each have co-location space in that central office, and Globility currently leases IC-to-IC links from Bell Canada between those two co-location spaces. However, these links restrict Globility to routing less than 50 percent of its traffic to its point of presence outside the central office using the

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<sup>1</sup> The ILECs are Bell Aliant Regional Communications, Limited Partnership; Bell Canada; MTS Allstream Inc.; Saskatchewan Telecommunications; and TELUS Communications Company.

other co-located competitor's facilities. Globility must use Bell Canada's services, in this case competitor digital network (CDN) services, to route the remaining traffic to its point of presence. Globility submitted that Bell Canada should be required to provide additional IC-to-IC link facilities, at higher capacities where required, and enable it to transport all its traffic to its point of presence using the other co-located competitor's facilities.

3. The Commission received comments on Globility's application from Bell Aliant Regional Communications, Limited Partnership and Bell Canada (the Bell companies); the Canadian Network Operators Consortium (CNOC); Distributel Communications Limited (Distributel); MTS Allstream Inc. (MTS Allstream); Rogers Communications Partnership (Rogers); Saskatchewan Telecommunications (SaskTel); TELUS Communications Company (TCC); and Yak Communications (Canada) Corp. (Yak). The public record of this proceeding, which closed on 10 February 2011, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file number provided above.
4. The Commission has identified the following questions to be addressed in its determinations:
  - Should the ILECs be required to provide IC-to-IC links to Globility in the manner requested?
  - Should the ILECs be required to provide higher-capacity IC-to-IC links?

**Should the ILECs be required to provide IC-to-IC links to Globility in the manner requested?**

5. The Bell companies stated that in Telecom Decision 97-15, the Commission established a principle that limits the amount of traffic that a competitor can carry over IC-to-IC links. Specifically, in cases where one co-located competitor wishes to use the facilities of another co-located competitor to transport traffic out of an ILEC's central office, the capacity connecting those two competitors in that central office using IC-to-IC links must be less than 50 percent of the total capacity that the first co-located competitor acquires from leasing the ILEC's local access line facilities. Accordingly, the Bell companies argued that, pursuant to Telecom Decision 97-15, they cannot provide IC-to-IC links to transport all of Globility's traffic to another carrier's co-location space in one of their central offices.
6. Globility argued that, in Telecom Order 99-1107, the Commission modified the requirement established in Telecom Decision 97-15. Specifically, the Commission permitted one non-co-located carrier (AT&T Canada) to lease links from an ILEC to carry all of its traffic generated from leasing the ILEC's local access line facilities to a co-located carrier in the ILEC's central office for transport to AT&T Canada's point of presence outside the central office. Globility submitted that approval of its request would be consistent with Telecom Order 99-1107.

7. The Bell companies submitted that the Commission, when rendering Telecom Decision 97-15, indicated that co-located competitors should not be permitted to use an ILEC's central office as a hub or switching centre. The Bell companies argued that the situation considered in Telecom Order 99-1107 was different from the current situation, since AT&T Canada, which was not co-located, could not exchange traffic with the other carrier in the central office.
8. Globility responded that it has no intention of using Bell Canada's central office as a hub or switching centre to exchange traffic with other co-located carriers.
9. Finally, the Bell companies identified a few options that they claimed are available alternatives to Globility's use of CDN services, including the following:
  - constructing new facilities leading into the central office;
  - attempting to find a third party with transport facilities that can be extended into the central office; and
  - purchasing the Bell companies' higher-priced retail services.
10. CNOC, Distributel, MTS Allstream, Rogers, and Yak supported Globility's application. TCC supported Bell Canada's position but proposed that a further review of the current rules associated with IC-to-IC links be initiated to determine if any modifications might be appropriate.

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

11. The Commission notes that many changes have occurred since Telecom Decision 97-15 established the rules for IC-to-IC links to help prevent multiple competitors from using the ILECs' central offices as hubs or switching centres. These include regulatory changes, such as Telecom Decision 2008-17, which set out a revised regulatory framework for wholesale services and encouraged the expansion of facilities-based competition.
12. Further, pursuant to Telecom Decision 2008-17, the Commission has recently forborne in part from regulating CDN services. As noted above, Globility currently uses CDN services as a primary means to transport more than 50 percent of its traffic out of the Bell Canada central office. Since these CDN services are now forborne from regulation, the ILECs can, at any time, increase their CDN service rates without regulatory approval or withdraw the services entirely.
13. The Commission considers that continued adherence to the principle established for IC-to-IC links in Telecom Decision 97-15 could place competitors, like Globility, at a disadvantage if no competitive alternative is readily available for transporting the majority of their traffic out of the central office. The Commission also considers that the alternatives suggested by the Bell companies do not appear to be as practical as Globility's proposal.

14. Further, the Commission considers that approval of Globility's request would help to encourage the self-supply of third-party facilities out of a central office by at least one co-located competitor, thereby promoting facilities-based competition.
15. The Commission is not persuaded, in this instance, that it is likely that Globility will use an ILEC's central office as a hub or switching centre to exchange traffic, given that the company already has a point of presence outside the central office. However, the Commission considers that the concern over the potential for competitors to use the ILECs' central offices as hubs or switching centres can be addressed if the tariffs for IC-to-IC links include a provision to preclude such use.
16. Accordingly, the Commission **approves** Globility's request that a co-located competitor be permitted to use IC-to-IC links connected to facilities provided by another co-located competitor to route all its traffic to its point of presence outside a central office.

### **Should the ILECs be required to provide higher-capacity IC-to-IC links?**

17. The Bell companies stated that there is no need to introduce higher-capacity IC-to-IC links, since demand would not justify the costs and resources required to develop and implement them.
18. However, four co-located carriers—Distributel, Globility, MTS Allstream, and Yak—indicated that they currently have a requirement for higher-capacity IC-to-IC links.
19. SaskTel requested that if Globility's application is approved, there be no requirement for ILECs to provide higher-capacity IC-to-IC links unless they receive a request from a qualifying competitor in their territory.

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

20. The Commission notes that the speeds requested by Globility for higher-capacity IC-to-IC links are commonly used in the telecommunications industry and by the ILECs themselves. The Commission also notes that there have been recent changes within the industry in this regard; for example, over the past decade, all industry participants, including the ILECs, have been increasingly using higher-capacity facilities such as those requested by Globility.
21. The Commission considers that the availability of the requested links would provide an efficient and cost-effective means for competitors to transport traffic from an ILEC's central office to their own points of presence. The Commission also considers that the use of such links is consistent with the *Telecommunications Act* and with the Policy Direction<sup>2</sup> in that it facilitates the development of the telecommunications marketplace and further enables competition.

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<sup>2</sup> *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006

22. Accordingly, the Commission **approves** Globility's request that the ILECs be directed to file tariffs to provide higher-capacity IC-to-IC links.
23. The Commission directs the ILECs to file tariffs for higher-capacity links within 45 days of receiving a request for such links. Consistent with paragraph 15 above, these tariffs should state that all traffic carried over the IC-to-IC links must be routed directly to the competitor's point of presence outside the central office, with no hubs or switching of any of the traffic inside the ILEC's central office. The ILECs are also directed to file, within 45 days of the date of this decision, modifications to their existing tariffs for IC-to-IC links to reflect the Commission's determinations in this decision.

Secretary General

### **Related documents**

- *Revised regulatory framework for wholesale services and definition of essential service*, Telecom Decision CRTC 2008-17, 3 March 2008
- *Connecting to a telephone company via a co-located third party*, Telecom Order CRTC 99-1107, 25 November 1999
- *Co-location*, Telecom Decision CRTC 97-15, 16 June 1997