



## Telecom Order CRTC 2012-634

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Ottawa, 21 November 2012

### **Videotron G.P. – Introduction of 10 Gigabit Ethernet Interconnecting Option – Third party Internet access service**

File Number: Tariff Notice 42

1. The Commission received an application by Quebecor Media Inc., on behalf of its affiliate Videotron G.P. (Videotron), dated 8 March 2012, in which the company proposed to introduce a 10 Gigabit Ethernet (GigE)<sup>1</sup> interconnecting circuit option to its third party Internet access (TPIA) service. Videotron submitted that under its proposal, TPIA customers, at the point of interconnection (POI),<sup>2</sup> would have three high-speed interconnecting circuit options: Fast Ethernet 100Base-Fx, 1 GigE, and 10 GigE.
2. Videotron proposed the following three service conditions associated with the 10 GigE interconnecting circuit option: (i) the 10 GigE interconnecting circuit option will be installed only where traffic volumes warrant it, (ii) the TPIA customer must maintain a capacity-based billing (CBB) capacity order of at least 3 Gbps on each 10 GigE interconnecting facility, and (iii) the TPIA customer must provide its own 10 GigE optical module which connects the TPIA customer's interconnecting circuit to Videotron's POI router.
3. The Commission received comments from the Canadian Network Operators Consortium Inc. (CNOc). The public record of this proceeding, which closed on 20 April 2012, 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. CNOc welcomed the new capability but objected to the service conditions proposed by Videotron. CNOc submitted that an independent Internet service provider (ISP) should be able to manage its business and network as it sees fit. CNOc further stated that the conditions would severely limit the usefulness of this interconnecting circuit option and create significant uncertainty for the independent ISP.
5. CNOc submitted that Videotron should provide the optical modules for the 10 GigE interconnecting circuit option at no charge because the cost of Videotron's routers used for TPIA is currently being recovered through TPIA end-user access rates.

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<sup>1</sup> Gigabit Ethernet is a standard that supports transmission of Ethernet protocol frames at a rate of one gigabit per second.

<sup>2</sup> A POI is a location at which an independent Internet service provider (ISP) connects its network to a cable carrier's network in order to gain access to its own retail customers through high-speed access paths on the cable carrier's network. A POI allows an ISP to support retail customers within an authorized serving area.

6. CNOC noted that in Telecom Regulatory Policy 2011-703, the Commission made independent ISPs responsible for planning and managing the network capacity they need in 100 Megabit per second increments. CNOC submitted that the service conditions associated with the 10 GigE interconnecting circuit option diminish its responsibility and that it is not appropriate, or consistent with Telecom Regulatory Policy 2011-703, for independent ISPs to be forced to guarantee that they will order a minimum amount of capacity in order to obtain the 10 GigE interconnecting circuit option. CNOC also submitted that since there are no restrictions when ordering a 1 GigE interconnecting circuit, it follows that there should be no restrictions for the 10 GigE interconnecting circuit.
7. In reply, Videotron submitted that its router that interconnects with the independent ISPs at an aggregated POI location is a shared resource containing a mix of interconnecting circuits and that the number of 10 GigE ports available on that router is limited. Videotron added that the requirement to maintain a CBB capacity order of at least 3 Gbps on each 10 GigE interconnecting circuit is the minimum level required to permit the efficient use of the 10 GigE interconnecting circuit option.
8. Videotron further submitted that each TPIA customer must provide the optical modules, consistent with the current regulatory practice as set out in Telecom Decision 2004-69 and Telecom Order 2007-402.

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

9. In Telecom Regulatory Policy 2010-632, the Commission concluded that the carriers should make GigE interconnection for their TPIA services available to competitors, and that higher speed interconnections should be made available as they become industry standards and are implemented by the incumbents. The Commission therefore considers that the introduction of a 10 GigE interconnecting circuit option for TPIA customers is appropriate.
10. The Commission considers that one of Videotron's proposed conditions, whereby the 10 GigE interconnecting circuit option will only be allowed where the traffic volume warrants it, is unclear and could lead to uncertainty as to when this option would be made available to a competitor.
11. The Commission notes that at the aggregated POI, the number of 10 GigE circuits available on the POI router is limited and that the capacity of each 10 GigE circuit provided to an ISP would be entirely dedicated to that ISP. The Commission considers that a reasonable balance between an ISP's need to plan and manage its network and an efficient use of router capacity must be struck. In the circumstances, the Commission considers it appropriate to make the provision of the 10 GigE interconnecting circuit option conditional on a minimum amount of provisioned traffic.
12. In Telecom Order 2007-230, the Commission allowed ISPs to furnish their own media converters or line extension equipment to the cable company in order to receive interconnection service at a POI.

13. The Commission notes that the cost of the 10 GigE optical module is not recovered in Videotron's tariff application nor in the TPIA end-user access rates set out in Telecom Regulatory Policy 2011-703. Accordingly, the Commission finds Videotron's proposal to require the ISP to provide the 10 GigE optical module is appropriate.
14. In light of the above, the Commission **approves on a final basis** Videotron's application to introduce the 10 GigE interconnecting circuit option subject to the following modification:
- At page 42, Part B, Item 201, paragraph c) of Section 5 of Videotron's General Tariff CRTC 26950, the last two sentences of the paragraph should read: 10 Gigabit Ethernet Interconnecting circuit will be installed only where the CBB capacity ordered by the ISP is equal to or greater than 3 Gbps. The ISP must maintain a speed capacity order of at least 3 Gbps on each 10 Gigabit Ethernet interconnecting circuit installed.

Secretary General

#### **Related documents**

- Telecom Order CRTC 2012-162, 19 March 2012
- *Billing practices for wholesale residential high-speed access services*, Telecom Regulatory Policy CRTC 2011-703, 15 November 2011, as amended by Telecom Regulatory Policy CRTC 2011-703-1, 22 December 2011
- *Wholesale high-speed access services proceeding*, Telecom Regulatory Policy CRTC 2010-632, 30 August 2010
- Telecom Order CRTC 2007-402, 1 November 2007
- *Third-party Internet access using cable networks - Follow-up to Telecom Decision CRTC 2004-69*, Telecom Order CRTC 2007-230, 29 June 2007
- *Point of interconnection and service charge rates, terms and conditions for third party Internet access using cable networks*, Telecom Decision CRTC 2004-69, 2 November 2004, as amended by Telecom Decision CRTC 2004-69-1, 24 November 2004, and Telecom Decision CRTC 2004-69-2, 3 February 2005