



Telecom Order CRTC 2014-339

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Ottawa, 23 June 2014

File number: Tariff Notice 905

Northwestel Inc. – Ethernet Wide Area Network service

Introduction

1. The Commission received an application from Northwestel Inc. (Northwestel), dated 4 February 2014, in which the company proposed revisions to its Private Wire Service Tariff to introduce item 1124 – Ethernet Wide Area Network (E-WAN) service, pursuant to Telecom Regulatory Policy 2013-711. Northwestel filed a cost study in support of its application on 10 March 2014.
2. Northwestel submitted that E-WAN service would provide customers with point-to-point layer 2¹ connectivity between the company's rate centres in the North, and between rate centres in the North and southern locations operated and managed by other communications organizations.
3. In Telecom Order 2014-130, the Commission approved Northwestel's application on an interim basis, effective 31 March 2014.
4. The Commission received no interventions regarding Northwestel's application. The public record of this proceeding, which closed on 4 April 2014, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.

Background

5. In Telecom Regulatory Policy 2013-711, the Commission determined that Northwestel's E-WAN service had not previously been forborne from regulation. As such, the Commission directed the company to file a tariff for this service by 4 February 2014 and an associated cost study by 6 March 2014.
6. In that same decision, the Commission ratified² Northwestel's E-WAN rates charged prior to the date of Telecom Regulatory Policy 2013-711. In so doing, the Commission noted that it was satisfied that these rates had been charged without an

¹ Layer 2 generally refers to the data link layer in the Open Systems Interconnection model of computer networking. The data link layer is responsible for encoding bits into packets before transmission and then decoding the packets back into bits at the destination.

² Pursuant to subsection 25(4) of the *Telecommunications Act*, the Commission may ratify the charging of a rate by a Canadian carrier otherwise than in accordance with a tariff approved by the Commission if it is satisfied that the rate was charged because of an error or other circumstance that warrants the ratification.

approved tariff due to an error, namely Northwestel's belief that E-WAN service had previously been forborne from regulation.

Commission's analysis and determinations

7. The Commission has reviewed Northwestel's cost study and determines that it is consistent with the costing methodology approved for the company. The Commission also considers that Northwestel's proposed costs and rates for its E-WAN service are reasonable.
8. As noted above, Northwestel was directed in Telecom Regulatory Policy 2013-711 to file a tariff for E-WAN service. Further, the company was providing E-WAN service without an approved tariff until 31 March 2014, the date at which the tariff came into effect on an interim basis. For the same reasons outlined in Telecom Regulatory Policy 2013-711 and noted in paragraph 6 above, the Commission considers that it is appropriate to ratify the charging of the associated rates for E-WAN service between the date Telecom Regulatory Policy 2013-711 was issued (18 December 2013) and 30 March 2014.
9. Accordingly, the Commission **approves on a final basis** Northwestel's application, and ratifies the rates for the company's E-WAN service from 18 December 2013 to 30 March 2014.

Secretary General

Related documents

- Telecom Order CRTC 2014-130, 19 March 2014
- *Northwestel Inc. – Regulatory Framework, Modernization Plan, and related matters*, Telecom Regulatory Policy CRTC 2013-711, 18 December 2013