



Telecom Order CRTC 2016-316

PDF version

Ottawa, 9 August 2016

File numbers: Tariff Notices 499, 499A, and 499B

TELUS Communications Company – Implementation of determinations set out in Telecom Regulatory Policy 2015-326

Background

1. In Telecom Regulatory Policy 2015-326, the Commission made a number of determinations that affected, among other things, the following wholesale legacy services provided by the large incumbent local exchange carriers (ILECs):¹
 - unbundled local loops (ULLs);²
 - digital subscriber line services provided over non-fibre-to-the-node technologies; and
 - low-speed competitor digital network access services (i.e. DS-0 and DS-1 access services).³
2. The Commission determined that the rates for these services would be frozen at existing rate levels, as of the date of Telecom Regulatory Policy 2015-326. The Commission further determined that any affected service rate that was interim on the date of that decision would be final.
3. As well, the Commission determined that, subject to a three-year phase-out period, it would no longer require that the large ILECs provide ULLs. Specifically, the Commission determined that ULLs would have to continue to be made available at Commission-approved rates for at least the duration of the three-year phase-out period in exchanges where there was demand. However, the Commission forbore from regulating ULLs in exchanges where there was no existing demand.

¹ Bell Aliant Regional Communications, Limited Partnership and Bell Canada; MTS Inc.; Saskatchewan Telecommunications; Télébec, Limited Partnership; and TELUS Communications Company

² ULLs provide a transmission path between an end-user's premises and an ILEC's central office by means of copper facilities. ULLs can be used by competitors to provide local telephony and Internet access services to residential and business customers.

³ A DS-0 represents a channel capable of digital transmission at a rate of 56 kilobits per second, equivalent to one voice circuit. A DS-1 represents a channel capable of digital transmission at a rate of 1.544 megabits per second, equivalent to 24 voice circuits.

4. To implement these determinations, the Commission directed the large ILECs to file revised tariffs within 30 days of the date of its decision.

Application

5. The Commission received an application from TELUS Communications Company (TCC), dated 21 August 2015, and amended on 10 September and 20 October 2015, in which the company proposed revisions to the following items in its Carrier Access Tariff 21462, pursuant to the Commission's directive in Telecom Regulatory Policy 2015-326:
 - item 225 – Competitor Digital Network Access (CDN Access),
 - item 226 – Wholesale Internet ADSL⁴ Service, and
 - item 227 – Wide Area Network ADSL Service
6. With respect to item 225, TCC proposed changes to its DS-0 and DS-1 services to indicate that the monthly rates and service charges are frozen.
7. For item 226, the company proposed changes to (i) its residential 1 megabit-per-second (Mbps), 1.5 Mbps, and 6 Mbps access service speeds; and (ii) its business 1.5 Mbps and 6 Mbps access service speeds to indicate that the monthly rates and service charges are frozen.
8. Regarding item 227, the company proposed changes to indicate that the monthly rates and service charges are frozen.
9. The Commission received an intervention regarding TCC's application from the Canadian Network Operators Consortium Inc. (CNOc). The public record of this proceeding, which closed on 19 November 2015, is available on the Commission's website at www.crtc.gc.ca or by using the file numbers provided above.
10. In its intervention, CNOc commented on the terms and conditions that apply when the Wholesale Internet ADSL Service and Wide Area Network ADSL Service are provisioned over dry loops.⁵ CNOc indicated that in such cases, TCC's tariff provides rates for the use of dry loops that are expressed as a percentage of TCC's ULL rates, which are now frozen pursuant to Telecom Regulatory Policy 2015-326. CNOc submitted that expressing dry loop rates as a percentage of ULL rates would implicitly freeze dry loop rates, which the Commission did not do in that decision. CNOc suggested expressing the rates for dry loops in dollar amounts instead of as a percentage of ULL rates.

⁴ Asymmetric digital subscriber line

⁵ Dry loops are ULLs that are not used for primary exchange service.

Commission's analysis and determinations

11. TCC's proposed changes are consistent with the Commission's determinations set out in Telecom Regulatory Policy 2015-326.
12. With regard to TCC's dry loop rates, the Commission set these rates using the percentage of the costs for ULLs that is uniquely associated with the provision of dry loops (i.e. copper facility loop costs and associated maintenance costs).⁶
13. As noted above, the Commission determined in Telecom Regulatory Policy 2015-326 that ULL rates are frozen at existing rate levels. However, the freezing of dry loop rates was not an issue before the Commission in the proceeding leading to that decision and no corresponding determination was made regarding dry loop rates. Accordingly, the existing regulatory framework for dry loop rates, which allows ILECs to propose modified dry loop rates justified with cost studies, has not changed. Therefore, the dry loop rates themselves are not frozen.
14. To provide clarity to customers, the Commission considers that TCC should express its dry loop rates as specific numerical values, rather than expressing them as percentages of ULL rates.
15. In light of the above, the Commission **approves** TCC's application, and **directs** the company to file for approval, within **10 days** of the date of this order, revised tariff pages for items 226.2.3 and 227.2.10, showing the dry loop rates as specific numerical values.

Secretary General

Related documents

- *Review of wholesale wireline services and associated policies*, Telecom Regulatory Policy CRTC 2015-326, 22 July 2015; as amended by Telecom Regulatory Policy CRTC 2015-326-1, 9 October 2015
- Telecom Order CRTC 2006-133, 31 May 2006

⁶ Dry loop rates were first established for TCC in Telecom Order 2006-133.