



Telecom Order CRTC 2005-69

Ottawa, 23 February 2005

Société en commandite Télébec

Reference: Tariff Notices 309 and 310

Ethernet Access and Ethernet Transport

1. The Commission received applications by Société en commandite Télébec (Télébec), dated 15 October 2004, proposing revisions to its General Tariff in order to introduce Section 7.6, Ethernet Access; Section 7.7, Ethernet CO Connecting Link Arrangements; and Section 8.14, Ethernet Transport Services.

Télébec's application

2. Télébec stated that Ethernet Access service would provide for the transmission of information between an end-user's premises and Télébec's serving central office (CO), and that the access provided would consist of transmission facilities, equipment, and management to support connectivity between the serving CO and the terminating equipment on the end-user's premises. Télébec added that the CO Connecting Link Arrangements would provide transmission paths from the interconnecting carrier or digital subscriber line service provider's co-located CO building space to the company's patch panel within the CO for the purpose of transmitting at 10 Base-T and 100 Base-T speeds.
3. Télébec indicated that Ethernet Transport service would provide transport for Ethernet traffic, from a Télébec wire centre in which an Ethernet access terminated, to, and including, a carrier-to-carrier interface (CCI).
4. Télébec proposed to assign Ethernet Access and Ethernet Transport services to the Other Capped Services basket established by the Commission in *Implementation of price regulation for Télébec and TELUS Québec*, Telecom Decision CRTC 2002-43, 31 July 2002. Télébec also proposed to assign the CO Connecting Link Arrangement to the Competitor Services basket, under Category II.
5. Télébec noted that it had not provided economic studies in support of these new offerings since it proposed to implement, as an interim measure, the rates already approved for Bell Canada in *Ethernet services*, Telecom Decision CRTC 2004-5, 27 January 2004, as amended by Telecom Decision CRTC 2004-5-1, dated 6 February 2004 (Decision 2004-5). Télébec stated that it would file a cost study by the end of the first quarter of 2005.
6. Télébec also filed a proposed Ethernet Access Agreement, stating that it reflected the Commission's directives in *Measures with respect to incumbent telephone company regulatory compliance*, Telecom Public Notice CRTC 2003-4, 10 April 2003, *Follow-up to Decision 2002-34 – Automatic renewal of contracts with a minimum contract period*, Telecom Decision CRTC 2003-85, 22 December 2003, and Decision 2004-5.

Xit's comments

7. The Commission received comments from Xit télécom inc., on behalf of itself and Télécommunications Xittel inc. (Xit), dated 15 November 2004.
8. Xit requested that Télébec file:
 - a list of COs from which the services would be made available;
 - a tariff for its third-party Ethernet link arrangements, similar to what had been approved for Bell Canada; and
 - a tariff for Ethernet connecting link arrangements for 1,000 Mbps, similar to what had been approved for Bell Canada in Decision 2004-5.
9. Xit also requested that the Commission ask Télébec to explain how it would ensure that the subsidies it received from Industry Canada as part of a pilot program for broadband deployment services for rural and Northern development would be taken into account in its cost studies.

Télébec's reply comments

10. In its reply comments of 26 November 2004, Télébec noted that, as specified in Tariff Notice 309, Ethernet Access would be provided on the basis of the availability of equipment and appropriate facilities. It also noted that if all or part of the access facilities did not exist between the serving CO and the customer's location, the customer would have to pay supplemental fees based on the total construction fees for access installation. Télébec further noted that the list of COs where the service was available would depend mainly on the requests it received, as well as the willingness of customers to pay the additional fees. It suggested that customers could obtain service availability information from Télébec.
11. Télébec also noted that its tariff proposal included a third-party Ethernet link arrangement, as had been approved for Bell Canada. It argued that this tariff reflected the Commission's determinations in Decision 2004-5.
12. Télébec stated that it did not foresee demand for 1,000 Mbps service in its territory, but that it would be willing to offer the service if there was sufficient demand for it.
13. Télébec noted that if it received a government subsidy that would affect the cost of providing an Ethernet service, the company would reflect this in its cost studies.

Commission's analysis and determinations

14. The Commission notes that Télébec's proposed terms and conditions are similar to those filed by Bell Canada for the same services that were approved on an interim basis in Decision 2004-5.
15. However, in Bell Canada's tariff, two configurations are available for the interconnection between a competitor's and Bell Canada's networks, as follows:

- 1) From a designated Company wire centre over broadband facilities to a competitor point of presence (POP); and
 - 2) From the Company's fibre management system within a designated Company wire centre to a competitor's co-location space within the same Company wire centre (Canadian Carriers and Digital Subscriber Line Service Providers).
16. The Commission notes that, only the second configuration is available in Télébec's proposed tariff.
 17. The Commission notes that Télébec's proposal would force competitors to co-locate and would make it uneconomic for competitors to serve a small number of customers. The Commission considers that competitors should have the choice to interconnect at any appropriately equipped Télébec wire centre. The Commission also considers that Ethernet Transport service should be made available from Télébec's wire centres over broadband facilities to the competitors' POPs.
 18. In addition, the Commission finds that the proposed Ethernet Access Agreement contains provisions regarding termination and migration that are not included in Télébec's proposed tariffs. The Commission considers that all terms and conditions associated with the provision of a service under a General Tariff item should be included in that tariff. Accordingly, the Commission is of the view that Télébec should include in its tariff the applicable termination provisions set out in Section 12 of the proposed agreement.
 19. In regard to Xit's concern about the availability of Ethernet Access at 1,000 Mbps and Ethernet Connecting Link Arrangements for 1,000 Base-T, the Commission finds Télébec's proposal to provide these services when there is sufficient demand for them to be reasonable.
 20. The Commission notes Télébec's proposal to use, on an interim basis, the rates recently approved for the same Bell Canada services in Decision 2004-5.
 21. In light of the above, the Commission **approves on an interim basis**, effective the date of this Order, Télébec's application, but directs the company to include in its tariff:
 - a) a configuration that would provide for Ethernet Transport service between any appropriately equipped Télébec wire centre over broadband facilities to a competitor's POP at the rate approved for Bell Canada; and
 - b) the applicable termination provisions set out in Section 12 of its Ethernet Access Agreement.

Secretary General

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