



British Columbia
Broadband Association

CRTC Report 2011

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CRTC Issues 2011

- **TNC 2009-261** – Mandating Wholesale High-speed Access Services
 - **TRP 2010-632** - Wholesale high-speed access services
 - **Tariff Notices** – TN 391 /391A/ TN 345 B & 349 / TN 7290B & 7293
- **TNC 2010-43** - Review access to basic telecommunications services
- **TNC 2011-77 / TNC 2010-803** -Call for comments - Usage-based billing for Gateway Access Services and 3rd-party Internet access services
- **Next steps in the process**

Consultation 2009-261

- Proceeding to consider the appropriateness of mandating certain wholesale high-speed access services
- Notice was Opened – May 8, 2009
- First submission – June 22, 2009
- Final submission – June 21, 2010
- Telecom Regulatory Policy 2010-632 was issued August 30, 2010

Consultation 2009-261

- Despite previous rulings ordering the ILECs and Cablecos to provide matching high speed services to their wholesale customers they refused to do so and took their position to cabinet.
- This proceeding was based on the directives of the cabinet issued to the CRTC as a result of the appeal of Telecom Decision 2008-117,
- BELL and TELUS maintained that their new VDSL products were Next Generation Networks and not subject to the mandated wholesale provisioning that created and regulated their existing ADSL wholesale offering.
- The Competitors argued that without access to equivalent speeds marketed by the wire line incumbents, their business models would fail.

Consultation 2009-261

- During the proceeding it was revealed that competitors hold only 6% of the Canadian Broadband market. Of that 6% the majority of customers were business or served by wholesale providers using products sourced from the BELL group of companies. Very limited wholesale activity was conducted using products from Shaw or Rogers
- It also became apparent there was a wide difference in the products and pricing offered by the incumbents depending on the region or network technology that was deployed.

CRTC Policy 2010-632

- TRP 2010-632 is the result of TNC 2009-261, which was initiated to consider whether incumbent local exchange carriers (ILECs) and cable carriers should be required to offer certain high-speed access facilities as new wholesale services to competitors, for use when competitors provide their Internet services to consumers.
- Released : 30 August 2010

CRTC Policy 2010-632

Highlights

- The Commission concluded that, without a speed-matching requirement for wire line aggregated ADSL access and TPIA services, it is likely that competition in retail Internet service markets would be unduly impaired.
- They also stated that the designation Next Generation Networks provided no utility to the CRTC and that the ILECs should not use the term as a method to avoid regulation.
- In issuing this policy the CRTC directed TELUS and BELL to file tariffs within 90 days outlining prices for the matching speeds request.
- Christian Tacit will cover this important ruling in detail.

Tariff Notices 391/391A

- In Policy 2010-632, the Commission directs the major ILECs to file, within 90 days of the date of this decision, proposed tariffs.
- TELUS initially filed TN 391 and was amended by TN 391A
- The tariff proposal introduced new high-speed services:
 - 15Mbps and 25Mbps
 - ADSL Lite Services
- They now have a different rate for Business and Residential rates
- They increased in the service charge from \$50 (or \$1/mo on a port) to \$100 (or \$3/mo on a port)
- Removed of the 3Mbps Service offering

Tariff Notices 391/391A

A. Residential End-User Access Service

ADSL Access Service	Non-Contracted Monthly Rate	Contracted Period Monthly Rate		Service Charges (Notes 2&3)
		1 Year	3 Year	
ADSL Lite Service, per access (up to 256 kb/s)	\$30.00	\$23.00	\$22.00	\$100.00
1.5 to 6.0 Mbps Service, per access	\$35.00	\$26.00	\$25.00	\$100.00
15 Mbps Service, per access	\$50.00	\$44.00	\$43.00	\$100.00
25 Mbps Service, per access	\$66.00	\$65.00	\$64.00	\$100.00

Note: ADSL Services shaded in blue where the tariff requested in TN 391, while the two additional services were added in TN 391A.

Tariff Notices 391/391A

B. Business End-User Access Service

ADSL Access Service	Non-Contracted Monthly Rate	Contracted Period Monthly Rate		Service Charges (Notes 2&3)
		1 Year	3 Year	
1.5 to 6.0 Mbps Service, per access	\$50.00	\$42.00	\$38.00	\$100.00
15 Mbps Service, per access	\$65.00	\$63.00	\$60.00	\$100.00

Note: ADSL Services shaded in blue where the tariff requested in TN 391, while the two additional services were added in TN 391A.

Consultation 2010-43

- Proceeding to review access to basic telecommunications services and other matters
- Notice was Opened – Jan. 28, 2010
- Telecom Decision 2011-291 - May 3, 2011

CRTC Policy 2011-291

- TRP 2011-291 - is the result of TNC 2010-43, which calls for comments to review issues associated with the obligation to serve, the basic service objective, and the local service subsidy regime.
- Released : 3 May 2011
- BCBA submitted comments to the proceeding supporting Broadband as an essential service.

CRTC Policy 2011-291

- 5 /1 mbps goal for residential broadband by 2015. Broadband was not designated as an essential service and no funding mechanism was created to achieve the guideline.
- Access to the Public Switched Telephone Network will need a continuous subsidy mechanism to be available to all Canadians. Existing subsidy program will continue.

CRTC Policy 2011-291

- ILECs allowed to raise rates in non forborne areas to \$30 over 3 years for rural local line.
- ILECs still required to provide Basic Phone Line service where competition exists. Features such as providing a directory or advanced calling features are not mandated. Cell service is not considered competition for the purpose of this ruling.

Summary of BCBA's Position

- Canada's wired communications marketplace has become a duopoly. Fortunately the incumbent Cableco and Telco's do compete to some degree but unless an open market place emerges regulation will be needed to limit the naturally occurring desire for profits.
- At less than 4% market share in western Canada its clear that the use of market forces has failed.

Summary of BCBA's Position

- If the Tariffs proposed by TELUS are approved this small existing wholesale market will be wiped out within a few months.
- The BCBA has argued that paying a separate rate for the same port based in the end use purpose is unfair.
- CNOOC has boldly proposed a new model of a 3 element network pricing model that would provide for an ongoing market opportunity as Networks evolve

Summary of BCBA's Position

- BCBA supports the CNOC model. This model removes the elaborate billing and provisioning issues of the current models and provides for regulatory symmetry in the CRTC's approach to these problems.
- The BCBA has repeatedly stressed that despite the many issues surrounding the cost of providing these ports the fact remains that ISPs need workable pricing with fair margins to succeed.

Continuation...

- Part II of the CRTC Update will be presented by:
 - Mr. Christian Tacit**
Principal Christian S. Tacit,
Barrister & Solicitor
- Major topics to be covered are:
 - Policy 2010-632 and the follow-up proceeding
 - Usage-Based Billing (UBB)
 - Consultation 2011-77
 - Canadian Network Operators Consortium Inc. (CNOC)