Comments

regarding

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Notice No. DGTP-002-2015
Petition to the Governor in Council
by Bell Canada
concerning Telecom Regulatory Policy
CRTC 2015-326

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Introduction

1. Vaxination Informatique is in receipt of a Petition to Governor in Council by Bell Canada requesting that the GIC vary Telecom Decision CRTC 2015-326, in particular, the provisions that mandate wholesale access to Bell Canada's fibre to the home (FTTP) infrastructure. This document contains Vaxination Informatique's comments on Bell Canada's petition.

The need for urgency

2. While the Telecommunications Acts grants the government one year after the CRTC decision to render a decision, there is an urgent need for a ruling on Bell Canada's request as there is an ongoing process to implement the 2015-326 decision. This involves technical discussions on architecture which will be followed by a long costing exercise.

3. Because the Commission has not initiated a review of the current CBB rates, ISPs are quickly losing their ability to compete, and incumbent now regularly undercut ISP's with retention deals. Whichever way the regulatory environment moves, it must move quickly unless it wants to see ISPs money go to the incumbents via excessive CBB rates instead of going to capital investments in new facilities.

4. Therefore, the Governor in Council should render a decision as quickly as possible in order to not leave the wholesale services in their current state of limbo with the old system abandoned and the new system not yet designed, let alone implemented.

Executive Summary

5. Deployment of FTTP systems are made more cost effective when:

   • As many people are moved to the FTTP system as possible
   • People are moved off the copper system as fast as possible to reduce its maintenance and eventually decommission it.

6. Bell Canada's request results in fewer users on the FTTP system, and more users staying on the legacy copper which goes against the above economic principles. The net effect is that its request is a predatory tactic to hurt ISPs until Bell Canada is ready to shut down the copper at which point it will allow ISPs onto FTTP but only after they have been seriously hurt for years.

7. While Bell Canada's request must be rejected, the 2015-326 decision is not without flaws and there needs to be a review to grant immediate review of CBB rates, access to FTTP not only for disaggregated but also aggregated services and a change on the triggers for forbearance of the current aggregated GAS/TPIA services.
8. In 2005, Bell Canada started to deploy its FTTN DSLAMs using discontinued hardware from Lucent (the Stinger). The selection of the Stinger DSLAM is questionable because Alcatel's 7330 product line was more powerful, more widely deployed and was the surviving product line after Alcatel purchased failing Lucent. Bell Canada continued to deploy the discontinued Stingers until 2012, and this discontinued model without full support of modern standards represents a large footprint of Bell Canada’s territory. It requires custom modems to inter operate and in many cases, is unable to offer even 1mbps upload.

9. Bell Canada did not offer the higher speeds made possible by FTTN, and more importantly the greater chance of obtaining advertised speeds to ISPs. So Bell Customers who ordered 5/1 service had greater odds of actually getting the purchased speeds than ISP customers often stuck well below the speeds they were paying for.

10. In 2008, the Commission ruled on the Cybersurf request with 2008-117 that matching speeds were required. It was not until February 2012 that access to technology Bell started to deploy in 2005 became available to ISPs. Bell Canada managed to stall the process for 7 years.

11. In early 2009, the Commission issued order 2009-111 which ordered Bell Canada to file matching speeds. Instead, Bell Canada filed TN7181 which introduced retail UBB pricing for wholesale service, and filed a Petition to Governor in Council seeking to overturn the matching speed decisions. Much like the current one, Bell Canada threatened to reduce investment, and even named specific cities where it delayed deploying FTTN (Ottawa, Kingston and London).

12. At that point, there were 2 concurrent streams, one dealing with the UBB issue (TN7181) and the 2009-261 Public Notice, otherwise called “ADSL-CO” which sought to implement the Policy Direction and forbear much of GAS/TPIA by having ISPs lease only the copper loop and install their own DSLAMs in Central Offices.

13. On December 10th 2009, the Order in Council 2009-2007¹ was issued in response to Bell Canada’s petition, requesting that the Commission review its matching speeds decision as part of its ongoing 2009-261 process.

14. In February 2010, Bell Canada announced that it would begin deployment of FTTP in its own territory, starting with Québec City as well as greenfield developments. Despite still installing discontinued Stingers and claiming to the CRTC that this discontinued under performing hardware was “Next Generation Network”, it knew that without FTTH investment, Bell Canada would be trounced by cable companies, as had happened in the Maritimes with Bell Aliant.

15. On August 30th 2010, the Commission issues TRP 2010–632 in response to the 2009-261 consultation (which included the results of the request by the Governor in Council to review the matching speeds issue).

16. This decision not only re-confirmed the need for matching speeds, but also that the ADSL-CO concept was not workable and that GAS and TPIA had to continue so that TPIA needed to have aggregated access in order to allow ISPs to grow. The relevant paragraph:

55. The Commission concludes that, without a speed-matching requirement for wireline aggregated ADSL access and TPIA services, it is likely that competition in retail Internet service markets would be unduly impaired. In the Commission’s view, an ILEC and cable carrier duopoly would likely occur in the retail residential Internet service market, and competition might be reduced substantially in small-to-medium-sized retail business Internet service markets. The Commission considers that, in such circumstances, retail Internet service competition would not continue to be sufficient to protect consumers’ interests.

17. As a result of the 2010-632 process, a few follow-up processes ensued which included incumbents filing costs studies and tariffs for matching speeds on any of their copper technology. Bell filed its cost studies structured for UBB based rates.

18. The 2010-632 decision was correct in not including FTTP services because at that time, Bell Canada has insufficient experience in deployment to provide realistic costing. (it takes on average 2 years before an incumbent ramps up FTTH to lower installation costs, train crews etc.)

19. Meanwhile, in the UBB file, protests happened in January, including a Petition to Governor in Council filed by Vaxination Informatique (later withdrawn) seeking to overturn the UBB decisions. The ensuing 2011-77 public notice in the summer of 2011 concluded in November 2011 with the 2011-703 and 704 decisions which were implemented in February 2012 (with a few emergency technical tweaks).

20. There were numerous R&Vs of those decisions which resulted in some changes to CBB rates in early 2013, as well as confirmation that business services being exactly the same as residential services, should be set to exactly the same rates.

21. It should be noted that it was the small ISPs (then represented by CAIP, before CNOC was formed) who argued for the need for aggregated access to the cable TPIA service (and there were many correct reasons to make those requests, including load balancing).

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2 The Bell Canada UBB based cost studies of 2010 form the basis upon which the current CBB rates (which are not based on UBB) are set today, 5 years later.
22. In moving from DSLAMs located in Central Offices to DSLAMs closer to homes (in many cases, the early standard was 1km which is why a large footprint cannot achieve advertised speeds which require ~500m maximum distance) Bell Canada bragged about this being a “next generation network” (NGN) being totally new, overbuilt alongside the old network, requiring large investment.

23. Bell Canada, like all copper based telcos, is faced with its inability to compete against cable which is able to deliver advertised speeds and advertise higher speeds. Bell Canada is in a worse situation because a large portion of its FTTN footprint is served by discontinued DSLAMs which do not support “standard” VDSL2 modems, lack support for modern versions of VDSL2 and often cannot even provide 1mbps upload on packaged advertised as 25/10.

24. To survive, Bell Canada must either replace its old Stinger DSLAMs, and deploy DSLAMs closer to homes in many neighbourhoods, or deploy FTTP. The math points to FTTP being more cost efficient long term solution. And as even modern DSLAMs cannot match speed potential for Cable, spending more money to spruce up the aging copper plant would not allow Bell Canada to remain competitive.

25. Deployments in other jurisdictions which began sooner have shown that maintenance costs for FTTP network are far lower than for copper, far fewer truck rolls necessary.

26. The fact is that deployment of FTTP is more cost effective in the long term AND allows the telco to remain competitive. However, the full economic potential of FTTP isn't realised until the telco is able to shut down the copper network and stop maintaining it. When the price of copper is high, many telcos also rip the copper wiring to be sold as scrap.

**Transition from copper to FTTP**

27. In any transition from one technology to another, there is a transition period. After a telco has deployed FTTP in a neighbourhood, it will typically only offer FTTP connection to new customers, and provide some incentives for existing customers to migrate (promises of higher speeds for instance as well as more reliable service). Brown field upgrades often happen when the telco is already losing customers to cable due to its inability to offer the same speeds as Cable.

28. Eventually, once the take-up of FTTP reaches a certain level (industry looks at roughly 80% of customers on FTTP, 20% still on copper), the telco may become more aggressive to convert the remaining copper customers so that it can shut down the copper plant. This transition takes years, which is why company like Bell Canada can claim today that their plans do not include shutting down copper (because it is beyond their current short/medium term plans).
29. With its Petition to Governor in Council, Bell Canada seeks to take advantage of this transition period where copper remains functional to limit ISPs to the under performing copper while it gains market share and steals ISP's customers with its FTTP offering.

30. Bell Canada will eventually want to shut down its copper because it will cost too much to maintain for so few customers. At which point, having hurt them for as long as possible, Bell Canada will allow the now smaller ISPs to move their remaining customer base to FTTP.

31. With Bell Canada having accelerated its brownfield FTTP deployments to stem the loss of customers to cable, it sees a regulatory opportunity to grant itself a preference by blocking ISPs access to FTTP for as long as possible so that Bell can behave as a duopoly, just as was warned by the 2010-632 decision.

32. Bell Canada will also seek to stall the followup process for 2015-326 to delay implementation of disaggregated access as long as possible. It can afford to delay access to FTTP as long as a copper plant is not close to being decommissioned.

33. While most of Toronto is being upgraded from FTTN to FTTP, the case of Québec city is worth a look. It was never upgraded to FTTN and went from unupgraded legacy DSL barely capable of 5/1 to having FTTP. Therefore, restricting ISPs on the copper infrastructure does not allow them to compete.

**DOCSIS 3.1**

34. In its Petition to Governor in Council, Bell Canada states:

> E20. In this Petition we ask the Governor in Council to vary the CRTC’s decision so that it does not extend legacy wholesale regulation to fibre-to-the-home nor, recognizing the stated desire for regulation to maintain competitive neutrality, to next-generation DOCSIS 3.1 cable networks. We would still have the obligation to provide Reseller ISPs access to our legacy broadband technology, where it exists (i.e., DSL and FTTN). Likewise, cable companies would still have an obligation to provide access to their legacy broadband (using DOCSIS 3.0 and providing broadband speeds up to 100 Mbps anywhere they have such plant today).

35. It is important to note that like for FTTP, irrespective of speed offered, it is far more efficient for the incumbent to move its customers to the new, more efficient technology.

36. If Cable incumbents are forced to maintain an old DOCSIS 3.0 forever, it forces it to not only continue to allocate NTSC channels for 3.0 service used by ISP customers, but also license and extended maintenance costs for the 3.0 software options which will eventually be retired. Like with FTTP, there is a transition period during which the 2 technologies co-exist, but the regulator should not cast in concrete the need to maintain an older technology destined for retirement to serve second class ISPs.
37. Just as it did with its 2009 Petition to Governor in Council about FTTN, Bell Canada is now stating that wholesale requirement for FTTP would reduce investment and cost jobs. In fact, the jobs argument is akin to the anti-Verizon "Canada will lose half its water" argument of the summer of 2013.

38. Yes, it is true that if Bell decides to stop investing and go out of business, it is likely to be laying off many employees, assuming those who made that decision are not fired by shareholders first.

39. Statistics can be very interesting when misinterpreted. Since the 2010-632 decision which confirmed wholesale access to FTTN, Bell has often claimed that it reduced investment in FTTN. But this must be taken with a "big picture" view because many FTTN projects were upgraded to FTTP projects, so while Bell finally slowed deployment of antique technology (FTTN), it also ramped up deployment of current technology (FTTP). But it is more dramatic for Bell Canada to spin statistics to show reduced FTTN as a direct result of a CRTC decision.

40. One of the major and important conclusions of the 2010-632 and 2015-326 decisions is that the last mile is not realistically duplicatable.

41. There is a caveat to this. In areas where the incumbents have shown no intention to deploy modern broadband, small municipal outfits have filled the gaping hole. For instance the CSUR\(^3\) cooperative in St-Rédempteur QC where neither cable not telco provided ANY internet access. A more widely publicised effort is the FTTP deployment in Olds Alberta. Ironically, once CSUR deployed its FTTP system, Bell Canada began to encroach on its territory with its own FTTP system.

42. To this end, if Bell Canada threatens to stop investing in FTTP, it should be made to honour its threat with written guarantees of non-deployment of FTTP in specific areas for at least 10 years in order to grant independent operators the business case to invest to be first to deploy FTTP in that geographical area and steal all of the incumbent's customers. Let's see how long the telco's CEO stays when shareholders learn that to win a pissing contest against the regulator, the telco is willing to lose its customer base.

43. In reality, allowing mandated access to wholesale will result in a statement in quarterly financial statements to the effect that regulatory uncertainty over FTTP has been removed and Bell Canada can move ahead with its investment plans.

44. Bell Canada sees an opportunity to steal customers from its competitors by delaying FTTP access and of course will use every rhetoric it can muster to make a go for it. But failing this, it will be business as usual with no reduction in investment because Bell Canada has a duty to its shareholders to invest to remain competitive.

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\(^3\) CSUR cooperative: [http://www.csur.ca/](http://www.csur.ca/)
Does wholesale help or deter investment?

45. Incumbents often link increased investment with deregulation (such as FTTP in the USA) when in fact the investment cycle began for other reasons (such as availability of carrier grade equipment for widespread GPON deployment, or in the case of wireless, delayed availability of spectrum which delayed 4G deployment in Europe).

46. The sampling period of statistics can also be very important. Being late into FTTP, Bell can compare its investment cycle done at a period where others had completed the investment cycle, which makes Bell look very good and Europe look very bad. An earlier sample would make Europe look good while Bell would look terrible because it hadn't yet begun FTTP deployment.

47. Fibre is a long term asset with far greater longevity than copper, so once installed, the next major investment cycle is further down the line.

48. When Bell Canada had a monopoly on telephone, it was essentially guaranteed 100% penetration rate to every home, revenue from every home.

49. Today, as Bell Canada strings fibre through a neighbourhood, it has no guarantee of how many homes it will connect. The more homes Bell Canada connects, the more revenue that fibre segment generates, the easier it is to cost justify the investment.

50. Allowing wholesale access to FTTP increases the number of homes that will connect and thus increases the total net revenue generated by a fibre segment. Net revenue is what counts, not ARPU (which is not a measure of net revenue when multiplied by number of customers as ARPU is gross revenue).

51. Assuming you need 50 homes connected to make a fibre segment cost effective, neither the incumbent with 40 customers nor the ISP with 15 will be able to cost justify building their own. With wholesale access to FTTP, the incumbent gets to connect 55 homes which makes the investment more than cost effective.

52. While ARPU for wholesale is lower, it does not mean that wholesale is not profitable and that it does not contribute very healthy profits to the incumbent.

53. It is also important to note that every ISP customer moved from copper to FTTP helps reduce copper maintenance costs and helps reach the point where the old copper can be decommissioned. Forcing wholesale customers to stay on copper, delaying its decommissioning is not consistent with maximizing return in FTTP investment. It is however consistent with predatory practice to hurt competitors as long as possible.
Who should invest in what?

54. Bell Canada argues that allowing wholesale access to its FTTP will not only reduce its own investment, but also that of ISPs who will not need to invest to duplicate the last mile.

55. Section 7 of the Telecommunications Act begins with:
   
   (a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions;
   
   (b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;
   
   (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications;

56. The goals of orderly development, reliable and affordable telecommunications and enhanced efficiency and competitiveness are better supported with wholesale access to FTTP as use of that infrastructure is closer to its capacity, lowering the cost per home, and it increases ability of ISPs to compete against the incumbents. Wholesale also helps accelerate decommissioning of the old copper plant, against increasing efficiency.

57. It bears repeating that ISPs are not, contrary to incumbent rhetoric, mere resellers. While they purchase last mile access and (for now) aggregation, this is meant to be a transparent pipe between the end user and his ISP. The connectivity to the internet, various servers such as DNS, Mail and all of the management systems and routers are provided and managed by the ISP and this is where the differentiation occurs. For instance, the ability to offer unmetered access outside of peak hours is implemented in ISP owned routers and servers in their premises, and not inside the incumbent's wholesale service.

58. So the government needs to be smart about who should invest where. It is far more efficient to have one invest in the last mile, maximize use of the last mile, let ISPs focus investment where they can better differentiate themselves.
Innovation and Investment

59. The Bell Canada Act states:

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<th>Certain investments prohibited</th>
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<tr>
<td>10. (1) The Company shall not acquire or hold directly or indirectly any</td>
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<tr>
<td>shares, bonds, debentures or other securities of another body corporate that</td>
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<tr>
<td>(a) is engaged in research and development work in areas of inquiry</td>
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<td>that relate to the business activities of the Companies; and</td>
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<td>(b) manufactures products for sale to the Company or to other</td>
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<td>customers.</td>
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60. This clause was meant to foster competition and innovation in the telecommunications equipment marketplace and has succeeded to a certain level. Innovation does not occur with telcos anymore, it happens with suppliers such as Alcatel, Calix, Cisco, Corning, Juniper etc. Telcos are mere purchasers and installers of commodity standards-based equipment. Innovation for telcos comes in the form of who purchases the newest equipment first which helps drive costs down. However, at the retail level, innovation is only seen as who invents the next "System Access Fee" or the next "Touch Tone" fee as market forces are not yet sufficient to force incumbents to compete on price.

61. It is important to note that if a Canadian bank increases its purchase of telecom services, the incumbent provider will invest to provide the extra capacity needed to deliver the services to the Bank. This is no different than if an ISP purchases increased capacity from an incumbent's wholesale service. The incumbent will invest. In fact, the many years of debate of wholesale rates have always included pricing the services to help Bell pay for investment in new capacity to cater to the bandwidth hungry end users of competing ISPs.

62. As much as they hate to admit it, incumbents' last mile has become an essential utility. The competition in the ISP business happens at different levels. For instance, which ISPs has the best routing to some gaming server in Canada or USA. More importantly, this utility is an enabler of a digital economy which allows for innovation in services and content that is delivered over the internet.

63. Just as there is no call to duplicate the electric distribution grid or water piping under the street, there is no point in expecting duplication of the last mile. And when the last mile is FTTP, then all ISPs should have access to it. The incumbent who operates this last mile still benefits from wholesale revenues on its infrastructure. It isn't like it was given away for free. The CRTC ensures wholesale services are profitable to incumbents.
**Telephone poles more dangerous than CRTC regulation**

64. During the long 2013-551 Public Notice (which led to the 2015-326 decision), Bell Canada often warned of reduced investment due to regulations.

65. During the hearing, Bell Canada specifically mentioned suspension of work to deploy FTTP in Sault-Ste-Marie as a result of regulations (in a way that made it look like it was the CRTC's fault). When pressed for details, Bell Canada was forced to admit that the real cause for the suspension of work was provincial standards for telephone poles.

66. In a post ice storm of 1998, the province of Ontario set strict standards for strength of poles. Existing poles are grandfathered until anyone makes changes to their load. Adding fibre ends this grandfathering and in many cases, the pole needs to be replaced to meet the new standard. This costs a lot of money and is a far greater hindrance to FTTP deployments in Ontario than wholesale regulations from CRTC.

67. One of the reasons Bell Canada made so much PR noise about the Toronto FTTP deployment (and none for the work being done in Montréal) is the major deal struck with the utility pole owner(s) in Toronto to facilitate orderly and cost effective addition of fibre to the poles.

68. It should be noted that in Ontario, should an independent ISP wish to add fibre between 2 poles that are not standards-compliant the ISP must pay to install 2 new poles, yet the original pole owner remains owner of the new replaced poles and the ISP, despite having paid to install 2 new poles, must pay rent to the original owner. This is a great disincentive to allow 3rd party FTTP deployments in Ontario as a large proportion of poles are not compliant with current standards.

69. Furthermore municipal cooperation, access to underground conduits and building permits have far greater impact FTTP investment than any CRTC wholesale regulation which guarantees service given to ISPs is profitable.

70. It should be noted that Bell Canada's Petition to Governor in Council focuses on wholesale access and not the more important aspects to facilitate FTTP deployments, and this is a sign that Bell Canada's efforts are focused on preventing ISPs from competing and Bell Canada's rhetoric must be viewed in that light.
Aspects of 2015-326 that need reviewed

Urgent need to review CBB rates

71. While Bell Canada's requests to remove access to FTTP (and DOCSIS 3.1) from the regulated wholesale services needs to be rejected because its sole purpose is to hurt competitors during the period where copper and fibre co-exist, the 2015-326 decision is not without flaws that need to be fixed.

72. It will be a long time before the proposed disaggregated service becomes a reality, and when it does, according to Bell Canada's estimate, only 86 of the 891 Central Offices are likely to see disaggregated connections from at least 1 ISP.

73. While the current GAS/TPIA will remain mandated in areas where no disaggregated connections have been made by 1 ISP, the Commission has so far not announced a review of the exorbitant CBB rates which are already hurting ISPs and where incumbents routinely undercut ISP's offers with "retention" deals. The current CBB rates make it impossible for ISPs to offer competitive rates for 100mbps service, let alone the new 1gbps services.

74. At a time where ISPs are expected to invest to deploy links to as many Central Offices and cable POIs as possible, the current CBB rates are eating into their profits and reducing available capital. The current rates, announced in 2011 and revised in 2013, based on 2010 cost studies (and in the case of Bell, based on UBB assumptions improperly converted to CBB), they have not gone down as fast as industry capacity costs go down (roughly 30% drop per year). Meanwhile, average use keep increasing at between 30 and 40% per year depending on ISPs/measurement metrics.

75. The 2015-326 decision, as worded, risks leaving a large number of citizens without competitive access to the Internet because a large number of COs will not be served by disaggregation. In rural areas where there is no Cable, Bell Canada will have an effective monopoly unless the existing GAS rates are adjusted to current cost based rates so that ISPs can compete.

76. Therefore, the Governor in Council should request the Commission vary the 2015-326 decision to include a clause announcing the launch of a CBB rates review and instruct the Commission to act quickly on the matter.
Aspects of 2015-326 that need reviewed (cont)

Access to FTTP

77. Secondly, the 2015-326 decision abandons the matching speeds principle for the existing GAS/TPIA service before they are forborne, not only limiting speeds to 100 mbps, but also abandoning technological neutrality by excluding FTTP infrastructure from the existing GAS service.

78. When Bell Canada deploys FTTP in a neighbourhood that was served with old FTTN DLSAMs (or older CO based DSLAMs), it is a given that Bell Canada will stop upgrading those DSLAM (and it should not be expected to do so).

79. However, customers who order 25/10 service and don't even get 1mbps upload on the DSL/VDSL2 service are now forever stuck with no hope of ever getting the service for which they are paying, while Bell Canada customers can be move to the FTTP service and get reliable 25/10 that delivers on advertised speeds.

80. Because the FTTP infrastructure is not only capable of higher speeds, but more importantly delivering the lower speeds which Bell's antique DSLAMs cannot reliably deliver, access to the FTTP from the old GAS service should also be mandated.

81. With only roughly 86 COs expected to get disaggregated service out of the 891, the de-facto immediate forbearance of GAS deprives a large footprint of QC/ON of proper service unless they will move to the incumbent, thus rendering ISPs ineffective at competing against the incumbent. With aggregated GAS service the only realistic long term solution to provide non urban areas with competitive services, GAS must be given access to whatever technology a telco implements.

82. Since Bell Canada has accelerated its FTTP deployment rate in the last few years this problem will worsen quickly, and because it will take much time to not only make disaggregated a regulatory reality, but also get ISPs to deploy it, it is too early to abandon all the customers who are currently stuck on GAS, seeing their neighbourhoods upgraded but not having access to the one infrastructure which actually works.

83. To this end, not only should the Governor in Council refuse Bell Canada's request to exclude FTTP from disaggregated access, it should instruct the Commission to vary the 2015-326 decision to include FTTP access in the existing aggregated GAS service.
Aspects of 2015-326 that need reviewed (cont)

Forbearance of GAS/TPIA

84. The 2015-326 decision has decided that the first ISP to connect to a POI \(^4\) triggers an automatic 3 year timer after which GAS/TPIA service to that POI becomes forborne.

85. This means that ISPs who do not have sufficient customers to justify a disaggregated link lose those customers within 3 years of another ISP connecting which could lead to predatory practices with some ISPs connecting to COs just to hurt their competitors and steal their customers. It also means that ISPs are likely to become localized, serving small geographical footprint and limit their brand recognition. This makes it unlikely they will ever grow to become more recognized and expand their disaggregated coverage. Keeping a small number of insignificant localised ISPs will not provide sufficient market force to discipline incumbents who have provincial pricing.

86. While the 2015-326 decision aggressively implements a policy to forbear aggregation in the hopes of creating a competitive aggregation environment, none of this has been tested, the rates are unknown, and the decision was made before Bell Canada publicly revealed it had 891 Central Offices with broadband service.

87. The decision should ensure consumers continue to have a choice of ISPs and are not forced to choose between the incumbent and a single other ISP which may not serve their needs.

88. It should be noted that where there is no Cable company, a single ISP connecting to a CO would trigger forbearance and leave a duopoly between that ISP and the incumbent Telco.

89. Vaxination suggests that the Governor in Council order the CRTC to vary the decision to base the trigger for GAS/TPIA forbearance not on the first ISP to connect, but rather on first commercial transport service available to any/all ISPs that connects to the POI's disaggregated switch, or that at least 4 competitors exist in the area (cable, telco and 2 disaggregated ISPs, or telco and 3 disaggregated ISPs). (whichever comes first).

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\(^4\) POI: Point of Interconnection. Central Offices for Bell Canada, and buildings that house CMTS routers for cable companies.)
Conclusion

90. Bell Canada’s request should be dismissed as its goal is simply to delay ISPs getting access to FTTP until Bell is ready to decommission copper in a neighbourhood. This will hurt ISPs and cause them to lose customer, giving Bell Canada and the cable company greater control of the market.

91. It is important to note that independent ISPs are extremely important to keep vertically integrated ISPs from abusing the market (low UBB limits for instance) in order to protect their legacy broadcasting services against new OTT services.

92. Despite the need to reject Bell Canada’s request, the CRTC 2015-326 has flaws in how the existing GAS/TPIA services are to be handled going forward. They need to be fixed in order to allow a more seamless transition to disaggregated where this will happen and maintain competitive services where disaggregated will not happen. To this end 3 changes must be made:

- Immediate review of CBB rates
- FTTP access is needed for aggregated GAS
- GAS/TPIA forbearance triggers need to be changed to ensure sufficient competition remains at a POI where disaggregation happens.

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