



The History of Mandated Access

- Competition in Telecom Products and services began in 1984 with the deregulation of Voice PBX Telecom Systems
- The shift from a single available supplier has continued since then. Throughout this process the previous monopolies market power has given them significant advantage in dominating their markets.

The History of Mandated Access

- The Telecom monopolies were prevented from entering the video marketplace when video over cable was developed in the late 1970s. By mandating the access to the telephone poles of the incumbents and by issuing monopolies to the new video competitors, new city wide cable networks became financially feasible. This comfortable and very profitable arrangement continued until the arrival of the dial up Internet in 1994.



The History of Mandated Access

- This paradigm shift to a packet based network that could operate across a number of wired and wireless technologies allowed a new entrant, the ISP, to enter this staid regulated industry.
- Although it took the telecom and cable incumbents some time to catch up, once they were able to leverage their cable plants to their advantage they easily reduced the competition to each other.



The Final Showdown

- Decision 2008 - 17 was the result of a proceeding to consider what elements of modern telecommunications infrastructure should be mandated to prevent the incumbents from using their market power to dominate markets.
- Support structures (poles) are a good example of infrastructure that must be shared to avoid unnecessary burdens on society and allow competition.



The Final Showdown

- CO Co-location, Aggregated ADSL and TPIA were deemed to be conditional mandated non-essential. This means that they do not meet the criteria for essential services but must continue to be mandated.
- The Commission considers that changes in market conditions at a point in the future could result in it no longer being necessary to mandate any or all of these services.

CRTC – ISP Issues

- **Telecom Decision 2008-17**

- Access to Unbundled Local Loop and CO ADSL Service were classified conditional essential
- CO Co-location, Aggregated ADSL and TPIA were classified as conditional mandated non-essential.

- **Telecom Decision 2009-34**

- ADSL access service of the ILEC still allows competitors to provision high-speed Internet access service using their own DSL equipment (this is known as “line-sharing” service.)
- ADSL access service does not provide competitor access to copper portion of the unbundled local loop served from remotes.

CRTC – ISP Issues

- Aggregated ADSL Access Service and NNI were both classified as conditional essential.
- In 01 April 2009, the Commission suspended this proceeding indefinitely pending disposition of the Bell Companies' application of 19 March 2009 that the above proceeding should be considered in parallel to the proceeding requested by Cybersurf with respect to the unbundling of cable plant networks.

CRTC – ISP Issues

- **Telecom Notice of Consultation CRTC 2009-261** - Proceeding to consider the appropriateness of mandating certain wholesale high-speed access services.
 - Appropriate configuration and classification of wholesale CO base ADSL Access Service and a head-end-based cable network access service
 - Proceeding is still on-going
 - Decision expected on Mar. 2010

Current Issues and Concerns

- How will the non mandated access concept work? Won't the large competitors use their market power to reduce competition? Are the issues the same in the east vs the west??
- The current model of Aggregated ADSL as a wholesale product is off the tracks.
- Delays and interpretations of the CRTC rulings prevent the competitors from achieving a viable business venture..

OSS Position

- The current model of tariffed mandated products has not worked. Many new competitors have exited the market with few new entrants.
- Without access to Ethernet and NGN products our businesses cannot operate.
- We support the position of CAIP, MTS and the many ISPs currently engaged in resolving the uncertain business environment these regulatory rulings have caused.



OSS Position

- We believe that all incumbents should be required to demonstrate that a significant portion of their legacy copper networks be sold through wholesale divisions.
- We believe that the incumbents should be allowed to negotiate off tariff pricing for products and services

OSS Position

- We believe that these agreements should be filed in confidence with the CRTC
- We believe that the CRTC should function as an arbitrator when required. Their role would be to make binding rulings in disputes brought to them. We believe that a CRTC managed arbitration process should not consider its rulings as legal precedents and that its findings should be confidential to the parties unless the parties choose to disclose the ruling.