



CCTA-ACTC

**Canadian Cable
Telecommunications Association**

360 Albert St., Suite 1010
Ottawa, Ontario K1R 7X7
Telephone: (613) 232-2631
Facsimile: (613) 232-2137
www.ccta.ca

**Association canadienne des
télécommunications par câble**

360, rue Albert, bureau 1010
Ottawa (Ontario) K1R 7X7
Téléphone: (613) 232-2631
Télécopieur: (613) 232-2137
www.actc.ca

Michael Hennessy
President | Président
hennessy@ccta.com
(613) 688-5560

November 7, 2005

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Ms. Rhéaume:

Re: Telecom Public Notice 2005-10, Review of regulatory framework for the small incumbent local exchange carriers

1. These Comments are filed by the Canadian Cable Telecommunications Association (CCTA) pursuant to paragraph 19 in Telecom Public Notice 2005-10, *Review of regulatory framework for the small incumbent local exchange carriers* (PN 2005-10) and the Commission's letter dated October 28, 2005.
2. CCTA wishes to comment on two issues raised in this proceeding. First, the framework for facilities-based local competition in the territories of the small incumbent local exchange carriers (SILECs); and second, the Commission's "head start" rule for SILECs becoming licensed broadcasting distribution undertakings (BDUs). CCTA notes that these issues have been discussed in the Canadian Independent Telephone Company Joint Task Force (CITC JTF) proposal, filed July 29, 2005, and in the responses to interrogatories filed by the CITC JTF on October 17, 2005.

Local Competition

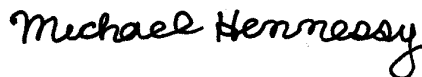
3. The issue of the regulatory framework for local competition was discussed at paragraphs 31 through 34 of the CITC JTF proposal. At paragraph 33 of that proposal, it was suggested that facilities-based entry would be required only “when a competitor indicates a bona fide interest in providing competitive local service in a SILEC territory.” It was also proposed that requests be processed on an individual basis and take into consideration the specific circumstances of the SILEC. The response to interrogatory CITC JTF(CRTC)19Sep05-600 described additional aspects of the proposed process for facilities-based local entry with reference to manual processes, contracting out of certain activities to another ILEC and negotiations between the CLEC and the SILEC.
4. CCTA is of the view that the case-by-case approach to implementing interconnection and related arrangements for local entry, similar to that described by the CITC JTF, would be appropriate. In this regard, CCTA notes that the scale of SILECs’ operations vary considerably from only a few hundred customers to tens of thousands, as in the case of certain municipally-owned SILECs. These larger SILECs should have the ability to implement interconnection with CLECs, even if they initially rely on some manual processes and support from other ILECs.
5. In the response to CITC JTF(CRTC)19Sep05-600, the SILECs stated that there is no estimate of the time frame required to put in place the arrangements necessary to support facilities-based local entry. CCTA submits that the Commission should ensure that the implementation of local interconnection and related processes in response to a CLEC’s request be dealt with as expeditiously as possible. Since SILECs anticipate relying on manual processes and support from other ILECs, the time required can be kept to a minimum.

Head Start Rule for SILECs

6. The SILECs indicated in the response to CITC JTF(CRTC)19Sep05-603 that they are opposed to the adoption of a head start rule that would determine when a SILEC could obtain a BDU licence based on the implementation of local competition. Instead, they recommended that it would be sufficient to permit BDU applications once local competition has been “sanctioned in principle”.

7. CCTA is opposed to this position. In CCTA's submission, the head start rule must be upheld that an ILEC – whether large or small – should only be permitted to obtain a BDU licence upon **implementation** of the arrangements necessary for facilities-based local competition.¹ This is consistent with the approach taken in Public Notice CRTC 1997-49 which relied not simply on the principle that local competition should be permitted – that had taken place three years prior in Telecom Decision CRTC 94-19. Rather, as the Commission recognized in PN 1997-49, the provision of interconnection and related arrangements are “important for the successful implementation of competition in local telephony.”
8. If the head start rule is set aside, it will remove a critical incentive for SILECs to work towards opening up their core markets to competitive local entry. CCTA notes that competing BDUs have no similar dependency on cable BDUs in order to enter the broadcast distribution market.
9. CLECs seeking to compete in the SILECs' operating territories also have encountered problems gaining access to support structures owned or controlled by SILECs and their affiliates. The lack of access to support structures on a timely and reasonable basis impedes CLECs from launching facilities-based local telephone services.
10. CCTA submits that it would further the Commission's goals of fostering increased competition in local telephony if it retained the head start rule for SILECs and included the requirement to provide access to support structures under the SILECs' control.

Sincerely,



Michael Hennessy
cc. Parties to PN 2005-10

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¹ The head-start rule need not apply where there is no cable BDU providing broadcasting distribution service in the SILEC's operating territory.