

April 24, 2009

Clerk of the Privy Council and Secretary to the Cabinet
Langevin Block, 80 Wellington Street
Ottawa, Ontario
K1A 0A3

Subject: Petition to the Governor in Council to Vary Telecom Decision CRTC 2008-117 and to Rescind Telecom Order CRTC 2009-111

Dear Sir,

Alcatel-Lucent respectfully submits its views with respect to the Canadian Radio-television and Telecommunications Commission's (CRTC) recent decision ordering incumbents to make available to competitors matching speeds for wholesale aggregated asymmetric digital subscriber line (ADSL) services. Alcatel-Lucent is concerned that the CRTC's decision will ultimately deter continued investment in next generation broadband facilities and services, depriving Canada of the economic benefits created by continued deployment.

Alcatel-Lucent is the world leader in broadband access solutions, including Digital Subscriber Line (DSL) technology, where we meet approximately 44 percent of world demand for DSL equipment. Alcatel-Lucent leads the world in DSL innovation, including in Canada, where Alcatel-Lucent employs 3,000 people and invests over \$230M in R&D annually, which includes significant investments in DSL and IP technologies. Our continued DSL collaboration with Canadian service providers is helping to increase DSL capabilities and expand next generation broadband availability at economical price points for Canadian consumers.

For more than seven years Fibre-to-the-Node (FTTN) has been consuming significant investment from Alcatel-Lucent and service providers in order to extend the reach of DSL services to serve more consumers with ever increasing speeds and at affordable rates. Deploying nodes with advanced technology much closer to homes and utilizing the "last kilometer" of copper keeps prices low and improves quality and performance.

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Alcatel-Lucent works closely with FTTN service providers to ensure all equipment is certified and rigorous deployment practices are followed, this is an ongoing effort incorporating frequent technological advancements. Applying legacy wholesale regulation to new FTTN investments creates disincentives for FTTN deployment, just as it would for the deployment of Fibre-to-the-Premises (FTTP). Legacy regulation creates the same disincentives for all next generation broadband deployment.

Through our global experience, Alcatel-Lucent has witnessed that broadband deployment serves as a key stimulus for economic growth which is a view shared and encouraged by many governments. The CRTC's decision will discourage the very private investment that the government is seeking to encourage in broadband access.

Alcatel-Lucent Canada encourages the Cabinet to overturn the CRTC decision and recommends that FTTN investments be treated as non-essential facilities for purposes of the CRTC's wholesale service regulation.

Sincerely,



Alex Giosa
President
Alcatel-Lucent Canada Inc.

cc: Director General, Telecommunications Policy Branch (via email: telecom@ic.gc.ca)