

Ontario u-telcos aim to light up larger accounts

By: Michael Martin

IT World Canada (18 Mar 2005)

A group of 10 Ontario utility-affiliated telcos (better known as u-telcos) has teamed together in an effort to offer high-bandwidth services to large enterprise customers across the province. Collectively we want to make sure it's a consistent service across the province and that it won't vary from one region to another Ian Miles President, Toronto Hydro Telecom. Text

"This marks the end of a lot of work that's gone on for a lot of the past year," says Ian Miles, president of Toronto Hydro Telecom. Under the partnership, the 10 u-telcos created unified pricing plans and ensured from a technical perspective that network services running across different u-telco territories would be the same.

"Collectively we want to make sure it's a consistent service across the province and that it won't vary from one region to another," Miles explains. In the past, the u-telcos haven't worked closely together, notes Brian Sharwood, an analyst with telecom consultancy Seaboard Group.

"But if they can work together it, they're a pretty powerful force," he notes. "They can undercut Bell by pretty significant amounts."

Unlike Bell, u-telcos don't have to submit tariffs to the Canadian Radio-television and Telecommunications Commission (CRTC), so they can easily offer services for less than Bell's minimum rates. Miles notes however that telcos like Telus, Allstream and Sprint also don't have to file tariffs with the CRTC in Ontario, so there is price competition.

The u-telcos also have an opportunity to work with Bell, Sharwood believes. For instance if Bell wanted to sell a security solution to an enterprise customer, it could buy network services from the u-telcos, rather than relying on Bell's own network, and avoid having to file with the CRTC. Unlike the traditional telcos, u-telcos sell raw bandwidth in the form of SONET and Ethernet. They don't sell any services on top of that bandwidth.

"Our biggest seller is next-generation Ethernet services," Miles says. "All companies that are part of this alliance have Gigabit Ethernet backbones as part of their core network and we're seeing tremendous demand from enterprise clients for these types of services."

One of the u-telcos biggest attractions, Miles says, is that they offer completely separate networks from the traditional teleco firms, making them an ideal option for disaster recovery services.