



Telecom Order CRTC 2010-969

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Ottawa, 23 December 2010

Cogeco Cable Inc. – Third-party Internet access rates and usage-based billing charges

File numbers: Tariff Notices 24, 25, 26, 27, 27A, and 31

Introduction

1. The Commission received several applications from Cogeco Cable Inc. (Cogeco), filed between 18 February 2009 and 6 July 2010, in which the company requested approval of proposed monthly rates for particular third-party Internet access (TPIA) service speeds and/or proposed usage-based billing (UBB)-related tariff charges.
2. In the case of its applications for new TPIA service speed tiers that matched the speed tiers available for retail Internet service offerings,¹ Cogeco proposed monthly rates based on preliminary cost data. Cogeco submitted that it did not have sufficient usage data to allow production of a detailed cost study.
3. In all of its applications, Cogeco proposed UBB charges for its TPIA service options that matched the UBB charges on its corresponding retail Internet services, consistent with the Commission's directives set out in Telecom Decision 2006-77.²
4. The Commission granted interim approval to the company's proposed monthly rates for TPIA service speeds and UBB-related tariff charges.³
5. The public record of these proceedings is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

¹ See Tariff Notices 24 and 26.

² In Telecom Decision 2006-77, the Commission set out the guidelines under which companies that provide wholesale TPIA services could introduce changes to quota charges or related excess usage charges. In that decision, the Commission concluded that TPIA service providers must provide equivalent treatment with respect to excessive usage to both their retail Internet access service end-users and their TPIA service end-users.

³ See Telecom Orders 2009-112, 2009-211, 2009-473, 2009-603, 2009-696, and 2010-482 for the interim approvals of Cogeco's applications.

Parties' comments on Cogeco's applications

6. The Commission received comments on Tariff Notice 25⁴ from Vianet Internet Solutions (Vianet) and one individual. The Commission notes that TekSavvy Solutions Inc. provided comments with respect to Tariff Notice 27A, and that those comments were addressed in Telecom Order 2009-696. No comments were received with respect to any of the other above-noted applications.
7. Vianet submitted that the Commission should reject Tariff Notice 25, arguing that a moratorium should be placed on the introduction of any new Internet traffic management practices pending a determination in the proceeding initiated by Telecom Public Notice 2008-19 regarding such practices.

Commission' analysis and determinations

8. The Commission notes that it set out its determinations related to the introduction of Internet traffic management practices in Telecom Regulatory Policy 2009-657, and that Cogeco's proposal constitutes an economic traffic management practice that is consistent with those determinations and permits Cogeco to manage traffic on its networks.⁵
9. Further, the Commission notes the argument made by the one individual that Cogeco had not provided sufficient evidence that its proposal would have the desired effect of managing the traffic of high-volume users without degrading the quality of TPIA services for all users. In this regard, the Commission notes that since the interim approval of the company's application, no evidence has been provided to suggest that the implementation of the additional usage charges has had any significant impact on the quality of the TPIA services.
10. With respect to Cogeco's proposed monthly rates for different speed tiers, the Commission concluded in Telecom Regulatory Policy 2010-632 that cable carriers should modify their TPIA services to provide competitors with an increased level of aggregation. Accordingly, the Commission directed the cable carriers to file new rates for the revised TPIA services for all speeds, reflecting a new cost structure based on an increased level of aggregation for the service. The Commission notes that cost studies based on the new cost structure have been filed and will be used to assess the revised TPIA services going forward. Therefore, the Commission considers that it is not warranted to require TPIA cost studies for the new proposed TPIA service speed tiers based on the former cost structure.

⁴ In Tariff Notice 25, Cogeco proposed to modify the additional usage charge for its TPIA service by applying (a) a specific charge per modem per gigabyte for usage in excess of the bandwidth limitation related to each speed tier of Cogeco's TPIA service, and (b) a specific maximum additional usage charge per month to each speed tier.

⁵ See paragraph 40 of Telecom Regulatory Policy 2009-657.

11. With respect to the UBB charges proposed by Cogeco, the Commission notes that, in Telecom Decision 2010-802, it determined that UBB charges for Bell Canada's and Bell Aliant Regional Communications, Limited Partnership's Gateway Access Service would match the UBB charges on their corresponding retail Internet services, consistent with the cable carriers' TPIA pricing approach. The Commission further notes that it initiated a proceeding to examine whether the rates for the UBB components for the wholesale aggregated asynchronous digital subscriber line (ADSL) access services and TPIA services should be lower than the comparable retail UBB rates. As a result of that decision, the Commission considers that regulatory symmetry between UBB rating approaches for TPIA services and aggregated ADSL access services has been addressed.

Conclusion

12. In light of the above, the Commission considers that it is appropriate to finalize the existing rates for Cogeco's applications. Accordingly, the Commission **approves on a final basis** Cogeco's applications.

Secretary General

Related documents

- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Application to review and vary Telecom Decision 2010-255 concerning usage-based billing for Gateway Access Services*, Telecom Decision CRTC 2010-802, 28 October 2010
- *Wholesale high-speed access services proceeding*, Telecom Regulatory Policy CRTC 2010-632, 30 August 2010
- Telecom Order CRTC 2010-482, 15 July 2010
- *Cogeco Cable Inc. – Third-party Internet access service*, Telecom Order CRTC 2009-696, 5 November 2009
- *Review of the Internet traffic management practices of Internet service providers*, Telecom Regulatory Policy CRTC 2009-657, 21 October 2009
- Telecom Order CRTC 2009-603, 30 September 2009
- Telecom Order CRTC 2009-473, 5 August 2009
- Telecom Order CRTC 2009-211, 22 April 2009
- Telecom Order CRTC 2009-112, 3 March 2009

- *Review of the Internet traffic management practices of Internet service providers*, Telecom Public Notice CRTC 2008-19, 20 November 2008, as amended by Telecom Public Notice CRTC 2008-19-1, 11 February 2009; 2008-19-2, 12 February 2009; 2008-19-3, 18 March 2009; and 2008-19-4, 16 July 2009
- *Cogeco, Rogers, Shaw, and Videotron – Third-party Internet access service rates*, Telecom Decision CRTC 2006-77, 21 December 2006