



Telecom Order CRTC 2007-6

Ottawa, 11 January 2007

Bell Canada

Reference: Tariff Notice 6611

Local Link Package service

Application

1. The Commission received an application by Bell Canada, dated 28 August 2001, proposing revisions to items 680.2(c)(5) and 680.4(a) of General Tariff item 680, Local Link Package, to introduce a three-year minimum contract period (MCP) option, increase the monthly rates for this service by \$3.00 and the voice mailbox option by \$2.00, provide the terms and conditions under which locals may be added during one-year or three-year MCPs, and introduce additional rate levels for customers who choose Bell Canada as their primary interexchange carrier. The company also proposed revisions to item 680.2(b) of this tariff item, and item 70.2(h)(3) of General Tariff item 70, Rate Schedules for Primary Exchange (Local) Service, to make the termination charges equal to one half of the charges remaining for the unexpired portion of the MCP, consistent with the provisions in its Terms of Service.
2. The Commission approved, on an interim basis, Bell Canada's application in *Bell Canada – Local link package service*, Order CRTC 2001-706, 18 September 2001.
3. The Commission received comments from GT Group Telecom Services Corp. (Group Telecom) dated 29 November 2001, and reply comments from Bell Canada dated 4 December 2001.
4. Group Telecom submitted that Bell Canada, in Tariff Notice 6611 as well as in other tariff notices, had proposed significant changes to the terms under which MCPs would be offered and under which customers could change from one service to another under an MCP without incurring termination charges. Group Telecom noted that it had proposed various restrictions on the use of long-term contracts by the incumbent local exchange carriers (ILECs) in the price cap proceeding initiated by *Price cap review and related issues*, Public Notice CRTC 2001-37, 13 March 2001 (Public Notice 2001-37), and submitted that, pending a decision by the Commission with regard to the Public Notice 2001-37 proceeding, the ILECs should not be allowed to change any rates, charges, terms, or conditions associated with MCPs.
5. Bell Canada replied that its application was first and foremost a rate increase filing. Bell Canada submitted that while the three-year MCP option was new, it merely provided consistency with the MCP options for individual business lines, as approved in *Contract pricing for business lines*, CRTC Order 2000-346, 27 April 2000. With respect to the other changes proposed in its application, Bell Canada submitted that the company was being consistent with similar provisions in its Centrex Service tariff, which required the execution of a new MCP if locals were added during the last six months of an existing term.

Commission's analysis and determinations

6. The Commission notes that it addressed Group Telecom's comments with respect to long-term contracts in *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002, as amended by Telecom Decision CRTC 2002-34-1 dated 15 July 2002 (Decision 2002-34). Specifically, the Commission did not accept Group Telecom's proposal that long-term contracts in multi-dwelling buildings should be terminated one year after a competitive local exchange carrier had built facilities that could serve such buildings.
7. With respect to the matter of automatic renewal of long-term contracts that arose during Group Telecom's cross-examination of Bell Canada during the proceeding that led to Decision 2002-34, the Commission directed Bell Canada and TELUS Communications Inc. (now TELUS Communications Company) to show cause why their applicable general tariffs should not be amended to remove the automatic renewal provision, and to add a provision requiring that positive consent to renew be obtained from customers no less than 30 days before expiry.¹
8. With respect to the matter of the termination charges, the Commission notes that the proposed revisions in items 70.2(h)(3) and 680.2(b) are consistent with the company's General Terms of Service. The Commission considers such provisions to be appropriate. Further, the Commission considers that the remaining revisions proposed by the company are also appropriate.
9. The Commission notes that in Telecom Order CRTC 2006-171, 6 July 2006, it granted interim approval to a subsequent revision to item 680.2(b), effective 10 July 2006. The Commission further notes that the proposed rates in item 680.4(a) were superseded by revisions approved in Telecom Order CRTC 2002-117, 8 March 2002, effective the date of that Order.
10. In light of the above, the Commission **approves on a final basis** Bell Canada's proposed revisions to General Tariff items 70.2(h)(3)² and 680.2(c)(5)³, as well as to item 680.2(b) for the period between 18 September 2001 to 10 July 2006, and to item 680.4(a) for the period between 18 September 2001 to 8 March 2002.

Secretary General

¹ In *Follow-up to Decision 2002-34 – Automatic renewal of contracts with a minimum contract period*, Telecom Decision CRTC 2003-85, 22 December 2003, the Commission directed Bell Canada and TELUS Communications Inc. to notify flat rate business service customers with minimum contract period contracts, (i) 60 days before contract expiry, that the contract may be automatically renewed, and (ii) within 35 days following automatic renewal, that the contract had been renewed, and that the customer may terminate the contract without penalty within 30 days of the date of the renewal notice.

² Item 70.2(h)(3) is now item 70.2(h)(4) in Bell Canada's General Tariff.

³ Item 680.2(c)(5) is now item 680.2(e) in Bell Canada's General Tariff.

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