



Telecom Order CRTC 2009-775

Ottawa, 14 December 2009

Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Revised rates for unbundled loop wholesale service

File numbers: Bell Aliant Tariff Notice 269
Bell Canada Tariff Notice 7205

Introduction

1. The Commission received applications by Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) and Bell Canada (collectively, the Bell companies), dated 2 June 2009, proposing changes to each company's Access Services Tariff item 105 – Local Network Interconnection and Component Unbundling, as well as to General Tariff items 5410 – Gateway Access Service (GAS) and 5420 – High Speed Access Service (HSA).
2. In their applications, the Bell companies proposed to revise Type A¹ unbundled loop rates throughout their operating territories in Ontario and Quebec, with the exception of Bell Aliant's rate in Band G, and to revise service order charges associated with Type A and Type B² unbundled local loops within the above-mentioned operating territories, including Bell Aliant's Band G. The Bell companies requested that the existing Type A unbundled local loop rates – except for those in Bell Aliant's Rate Band G – and Type A and Type B service charges be made interim, with final rates to be adjusted retroactively. They further proposed to modify their respective GAS and HSA tariffs to explicitly specify the current dry loop³ rates.
3. The Commission received comments from a number of telecommunications service providers (the interveners).⁴ The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

¹ A Type A unbundled loop is an analogue transmission path that supports the transmission of voice-grade signals between a customer's premises and a central office.

² A Type B unbundled loop is a transmission path that supports the transmission of Integrated Services Digital Network (ISDN) Base Rate Interface (BRI)-type signals between a customer's premises and a central office.

³ A dry loop is an unbundled local loop that is not used by an incumbent local exchange carrier to provide primary exchange service.

⁴ Parties who filed comments are Distributel Communications Limited; Globility Communications Corporation; MTS Allstream Inc.; Primus Telecommunications Canada Inc.; Rogers Communications Inc.; TekSavvy Solutions Inc.; Ontera; and Execulink Telecom Inc., in conjunction with Bruce Telecom, CoopTel, Huron Telecommunications Co-operative Limited, Mornington Communications Co-operative Limited, Nexicom Telecommunications Inc., North Renfrew Telephone Company, Sogetel inc., Tuckersmith Communications Co-operative Limited, Wightman Telecom Limited, and WTC Communications (collectively, the interveners).

Commission's analysis and determinations

4. The Commission notes the interveners' concerns regarding the costing assumptions, data sources, and unit cost calculations the Bell companies had used to support their proposed rates and service charges, as well as their concerns about the financial uncertainties for competitors if the final rates were to be adjusted retroactively.
5. The Commission notes that the existing unbundled loop rates and service charges for which the Bell companies are proposing increases were determined in Telecom Decisions 2001-238 and 2002-11,⁵ respectively, and considers that the associated service costs may have increased or decreased since these decisions were issued. Accordingly, the Commission considers it appropriate to make those existing unbundled loop rates and service charges interim while it pursues its consideration of the Bell companies' applications.
6. The Commission notes that to the extent that the final rates are different from the interim rates, the issue of whether the final rates are to be adjusted retroactively will be addressed in the decision disposing of the Bell companies' rate applications on a final basis. Parties will have an opportunity to address that issue prior to the Commission making its determination on the matter.
7. The Commission notes that the process to complete the review of the Bell companies' cost studies will be set out in a letter to be issued shortly. The Commission notes that, as part of this process, it intends to examine the costing methodologies used by the Bell companies in their cost studies, in particular, the use of capacity costing based on cost new⁶ for copper cable facilities used to provision the unbundled loop service.
8. The Bell companies proposed to explicitly specify the current dry loop rates in their respective GAS and HSA tariffs instead of relying on cross-references to rates in their unbundled loop tariffs. The Commission notes that under the proposed modifications, the current dry loop rates remain unchanged.
9. Accordingly, the Commission **approves** the Bell companies' proposed modifications to their GAS and HSA tariffs with respect to dry loops, subject to the rate amendments required pursuant to the 2009 annual price cap filing.
10. The Bell companies are to issue revised tariff pages, consistent with this order, within 20 days of the date of this order.

Secretary General

⁵ Revised pursuant to Telecom Decisions 2003-13 and 2003-31.

⁶ Capacity costing based on cost new is a method used to approximate the cost of advancement. As service demand depletes the service capacity of an existing shared facility, it advances the installation of a new shared facility to relieve the existing facility. The cost associated with advancing the new shared facility installation is referred to as "cost of advancement." Under the capacity costing approach, a per-unit capacity cost based on cost new is established by applying a working fill factor to recognize the spare capacity of the facility.

Related documents

- *Call-Net's request for clarification in applying the residential variable-rate per-loop service order charge*, Telecom Decision CRTC 2003-31, 14 May 2003
- *Rates for Competitor Services*, Telecom Decision CRTC 2003-13, 18 March 2003, as amended by Telecom Decision CRTC 2003-13-1, 23 May 2003
- *CRTC approves revised unbundled loop service order charges for Bell Canada, Aliant Telecom Inc. and MTS Communications Inc.*, Telecom Decision CRTC 2002-11, 18 February 2002
- *Restructured bands, revised loop rates and related issues*, Decision CRTC 2001-238, 27 April 2001, as amended by Decision CRTC 2001-238-1, 28 May 2001, and Decision CRTC 2001-238-2, 7 August 2001

This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>