



Telecom Decision CRTC 2011-800

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Ottawa, 21 December 2011

TELUS Communications Company – Application regarding Bell Canada’s high definition serial digital interface local video channel service

File number: 8661-T66-201111848

In this decision, the Commission determines that Bell Canada’s high definition serial digital interface local video channel service (HD SDI service) is not forborne in certain geographical areas. As such, Bell Canada is required to file, within 30 days of the date of this decision, a general tariff with associated cost studies for Commission approval. Further, Bell Canada is directed to bring all existing HD SDI service arrangements it offers or provides in its operating territory in compliance with the above-referenced tariff within 30 days of its approval.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 12 August 2011, in which the company requested that the Commission direct Bell Canada to (a) file a general tariff (GT) for high definition serial digital interface local video channel service (HD SDI service), and (b) stop offering the service in its operating territory until such time as the GT is approved.
2. HD SDI service is used by television producers and broadcasters to transmit high-definition video content from a production studio or live event location to a television broadcast station. The HD SDI service delivers video content at 1.485 gigabits per second (Gbps), consistent with a specific standard defined by the Society of Motion Picture Engineers (SMPTE) for high-definition video service.
3. Comments were received from Bell Canada. Bell Canada submitted that its HD SDI service has equivalent characteristics to Metropolitan Wavelength Service (MWS),¹ and is therefore forborne in the census metropolitan areas (CMAs) of Montreal, Ottawa, and Toronto pursuant to Telecom Decision 2007-35.
4. The public record of this proceeding, which closed on 26 September 2011, is available on the Commission’s website at www.crtc.gc.ca under “Public Proceedings” or by using the file number provided above.

¹ MWS is a high-speed dedicated fibre transport service used to connect two or more customer locations within a defined local geographical area such as a metropolitan area. MWS is offered at transmission speeds of 1.25 Gbps and above.

5. The Commission has identified the following issues to be addressed in this decision:
 - I. Is HD SDI service equivalent to MWS?
 - II. Should Bell Canada cease marketing HD SDI service in its territory, until any required tariff approval is obtained?
 - III. Should Bell Canada be required to revise all of its existing HD SDI service arrangements to be compliant with an approved tariff?

I. Is HD SDI service equivalent to MWS?

6. TCC submitted that Bell Canada, in offering and marketing the HD SDI service in its operating territory without an approved tariff, is in violation of section 24, and subsections 25(1) and 27(1) of the *Telecommunications Act* (the Act).
7. Bell Canada submitted that, in Telecom Decision 2007-35, the Commission forbore from future services with equivalent characteristics to MWS. Bell Canada argued that, similar to MWS, HD SDI service offers the customer (a) a transmission speed of 1.485 Gbps; (b) low transmission delay; (c) the ability to interconnect at multiple locations; and (d) the option to enter into a long-term contract.
8. Bell Canada also submitted that, when it offered HD SDI service outside the above-referenced three forborne CMAs, it did so pursuant to a Commission-approved tariff. In this regard, Bell Canada noted that it had received Commission approval for two special facility tariffs for HD SDI service.
9. TCC disagreed with Bell Canada that the service characteristics of HD SDI service are equivalent to MWS. With respect to
 - transmission speed, TCC submitted that similarity in transmission speed between MWS and HD SDI service is of no consequence because MWS is a transport service, while HD SDI service is a broadcast service;
 - low transmission delay, TCC submitted that HD SDI service has very specific requirements that do not apply to MWS, specifically the video content for HD SDI service needs to be synchronized and presented on the television screen immediately, with no buffering or storage;
 - interconnecting multiple locations, TCC submitted that, for MWS, multiple locations are interconnected using multiplexing equipment located within the service providers' network; however, in the case of HD SDI service, multiple locations are interconnected using switching or routing equipment located at the customer's location; and
 - long-term contracts, HD SDI service offers a non-contracted occasional-use option, which is not available for MWS.

10. TCC argued that HD SDI service is similar to standard definition serial data interface local video channel service (SD SDI service). TCC noted that, in the case of SD SDI service, Bell Canada has an approved GT that includes all of its operating territory.

Commission's analysis and determinations

11. The Commission notes that, in Telecom Decision 2007-35, it forbore from the regulation of Bell Canada's MWS in the CMAs of Montreal, Ottawa and Toronto. The Commission also notes that pursuant to subsection 25(1) of the Act, an approved tariff is required for HD SDI service before providing the service unless HD SDI has been forborne based on the fact that it has equivalent characteristics to MWS.
12. Based on the record, the Commission concludes that MWS and HD SDI services are used by different customers for different purposes. The Commission notes that various business customers use MWS as a transport for the transmission of their voice, video, and data applications, while HD SDI service is used exclusively by television producers and broadcasters for the transmission of high-definition video signals.
13. The Commission is further of the view that low transmission delay in both MWS and HD SDI service are not equivalent. The Commission notes that for HD SDI service, the service provider delivers the video signal from the source location to the receiving location, immediately and synchronized,² a commitment that is not provided as part of the low transmission delay for MWS.
14. With respect to how Bell Canada provisions its MWS and HD SDI service, the Commission is of the view that the services are provisioned differently in Bell Canada's network. The Commission notes that for MWS, the multiplexing equipment that interconnects multiple locations reside in Bell Canada's network and are part of the service, while for HD SDI service, the switching or routing equipment that allows for such interconnection are located at the customer's location and are not part of the HD SDI service. Therefore, the Commission notes that, in the case of MWS, a customer would choose a single service provider to connect all of its locations within a metropolitan area, whereas in the case of HD SDI service, a customer is able to choose different service providers to connect each of its multiple locations within a metropolitan area.
15. In light of the above, the Commission considers that Bell Canada's HD SDI service does not have equivalent characteristics to MWS and is not forborne. Therefore, Bell Canada must provide HD SDI service in accordance with an approved tariff pursuant to subsection 25(1) of the Act.
16. Accordingly, Bell Canada is directed to file a GT for its HD SDI service, and associated cost studies, within 30 days of the date of this decision.

² Immediate and synchronized delivery of information means that the information from the source is delivered to the receiving end immediately and in the same order and timing in which the information was provided at the source, without buffering or storage.

II. Should Bell Canada cease marketing HD SDI service in its territory, until any required tariff approval is obtained?

17. TCC submitted that the Commission should direct Bell Canada to cease marketing and offering HD SDI service in its operating territory until the required tariff approval is received.
18. Bell Canada submitted that the HD SDI service market is highly competitive, and restricting it from marketing and offering the service would affect its ability to compete.
19. In the Commission's view, directing Bell Canada to cease marketing its HD SDI service until the required tariff approval is received would be inconsistent with the policy objectives set out in paragraphs 7(c), 7(f), and 7(h) of the Act³ and paragraph 1(a) of the Policy Direction.⁴ The Commission notes that the Act and the Policy Direction encourage reliance on market forces to the maximum extent possible to enhance the efficiency of competition in response to consumer requirements.

III. Should Bell Canada be required to revise all of its existing HD SDI service arrangements to be compliant with an approved tariff?

20. TCC submitted that Bell Canada should be directed to identify and revise all contracts, proposals, and arrangements under which it currently provides HD SDI service in its operating territory, in order to be in compliance with an approved GT.
21. Bell Canada submitted that, should the Commission determine that HD SDI service is not forborne in certain areas, an order requiring Bell Canada to file a GT and bring all existing HD SDI service arrangements into alignment with such a tariff would be sufficient to ensure compliance with such an order.
22. In the Commission's view, directing Bell Canada to identify and revise all existing HD SDI service arrangements, as submitted by TCC, would be unnecessarily onerous and intrusive, contrary to subparagraph 1(c)(i) of the Policy Direction.
23. Accordingly, the Commission directs Bell Canada to bring all existing HD SDI service arrangements it offers or provides in its operating territory in compliance with the above-referenced tariff within 30 days of its approval.

Secretary General

³ The cited policy objectives of the Act are

7(c) to enhance the efficiency of competitiveness at the national and international levels, of Canadian telecommunications;

7(f) to foster increased reliance on market forces for the provision of telecommunication services and to ensure that regulation, where required, is efficient and effective; and

7(h) to respond to the economic and social requirements of users of telecommunication services.

⁴ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006

Related document

- *Framework for forbearance from regulation of high-speed intra-exchange digital network access services*, Telecom Decision CRTC 2007-35, 25 May 2007