



## Telecom Order CRTC 2013-363

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Ottawa, 2 August 2013

### **Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed “no access” and “aborted installation” service charges for Gateway Access Service – Fibre to the Node**

File numbers: Bell Aliant Tariff Notice 435;  
Bell Canada Tariff Notice 7380

*In this order, the Commission denies requests from Bell Aliant and Bell Canada to (i) introduce two service charges for uncompleted installations for their Gateway Access Service – Fibre to the Node, and (ii) reduce the existing service charge. The Commission encourages telecommunications service providers to work together to resolve installation issues in the best interest of consumers.*

#### **Introduction**

1. Gateway Access Service – Fibre to the Node is a service provided by Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) and Bell Canada (collectively, the Bell companies) that enables the independent service providers to provide Internet and other services to their end-customers. The Commission approved the rates for this service offering in Telecom Regulatory Policy 2011-703, including an installation service charge that includes costs for “no access” situations.<sup>1</sup>
2. The Commission received applications from the Bell companies, dated 27 March 2013, in which the companies proposed revisions to their respective General Tariffs, item 5440 – Gateway Access Service – Fibre to the Node (referred to hereafter as “the wholesale high-speed access service”). Specifically, the Bell companies requested that the Commission approve a “no access” service charge and an “aborted installation” service charge<sup>2</sup> for their wholesale high-speed access services in their respective Ontario and Quebec serving areas. The Bell companies also requested Commission approval to reduce their existing wholesale high-speed access service charge to remove the “no access” costs included in that charge.
3. The Bell companies filed cost studies in support of their proposed new service charges.

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<sup>1</sup> “No access” situations arise when scheduled installations cannot be completed due to the inability of a Bell company technician to gain access to the end-customer’s premises.

<sup>2</sup> “Aborted installation” situations arise when a Bell company technician is able to gain access to the end-customer’s premises but cannot complete the installation.

4. The Commission received comments regarding the Bell companies' applications from the Canadian Network Operators Consortium Inc. (CNOc); MTS Inc. and Allstream Inc. (collectively, MTS Allstream); and Vaxination Informatique (Vaxination) [collectively, the interveners]. The public record of this proceeding, which closed on 6 May 2013, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file numbers provided above.
5. CNOc proposed an alternative to the Bell companies' proposal to introduce the two new service charges. CNOc suggested that the Bell companies split their existing installation service charge into a mandatory component for activities involving the Bell companies' equipment, and an optional component for situations in which a wholesale customer wishes to have the Bell companies provide services related to the end-customer's equipment, such as the installation of a POTS splitter<sup>3</sup> or the set-up of a modem. The Commission considers that CNOc's proposal is out of the scope of this proceeding.

**Should the Commission approve the Bell companies' proposed new service charges and revised existing service charge?**

6. The Bell companies submitted that the key reason they proposed to implement the two new service charges was to provide the proper financial incentives to independent service providers to minimize, or to eliminate, the number of "no access" and "aborted installation" situations, to the benefit of all parties involved, including the affected end-customers. The Bell companies relied on 2012 data, indicating that "no access" and "aborted installation" situations were prevalent and increased in number over the course of the year.
7. The Bell companies submitted that the "no access" costs included in the existing wholesale high-speed access service charge provide no incentive for their wholesale customers to prevent "no access" situations. Further, costs associated with "aborted installation" situations were not anticipated and were therefore not included in the costs used to set the existing service charge. The Bell companies claimed that their proposed service charges would serve to recover the costs for these two situations and to discourage delays in the installation process.
8. The Bell companies indicated that their proposed "no access" and "aborted installation" service charges would apply only if the reason for the situation was beyond the Bell companies' control. For example, the "aborted installation" service charge would apply when equipment provided by the wholesale customer is either missing or defective.
9. The Bell companies submitted that the Commission has previously approved the creation of financial penalties to incent wholesale customers' behaviour. For

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<sup>3</sup> A POTS (Plain Old Telephone Service) splitter is a device that separates digital subscriber line (DSL) signals from voice signals on the same subscriber line.

example, in Telecom Order 2009-805, the Commission approved the introduction of a local service request (LSR) rejection charge,<sup>4</sup> and in Telecom Order 2009-772, the Commission approved the application of a diagnostic maintenance charge for the Bell companies' wholesale high-speed access services.<sup>5</sup>

10. The interveners requested that the Commission deny the Bell companies' proposal.
11. MTS Allstream submitted that, under the current system, all independent service providers and their end-customers are incented to avoid installation delays and missed scheduled installations. Specifically, independent service providers wish to acquire new customers for revenue and growth, while end-customers wish to have their service installed quickly and efficiently, and to avoid having to make a second appointment. MTS Allstream also submitted that the Bell companies are already compensated for cancelled installations, and that they are incented to deliver service as diligently as possible to minimize their costs.
12. MTS Allstream and Vaxination submitted that the Bell companies' motivation for proposing the introduction of these two service charges is to increase their revenues. They indicated that the Bell companies are the only participants in the transaction that know when the service delivery will take place. They added that under the Bell companies' proposal, the Bell companies would be incented to overbook installation appointments, propose appointments at inconvenient times, or schedule appointments without adequate coordination with the independent service providers or their end-customers in order to levy the proposed new charges.
13. In response, the Bell companies indicated that they do not have full control over the selection of appointment times with independent service providers' end-customers, since independent service providers select the dates of appointments on behalf of their end-customers. In addition, the Bell companies submitted that the proposed service charges are intended to reduce their costs associated with the third party that performs the installations on their behalf and are not intended to increase revenues.
14. MTS Allstream and CNOC submitted that it is often difficult to determine who is at fault when an installation is not completed. They indicated that if the Bell companies' proposal were approved, implementation of a dispute mechanism would be required to help settle disputes related to installation issues.

### **Commission's analysis and determinations**

15. The Commission considers that it is not clear whether the Bell companies' uncompleted installation data reflects only occurrences attributable to the independent service providers and their end-customers or whether it also reflects

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<sup>4</sup> The LSR charge was intended to incent independent service providers to reduce the number of errors they make when submitting LSRs.

<sup>5</sup> The diagnostic maintenance charge applies to independent service providers when the Bell companies perform diagnostic maintenance work at the independent service providers' request, but the service issues are subsequently found not to be caused by the Bell companies' facilities or equipment.

occurrences in which the Bell companies were at fault. This lack of clarity is exacerbated by the Bell companies' and interveners' differences of opinion regarding who is responsible for certain installation activities. Further, the Commission considers that it would need data related to the Bell companies' installation experiences with its own end-customers to determine what a reasonable level of "no access" and "aborted installation" occurrences for independent service providers' end-customers might be.

16. The Commission also notes that the wholesale service in question is relatively new, having only been offered since early 2012. The Commission considers that the number of "no access" and "aborted installation" situations should decrease over time as installation issues get worked out between the Bell companies and independent service providers. The Commission finds that since the data used to support the Bell companies' request covers a period of less than one year, it does not provide a large enough sample to justify the introduction of the proposed new service charges.
17. In light of the above, the Commission **denies** the Bell companies' requests to (i) introduce a "no access" service charge and an "aborted installation" service charge for their Gateway Access Service – Fibre to the Node, and (ii) reduce the existing service charge to remove costs associated with "no access" situations.
18. The Commission encourages all telecommunications service providers to work together to resolve installation issues in the best interest of consumers. To this end, the Commission also encourages telecommunications service providers to agree upon and adopt a transparent installation process for wholesale high-speed access services.

Secretary General

### **Related documents**

- *Billing practices for wholesale residential high-speed access services*, Telecom Regulatory Policy CRTC 2011-703, 15 November 2011, as amended by Telecom Regulatory Policy CRTC 2011-703-1, 22 December 2011
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Introduction of Local Service Request Rejection Charge*, Telecom Order CRTC 2009-805, 23 December 2009
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Application to amend tariffs for Gateway Access Service and High Speed Access Service by including a provision for diagnostic maintenance charges*, Telecom Order CRTC 2009-772, 11 December 2009