



## Telecom Order CRTC 2013-82

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Ottawa, 21 February 2013

### **Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed wholesale penalty charge**

File numbers: Bell Aliant Tariff Notice 392,  
Bell Canada Tariff Notice 7339

1. The Commission received applications from Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) and Bell Canada (collectively, the Bell companies), dated 23 December 2011, in which they proposed to introduce a penalty charge for their wholesale high-speed access (HSA) services.
2. The Bell companies offer wholesale HSA services to independent service providers in Ontario and Quebec using two different models: they use a capacity-based billing (CBB) model<sup>1</sup> for services provided to residential end-users and a flat rate billing model for services provided to business end-users.
3. Specifically, the Bell companies proposed a penalty charge to discourage independent service providers that subscribe to both residential and business wholesale HSA services from directing residential traffic onto the business realm<sup>2</sup> so as to reduce their overall monthly charges. This penalty charge would apply to Bell Canada's operating territory and Bell Aliant's operating territory in Ontario and Quebec.
4. The Commission received comments regarding the Bell companies' applications from the Canadian Network Operators Consortium Inc.; MTS Inc. and Allstream Inc.; Primus Telecommunications Canada Inc.; and Vaxination Informatique. The public

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1 The CBB model was formerly defined as the "approved capacity model" (in Telecom Regulatory Policy 2011-703 and Telecom Decision 2012-60). The CBB model requires each independent service provider to pay a monthly capacity rate for network capacity, in increments of 100 megabits per second (Mbps), to recover network transport costs, and a separate monthly access rate on a per end-user basis to recover access costs.

2 A "realm" or "domain" is a name used to identify an independent service provider and to identify each of its retail end-users as either business or residence. The Bell companies proposed to implement the CBB model using separate realms, or domains, to segregate the residential and business traffic of an independent service provider's retail end-users into two data streams. Under the Bell companies' proposal, such realm splitting would be required only if an independent service provider has both residential and business retail end-users.

record of this proceeding, which closed on 16 January 2012, 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.<sup>3</sup>

5. In Telecom Decision 2013-72, also issued today, the Commission decided that where network providers, such as the Bell companies, make use of the CBB model for their residential wholesale HSA service, they are also required to make use of the CBB model for their business wholesale HSA service.
6. In light of this decision, the Commission considers that the reasons for considering a penalty to be applied to competitors for directing residential traffic onto the business realm no longer exist.
7. The Commission therefore **denies** the Bell companies' applications.

Secretary General

### Related documents

- *Canadian Network Operators Consortium Inc. – Application requesting relief to address implementation of the capacity model approved in Telecom Regulatory Policy 2011-703*, Telecom Decision CRTC 2013-72, 21 February 2013
- *Implementation date for the wholesale high-speed access services capacity model approved in Telecom Regulatory Policy 2011-703*, Telecom Decision CRTC 2012-60, 27 January 2012
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed wholesale penalty charge*, Telecom Order CRTC 2012-56, 27 January 2012
- *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

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<sup>3</sup> In Telecom Order 2012-56, the Commission suspended the proceeding associated with the applications until such time as it provided final direction on the implementation regime for the approved CBB model or until there is clear evidence of traffic irregularities.