



Telecom Order CRTC 2017-261

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Ottawa, 21 July 2017

File number: Tariff Notice 7533

Bell Canada – Introduction of Bonded Access service

Application

1. The Commission received an application from Bell Canada, dated 21 April 2017, in which the company proposed changes to item 5440 – Gateway Access Service – Fibre to the Node (FTTN) of its General Tariff. Specifically, Bell Canada proposed to introduce Bonded Access service¹ where suitable equipment and facilities exist on residential accesses provisioned through primary exchange service or dry loops provided by the company. Bell Canada proposed an effective date of 23 April 2017.
2. Consistent with the Commission's determinations set out in Telecom Regulatory Policy 2010-632, through which incumbent local exchange carriers are required to offer wholesale aggregated high-speed access (HSA) services at speeds that match their retail Internet service speed options, Bell Canada proposed to introduce Bonded Access service at the same service speeds (i.e. 25, 50, and 100 megabits per second [Mbps]) that are available to its retail customers.
3. Bell Canada proposed a monthly rate of \$49.99 and an installation charge of \$167.84 for its proposed FTTN Bonded Access service. The proposed rate assumes that the costs for the umbilical fibre, which connects the digital subscriber line access multiplexer (DSLAM) serving an end-user to the wire centre, are excluded from the access costs. It also assumes the uncapping of the labour costs for DSLAM equipment.
4. The Commission received an intervention supporting Bell Canada's application from the Canadian Network Operators Consortium Inc. The public record of this proceeding, which closed on 30 May 2017, is available on the Commission's website at www.crtc.gc.ca or by using the file number provided above.

Commission's analysis and determinations

5. Bell Canada's proposed rates for its FTTN Bonded Access service incorporate certain costing assumptions that are inconsistent with Commission determinations made in the context of Bell Canada's FTTN Non-Bonded Access service. The Commission initially set the rates for Bell Canada's FTTN Non-Bonded Access service on a final

¹ Bonded access service is a digital subscriber line (DSL) service offered over two copper loops where service over FTTN is available. It enables incumbent local exchange carriers to provide higher-speed Internet access services than non-bonded access service, which is offered over a single copper loop.

basis in Telecom Regulatory Policy 2011-703 for service speeds up to 25 Mbps, including the following costing assumptions:

- the costs of the umbilical fibre are recovered in the access rates; and
 - the labour costs included in the DSLAM costs are capped at 40% of the total DSLAM costs.
6. In Telecom Decision 2016-117, the Commission made interim all FTTN access service rates that were final at that time, pending further review. In Telecom Order 2016-396, the Commission reaffirmed the interim status of these rates.
 7. FTTN bonded access service generally uses the same equipment to provide HSA services as FTTN non-bonded access service, but bonded access service requires an additional port on the DSLAM to connect to the second copper loop. However, this difference is not material to the associated costing assumptions. Therefore, it is appropriate to apply the same costing assumptions to both services for the purpose of setting an interim rate for FTTN bonded access service.
 8. Accordingly, for consistency with the currently approved interim rates for Bell Canada's FTTN Non-Bonded Access service, it is appropriate for the Commission to set the interim rate at \$52.32 for Bell Canada's FTTN Bonded Access service, which includes the costs of the umbilical fibre and the 40% cap on labour costs in the DSLAM costs.
 9. Regarding Bell Canada's proposed installation charge of \$167.84 (compared to its current service charge of \$90.65 for its FTTN Non-Bonded Access service), the installation costs are expected to be higher for FTTN Bonded Access service because of the required additional testing and set-up of a second copper line. In the circumstances, the Commission considers the proposed installation charge to be reasonable on an interim basis.
 10. In light of the above, the Commission **approves on an interim basis, with changes,** Bell Canada's application, and sets the monthly rate at \$52.32 and the installation charge at \$167.84, effective the date of this order.

Secretary General

Related documents

- *Tariff notice applications concerning aggregated wholesale high-speed access services – Revised interim rates*, Telecom Order CRTC 2016-396, 6 October 2016
- *Review of costing inputs and the application process for wholesale high-speed access services*, Telecom Decision CRTC 2016-117, 31 March 2016

- *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
- *Wholesale high-speed access services proceeding*, Telecom Regulatory Policy CRTC 2010-632, 30 August 2010