Canadian Radio-television and Telecommunications Commission | Conseil de la radiodiffusion et des télécommunications canadiennes

Telecom Decision CRTC 2023-314

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Bell Canada and Quebecor Media Inc. – Applications regarding fees for enhanced 9-1-1 and next-generation 9-1-1 services

Summary

The Commission received an application from Quebecor Media Inc. (QMI), on behalf of Videotron Ltd. (Videotron), for certain relief regarding fees for 9-1-1 services. It requested, among other things, that the Commission direct Bell Canada and other incumbent local exchange carriers (ILECs) to

- charge new fees for 9-1-1 service according to telecommunications service providers' (TSPs) actual usage of the different types of 9-1-1 networks; and
- refund to TSPs all fees for next-generation 9-1-1 (NG9-1-1) services collected since 1 March 2022, and begin charging the new fees only once the migration of emergency calls from the enhanced 9-1-1 (E9-1-1) to NG9-1-1 networks has begun.

Given that both the E9-1-1 and NG9-1-1 networks will be in operation at the same time, ILECs will continue to incur many of the costs associated with operating both types of networks during the transition period, regardless of the number of subscribers using the E9-1-1 networks at any given time. Accordingly, QMI's application is **denied**.

As a result, the Commission **directs** QMI and its subsidiaries to promptly pay all unpaid and future fees for 9-1-1 services provided to them by their 9-1-1 network providers.

In addition, the Commission **denies** Bell Canada's request for the Commission to impose an administrative monetary penalty (AMP) on Videotron for the non-payment of 9-1-1 service fees. However, should QMI and its subsidiaries fail to comply with the above-noted direction, the Commission may launch a proceeding to consider imposing an AMP.

The Commission will continue to ensure that Canadians maintain access to reliable and resilient 9-1-1 services throughout the transition to NG9-1-1.

Canada

Background

Regulatory framework

1. In Telecom Regulatory Policy 2017-182 (also referred to as the next-generation 9-1-1 [NG9-1-1] framework), the Commission set out a number of determinations on the implementation and provision of NG9-1-1 services, including the following:

   - Incumbent local exchange carriers (ILECs [also referred to as 9-1-1 or NG9-1-1 network providers in this decision]), would be responsible for building, operating, and maintaining the NG9-1-1 networks. Accordingly, pursuant to section 24 of the *Telecommunications Act* (the Act), as a condition of offering and providing telecommunications services, the ILECs must (i) provide end-user access to NG9-1-1 networks in their operating territories; (ii) provide wholesale access to these networks wherever provincial, territorial, and/or municipal governments have established public safety answering points (PSAPs); and (iii) connect their NG9-1-1 networks to the PSAPs in their operating territories.

   - The legacy networks, that is, basic 9-1-1 (B9-1-1) and enhanced 9-1-1 (E9-1-1) networks, would be maintained in parallel with the NG9-1-1 networks during a set transition period. After this period, they would be decommissioned. Given that the rollout of NG9-1-1 service was expected to be complex and involve coordination between stakeholders such as ILECs, PSAPs, telecommunications service providers (TSPs), and vendors, the transition period was set at three years from the establishment of the NG9-1-1 networks.

   - The existing 9-1-1 tariffs would continue to apply during the transition period to ensure a smooth transition from the B9-1-1 and E9-1-1 networks to NG9-1-1 networks, and to permit the recovery of the costs related to (i) operating and maintaining existing 9-1-1 services, and (ii) funding the deployment and operation of the NG9-1-1 networks. The E9-1-1 and NG9-1-1 networks form the basis of the wholesale services provided by the 9-1-1 network providers to TSPs. While 9-1-1 network providers are responsible for connecting their networks to the PSAPs providing service within their respective operating territories, PSAPs and their local governing authorities are not subject to the 9-1-1 tariffs.

   - ILECs would establish Legacy Selective Router Gateways (LSRGs) as part of their NG9-1-1 networks to enable the E9-1-1 and NG9-1-1 networks to function in parallel during the transition period. If the TSP over whose network a 9-1-1 call originates is not on the same type of 9-1-1 network as the PSAP to which the call is being delivered, LSRGs convert the originating traffic so that it can be processed by the PSAP.[1] Whereas the ILECs' LSRGs are to be funded through the ILECs' tariffed network access rates for 9-1-1 service (9-1-1 rates or fees) – specifically, their NG9-1-1 rates – after decommissioning, TSPs and PSAPs that still require TSP or PSAP gateways because they did not complete their transition to the NG9-1-1 networks will be responsible for funding them.

2. Also in Telecom Regulatory Policy 2017-182, the Commission recognized that some TSP networks based on circuit-switched technology would never be capable of supporting NG9-1-1 services. These TSPs are not mandated to provide NG9-1-1 Voice service for telephone services provided over these networks, which are not based on Internet Protocol (IP).[2]

3. In Telecom Decision 2021-199, the Commission established new dates for a number of NG9-1-1 implementation deadlines after those previously established in Telecom Regulatory Policy 2017-182 were suspended in response to the COVID-19 pandemic. Among other things, the Commission directed

- NG9-1-1 network providers to, by 1 March 2022, (i) establish their NG9-1-1 networks, (ii) complete all NG9-1-1 production onboarding activities,[3] and (iii) be ready to provide NG9-1-1 Voice, wherever PSAPs have been established in a particular region;

- TSPs to, by 1 March 2022, (i) make the necessary changes to support NG9-1-1 Voice in their originating networks that are technically capable of supporting NG9-1-1 Voice, including completing all NG9-1-1 production onboarding and testing activities, and (ii) begin providing NG9-1-1 Voice to their customers served by networks that are technically capable of supporting NG9-1-1 Voice, wherever PSAPs have been established in a particular region; And

- ILECs to decommission their 9-1-1 network components that will not form part of their NG9-1-1 networks by 4 March 2025, or earlier if all the TSPs and PSAPs in an ILEC's operating territory have completed their transition to the

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[1] For example, if a call originating over a TSP's NG9-1-1-enabled network is destined for an E9-1-1-enabled PSAP, the NG9-1-1 network's LSRG will convert that call to E9-1-1. If the call originates over a TSP's E9-1-1-enabled network and is to be delivered to an NG9-1-1-enabled PSAP, the LSRG will convert it to NG9-1-1.

[2] In Telecom Regulatory Policy 2017-182, the Commission indicated that if a TSP provides voice services over an originating network that is technically not capable of supporting NG9-1-1 Voice, that provider is required to continue to support the existing 9-1-1 voice service for the remaining life of the network.

[3] During the NG9-1-1 trial, originating network providers (ONPs) and PSAPs are connected to the NG9-1-1 networks in a test environment, through the trial onboarding process, where only test NG9-1-1 traffic transits over the networks. After the trial, the ONPs and PSAPs will begin connecting to the NG9-1-1 networks in a production environment, through the production onboarding process, where live NG9-1-1 traffic will transit over the networks.

NG9-1-1 networks . In doing so, the Commission elected to maintain the transition period from the current 9-1-1 networks to NG9-1-1 networks at three years from the date by which the ILECs were to establish their NG9-1-1 networks. This also marks the point at which the current E9-1-1 tariffs and NG9-1-1 tariffs will cease to exist in parallel.

Implementation progress

4. In February 2022, several TSPs and ILECs, including some small ILECs, filed a joint letter with the Commission confirming that NG9-1-1 service had been launched in the operating territories of Bell Canada, Saskatchewan Telecommunications, (SaskTel), and TELUS Communications Inc. (TCI), and that the first live non-test NG9-1-1 calls were made on Bell Canada's NG9-1-1 network on 17 February 2022 and on TCI's network on 21 February 2022. However, the signatories to the letter indicated that many TSPs would not be able to complete all NG9-1-1 onboarding and testing activities by the 1 March 2022 deadline and would therefore not be able to begin providing NG9-1-1 Voice by that date. The letter cited the number of TSPs needing to onboard and the sequential approach to onboarding as the cause for this situation, but indicated that Bell Canada and SaskTel anticipated that all or nearly all TSPs would have completed onboarding activities by summer or fall 2022.

5. In Telecom Regulatory Policy 2017-182, the Commission acknowledged that the transition to the NG9-1-1 networks was expected to be a complex undertaking requiring collaboration and coordination between numerous stakeholders. Given the highly collaborative nature of the onboarding process; the varied sophistication, size, and resources of the various TSPs and NG9-1-1 network providers; the importance of implementing NG9-1-1 in a deliberate and judicious manner; and the requirement that Canadians continue to be able to access robust 9-1-1 services during the transition, the Commission has implemented a monitoring process whereby Bell Canada, SaskTel, and TCI are required to provide monthly updates with regard to the TSPs' onboarding progress, up to and including when a TSP has fully onboarded onto the NG9-1-1 networks.

6. According to the August 2023 onboarding reports, the majority of all TSPs have completed onboarding with their respective NG9-1-1 network providers. Commission staff has also been made aware that many TSPs have migrated their traffic to the NG9-1-1 networks. With regard to PSAP transition, no PSAP has yet indicated that it has implemented NG9-1-1.

7. Regardless of the current state of NG9-1-1 implementation, in addition to the established rates for B9-1-1 and E9-1-1 services, as anticipated by the NG9-1-1 regulatory framework, TSPs have been paying NG9-1-1 network providers' NG9-1-1 fees since 1 March 2022.[4]

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[4] The Commission approved these rates on an interim basis in various orders such as Telecom Orders 2021-420, 2021-421, and 2021-422.

Applications

8. The Commission received an application from Bell Canada, dated 21 November 2022, with respect to non-payment of 9-1-1 fees by Videotron Ltd. (Videotron). In particular, Bell Canada submitted that Videotron was refusing to pay for both E9-1-1 and NG9-1-1 services that Bell Canada was providing to it in accordance with the NG9-1-1 regulatory framework. Consequently, Bell Canada requested that the Commission direct Videotron to pay all outstanding and future 9-1-1 fees and recommended that the Commission impose an administrative monetary penalty (AMP) should Videotron fail to comply.

9. The Commission received an application, dated 9 December 2022, from Quebecor Media Inc. (QMI), on behalf of Videotron, regarding the obligation to pay all fees for both existing 9-1-1 and NG9-1-1 services concurrently. QMI cited numerous issues with NG9-1-1 service implementation and the NG9-1-1 regulatory framework with respect to the concurrent existence of E9-1-1 and NG9-1-1 networks. QMI argued that it should not have to pay fees for both networks concurrently, submitting that (i) the fees to access the existing 9-1-1 networks are unjustified and based on outdated cost studies; (ii) Bell Canada has been charging all TSPs in Ontario and Quebec since 1 March 2022, even though no TSP is using its NG9-1-1 service yet; (iii) the three-year transition period is too lengthy; and (iv) Bell Canada’s interim NG9-1-1 rates are not just and reasonable.

10. QMI therefore requested in its application that the Commission direct Bell Canada and the other ILECs to (i) charge fees for 9-1-1 service according to the TSPs’ actual usage of the different networks, (ii) refund to the TSPs all NG9-1-1 fees collected since 1 March 2022 and begin charging the new fees only once the migration of emergency calls to the NG9-1-1 networks has begun, (iii) disclose the confidential information contained in their cost studies for NG9-1-1 service, and (iv) submit new cost studies for the existing 9-1-1 services. Furthermore, QMI stated that it would not pay the ILECs’ 9-1-1 fees until the last two conditions have been met.

11. On 23 December 2022, in response to a procedural request filed by the Public Interest Advocacy Centre (PIAC), the Commission merged the two applications into a single proceeding given the common issues at hand.

12. The Commission received interventions regarding the two applications from Bell Canada; Cogeco Communications inc., on behalf of Cogeco Connexion Inc. (Cogeco); QMI; Rogers Communications Canada Inc. (RCCI); SaskTel; PIAC; and TCI.

Preliminary matter

13. Bell Canada submitted that the request for relief regarding Videotron’s payments can be satisfied only through a change in the NG9-1-1 regulatory framework following a successful review and vary application. It argued that QMI has not addressed any of

the requirements for such applications, as set out in Telecom Information Bulletin 2011-214; therefore, the request for relief could be dismissed on this basis alone.

14. In regard to Bell Canada's arguments that QMI's application is more appropriate as a review and vary application, in Telecom Information Bulletin 2011-214, the Commission explained that where an application challenges the original correctness of a decision, it will tend to be properly characterized as a review and vary application, but where an application questions the continued correctness of a decision, it will generally be characterized as a new application. Among the factors the Commission uses in this assessment are (i) the extent to which the facts or circumstances relied upon in the application were relied upon in the original decision, and (ii) the length of time since the original decision was made.

15. Given the length of time that has passed since the relevant determinations regarding the dual-tariff regime during the transition period, the ongoing development of the NG9-1-1 framework, and the delays in TSP and PSAP onboarding, the Commission is of the view that it is appropriate to consider QMI's application as a new application.

Issues

16. The Commission has identified the following issues to be addressed in this decision:

- Do the tariffs for legacy 9-1-1 services need to be reviewed?
- Should the Commission direct the large ILECs to disclose the confidential information contained in their cost studies for NG9-1-1 services?
- Should TSPs be required to pay fees for both E9-1-1 and NG9-1-1 services during the transition period?
- Should the Commission impose an AMP on Videotron?

Do the tariffs for legacy 9-1-1 services need to be reviewed?

Positions of parties

17. In its application, QMI submitted that the existing 9-1-1 rates were set based on Phase II cost studies filed in the late 1990s that have never been reviewed; therefore, Bell Canada used an outdated model to set those rates. Furthermore, QMI argued that several components of the legacy 9-1-1 networks were fully amortized long before the establishment of the rates for legacy 9-1-1 services and that others have certainly achieved productivity gains, since the consolidation of 9-1-1 networks across the country has generated substantial economies of scale.

18. Cogeco, PIAC, and RCCI agreed with QMI that the costs of many components of the E9-1-1 system should have been fully amortized in the period since the original rates were set. Cogeco submitted that Bell Canada was conceivably able to recover its

initial investments in the legacy 9-1-1 networks and make productivity gains through industry consolidation. QMI and RCCI argued that E9-1-1 rates are clearly inflated and that E9-1-1 service revenues have surely increased substantially given the consistent customer growth in the mobile wireless service market.

19. Cogeco supported QMI’s call for the ILECs to file new cost studies for the legacy 9-1-1 services. Cogeco argued that the process adopted by the Commission, in which wholesale rates are set without being regularly assessed, is harmful and prejudicial to TSPs in Canada. Similarly, RCCI submitted that the ILECs’ E9-1-1 rates should be made interim as soon as possible, that the ILECs should be mandated to refile their cost studies, and that the ILECs should be mandated to reimburse to all TSPs the extra money they have collected during the transition period.

20. TCI submitted that QMI’s request for the ILECs to file new cost studies not only ignores the Commission’s finding in Telecom Regulatory Policy 2017-182 that it does not intend to re-examine 9-1-1-related costs during the transition period, but demonstrates QMI’s lack of understanding of the nature of the costs of the service and the ongoing spending incurred by the ILECs for growth, sustainment, and upgrading of the E9-1-1 networks. For example, TCI indicated that it has made many new investments to expand and improve its E9-1-1 network in the last two years.

21. Similarly, Bell Canada submitted that since its cost study for E9-1-1 service was done, it has incurred several cost pressures that were not accounted for in the study, including an increase in the number of PSAPs it must connect with and support. It also submitted that if the Commission were to review E9-1-1 rates, it is far from certain that such a review would result in lower rates, given that they are currently at $0.09 per month per network access service (NAS) or working telephone number. Finally, Bell Canada was of the view that it would be grossly inefficient for 9-1-1 network providers to review the costs of all elements that are to be decommissioned in the near future from their E9-1-1 networks only to determine if rates could be reduced between now and the decommissioning date of these networks.

Commission’s analysis

22. The Commission believes that QMI’s comment on cost studies conducted in the late 1990s refers to various Commission decisions published in 1997 on the framework for local competition and in which the Commission approved 9-1-1 rates based on cost studies provided by the Stentor Alliance.[5]

23. With regard to QMI’s submission that the 9-1-1 rates have never been reviewed, the Commission notes that when establishing price cap regulation for the large ILECs, it determined that certain services not subject to the price cap framework, including 9-1-1 service, would be accorded special treatment; accordingly, 9-1-1 rates were frozen for the duration of the price cap period given the manner in which the rates had

[5] The Stentor Alliance was composed of the large ILECs, plus Telesat Canada, and existed as long distance and local competition were launched during the 1990s.

been determined and the nature of the service. Subsequently, the Commission subjected the frozen rates to a regime whereby revenues were kept neutral and fees were more equitably recovered between wireline and wireless service subscribers.

24. The Commission considered 9-1-1 rates when reviewing the price cap framework in proceedings that led to various decisions, all of which upheld the frozen 9-1-1 rate treatment.[6] Further, and more recently, the Commission confirmed the frozen rate treatment when ILECs specifically requested the Commission to consider allowing rate increases for 9-1-1 service. In Telecom Decisions 2016-455 and 2016-457, the Commission denied MTS Inc.'s and TCI's respective applications to increase their 9-1-1 rates.

25. Regarding the transition to the NG9-1-1 networks, as TCI noted, the Commission determined in Telecom Regulatory Policy 2017-182 that the rate regime for 9-1-1 service would remain in place until the existing 9-1-1 networks are decommissioned, adding that it did not intend to re-examine costs related to 9-1-1 service during the transition period. This determination was informed by the fact that the rates charged for 9-1-1 services had declined on a per-user basis over the years. In addition, as QMI indicated, Bell Canada's current E9-1-1 rate in Quebec is $0.10 for wireline service customers and $0.087 for wireless service customers, further establishing the decline in Bell Canada's E9-1-1 rates.

26. With regard to QMI's submission that the ILECs' costs for the establishment of the legacy systems must have been fully amortized since the legacy 9-1-1 rates were set, the Commission considers that while some costs may have been recovered in part or in whole, QMI's argument does not account for (i) new or ongoing capital and operational costs related to the maintenance of the 9-1-1 networks, (ii) the increase in the number of PSAPs that have connected to the networks (the cost of which is borne by the 9-1-1 network provider and recovered through the tariffed rates), or (iii) the steady decrease in rates.

27. The decommissioning of the E9-1-1 networks and the withdrawal of the associated fees and tariffs are currently set for 4 March 2025. The priority for 9-1-1 network providers until then should be the maintenance of the E9-1-1 networks and continued implementation of NG9-1-1 with a view to ensuring all Canadians have access to the most reliable and resilient 9-1-1 services possible.

28. The Commission is of the view that if TSPs disagreed with the Commission's determination in Telecom Regulatory Policy 2017-182 not to re-examine costs related to 9-1-1 service during the transition period, including E9-1-1 costs, they had the opportunity to challenge that determination before the start of the transition. Now that the transition from the B9-1-1 and E9-1-1 to NG9-1-1 networks is underway, initiating a review process whereby 9-1-1 network providers are made to file new Phase II cost studies would be an unforeseen modification to the NG9-1-1

[6] See, for example, Telecom Decisions 2002-34, 2002-43, 2007-27, and 2007-60.

framework, one that could introduce an element of uncertainty into the transition. Should ILEC resources and personnel need to be committed to the review process, this could potentially detract from the work put forth for NG9-1-1 service implementation, including efforts to onboard TSPs and PSAPs. This in turn would take away from the strategic objectives of ensuring an effective and timely transition to NG9-1-1 service and increasing the safety of Canadians by giving them the best access to emergency services through world-class telecommunications networks.

29. With E9-1-1 rates having declined steadily over the years, the Commission considers that E9-1-1 continues to be a high-quality public good service provided to consumers at stable and reasonable rates. As of the date of this decision, 17 months remain until E9-1-1 fees and tariffs are withdrawn. The Commission is of the view that any impact on the existing 9-1-1 rates that would result from a review of the current E9-1-1 tariffs, which the Commission expects would be a lengthy process, would result in a short-lived effect and would not be commensurate with the efforts put forth by the stakeholders should such a proceeding be undertaken.

30. In light of the above, the Commission determines that it is neither necessary nor efficient to review the tariffs for legacy 9-1-1 services. Accordingly, the Commission **denies** QMI's request for Bell Canada and other ILECs to submit new cost studies for the existing 9-1-1 services.

Should the Commission direct the large ILECs to disclose the confidential information contained in their cost studies for NG9-1-1 service?

Positions of parties

31. QMI submitted that Bell Canada's NG9-1-1 rates are very high and that, given they exceed what is being charged for legacy 9-1-1 services, they are neither fair nor reasonable. RCCI indicated that it had similar concerns. PIAC also agreed with QMI, adding that the high rates are undermining the rapid deployment of NG9-1-1 services. QMI submitted that the rates are counter to the Commission's objective of implementing an NG9-1-1 system that is reliable, resilient, and secure in a cost-effective manner. RCCI agreed, submitting that contrary to the Commission's view in Telecom Regulatory Policy 2017-182, efficiencies have not been gained through the implementation of NG9-1-1 service via economies of scale.

32. In order for the Commission to meet its objective of implementing a cost-effective NG9-1-1 system, QMI and RCCI requested that the Commission direct Bell Canada and the other ILECs to disclose the confidential information contained in their NG9-1-1 cost studies. QMI and RCCI submitted that because 9-1-1 is an essential service for all Canadians, with no competitors being able to replicate the service, disclosure of the confidential information should pose no commercial threat.

33. TCI argued that QMI's request for the disclosure of confidential information was not justified, submitting that its designation of certain information as confidential was in accordance with existing disclosure guidelines. TCI added that it was willing to address any disclosure request only if it is specific and supported by evidence. TCI

also submitted that any information filed in confidence in its cost studies for NG9-1-1 service, if disclosed, could result in material financial loss, prejudice TCI's competitive position in the market, or affect TCI's contractual obligations.

34. TCI disagreed with QMI's assertion that Bell Canada's NG9-1-1 rates are very high, given that the rates are less than one cent higher than the E9-1-1 rates that Videotron has been paying for decades; TCI listed Bell Canada's interim wholesale rate for NG9-1-1 service as being 9.51 cents and its rate for E9-1-1 wireless service as being 8.53 cents. Accordingly, TCI considered QMI's justification for the disclosure of confidential data as being without merit. TCI added that the actual state of the rates aside, QMI's arguments are out of process given that it had the opportunity to raise its concerns during the rate-setting process outlined in Telecom Decision 2021-199.

35. Bell Canada submitted that QMI did not provide any credible evidence that the rates in question are too high. Bell Canada also agreed with TCI that NG9-1-1 rates were subject to separate tariff proceedings through which the Commission reviewed the significant amounts of public and confidential costing information Bell Canada filed. Where information was submitted in confidence, this treatment was in full compliance with the Act and the Commission's guidance on such matters. Bell Canada added that the Commission has already questioned it on this information and can raise further questions as needed to ensure the information is consistent with the Commission's rules and policies.

Commission's analysis

36. In Telecom Decision 2021-199, the Commission set out two filing periods for wholesale and retail tariffs for NG9-1-1 service (NG9-1-1 tariffs).

37. The first filing period occurred in November 2021, prior to the launch of the NG9-1-1 networks. At that time, NG9-1-1 network providers filed proposed NG9-1-1 tariffs which included proposed rates for the service supported by cost studies. The cost studies reflected the incremental costs of adding new NG9-1-1 networks, services, or functionalities.

38. As part of that tariff filing process, RCCI filed a procedural request, to which QMI was a party, requesting that the Commission mandate Bell Canada, SaskTel, and TCI to disclose their entire cost studies and provide detailed financial information on their costing models.

39. In a letter dated 1 December 2021, Commission staff indicated that it considered that the information filed in confidence by Bell Canada, SaskTel, and TCI complied with section 39 of the Act and Telecom Regulatory Policy 2012-592. In particular, Commission staff noted that disclosure of the information would provide competitors with insight into the companies' detailed financial information and access to commercially sensitive information, which could allow competitors to develop new and more effective business plans and marketing strategies and could jeopardize the security of the NG9-1-1 networks. Commission staff concluded that specific direct harm was likely to result from the disclosure of the information on the public record

and that the public interest would not be served by such disclosure. RCCI's request was therefore denied.

40. The Commission considers QMI's request to be essentially a duplication of the request filed by RCCI in the context of the NG9-1-1 tariff filing process. QMI had the opportunity to challenge the disclosure determination within the context of the relevant NG9-1-1 tariff filing process but elected not to do so.

41. Moreover, the Commission does not consider that QMI's application was the proper avenue for placing such a request, considering that (i) it did not conform with the process set out in the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) for disclosure requests, (ii) RCCI's request as part of the NG9-1-1 tariff filing process allowed for a more fulsome record on the issue, and (iii) the comment period in which QMI could have filed its disclosure request (i.e., the ILECs' NG9-1-1 tariff application process) closed in December 2021.

42. Furthermore, the information for which confidentiality was claimed and the justifications for the various confidentiality claims were initially set out in materials on the record of different proceedings, namely the various NG9-1-1 tariff applications. Such claims and information are not on the record of Bell Canada's or QMI's current applications and, therefore, are not on the record of this proceeding.

43. The second NG9-1-1 tariff filing period is to take place before the decommissioning of the legacy 9-1-1 networks, set to occur on 4 March 2025. All NG9-1-1 network providers are to file proposed wholesale and retail NG9-1-1 tariffs that take into account the decommissioning of the legacy 9-1-1 networks, including (i) proposed rates based on cost studies that include costs associated with network components that were formerly included in cost studies but continue to be required for the provision of NG9-1-1 service, and (ii) all other cost components for NG9-1-1 service. The Commission expects this second set of filings to be submitted in the fall of 2024 and considers that, should a review of the 2021 NG9-1-1 tariffs and cost studies be conducted now, any arising impacts, including in relation to the disclosure of confidential information contained therein, would be quickly rendered irrelevant. Further, if concerns arise with regard to the updated NG9-1-1 tariffs in the second filing period, parties will have the opportunity to raise them and to submit any associated disclosure requests during that process.

44. In light of the above, the Commission **denies** QMI's request for the disclosure of all confidential information contained in the ILECs' 2021 NG9-1-1 tariffs and cost studies.

45. In addition, the Commission reminds parties of the appropriate procedure for filing requests for disclosure, as set out in section 33 of the Rules of Procedure.

Should TSPs be required to pay fees for both E9-1-1 and NG9-1-1 services during the transition period?

Positions of parties

46. QMI submitted that only the E9-1-1 networks are currently functional and that, ultimately, TSPs will use only one type of network at any given time during the three-year E9-1-1 to NG9-1-1 transition period. Accordingly, QMI argued that the three-year transition period established by the Commission was too long and that forcing TSPs to pay concurrent fees for two 9-1-1 network types during this time was unjust and unreasonable. Cogeco agreed, adding that since the NG9-1-1 networks are not expected to be functional until at least June 2023, TSPs are not benefitting from the NG9-1-1 service and therefore should not have to pay for that service. As a remedy, Cogeco and QMI suggested that the Commission direct Bell Canada and other ILECs to return to TSPs the NG9-1-1 fees collected since 1 March 2022 and to begin to charge new fees only once the migration of emergency calls to the NG9-1-1 networks has begun.

47. QMI also submitted that the Commission should put an end to the obligation to pay both fees concurrently and instead establish a "pay-per-use" solution whereby a TSP should only have to pay for the actual use of each service. If the TSP has no NAS whose emergency calls would be routed over the NG9-1-1 networks, the TSP would not have to pay the NG9-1-1 fee. As the TSP's subscribers' emergency calls start to be routed over the NG9-1-1 networks, the TSP will start to pay the fees according to the number of NAS that are active on the NG9-1-1 networks. Similarly, TSPs would not have to pay any fees for legacy 9-1-1 services for these same NAS, because emergency calls would no longer be routed over legacy 9-1-1 networks.

48. Bell Canada argued that, in accordance with Telecom Decision 2021-199, its NG9-1-1 network is fully functional and onboarding activities with TSPs and PSAPs are underway. Bell Canada submitted that per the monthly onboarding status reports it files with the Commission, certain TSPs have completed all onboarding activities associated with inter-network testing for the transition to Bell Canada's NG9-1-1 network. For TSPs that have also migrated their 9-1-1 traffic to the company's NG9-1-1 network, Bell Canada indicated that it delivers live 9-1-1 calls for these TSPs over its NG9-1-1 network. However, it also indicated that certain TSPs have a mix of IP-based NG9-1-1-capable voice networks and B9-1-1/E9-1-1 networks that are not NG9-1-1-capable. This means that some TSPs leverage both the E9-1-1 and NG9-1-1 networks, even for a single call.

49. In response to QMI's pay-per-use proposal, Bell Canada submitted that such a solution is problematic for several reasons. First, the current NG9-1-1 rates only include costs that are incremental to E9-1-1 service. They do not include costs such as the labour costs of Bell Canada's 9-1-1 staff that support PSAPs and TSPs 24 hours per day, 7 days per week or other costs that are necessary in a standalone NG9-1-1 environment, and that are already used and paid for under the E9-1-1 rate. As such, if a TSP were to pay only the NG9-1-1 fee, it would be undercompensating the

NG9-1-1 network provider for the service it receives because some of the costs would be paid exclusively by TSPs that pay for E9-1-1 service.

50. Bell Canada also submitted that the NG9-1-1 rate is cost-based and allocated across demand that encompasses all NAS and working telephone numbers across all TSPs. The rate would be significantly higher, by several orders of magnitude, for early adopters of NG9-1-1 service if costs were allocated among actual counts of NAS that have migrated to the NG9-1-1 networks.

51. Bell Canada argued that it is impossible for NG9-1-1 network providers to confirm counts of NAS that have migrated to the NG9-1-1 networks. The only view NG9-1-1 network providers see of TSPs' use of the networks is through the number of live calls to 9-1-1 that transit over the networks. Bell Canada submitted that it cannot know how many customers a TSP has migrated to make use of its NG9-1-1 network, since that information is internal to the TSP's network.

52. Bell Canada added that certain TSPs intend to keep their E9-1-1 circuits in place once they have transitioned to the NG9-1-1 networks as a failsafe measure in case something goes wrong with the NG9-1-1 service. In such instances, even if a TSP has transitioned to the NG9-1-1 networks, the E9-1-1 networks would remain available to them for the origination of 9-1-1 calls.

53. Finally, Bell Canada submitted that a pay-per-use model would encourage TSPs to delay transitioning to the NG9-1-1 networks and would increase the financial burden on end-users of TSPs that make an early transition to those networks.

54. Bell Canada and TCI noted the existence and use of the LSRGs to demonstrate that the E9-1-1 and NG9-1-1 networks function in parallel: once a TSP has transitioned to the NG9-1-1 networks, a 9-1-1 call placed over its network and bound for a PSAP that has not yet transitioned must be treated by an LSRG, which the Commission determined would be part of the NG9-1-1 networks, in order to be converted to E9-1-1 traffic for that PSAP's consumption. Therefore, a single 9-1-1 call could traverse the NG9-1-1 network from the TSP's network and then over the E9-1-1 network for delivery to the PSAP.

55. PIAC submitted that while QMI's pay-per-use approach appears to be logical and fair, it ignores the Commission's decision to have the ILECs design and run the NG9-1-1 networks. Furthermore, PIAC submitted that Videotron should not withhold past due amounts, but that the Commission could consider gradually reducing Bell Canada's tariffed rate for E9-1-1 service over three years to zero. This would encourage the company to make the NG9-1-1 transition available to all as soon as possible, while competitive local exchange carriers (CLECs), TSPs, and wireless service providers (WSPs) should create deferral accounts for their present NG9-1-1 payments, with payouts from these accounts beginning around the same time as the rate for E9-1-1 service is starting to decrease.

Commission’s analysis

QMI’s pay-per-use proposal

56. Regarding QMI’s submission that only one type of 9-1-1 network will be in use at one time, Bell Canada’s and TCI’s comments regarding the use of LSRGs demonstrate that this is not true. LSRGs, which the Commission mandated to be part of the NG9-1-1 networks, are used to convert TSP traffic into traffic that can be processed by the destination PSAP if one of these parties has transitioned to the NG9-1-1 networks while the other has not. To date, no PSAP has completed its transition, while certain TSPs have begun transiting live NG9-1-1 traffic to Bell Canada’s NG9-1-1 network. It is safe to assume that the 9-1-1 calls that are made over these TSPs’ networks begin as NG9-1-1 calls but end as E9-1-1 calls by virtue of being converted by Bell Canada’s LSRG.

57. In any case, while QMI’s pay-per-use proposal could result in a decrease in its and other TSPs’ costs associated with the legacy 9-1-1 networks as they migrate to the NG9-1-1 networks, it fails to consider that E9-1-1 service will continue to exist and be used by many stakeholders during the transition period. These include TSPs that have either not onboarded or whose networks are in part or in whole unable to be upgraded to NG9-1-1, and PSAPs, none of whom has yet transitioned to the NG9-1-1 networks.

58. Furthermore, should a pay-per-use regime be adopted, NG9-1-1-related costs would initially be very high for the TSPs that have transitioned to the NG9-1-1 networks so far. The costs would only begin to decrease as more TSPs transition. This may in turn act as a disincentive to complete the NG9-1-1 onboarding process should TSPs attempt to avoid or delay paying fees for NG9-1-1 service. Conversely, those TSPs not yet on the NG9-1-1 networks would see their existing rates for E9-1-1 service rise as the demand base decreases. Such outcomes would be contrary to the Commission’s objective of maintaining cost-effective 9-1-1 services and would result in higher costs for many Canadians.

59. In addition, implementing a pay-per-use regime during the transition period would require NG9-1-1 network providers to file new tariff applications for E9-1-1 and NG9-1-1 services. As discussed earlier in this decision, this would be an inefficient use of resources by the Commission and by NG9-1-1 network providers.

60. QMI and RCCI suggested that a pay-per-use regime would be appropriate because ILECs have fully recovered all costs associated with B9-1-1 and E9-1-1 services. The Commission does not consider this to be the case. In the NG9-1-1 framework, the Commission directed ILECs to maintain E9-1-1 networks during the three-year transition period to ensure Canadians continued to have access to robust, high-quality, reliable 9-1-1 service. Therefore, ILECs will continue to incur many of the costs associated with this obligation during the transition period, regardless of the number of subscribers using the E9-1-1 networks at any given time. Given the obligation to maintain these networks during the transition period and the public good nature of the services provided over the networks, it would be appropriate for all TSPs offering

local voice service to continue to contribute financially to the establishment, maintenance, and operation of all operational 9-1-1 networks.

61. In light of the above, the Commission **denies** QMI’s request for the Commission to direct Bell Canada and the other ILECs to charge 9-1-1 fees according to the TSPs’ actual usage.

62. In addition, the Commission **directs** QMI and its subsidiaries to promptly pay all unpaid and future tariff charges for 9-1-1 services provided to them by their 9-1-1 network providers.

QMI’s request for NG9-1-1 network providers to refund past NG9-1-1 fees and charge new fees only after the migration of 9-1-1 calls has begun

63. QMI expressed concern about the implementation of NG9-1-1 persisting past the established deadlines and the resulting circumstances in which TSPs are paying NG9-1-1 fees without being able to fully leverage the NG9-1-1 networks. As a remedy, QMI requested that the Commission direct NG9-1-1 network providers to (i) refund to TSPs all NG9-1-1 fees collected since 1 March 2022, and (ii) begin to charge new fees only once the migration of 9-1-1 calls to the new NG9-1-1 networks has begun.

64. In February 2022, Bell Canada, SaskTel, and TCI confirmed to the Commission that they had established their NG9-1-1 networks and that live non-test NG9-1-1 calls had been made over Bell Canada’s and TCI’s networks on 17 and 21 February 2022, respectively. Further, in the first monthly onboarding reports filed on 10 March 2022, NG9-1-1 network providers confirmed that several companies had completed their onboarding process and had migrated their 9-1-1 traffic to the networks of their respective NG9-1-1 network providers.

65. The Commission acknowledges that although NG9-1-1 implementation remains within the Commission-mandated three-year transition period, the TSP onboarding process has lasted longer than originally intended due to the number of TSPs needing to transition, and the varied sophistication of the different parties involved. Regardless, the Commission considers that the criteria for NG9-1-1 fees to be charged was met in February 2022 when the first live NG9-1-1 calls were made over Bell Canada’s and TCI’s NG9-1-1 networks and when the NG9-1-1 LSRGs began converting these calls to B9-1-1 or E9-1-1 traffic for the benefit of PSAPs.

66. In light of the above, the Commission **denies** QMI’s request for the Commission to direct Bell Canada and the other ILECs to refund NG9-1-1 fees to the TSPs.

Should the Commission impose an AMP on Videotron?

Positions of parties

67. Bell Canada requested that if Videotron disregards a Commission direction to pay the outstanding 9-1-1 fees pursuant to a Commission direction resulting from Bell

Canada’s application, the Commission should consider imposing an AMP on Videotron, as permitted by section 72.001 of the Act. Bell Canada also submitted that QMI’s application demonstrates that Videotron knowingly contravened the provisions of the 9-1-1 tariffs and the Commission’s decisions in this regard. In its final reply, Bell Canada submitted that QMI’s continued disregard for the Commission’s decisions warranted the imposition of an AMP of an amount significant enough to prevent such behaviour in the future.

68. QMI submitted that Videotron would not pay the 9-1-1 fees until the Commission directed the ILECs to disclose the confidential information contained in their NG9-1-1 cost studies and submit new cost studies for the legacy 9-1-1 services. QMI also submitted that Bell Canada’s request is ironic given that Bell Canada itself is not respecting its own obligations regarding NG9-1-1 service, notably those relating to establishing an NG9-1-1 system that is reliable, resilient, and secure while maintaining costs at a minimum, in line with the NG9-1-1 framework.

69. PIAC was of the view that QMI’s objections as outlined in its application are principled and should not attract AMPs, which are designed for wanton, not principled, objections to or interpretations of Commission rulings. However, should Videotron persist in its failure to pay if the Commission does direct it to pay, the Commission could consider imposing an AMP at that time.

Commission’s analysis

70. It is neither reasonable nor within Videotron’s prerogative to take matters into its own hands and willfully withhold payment from its 9-1-1 network provider, and the Commission will take necessary steps to ensure compliance.

71. That said, the Commission is of the view that initiating an AMP proceeding is not warranted at this time. Videotron’s actions, while concerning, do not put at risk either the operation of the B9-1-1 or E9-1-1 networks or the implementation of NG9-1-1 service.

72. In light of the above, the Commission **denies** Bell Canada’s request to impose an AMP on Videotron. However, should QMI and its subsidiaries fail to comply with the directions set out in this decision, including the direction to promptly pay all unpaid and future tariff charges for the 9-1-1 services provided to them by their 9-1-1 network providers, the Commission may launch a proceeding to consider imposing an AMP.

Conclusion

73. In light of all the above, the Commission **denies** QMI’s application for the Commission to direct Bell Canada and the other ILECs to (i) charge 9-1-1 fees according to TSPs’ actual usage of the different types of 9-1-1 networks, (ii) refund to TSPs all NG9-1-1 fees collected since 1 March 2022 and begin charging the new fees only once the migration of emergency calls to the NG9-1-1 networks has begun,

(iii) disclose the confidential information contained in their cost studies for NG9-1-1 service, and (iv) submit new cost studies for the legacy 9-1-1 services.

74. The Commission **directs** QMI and its subsidiaries to promptly pay all unpaid fees and all future fees for 9-1-1 services provided to them by their 9-1-1 network providers.

75. In addition, the Commission **denies** Bell Canada's request for the Commission to impose an AMP on Videotron for the non-payment of 9-1-1 fees.

76. If QMI and its subsidiaries, including Videotron, fail to comply with the above-noted direction, the Commission may launch a proceeding to consider imposing an AMP.

Policy objectives

77. The Commission considers that its determinations in this decision will advance the policy objectives set out in section 7 of the Act.

78. The applications under consideration address matters related to the funding of the existing 9-1-1 and NG9-1-1 networks during the transition from the former to the latter. They raise considerations relating to an orderly transition, with a view to ensuring that Canadians' safety is appropriately safeguarded. The Commission considers that by (i) not reviewing the existing E9-1-1 rates and the interim NG9-1-1 rates, and (ii) maintaining the dual-tariff funding model during the transition period, the Commission will ensure the continued provision and development of robust 9-1-1 services. These are critical services that play a central role in (i) rendering reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada, and (ii) responding to the economic and social requirements of users of telecommunications services, in accordance with the policy objectives set out in paragraphs 7(b) and 7(h) of the Act. While the application of a dual-tariff regime increases the costs on a given TSP, this approach serves to ensure that all telecommunications stakeholders shoulder some of the burden associated with the transition.

79. The Commission considers that its determinations in this decision will promote the interests of Canadians through the provision of cost-effective and robust E9-1-1 and NG9-1-1 services across the country during the transition as well as promote the affordability of telecommunications services. Furthermore, the Commission will continue to ensure that Canadians maintain access to reliable and resilient 9-1-1 services throughout the transition to the NG9-1-1 networks.

Secretary General

Related documents

- *Establishment of new deadlines for Canada's transition to next-generation 9-1-1*, Telecom Decision CRTC 2021-199, 14 June 2021

- *Next-generation 9-1-1 – Modernizing 9-1-1 networks to meet the public safety needs of Canadians*, Telecom Regulatory Policy CRTC 2017-182, 1 June 2017; as amended by Telecom Regulatory Policy CRTC 2017-182-1, 28 January 2019

- *MTS Inc. – Application to allow an exception to the frozen rate treatment for its Province-Wide Enhanced 9-1-1 Service*, Telecom Decision CRTC 2016-457, 18 November 2016

- *TELUS Communications Company – Application to revise the rate for its 9-1-1 Public Emergency Reporting Service in Quebec*, Telecom Decision CRTC 2016-455, 18 November 2016

- *Confidentiality of information used to establish wholesale service rates*, Telecom Regulatory Policy CRTC 2012-592, 26 October 2012

- *Revised guidelines for review and vary applications*, Telecom Information Bulletin CRTC 2011-214, 25 March 2011

- *Follow-up to Decision 2007-27 – Show cause submission related to the application of the price cap regime to Télébec, Limited Partnership*, Telecom Decision CRTC 2007-60, 30 July 2007; as amended by Telecom Decision CRTC 2007-60-1, 10 August 2007

- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007

- *Implementation of price cap regulation for Télébec and TELUS Québec*, Telecom Decision CRTC 2002-43, 31 July 2002

- *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002; as amended by Telecom Decision CRTC 2002-34-1, 15 July 2002