



## Telecom Order CRTC 2024-261

PDF version

References: 2023-56, 2023-56-1, 2023-56-2, 2023-56-3, and 2023-56-4

Ottawa, 25 October 2024

*Public records: 1011-NOC2023-0056; Bell Aliant Regional Communications, Limited Partnership Tariff Notices 569, 569A, 569B and 569C; Bell Canada Tariff Notices 7664, 7664A, 7664B and 7664C; Bell MTS Inc. Tariff Notices 852, 852A, 852B and 852C; Saskatchewan Telecommunications Tariff Notices 378, 378A and 378B; TELUS Communications Inc. Tariff Notices 583, 583A, 657, 657A, 657B and 657C*

### **Interim rates for aggregated wholesale high-speed access services over fibre-to-the-premises facilities**

#### **Summary**

The Commission is taking steps to promote greater competition between Internet service providers. Greater competition will empower Canadians with new choices and will make providers work harder to win Canadians' business.

To do this, the Commission is [providing competitors with workable access](#) to the fibre networks of Canada's large telephone companies by 13 February 2025. With this access, competitors will be able to use the latest available technology to offer Canadians a variety of communications services over fibre-to-the-premises (FTTP), including Internet, television, home phone, and smart home services. This order sets the interim rates that competitors will pay for that access.

In March 2023, the Commission launched two concurrent processes to determine competitor access to fibre. In November 2023, following an expedited process, the Commission provided competitors with [temporary access](#) to fibre networks in Ontario and Quebec. At that time, the Commission set interim rates for that access, and competitors have been successfully using those rates since May 2024 to offer new services to Canadians.

Then, in August 2024, following a comprehensive review and a week-long public hearing, the Commission provided competitors with [broader access](#) to fibre networks deployed by the large telephone companies across Canada by 13 February 2025.

The Commission has acted quickly to set rates on an interim basis to provide certainty to the market before new fibre access begins. This order sets the interim rates outside of Ontario and Quebec, and updates certain elements of the November 2023 interim rates for Ontario and Quebec.

The rates set in this order are determined in accordance with the Commission's long-standing approach to setting cost-based rates. These rates are being established for modern, fibre-based services and reflect the costs that large telephone companies have incurred to build out fibre networks. In setting these rates, the Commission has completed a thorough and highly technical analysis to assess detailed costing information filed by Canada's large telephone companies.

The Commission has already completed much of the underlying analysis necessary to set rates on a final basis; however, over the coming months, Canada's large telephone companies will need to provide additional information for the Commission to finalize the rates. The Commission will continue to move quickly to set the terms and conditions and final rates for aggregated wholesale FTTP services.

## **Introduction**

1. In Telecom Regulatory Policy 2024-180, the Commission required Canada's largest telephone companies to provide competitors with workable wholesale access to their fibre-to-the-premises (FTTP) networks by 13 February 2025. In that policy, the Commission also took steps to ensure continued investments so that more Canadians can access high-quality, higher-speed Internet.
2. This order establishes cost-based, just and reasonable interim rates to enable wholesale FTTP access. It also sets interim rates for other services associated with both FTTP and non-FTTP wholesale high-speed access (HSA) services.

## **Background**

3. In March 2023, through Telecom Notice of Consultation 2023-56, the Commission directed large Internet providers to file proposed tariffs and associated cost studies for aggregated wholesale HSA services, including FTTP services, using the Phase II costing methodology.
4. In November 2023, through Telecom Decision 2023-358, the Commission required Bell Canada and TELUS Communications Inc. (TELUS) to provide aggregated wholesale FTTP services in the provinces of Ontario and Quebec on a temporary and expedited basis by no later than 7 May 2024. In that same decision, the Commission set interim rates for these temporary services. Since that time, competitors have been making use of the temporary aggregated FTTP services to bring new choices to Canadians.
5. In August 2024, through Telecom Regulatory Policy 2024-180, the Commission required Bell Aliant, a division of Bell Canada (Bell Aliant); Bell Canada; Bell MTS Inc. (Bell MTS); Saskatchewan Telecommunications (SaskTel); and TELUS (collectively, the incumbent local exchange carriers [ILECs]) to provide aggregated wholesale FTTP services by 13 February 2025. In that policy, the Commission stated its intention to set interim rates by the end of 2024, with final rates to follow.

6. The Commission has worked diligently to analyze and test the rates proposed by the ILECs through a series of requests for information.
7. In addition to adjustments that are similar to – and made for the same reasons as – those made in Telecom Decision 2023-358,<sup>1</sup> the Commission has made numerous adjustments to the proposed rates of the ILECs,<sup>2</sup> including:
  - adjusting access rates to remove any element that could potentially result in double counting for costs already covered in the service charge;
  - adjusting the service charges to differentiate between services that require a site visit versus those that do not;
  - changing life estimates for software, where they constitute a significant cost causal to service, to spread the impact of those costs over a 10-year period;
  - applying a 50% utilization factor for the distribution and feeder fibre penetration rate across TELUS’s territory in Alberta and British Columbia, reflecting the assumption that, in an ideal competitive market, two facilities-based competitors have a 50% chance of gaining retail or wholesale subscribers;<sup>3</sup>
  - using historical financials instead of forecasted modeled costs where the record allowed, reflecting that: (i) ILECs are not required to provide access to newly deployed FTTP during the five-year head start period set out in Telecom Regulatory Policy 2024-180, and (ii) these future builds tend to include a more expensive network deployment mix than the current FTTP base subject to the final mandate; and
  - shifting costs captured by SaskTel’s enablement fees<sup>4</sup> to a separate access fee spread over a 10-year period.
8. The interim rates for Bell Aliant (Atlantic Canada) and Bell MTS (Manitoba) are set using Bell Canada’s Ontario and Quebec FTTP rates, where appropriate.<sup>5</sup> Bell Canada requested this treatment given the late filing of their cost studies and proposed rates for the territories covered by Bell Aliant and Bell MTS. In these circumstances,

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<sup>1</sup> Including removal of the allocation approach for shared fibre facilities, imposition of a single mark-up of 30% for all speeds, and the application of a -26.4% annual unit cost change for traffic-sensitive components.

<sup>2</sup> The interim access and capacity-based billing rates for SaskTel were those provided by the company through responses to requests for information.

<sup>3</sup> Similar adjustments were not made for other companies since the record had not yet been developed on this issue on those files. However, the Commission will ensure consistency across companies when setting final rates.

<sup>4</sup> I.e., costs that could pose an undue barrier to entry or lead to over-recovery if more companies enter the market than anticipated.

<sup>5</sup> [Telecom - Staff letter addressed to the various parties interested in Telecom Notice of Consultation CRTC 2023-56 | CRTC.](#)

the Commission had to choose between (i) accepting the late-filed rates with minimal scrutiny or adjustment, (ii) delaying the availability of wholesale access in Bell Aliant's and Bell MTS's serving territories, or (iii) applying the Bell Canada rate as a proxy in Manitoba and Atlantic Canada until rates are finalized. The Commission opted to use proxy rates for the interim because it strikes a balance between achieving a timely decision and allowing for the analysis of company-specific information in the future.

9. The interim rates will allow competitors to better serve Canadians using the latest available technology. The rates will provide competitors with the opportunity to innovate and to attract customers by selling a range of communications services over FTTP, including Internet, television, home phone, and smart home solutions. The rates will also ensure that those who build Internet networks will continue to invest in high-quality Internet access across Canada.

### **Next Steps**

10. Arriving at just and reasonable rates involves a complex and highly technical application of costing principles over multiple companies and services. This is a significant and resource-intensive exercise.
11. The Commission has acted quickly to set rates on an interim basis to provide certainty to the market before new fibre access begins.
12. The Commission has already completed much of the underlying analysis necessary to set rates on a final basis; however, over the coming months, Canada's large telephone companies will need to provide additional information for the Commission to finalize the rates. The Commission will continue to move quickly to set the terms and conditions and final rates for aggregated wholesale FTTP services.

### **Conclusion**

13. The Commission approves, on an interim basis, the access rates, capacity-based billing (CBB) rates, and service charges set out in Appendix 1 to this order for Bell Canada's aggregated HSA services in Ontario and Quebec, and for TELUS's aggregated HSA services in Quebec, effective **25 October 2024**.
14. The Commission approves, on an interim basis, the access rates, CBB rates, and service charges set out in Appendix 2 to this order for the aggregated HSA services of Bell Aliant, Bell MTS, SaskTel, and TELUS in Alberta and British Columbia, effective **13 February 2025**.
15. The Commission directs Bell Aliant, Bell Canada, Bell MTS, SaskTel, TELUS (Quebec), and TELUS (Alberta and British Columbia) to issue new tariff pages reflecting the interim approved rates within **five business days** of the date of this order.

Secretary General

### **Related documents**

- *Competition in Canada's Internet service markets*, Telecom Regulatory Policy CRTC 2024-180, 13 August 2024
- *Review of the wholesale high-speed access service framework – Temporary access to fibre-to-the-premises facilities over aggregated wholesale high-speed access services*, Telecom Decision CRTC 2023-358, 6 November 2023
- *Notice of hearing – Review of the wholesale high-speed access service framework*, Telecom Notice of Consultation CRTC 2023-56, 8 March 2023; as amended by Telecom Notices of Consultation CRTC 2023-56-1, 11 May 2023; 2023-56-2, 4 July 2023; 2023-56-3, 6 November 2023; and 2023-56-4, 8 April 2024

## **Appendix 1 to Telecom Order CRTC 2024-261**

### **Interim approved rates for aggregated wholesale fibre-to-the-premises (FTTP) high-speed access (HSA) services effective 25 October 2024**

#### **Bell Canada aggregated FTTP access rates (Ontario and Quebec)**

- 3 megabits per second (Mbps) to 1500 Mbps – \$68.94
- 1501 Mbps to 3000 Mbps<sup>6</sup> – \$78.03

#### **Bell Canada aggregated fibre-to-the-node (FTTN) and FTTP capacity-based billing (CBB) rate (Ontario and Quebec)**

- \$64.24 per 100 Mbps

#### **Bell Canada service charges (Ontario and Quebec)**

- FTTP install, move, or change (without site visit) – \$10.60
- FTTP install, move, or change (with site visit) – \$244.13

#### **TELUS aggregated FTTP access rate (Quebec)**

- All speeds – \$65.25

#### **TELUS aggregated FTTP CBB rate (Quebec)**

- \$75.86 per 100 Mbps

#### **TELUS service charges (Quebec)**

- FTTP install, move, or change (without site visit) – \$6.63
- FTTP install, move, or change (with site visit) – \$250.66
- CBB capacity service charge (per order) – \$685.44
- E100 interface service charge (per interface) – \$1,199.00
- E1000 interface service charge (per interface) – \$1,538.44
- 10G interface service charge (per interface) – \$1,593.60
- A-NNI change fee – \$500.00

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<sup>6</sup> The Commission notes that the speed band was originally 1501 Mbps to 8000 Mbps. In *Bell Canada – Interim approval of a tariff application*, Telecom Order CRTC 2024-101, 9 May 2024, the Commission approved the interim withdrawal of all speeds over 3 gigabits per second for Bell Canada. The speed band has been adjusted accordingly.

- TELUS asymmetric digital subscriber line (ADSL) NNI service – Quebec
  - E100 interface (per interface) monthly charge – \$55.15
  - E1000 interface (per interface) monthly charge – \$59.01
  - 10G interface (per interface) monthly charge – \$313.36

## Appendix 2 to Telecom Order CRTC 2024-261

### Interim approved rates for aggregated wholesale fibre-to-the-premises (FTTP) high-speed access (HSA) services effective 13 February 2025

#### Bell Aliant aggregated FTTP access rates

- 3 megabits per second (Mbps) to 1500 Mbps – \$68.94
- 1501 Mbps to 3000 Mbps – \$78.03

#### Bell Aliant aggregated FTTP capacity-based billing (CBB) rates<sup>7</sup>

- \$64.24 per 100 Mbps

#### Bell Aliant service charges

- FTTP install, move, or change (without site visit) – \$10.60
- FTTP install, move, or change (with site visit) – \$244.13
- Service Charge per ADSL AHSSPI Port for 10GE or 100GE – \$1,159.00
- CBB Service Charge per Order for 1000 Mbps, 10GE or 100GE IP AHSSPIs – \$165.95
- CBB Service Charge per IP-AHSSPI for 1000 Mbps, 10GE or 100GE IP AHSSPIs – \$139.54
- Diagnostic Maintenance Charge per access per diagnostic request – \$108.59 (includes first 15 mins)
- Diagnostic Maintenance Charge per access per 15-minute increment or part thereof on the same request – \$32.88
- Monthly Rate per Service Provider Interface (ADSL-AHSSPI) – \$327.88

#### Bell MTS aggregated FTTP access rates

- 3 Mbps to 1500 Mbps – \$68.94
- 1501 Mbps to 3000 Mbps – \$78.03

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<sup>7</sup> The Commission notes that Bell Aliant, SaskTel, and TELUS each use a flat rate (i.e., blended access and CBB rate) for their aggregated FTTP HSA services. Consequently, the approved interim CBB rates only apply to each company's aggregated FTTP HSA service until such time as the Commission determines that Bell Aliant's, SaskTel's, and/or TELUS's fibre-to-the-node (FTTN) access and CBB rates are to be unblended, and until such time as the Commission approves said unblended rates.



**Bell MTS aggregated FTTN and FTTP CBB rate**

- \$64.24 per 100 Mbps

**Bell MTS Service Charges**

- FTTP install, move, or change (without site visit) – \$10.60
- FTTP install, move, or change (with site visit) – \$244.13
- Service Charge per Very high-speed Aggregated High-Speed Service Provider Interface (V-AHSSPI) for 10GE or 100GE – \$1,159.00
- CBB Service Charge per Order (subsequent to the initial provisioning of the V-AHSSPI) – \$205.11
- CBB Service Charge per V-AHSSPI (applicable to each network capacity change that is made subsequent to the initial provisioning of the V-AHSSPI) – \$185.55
- Diagnostic Maintenance Charge per access per diagnostic request – \$108.59
- Diagnostic Maintenance Charge per access per 15-minute increment or part thereof on the same request – \$32.88
- Monthly Rate per Service Provider Interface (V-AHSSPI) for 10GE or 100GE – \$327.88

**SaskTel aggregated FTTP access rate**

- All speeds up to 1 gigabit per second (Gbps) – \$77.57

**SaskTel Monthly FTTP HSA Service Enablement Charge per Access**

- FTTP HSA Service Enablement Charge (per competitor HSA access connection per month) – \$5.65 – to be in effect for 10 years

**SaskTel aggregated FTTP CBB rates<sup>8</sup>**

- \$35.76 per 100 Mbps

**SaskTel service charges**

- Service Charge without site visit – \$121.36
- Service Charge with site visit – \$301.95
- CBB Service Charge per order – \$772.00

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<sup>8</sup> See footnote 7.

- Unified Aggregated Interface Service Charges
  - 1GE, 10GE, and 100 GE Unified Aggregated Interface service charge (per interface) – \$1,017.68
  - Monthly Rate – Unified Aggregated Interface (1 Gbps, 10 Gbps, 100 Gbps) – \$55.89
- Domain Name Activation
  - First additional domain name (one domain name per HSA interface included), per domain name – \$772.00
  - Subsequent domain name requested on same order, per subsequent domain name – \$273.00

**TELUS aggregated FTTP access rate (Alberta and British Columbia)**

- All speeds (15 Mbps to 1.5 Gbps) – \$80.41

**TELUS aggregated FTTP CBB rate (Alberta and British Columbia)<sup>9</sup>**

- \$75.86 per 100 Mbps

**TELUS service charges (Alberta and British Columbia)**

- FTTP Install and Move (without site visit) – \$6.63
- FTTP Install and Move (with site visit) – \$250.66
- CBB capacity service charge (per order per interface) – \$685.44
- 10G interface service charge (per interface) – \$1,593.60
- TELUS asymmetric digital subscriber line (ADSL) NNI service – Alberta and British Columbia
  - E100 interface (per interface) monthly charge – \$55.15
  - E1000 interface (per interface) monthly charge – \$59.01
  - 10G interface (per interface) monthly charge – \$313.36

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<sup>9</sup> See footnote 7.