



Telecom Order CRTC 2024-74

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Ottawa, 8 April 2024

Public record: Tariff Notice 535

Télébec, Société en commandite – Introduction of Fibre to the Home and Business

Summary

Bell Canada is in the process of deploying fibre-to-the-home (FTTH) services in the serving territories of three of its affiliates: DMTS, a division of Bell Canada; KMTS, a division of Bell Canada; and Télébec, Société en commandite (Télébec). Bell Canada will be offering FTTH retail Internet, television and telephone services to customers in these territories. Bell Canada and Télébec have filed several applications to align the tariffs between the two companies to ensure greater consistency in the rates, terms and conditions of services.

In this order, the Commission **denies** Télébec's application requesting to introduce Fibre to the Home and Business to its General Tariff. This determination is based on the fact that Télébec itself will not be providing FTTH services and the company therefore does not need to include these services in its General Tariff. Customers in Télébec's serving territory will benefit from access to FTTH services from Bell Canada, and the Commission considers that these services should be reflected in Bell Canada's tariff.

Background

1. Bell Canada is in the process of deploying fibre-to-the-home (FTTH) services in the serving territories of three of its affiliated carriers, including Télébec, Société en commandite (Télébec). Operating as a competitive local exchange carrier (CLEC) in these territories, Bell Canada will be offering FTTH retail Internet, television and telephone services.
2. Télébec does not offer FTTH services in its traditional operating territory. Since Bell Canada will be offering these services in Télébec's operating territory, the companies have indicated that the most economical and expedient way to offer FTTH to residential customers is to use Bell Canada's computer systems. Residential customers served by the new FTTH facilities would be billed for their services by Bell Canada, not by its affiliates.

Application

3. The Commission received an application from Télébec, dated 8 May 2023, in which the company proposed to introduce item 2.30 – Fibre to the Home and Business to its General Tariff.
4. Télébec submitted that Fibre to the Home and Business will be provided via Bell Canada’s FTTH equipment, and provisioning and billing systems, so customers on this new network will be billed by Bell Canada, not Télébec, for these services. However, Télébec submitted that the affiliate rule (as set out in Telecom Decision 2002-76) requires Bell Canada to offer its services in accordance with the applicable rules and tariffs approved for Télébec. Therefore, Télébec is proposing to introduce Fibre to the Home and Business to its General Tariff in order to standardize the services of the two companies.
5. Télébec submitted that the proposed Fibre to the Home and Business tariff item is consistent with the already-approved tariffs for Bell Aliant Regional Communications, Limited Partnership; Bell Canada; and Bell MTS Inc. These tariffs identify certain differences in functionality when service is provided over FTTH facilities, including for Enhanced 9-1-1 (E9-1-1) and for certain residential calling features.
6. Télébec also proposed to add three new residential calling features to item 3.3.18 of its General Tariff: Voice Dialing, Call Control and Call Screening. Télébec submitted that it would not be able to enable these features on its existing copper technology because the work necessary to modify its current systems and processes is not technically or economically feasible. As a result, these services would be available to customers located in Télébec’s territory that receive Bell Canada’s FTTH service. These calling features would be introduced to Télébec’s General Tariff for the same monthly rate as the rate currently approved for Bell Canada for the same services.
7. Télébec submitted that it did not provide the Commission with the results of its price floor test for these residential calling services because the proposed rates for these services have already been approved by the Commission for Bell Canada, and Bell Canada is not incurring any new costs to make these services available in Télébec’s serving territory.

Commission’s analysis

8. Télébec cited the affiliate rule in its application, which is intended to prevent an incumbent local exchange carrier (ILEC) from using an affiliate to bypass Commission regulation and provide services at rates, terms and conditions that are better than those that the ILEC would be able to offer under the Commission’s rules, in a way that is potentially anti-competitive. However, the affiliate rule defines an affiliate as a person who is not a Canadian carrier and who controls or is controlled by the ILEC or who is controlled by a person who also controls the ILEC. Those

rates, terms and conditions must be identical to the rates, terms and conditions which would apply if the telecommunications services in question were provided to the public by the ILEC, instead of by the affiliate.

9. Since Bell Canada is a Canadian carrier, the affiliate rule does not apply in this case. Rather, as reflected in Telecom Decision 2024-73, Télébec is under common control with Bell Canada and there is a requirement for Bell Canada to comply with section 25 and other applicable provisions of the *Telecommunications Act* (the Act) whenever the affiliated ILEC would be required to do so.¹
10. Télébec filed this application requesting to add Fibre to the Home and Business to its General Tariff so that the FTTH services that will be offered by Bell Canada (as a CLEC in Télébec's operating territory) would be offered in compliance with the affiliate rule. However, Télébec is not providing FTTH services and will not be offering the specific services under consideration in its application; these services will be offered by Bell Canada. The Commission therefore considers that it would not be appropriate to approve Télébec's application to add services to its General Tariff that it will not be providing to its customers. Rather, in light of the above, it would be appropriate for such offerings to be reflected in Bell Canada's tariff.

Conclusion

11. In light of all of the above, the Commission **denies** Télébec's application to introduce item 2.30 – Fibre to the Home and Business to its General Tariff.

Secretary General

Related documents

- *Bell Canada – Application to align 9-1-1 fees in the operating territories of Bell Canada's affiliated carriers*, Telecom Decision CRTC 2024-73, 8 April 2024
- *Regulatory safeguards with respect to incumbent affiliates, bundling by Bell Canada and related matters*, Telecom Decision CRTC 2002-76, 12 December 2002

¹ Section 25 of the Act states that no Canadian carrier shall provide a telecommunications service except in accordance with a tariff filed with and approved by the Commission that specifies the rate or the maximum or minimum rate, or both, to be charged for the service.