



## Telecom Order CRTC 2024-130

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Ottawa, 12 June 2024

*Public record: Tariff Notices 7676 and 7676A*

### **Bell Canada – Tariff Notices 7676 and 7676A – Introduction of new speed tiers for Disaggregated Broadband Service (DBS)**

#### **Summary**

The Commission approves on an interim basis Bell Canada's Tariff Notice (TN) 7676, as amended by TN 7676A, pending the outcome of the proceeding initiated by Telecom Notice of Consultation 2023-56.

#### **Background**

1. Wholesale high-speed access (HSA) services must currently be made available by the large incumbent local exchange carriers (ILECs) and cable carriers (collectively, the incumbent carriers) in both aggregated and disaggregated configurations.
2. Aggregated wholesale HSA services enable competitors to connect to the incumbent carriers' networks at a centralized point of interconnection. Competitors then use the incumbent carriers' transport and access infrastructure to offer Internet services to all end-users throughout the incumbent carriers' serving territories. Disaggregated wholesale HSA services are similar but require competitors to obtain transport facilities separately and to interconnect to incumbent carriers' networks at a larger number of points of interconnection to provide service throughout some or all of an incumbent carrier's serving territory.
3. In Telecom Order 2017-312, the Commission set interim rates for disaggregated wholesale HSA services provided over fibre-to-the-premises (FTTP) and fibre-to-the-node (FTTN) facilities in Ontario and Quebec. In Telecom Decision 2023-358, the Commission set interim rates for temporary access to FTTP facilities over aggregated wholesale HSA services.

#### **Application**

4. On 23 October 2023, the Commission received an application from Bell Canada, Tariff Notice (TN) 7676. The company proposed changes to item 151 of its Access Services Tariff, Disaggregated Broadband Service (DBS) to introduce three new speed tiers for wholesale DBS Access, Business, served via (FTTP). DBS is a disaggregated wholesale HSA service.

5. On 8 February 2024, Bell Canada filed an amended application, TN 7676A. The company withdrew an 8 gigabits per second (Gbps) speed option that had been included in its original application, because it no longer offers speeds greater than 3 Gbps to its retail customers.
6. The proposed new speed tiers for wholesale DBS Access, Business, served via FTTP are as follows:
  - 1.5 Gigabit, with a download speed of 1.5 Gbps and an upload speed of 940 megabits per second (Mbps); and
  - 3 Gigabit, with a download and upload speed of 3 Gbps.
7. Bell Canada proposed to use the same rates for the new speed tiers as for the speed tiers it already offers for wholesale DBS access. The current monthly rate is \$121.79. The installation charge is \$247.90.
8. Bell Canada noted that in a previous application, TN 7522, it proposed to use the same rates for all speeds of DBS served via FTTP, for both monthly access and installation. The rates were approved on an interim basis in Telecom Order 2017-312. Bell Canada proposed to use those approved rates for the new speed tiers.
9. The company did not file a supporting cost study, citing the ongoing process associated with configurations for DBS.<sup>1</sup> However, it reserved the right to file a new rate for the proposed speed tiers, with a supporting cost study, at a later date.
10. The company requested an effective date of 9 March 2024 for the amended application.
11. In response to Bell Canada's initial application, the Commission received interventions from TekSavvy Solutions Inc. (TekSavvy) and the Competitive Network Operators of Canada (CNOC). No interventions were received in response to the amended application.

## **Positions of parties**

### **TekSavvy and CNOC**

12. TekSavvy requested that the Commission deny the application as filed, and instead
  - apply the interim rates for aggregated FTTP access set in Telecom Decision 2023-358 to the disaggregated FTTP access services proposed in TN 7676;

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<sup>1</sup> The process referred to was initiated by Telecom Notice of Consultation 2020-187.

- apply the interim rates for FTTP access set in Telecom Decision 2023-358 to all tariffed FTTP access services offered by Bell Canada; and
- apply the existing interim access rates for Bell Canada's FTTN services to all tariffed FTTN services offered by Bell Canada.

Specifically, TekSavvy requested that the Commission set rates for the proposed services at \$68.94 and \$78.03, as applicable.

13. TekSavvy submitted that there is an overlap in carrier costs for aggregated and disaggregated wholesale HSA services. TekSavvy argued that Bell Canada has confirmed in previous cost study filings that its access costs for equivalent aggregated and disaggregated services are identical, because the same network is used for both services. TekSavvy noted that Bell Canada has previously proposed a uniform monthly rate for access to those services, whether provided via gateway access service (GAS), which is Bell Canada's aggregated wholesale HSA service, or via DBS.
14. TekSavvy argued that the existing interim rate of \$121.79 for DBS-FTTP is outdated and high, and as such is not just and reasonable. TekSavvy noted that Bell Canada's proposed monthly rate of \$121.79 for DBS-FTTP is 77% higher than the interim rates the Commission set in Telecom Decision 2023-358 for GAS-FTTP, for the very same access facilities.
15. TekSavvy added that the Commission should apply the existing interim access rates for all other Bell Canada GAS services, whether FTTN or FTTP, to all equivalent DBS access services.
16. CNOC's arguments were similar to TekSavvy's, including the request to set rates for the proposed speed tiers at the recently approved interim rates for FTTP access.
17. CNOC noted that Bell Canada had not filed a supporting cost study. It also noted that the future of disaggregated wholesale HSA services, including whether and how rates for disaggregated wholesale HSA services should be changed and made final, is being considered in the ongoing proceeding initiated by Telecom Notice of Consultation 2023-56 (the notice).

### **Bell Canada's reply**

18. Bell Canada submitted that TekSavvy's request to modify Commission-approved rates that Bell Canada itself has not proposed to modify is out of scope and should be dismissed.

19. Bell Canada submitted that it would be inappropriate to set the rates for the proposed DBS speed tiers based on the costing for temporary access to GAS-FTTP.<sup>2</sup> Bell Canada argued that, while there are similarities between the aggregated and disaggregated services, there are also differences. Service-driven costs for DBS, which are included in the cost-based rates, include costs for implementation and costs that are unique to DBS. Service-driven costs for GAS-FTTP include implementation costs that are unique to GAS-FTTP.
20. Bell Canada also argued that, in Telecom Decision 2023-358, the Commission specifically rejected the company's proposal to include unrecovered costs for DBS in the GAS-FTTP rate and identified DBS as separate and distinct from temporary aggregated FTTP access. Additionally, the company noted that in Telecom Decision 2023-53 the Commission explicitly found that DBS would remain in place in Ontario and Quebec pursuant to its existing configurations, terms and conditions, and rates. Bell Canada indicated that any modification to the rates for DBS should only be considered in the context of the final rate-setting proceeding for that service, as contemplated in the notice.

### **Commission's analysis**

21. In Telecom Regulatory Policy 2010-632, the Commission concluded that ILECs are to provide their existing wholesale HSA services to competitors at speeds that match all speed options the ILECs offer to their own retail customers.
22. While disaggregated wholesale HSA services are currently under consideration in the proceeding initiated by the notice, there have been no changes to the rates for those services, unlike aggregated HSA services. The Commission reiterates that, as per the notice, existing rates for disaggregated wholesale service are to be considered as part of its review of the wholesale HSA framework.
23. The Commission notes that the rates Bell Canada has proposed for the new speed tiers are the same as the rates for all its existing speed tiers for wholesale DBS access. The Commission has approved those rates on an interim basis.
24. Given that those rates are interim and currently under consideration, the Commission considers that using them for the proposed 1.5 Gbps and 3 Gbps speed tiers would be appropriate and consistent with the existing price structure.
25. With regard to Bell Canada's amended application and the withdrawal of the 8 Gbps speed tier from its proposal, the Commission considers that, because the company no

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<sup>2</sup> In Telecom Decision 2023-358, the Commission determined that incumbent local exchange carriers will be mandated to provide temporary aggregated FTTP access over existing aggregated HSA platforms within their incumbent Ontario and Quebec serving territories until it reaches a decision as to whether such access is to be provided for the longer term.

longer offers that speed to retail customers, it is not required to offer it to wholesale customers.

26. The Commission thus considers that Bell Canada's proposal, as amended, is compliant with the Commission's current framework and policies.
27. With respect to the interveners' requested relief, the Commission is of the view that their requests are beyond the scope of this application.
28. The Commission notes further that it considered such issues in Telecom Order 2024-33. In that order, the Commission denied a request from Distributel Communications Ltd. to align interim access rates for disaggregated wholesale HSA services with the access rates for aggregated wholesale HSA services. The Commission referenced the notice in its determinations, noting that parties are invited to comment on the future of disaggregated services and whether any changes should be made to the existing rates.

### **Policy objectives**

29. The Commission considers that interim approval of this application advances the policy objectives set out in paragraphs 7(a) and (h) of the *Telecommunications Act*<sup>3</sup> and will ensure that competitors have access to the new speed options.

### **Conclusion**

30. In light of the above, the Commission approves on an interim basis TN 7676, as amended by TN 7676A, pending the outcome of the proceeding initiated by the notice.

Secretary General

### **Related documents**

- *Distributel Communications Limited – Request to revise the interim access rates for disaggregated wholesale high-speed access services*, Telecom Order CRTC 2024-33, 12 February 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

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<sup>3</sup> The cited policy objectives are: 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions; and 7(h) to respond to the economic and social requirements of users of telecommunications services.

amended by Telecom Notice of Consultation CRTC 2023-56-1, 11 May 2023; Telecom Notice of Consultation CRTC 2023-56-2, 4 July 2023; Telecom Notice of Consultation CRTC 2023-56-3, 6 November 2023; and Telecom Notice of Consultation CRTC 2023-56-4, 8 April 2024

- *Network configuration for disaggregated wholesale high-speed access services*, Telecom Decision CRTC 2023-53, 8 March 2023
- *Call for comments – Appropriate network configuration for disaggregated wholesale high-speed access services*, Telecom Notice of Consultation CRTC 2020-187, 11 June 2020; as amended by Telecom Notice of Consultation CRTC 2020-187-1, 22 July 2020
- *Interim rates for disaggregated wholesale high-speed access services in Ontario and Quebec*, Telecom Order CRTC 2017-312, 29 August 2017; as amended by Telecom Order 2017-312-1, 12 September 2017
- *Wholesale high-speed access services proceeding*, Telecom Regulatory Policy CRTC 2010-632, 30 August 2010