



Telecom Order CRTC 2006-14

Ottawa, 18 January 2006

Bell Canada

Reference: Tariff Notice 814 (National Services Tariff)

Customer specific arrangement

1. The Commission received an application by Bell Canada, dated 28 May 2004, requesting approval of Tariff Notice 814 (TN 814), under National Services Tariff item 720.105, related to services provided under Customer Specific Arrangement (CSA) contract number 10. This filing replaced Tariff Notices 775, 775A, 775B, 775C and 775D (TN 775), which received interim approval in *Bell Canada - Ex parte application*, Telecom Order CRTC 2003-274, 8 July 2003.
2. The CSA filed under TN 814 is a Type 2 CSA consisting of a bundle of the following General Tariff services: Voice Utility and High Speed Metro, and the following forborne services: Large Capacity Digital Network/Frame Relay and Business Internet.
3. MTS Allstream Inc. (MTS Allstream) filed comments on TN 775 on 22 August 2003 and 9 October 2003, and filed comments on TN 814 on 28 June 2004.
4. Bell Canada filed reply comments on TN 775 on 8 September 2003, and filed reply comments on TN 814 on 8 July 2004.
5. MTS Allstream argued that the services included in the contract did not constitute a bundle. MTS Allstream submitted that the services were stand-alone offerings, each with a different contract period, and that the usage of any one of the services was not contingent on the usage of another in the arrangement. MTS Allstream also submitted that, since each of the four services was a stand-alone offering, each service offering should pass the imputation test on a stand-alone basis.
6. MTS Allstream submitted that as a result of the changes to the rates and/or services proposed in TN 814, Bell Canada should be required to file a revised imputation test.
7. Bell Canada stated that the customer in this CSA subscribed to a number of services, including tariffed services, priced at rates that reflected the entire scope of the arrangement and, therefore, in accordance with *Regulatory safeguards with respect to incumbent affiliates, bundling by Bell Canada and related matters*, Telecom Decision CRTC 2002-76, 12 December 2002 (Decision 2002-76) and other Commission rulings, the arrangement was a regulated bundle.
8. With respect to MTS Allstream's submission that a separate imputation test was required for each of the four services, Bell Canada argued that the individual services included in the arrangement were not stand-alone offerings, since the pricing for each of the individual services was contingent upon the customer subscribing to all four of the services for the contract periods specified in the tariff. Bell Canada submitted that, given this, the entire arrangement was a bundle.

9. With respect to MTS Allstream's submission that a revised imputation test was required, Bell Canada submitted that the changes identified by MTS Allstream were not new but had been added to the tariff to provide further clarification of elements of the CSA that were always contemplated and provided to the customer. Bell Canada further submitted that the requirement to clarify those items was part of the process of finalizing the contract with the customer and that the costs associated with the major elements had already been included in the original imputation test provided as part of TN 775.
10. In response to the Commission's request, Bell Canada filed a revised imputation test on 29 September 2005.

Commission's analysis and determination

11. The Commission notes that the four services offered to the customer of this CSA are provided under the same contract containing a master agreement specifying the overall terms and conditions. The Commission also notes that this CSA is consistent with the arrangements that were required to be filed for approval pursuant to Decision 2002-76. Further, the Commission considers that, on the basis of the most recent definition of a bundle presented in *Review of price floor safeguards for retail tariffed services and related issues*, Telecom Decision CRTC 2005-27, 29 April 2005, this CSA constitutes a bundle of services that provides a financial or other readily measurable benefit to the customer.
12. The Commission has reviewed the services in this CSA bundle and is satisfied that the services, rates, terms and conditions provided are properly identified in the proposed tariff pages and meet the requirements specified in *Review of Bell Canada's customer-specific arrangements filed pursuant to Telecom Decision 2002-76*, Telecom Decision CRTC 2003-63, 23 September 2003 (Decision 2003-63).
13. With respect to MTS Allstream's comments regarding the need for a revised imputation test, the Commission notes that Bell Canada filed, at the Commission's request, a revised imputation test to reflect the revenues and costs of the finalized contract.
14. The Commission has reviewed the revised imputation test filed by Bell Canada and is satisfied that the changes reflected in the proposed tariff pages of TN 814 as compared to TN 775 are properly reflected in the imputation test, the costing directives specified in Decision 2003-63 are applied, and the proposed rates satisfy the imputation test.
15. In light of the above, the Commission **approves** the application by Bell Canada.
16. Bell Canada is to issue tariff pages forthwith.

Secretary General

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