



Telecom Order CRTC 2007-83

Ottawa, 16 March 2007

Bell Canada and Bell Aliant Regional Communications, Limited Partnership

Reference: Bell Canada Tariff Notices 6813, 6882, 6895, 6911 and 6988
Bell Aliant Regional Communications, Limited Partnership Tariff Notice 44

Managed Internet Protocol Telephony service

In this Order, the Commission approves on a final basis Bell Canada's proposed Tariff Notices 6813, 6882, 6895, 6911 and 6988, and Bell Aliant Regional Communications, Limited Partnership's proposed Tariff Notice 44.

Background

1. The Commission received an application by Bell Canada, dated 10 May 2004, under Tariff Notice 6813 (TN 6813), in which it proposed to introduce General Tariff item 7010 – Managed Internet Protocol Telephony (MIPT) service. The company also proposed to revise its 9-1-1 Public Emergency Reporting service (PERS) to include provisions for the MIPT service and the Internet Voice Access Service (IVAS) it had proposed in Tariff Notice 6812 and amended in Tariff Notice 6812A.
2. According to Bell Canada's application, MIPT service is a managed business voice telephony service using Internet Protocol (IP) technology. The company indicated that the service was being offered as an alternative to its Centrex III service. It proposed that MIPT service be made available on a monthly non-contracted basis as well as on a one-, two-, three-, four-, or five-year contract basis. TN 6813 was approved on an interim basis in *Bell Canada – Managed Internet Protocol Telephony service*, Telecom Order CRTC 2004-256, 30 July 2004 (Order 2004-256).
3. The Commission received an application by Bell Canada, dated 15 July 2005, under Tariff Notice 6882 (TN 6882), in which the company proposed to remove the Provisioning Client optional feature from the MIPT service. TN 6882 was approved on an interim basis, effective 29 July 2005, in Telecom Order CRTC 2005-275, 26 July 2005.
4. The Commission received an application by Bell Canada, dated 30 August 2005, under Tariff Notice 6895 (TN 6895), in which the company proposed revisions to MIPT service to indicate that 9-1-1 calls would be handled in a non-standard way, consistent with the Commission's directives in *Emergency service obligations for local VoIP service providers*, Telecom Decision CRTC 2005-21, 4 April 2005 (Decision 2005-21). TN 6895 was approved on an interim basis in Telecom Order CRTC 2005-320, 13 September 2005.

5. The Commission received an application by Bell Canada, dated 11 November 2005, under Tariff Notice 6911 (TN 6911), in which the company proposed revisions to MIPT service to remove the pre-condition that the optional FindMe-FollowMe feature was available only to users of the Full IP Convergence Client and the Enhanced Desktop Convergence Client. TN 6911 was approved on an interim basis, effective 28 November 2005, in Telecom Order CRTC 2005-382, 24 November 2005.
6. The Commission received an application by Bell Canada, dated 21 September 2006, under Tariff Notice 6988 (TN 6988), in which the company proposed revisions to MIPT service to add a clause to allow customers to migrate their Centrex III locals under the terms of a minimum contract period (MCP) to MIPT service, which the company indicated was subject to an MCP co-terminus with the Centrex III MCP, without incurring termination charges.
7. The Commission also received an application by Bell Aliant Regional Communications, Limited Partnership (Bell Aliant), dated 21 September 2006, under Tariff Notice 44 (TN 44), in which the company proposed the same revisions to General Tariff item 7010 – Managed Internet Protocol Telephony Service (MIPT) as Bell Canada proposed in TN 6988.
8. TNs 6988 and 44 were approved on an interim basis, effective 5 October 2006, in Telecom Order CRTC 2006-260, 4 October 2006.

Process

9. The Commission received comments with regard to Bell Canada's TN 6813, TN 6988 and Bell Aliant's TN 44.
10. The Commission received comments regarding Bell Canada's TN 6813 proposal from Allstream Corp. (Allstream), Cogeco Cable Inc. (Cogeco), Microcell Solutions Inc. (Microcell), OneConnect Services Inc. (OneConnect) and Primus Telecommunications Canada Inc. (Primus), all dated 9 June 2004; from Xit telecom inc. (Xit telecom), dated 9 June 2004, 5 July 2004, and 23 July 2004; and from MTS Communications Inc. (MTS), dated 10 June 2004. The Commission received reply comments from Bell Canada, dated 21 June 2004 and 19 July 2004.
11. The Commission received comments from MTS Allstream Inc. (MTS Allstream),¹ dated 16 October 2006, regarding Bell Canada's TN 6988 and Bell Aliant's TN 44. The Commission received reply comments from Bell Canada and Bell Aliant, dated 23 October 2006.

Positions of parties

Tariff Notice 6813

12. Allstream argued that Bell Canada's proposals to eliminate termination penalties for customers that migrated from Bell Canada's Centrex III service to MIPT service and to allow customers to aggregate MIPT ports with Centrex lines in order to determine volume levels and

¹ Manitoba Telecom Services Inc., the parent company of MTS Communications Inc., acquired all of the issued and outstanding shares of Allstream Inc. effective 4 June 2004. As part of the transaction, MTS Communications Inc., MTS Media Inc., and Allstream Corp. amalgamated effective 4 June 2004 to form a company operating under the name MTS Allstream Inc.

commitments would enable Bell Canada to take advantage of the current transition towards the use of IP technologies to entrench and extend its dominance in the large and very large business customer segments of the market.

13. Allstream submitted that the proposed MIPT tariff did not include an access component to connect to Bell Canada's central office (CO), but instead stipulated that the customer must provide access from the terminal equipment located at the customer's premises to the MIPT access port located in Bell Canada's CO.
14. Allstream also submitted that Bell Canada's proposed MIPT tariff referred to enhanced voice features without identifying what those enhanced features might include and that Bell Canada had not indicated whether it intended to permit interoperability between these enhanced features and the services and features offered by competitors.
15. Cogeco was of the view that the \$0.21 charge per working telephone number proposed by Bell Canada for each IVAS working telephone number equipped for outward calling should only apply when the voice over Internet Protocol (VoIP) service was sold as a substitute for local wireline telephone switched service – that is, when the modem connection for VoIP service remained permanently in one single location.
16. Cogeco argued, however, that it would not be appropriate for voice over Internet service providers (VISPs) to be required to provide subscriber records to Bell Canada so that Bell Canada could enter records associated with a portable VoIP service in the Automatic Location Identification (ALI) database. Cogeco submitted that the \$0.105 charge per working telephone number currently applicable for the wireless access service should also apply to the IVAS, when the VoIP service was bought by a VISP customer as a portable service.
17. Microcell submitted that Bell Canada had provided little insight on what it proposed to offer in terms of ALI functionality for VISP end-users. It also submitted that Bell Canada's proposal could be interpreted any number of ways, including the simple provision of access circuit billing number and access circuit location, rather than true end-user phone number and true end-user location. Microcell requested that the rate payable by VISPs per active telephone number for using the incumbent local exchange carrier's (ILEC) 9-1-1 network be reduced by 50 percent, in recognition that standard solutions were not yet in place for providing generalized ALI functionality for VISP end-users and that whatever solutions were developed might require significant incremental investments by VISPs.
18. MTS was of the view that it was not clear whether the new MIPT service required access in addition to the port charges specified in the proposed MIPT tariff and that public switched telephone network (PSTN) access for MIPT service needed to be dealt with specifically in the MIPT tariff, not as part of a legacy Centrex tariff. It submitted that provisions in the proposed tariff that would allow for the aggregation of national Centrex service locals with national MIPT ports for the purpose of determining MIPT rate thresholds could involve Centrex service locals provisioned by other ILECs, such as MTS.
19. MTS submitted that the existing national Float provision in Bell Canada's national Centrex service tariff allowed for the termination of up to 10 percent of total lines without penalty, but contained no limitations as to the territory where the terminations could take place.

MTS also submitted that this provision in the national Centrex service tariff could be used to transfer all, or some, national Centrex customers' lines currently provided by a service provider such as MTS to Bell Canada's MIPT service, without the termination of the existing contract and without termination charges being applied.

20. MTS argued that Bell Canada's proposed national MIPT service tariff must be amended to specify that national Centrex service customers currently receiving national Centrex service from telephone companies other than Bell Canada and its affiliates would be migrated to national MIPT service only within the terms of existing national Centrex service contracts and that normal contract termination provisions would apply.
21. OneConnect submitted that Bell Canada was proposing to offer MIPT service in a manner that excused customers from contractual commitments when they migrate Centrex III locals to MIPT ports, but that such customer concessions should be applied in a competitively neutral manner so as to allow customers to migrate to a competitor's services.
22. Primus was of the view that Bell Canada should be required to permit other service providers to use the underlying access that Bell Canada intended to use to provision the MIPT service, so that they could offer a similar service if they so chose. Primus submitted that alternate service providers should have the option to obtain the same packet prioritization services proposed by Bell Canada, not only for use in the proposed MIPT service, but for other services offered by Bell Canada as well – such as Gateway Access and High Speed Access services. Primus also submitted that if Bell Canada was supplying other features – such as back-up power via Ethernet connections or some other means – it should be prepared to provision these services to its competitors as well.
23. Xit telecom requested that Bell Canada identify all circumstances where the customer-provided data access facilities would be considered suitable and, for each such circumstance, on what basis the facility could qualify as a wide area network (WAN). Xit telecom submitted that allowing Bell Canada to launch its MIPT service with mark-ups of less than 20 percent would result in the negation of any further potential for competitive entry in the local exchange market. Xit telecom also submitted that the Voice Access Path component of the MIPT service was functionally equivalent to the PSTN access interfaces of Bell Canada's Centrex III service, but that Bell Canada had proposed a lower per-month rate in its MIPT application for something that was functionally equivalent and, thus, anti-competitive.

Tariff Notices 6988 and 44

24. MTS Allstream argued that by allowing customers to migrate to MIPT service without termination charges, while failing to grant the same exemption for customers migrating to the service of a competitor, Bell Canada and Bell Aliant were conferring an undue advantage on themselves. MTS Allstream also argued that if approved, the changes would allow Bell Canada and Bell Aliant to further leverage the terms of their Centrex tariffs to maintain their dominance in the Centrex market. MTS Allstream argued, further, that this would allow them to ensure that this dominance continued as services were migrated to next generation IP-based services and to raise prices for Centrex service without risking the loss of customers or market share.

Bell Canada's reply

Tariff Notice 6813

25. Regarding parties' comments related to the introduction of 9-1-1 functionality for VISPs, Bell Canada submitted that at that time, 9-1-1 calling in relation to VoIP services was one of the issues before the Commission in the *Regulatory framework for voice communication services using Internet Protocol*, Telecom Public Notice CRTC 2004-2, 7 April 2004 (Public Notice 2004-2) proceeding. The company also submitted that it therefore expected that the Commission would make its determinations regarding 9-1-1 calling in the context of the Public Notice 2004-2 proceeding.
26. Bell Canada submitted, further, that 9-1-1 call routing discussions in relation to VoIP services were underway in the CRTC Interconnection Steering Committee (CISC) and that any information regarding the handling of 9-1-1 calls that Bell Canada needed to provide for the purpose of industry discussions would be supplied to the CISC.
27. Regarding 9-1-1 charges related to working telephone numbers, Bell Canada stated that its submission associated with TN 6813 included an imputation test study that reflected the cost associated with the solution used which required modification to the existing databases to recognize newly formatted data strings used for the purpose of enabling 9-1-1 calling.
28. Bell Canada submitted that the treatment of termination penalties for Centrex customers who choose to migrate to MIPT service was consistent with provisions regarding termination charges already found in its Centrex III tariff. Bell Canada also submitted that its Terms of Service permitted it to waive termination charges in a wide variety of circumstances when the customer migrated from one company service to another and that these provisions had been in place for many years.
29. Bell Canada indicated that Centrex customers – including competitors who used its Centrex service – might remove up to a cumulative amount of 10 percent, 15 percent, or 25 percent of their in-service Centrex locals without incurring termination charges. The company submitted that the national Float option set out in its tariff was not restricted to migration to Bell Canada-provided services since it could be employed by customers to migrate to the services of a competitor, without penalty if they so chose.
30. Regarding MTS's concern that national Centrex locals provisioned by MTS would be aggregated with national MIPT ports to determine MIPT rate thresholds, Bell Canada submitted that only the national Centrex locals provisioned within the territories of Bell Canada and its affiliates would be counted when calculating national MIPT volume thresholds.
31. Bell Canada indicated that MIPT customers could choose either a Bell Canada-provided data access facility or a data access from a third-party WAN provider. The company also indicated that its IP VPN Enterprise service² was the recommended data service for Managed IP telephony for its data customers since it had the capability to deliver the quality of service parameters that were necessary to support the voice quality required in the Enterprise market.

² VPN stands for virtual private network.

Bell Canada suggested that in the case of a third-party WAN, the alternate provider would be responsible for ensuring that its WAN facility was capable of supporting the same quality of service.

32. Bell Canada submitted that packet prioritization was included in MIPT ports up to the customer-facing Ethernet port in the Bell Canada central office. It also submitted that it proposed to introduce Voice Access Paths, which would provide for the additional bandwidth and packet prioritization associated with a Bell Canada-provided data access service that was used to transport voice traffic to and from the PSTN. The company indicated that Voice Access Paths would be available to any subscriber of the MIPT service, except when the data access was provided by an alternate WAN provider.
33. Bell Canada submitted that in the event that a customer chose a data access facility from an alternate supplier, Bell Canada would make the necessary arrangements for the alternate supplier to interconnect its WAN to the MIPT demarcation and infrastructure. The company also submitted that this process would be facilitated through a third-party WAN service provider interconnection guideline.
34. Bell Canada noted that it had provided some examples of voice telephony features in its proposed tariff, but submitted that, in its view, including and maintaining an ongoing list of voice telephony features in the tariff would hinder the speed with which new features could be introduced into the MIPT service.
35. Bell Canada indicated that it did not plan to offer feature interworking between MIPT features and Centrex III beyond abbreviated dialing, and that the Enhanced Desktop Convergence Client provided interworking with Centrex locals through advanced intelligent network (AIN) triggers.
36. Bell Canada submitted that Xit telecom appeared to be arguing for mandated price floors, but since MIPT was a competitive service, the rates had been established to be market-based. Bell Canada further submitted that its proposed rates met the Commission's rate setting requirements and no further justification for the proposed rates should be required.

Tariff Notices 6988 and 44

37. Bell Canada and Bell Aliant submitted that MTS Allstream's comments on TNs 6988 and 44 were a reiteration of objections to the termination and migration provisions in their Centrex and MIPT tariffs, and that MTS Allstream had previously expressed these objections in a number of other proceedings. Bell Canada and Bell Aliant also submitted that, to their knowledge, nearly all other service providers, including MTS Allstream, prohibited their customers from terminating existing contracts in midstream for the purpose of migrating to the services of a competitor, without incurring termination charges. They suggested that, rather, these service providers encouraged their customers to transition from legacy services to new and innovative services by reducing or waiving termination charges.

Commission's analysis and determinations

38. In Order 2004-256, the Commission approved on an interim basis the introduction of MIPT service as proposed by Bell Canada in TN 6813, with the exception of a proposed temporary

waiver of the installation charges. In that Order, the Commission noted that, among other things, interveners had argued that Bell Canada's proposal to waive installation charges for a limited period of time was a promotion that should be addressed in the proceeding initiated by *Review of winback promotions*, Telecom Public Notice CRTC 2003-1, 15 January 2003, as amended by *Review of Promotions*, Telecom Public Notice CRTC 2003-1-1, 13 March 2003 (Public Notice 2003-1). The Commission considered that Bell Canada's proposal was in the nature of a promotion and that its disposition should be deferred pending the outcome of Public Notice 2003-1. The Commission stated that it would address other issues raised by the interveners when it disposed of Bell Canada's application on a final basis.

39. The Commission notes that Bell Canada's proposal to waive installation charges in TN 6813 was for the period from 12 July 2004 to 31 December 2004, which has expired. Consequently there is no issue remaining related to waiver of installation charges.
40. The Commission notes that subsequent to Order 2004-256, it set out its determinations on matters regarding the provision of 9-1-1 and enhanced 9-1-1 service using local VoIP services in Decision 2005-21. The Commission also notes that in TN 6895, Bell Canada proposed revisions to MIPT service consistent with the Commission's determinations in Decision 2005-21. Thus the matter related to 9-1-1 service within local VoIP services has been addressed.
41. The Commission is satisfied with Bell Canada's proposal that customers may choose either a Bell Canada-provided data access facility or one from a third-party WAN provider and that Bell Canada would make the necessary arrangements for third-party suppliers. The Commission considers that this will ensure that customers have a competitive alternative to Bell Canada's services with regard to the data access facility.
42. While Bell Canada did not address interoperability with services and features offered by competitors, the Commission notes that such interoperability is not generally supported between Bell Canada's existing Centrex service and Centrex services provided by competitors. The Commission does not consider, at this time, that there is any basis for mandated interoperability between Bell Canada's MIPT service features and the services and features offered by Bell Canada's competitors. To the extent that MTS Allstream wishes to pursue this matter, the Commission considers that the CISC would be the appropriate forum for MTS Allstream to make a proposal for industry consideration and discussion.
43. The Commission considers that Primus's request that Bell Canada be required to allow other service providers to use the underlying access for MIPT service and that alternate service providers be given the option to obtain packet prioritization services from Bell Canada are beyond the scope of this application. The Commission notes that MIPT service requires the customer to provide suitable data access facilities – that is, a WAN. The Commission also notes that WAN service is a forborne service that may be obtained from either Bell Canada or a third party. Consequently, the Commission does not consider that there is any basis for mandated access to forborne data services. With regard to the unbundling of packet prioritization, the Commission is not persuaded by the argument made by Primus in this regard.
44. Regarding MTS Allstream's comments related to the waiver of contract termination charges for customers migrating from Bell Canada's and Bell Aliant's Centrex services to MIPT, the Commission notes that it has previously dealt with the same matter in respect to other services.

In Bell Canada and Bell Aliant Regional Communications, Limited Partnership – Centrex III and Enhanced Exchange-Wide Dial services, Telecom Order CRTC 2006-281, 20 October 2006 (Order 2006-281), the Commission noted that Bell Canada's and Bell Aliant's existing Centrex tariffs included provisions for the waiver of contract termination charges in a variety of circumstances, including migrations to other access services that were also subject to MCPs. The Commission noted that it had already determined that service provisions that allowed customers the flexibility to migrate contracted services to other contracted services without incurring termination charges were standard industry provisions. The Commission considered that encouraging customers to migrate to newer technology-based services was not anti-competitive. In addition, the Commission noted that similar provisions were included in the other ILECs' tariffs, including MTS Allstream's. The Commission notes that the circumstances of the present case related to the issue of waiver of termination charges are the same as those dealt with in Order 2006-281, and consequently the Commission's reasoning and disposition of the matter in that case applies in the present case.

45. Bell Canada TNs 6882, 6895, and 6911 are each related to proposed revisions to Bell Canada's MIPT service. The Commission notes that it has granted interim approval to all of these applications. The Commission also notes that it has not received comments on any of these applications. The Commission further notes that these TNs either respond to previous Commission directives or proposed modifications to MIPT feature functionality, and the Commission considers that approval of these TNs would be appropriate and in the public interest.
46. In light of the above, the Commission **approves on a final basis** Bell Canada TNs 6813, 6882, 6895, 6911 and 6988, and Bell Aliant TN 44.

Secretary General

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