



Telecom Order CRTC 2012-56

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Ottawa, 27 January 2012

Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed wholesale penalty charge

File numbers: Bell Aliant Tariff Notice 392
Bell Canada Tariff Notice 7339

Introduction

1. On 23 December 2011, Bell Aliant Regional Communications, Limited Partnership (Bell Aliant) and Bell Canada in Ontario and Quebec (collectively, the Bell companies) filed Tariff Notices (TNs) 392 and 7339, respectively, for approval with the Commission in connection with their proposed implementation of the capacity-based billing model approved in Telecom Regulatory Policy 2011-703.
2. In TNs 392 and 7339, the Bell companies proposed a penalty charge to discourage Internet service providers (ISPs) that subscribe to both wholesale residential and business high-speed access services from directing residential traffic onto the business realm,¹ so as to reduce their overall monthly charges.
3. The Commission received comments from Vaxination Informatique (Vaxination) on 6 January 2012, from the Canadian Network Operators Consortium Inc. (CNOc), MTS Allstream Inc., and Primus Telecommunications Canada Inc. on 12 January 2012, and reply comments from the Bell companies on 16 January 2012.
4. The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

Should the Bell companies' proposed penalty charge be approved?

5. In response to the above-referenced TNs, CNOc submitted that there is no evidence to suggest that any potential direction of wholesale residential traffic onto the business realm would be of any significance.
6. Both CNOc and Vaxination stated that residential traffic could end up being directed over the business realm by error or via circumstances outside the ISP's control.

¹ A realm or domain is a name used to identify an ISP and to identify each of its retail customers as either a business or a residential customer. The Bell companies proposed to implement the capacity-based billing model using separate realms, or domains, to segregate the residential and business traffic of an ISP's retail customers into two data streams. Under the Bell companies' proposal, such realm splitting would be required only if an ISP has both residential and business retail customers.

Commission's analysis and determinations

7. The Commission notes that all parties agreed that there was the potential for the direction of residential traffic onto the business realm.
8. In light of this potential, the Commission considers that a penalty charge would be appropriate.
9. The Commission notes, however, that the implementation regime for the approved capacity-based billing model is currently the subject of a Part 1 application filed by CNOC on 4 January 2012.
10. The Commission also notes that today it issued Telecom Decision 2012-60 dealing with implementation of the approved capacity-based billing model. In Telecom Decision 2012-60, the Commission made the terms and conditions of the approved capacity-based billing model interim and made modifications that would make, under the Bell companies' implementation of that model, the use of separate realms for wholesale residential and business traffic optional at the ISP's discretion.
11. The Commission considers that, during the period that the interim implementation regime is in force, it would be appropriate to give the Bell companies and the ISPs the opportunity to collect data to evaluate the significance of any direction of wholesale residential traffic onto the business realm and to refine their positions on the nature and level of the penalty charge. Accordingly, the Commission will not approve the Bell companies' TNs at this time.
12. The Commission therefore suspends the proceeding associated with Bell Aliant TN 392 and Bell Canada TN 7339 until such time as it provides final direction on the implementation regime for the approved capacity-based billing model or until there is clear evidence of traffic irregularities.
13. Therefore, it is open to the Bell companies to request that the Commission reopen this proceeding during the interim period if the data collected by the Bell companies shows that direction of wholesale residential traffic onto the business realm is occurring at a level which warrants immediate Commission action.

Secretary General

Related documents

- *Implementation date for the wholesale high-speed access services capacity model approved in Telecom Regulatory Policy 2011-703*, Telecom Decision CRTC 2012-60, 27 January 2012
- *Billing practices for wholesale residential high-speed access services*, Telecom Regulatory Policy CRTC 2011-703, 15 November 2011, as amended by Telecom Regulatory Policy CRTC 2011-703-1, 22 December 2011