



Telecom Decision CRTC 2013-72

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Ottawa, 21 February 2013

Canadian Network Operators Consortium Inc. – Application requesting relief to address implementation of the capacity model approved in Telecom Regulatory Policy 2011-703

File number: 8622-C182-201200063

In this decision, the Commission considers the requests made by the Canadian Network Operators Consortium Inc. regarding implementation of the capacity-based billing (CBB) model approved in Telecom Regulatory Policy 2011-703. The Commission decides that large telephone companies and cable carriers must use the same model for both residential and business wholesale high-speed access (HSA) services. Companies may choose either the CBB model or the flat rate model. The Commission decides that the implementation date of the common CBB model is 45 days from the date of this decision, and that the existing interim wholesale HSA model applies during this period.

The Commission notes that Telecom Regulatory Policy 2013-70, which frames a series of decisions in regard to wholesale HSA services, is a companion document to this decision.

The application

1. The Commission received an application from the Canadian Network Operators Consortium Inc. (CNOc), dated 4 January 2012, requesting that the Commission address certain issues associated with the incumbent local exchange carriers (ILECs) and Cable carriers' implementation of the capacity-based billing (CBB) model¹ and related matters.² Among other requests, CNOc was concerned that under the implementation of the CBB model of Bell Aliant Regional Communications, Limited Partnership in its territory in Ontario and Quebec and Bell Canada

¹ The CBB model was formerly defined as the “approved capacity model” (in Telecom Regulatory Policy 2011-703 and Telecom Decision 2012-60). The CBB model requires each independent service provider to pay a monthly capacity rate for network capacity, in increments of 100 megabits per second (Mbps), to recover network transport costs, and a separate monthly access rate on a per end-user basis to recover access costs.

² In this decision, the Cable carriers are Cogeco Cable Inc., Rogers Communications Partnership, and Videotron G.P

(collectively the Bell companies in Ontario and Quebec), the requirement to separate the traffic of their residential and business end-users using realm splitting³ would cause significant disruptions to both end-users and independent service providers.

2. CNOC requested that the Commission address its application on an expedited basis to ensure that the CBB model was implemented as quickly as possible. By letter dated 6 January 2012, this request was denied as CNOC's proposal would not have allowed sufficient time for the Commission to collect a full record on the substantive issues related to CNOC's application by 1 February 2012, the implementation date for the CBB model. However, a process was initiated seeking comments on a number of options related to the implementation date for the CBB model; the Commission's decisions in this regard were set out in Telecom Decision 2012-60, issued on 27 January 2012.
3. In Telecom Decision 2012-60, the Commission maintained the implementation date of 1 February 2012 for the CBB model for the Bell companies in Ontario and Quebec, MTS Allstream Inc., and the Cable carriers.⁴ In that decision, the Commission stated that it was important to provide independent service providers with the residential wholesale high-speed access (HSA) services that are available through the CBB model as soon as possible. In order to reduce customer impacts pending the resolution of the issues raised by CNOC's 4 January 2012 application, the Commission also modified the CBB model for the Bell companies in Ontario and Quebec for an interim period (referred to hereafter as the interim wholesale HSA model) so that independent service providers would have the option to not make modifications to separate the traffic of their residential and business end-users. The Commission also made all terms and conditions of the CBB model interim.
4. Under the interim wholesale HSA model, independent service providers were given the option to
 - i) use the realm splitting approach of the Bell companies in Ontario and Quebec to separate their residential and business traffic in order to apply the CBB model only to residential traffic and the flat rate model to business traffic; or

³ The implementation of the approved CBB model by the Bell companies in Ontario and Quebec for their residential high-speed access service makes use of identifiers called realms to separate the residential and business traffic of an independent service provider's end-users into two data flows (realm splitting). A realm is an identifier associated with each end-user of an independent service provider to designate the end-user as a residential or business customer so that the networks of the Bell companies in Ontario and Quebec can direct the traffic to the appropriate business or residential interface. The independent service provider is responsible for ensuring that each of its end-users has the appropriate identifier programmed into the end-user's router.

⁴ On 19 December 2011, pursuant to Telecom Decision 2011-703, the Bell companies in Ontario and Quebec; Cogeco Cable Inc., Rogers Communications Partnership, and Quebecor Media Inc. on behalf of its affiliate Videotron G.P., and MTS Allstream Inc. issued tariff pages for the implementation of the CBB model for their residential wholesale HSA services with an effective date of 1 February 2012.

- ii) apply the monthly capacity rates to both residential and business traffic, along with a monthly business access rate per end-user reduced by 10 percent to recognize any potential double counting for business usage.
5. Following procedural requests from parties, the Commission modified the proceeding to allow parties to comment on using the interim wholesale HSA model as a longer-term solution or to propose other economic solutions to address the traffic separation issue.
 6. The Commission received comments regarding CNOC's application from the Bell companies in Ontario and Quebec and Bell Aliant Regional Communications, Limited Partnership in its territory in Atlantic Canada (collectively the Bell companies), the Cable carriers, the Canadian Association of Internet Providers, Electronic Box Inc., MTS Inc. and Allstream Inc. (collectively, MTS Allstream),⁵ Primus Telecommunications Canada Inc. (Primus), Shaw Cablesystems G.P., and Vaxination Informatique (Vaxination). The public record of this proceeding, which closed on 28 March 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.
 7. The Commission has identified the following issues to be addressed in this decision:
 - I. For a company that employs the CBB model for residential wholesale HSA service and the flat rate model for business wholesale HSA service, what billing model should it use for its business wholesale HSA service going forward?
 - II. Should implementation of the CBB model incorporate dynamic capacity allocation across interfaces to support redundancy and load balancing?
 - III. Should MTS Inc. be required to offer common interfaces for its legacy and non-legacy wholesale HSA services?
 - IV. Should the Bell companies in Ontario and Quebec be required to adjust their monthly capacity rates for OC-3 interfaces?
 - V. Are the Cable carriers required to adhere to the speed-matching requirements set out in Telecom Decision 2006-77 for both aggregated and disaggregated points of interconnection (POIs)?
 - I. For a company that employs the CBB model for residential wholesale HSA service and the flat rate model for business wholesale HSA service, what billing model should it use for its business wholesale HSA service going forward?**
 8. CNOC submitted that the realm splitting approach of the Bell companies in Ontario and Quebec was a complex, time-consuming process that would be costly and cause disruptions for end-users. CNOC stated that realm splitting requires significant

⁵ MTS Allstream Inc. was the entity that participated in the proceeding that led to Telecom Regulatory Policies 2011-703 and 2011-704. However, as of early January 2012, MTS Allstream Inc. became known as two separate entities, namely, MTS Inc. and Allstream Inc. (collectively, MTS Allstream).

technical support to update all affected end-users, and that the associated disruptions could cause end-users to change service providers. CNOC argued that since the Bell companies in Ontario and Quebec did not have to update their end-users because of the introduction of the CBB model, the independent service providers were unjustly discriminated against, which would adversely affect competition.

9. Therefore, CNOC requested that the Commission direct the Bell companies in Ontario and Quebec to implement an alternative technical approach, such as dynamic RADIUS,⁶ to separate business and residential traffic and to make tools available to independent service providers to enable them to assess whether their end-users are using residential and business logins correctly.
10. In addition, CNOC and Primus supported the adoption of the interim wholesale HSA model as a permanent solution. In particular, CNOC submitted that the option to use the CBB model for business wholesale HSA service would provide an economic solution that would avoid the use of realm splitting.
11. The Bell companies submitted that realm splitting was not overly burdensome and that CNOC had not provided evidence to support its claims regarding the complexity of the process or the number of affected end-users. The Bell companies added that the need to separate residential and business traffic was considered during the proceeding leading to Telecom Regulatory Policy 2011-703, and that independent service providers were aware of the associated costs and implementation efforts that this would require.
12. Further, the Bell companies objected to CNOC's requests submitting that implementation of a technical solution or the development of additional tools would cost millions of dollars, would take approximately one year to complete, and would allow for gaming opportunities. The Bell companies stated that a penalty charge was required to incent independent service providers to respect the rules for residential and business end-user logins under the realm splitting approach.⁷
13. The Bell companies did not support the interim wholesale HSA model. They submitted that allowing two billing options for business wholesale HSA service would undermine the goals of the CBB model, specifically the creation of financial incentives for independent service providers to manage their capacity while allowing the Bell companies in Ontario and Quebec to recover their costs of capacity in the network. They stated that allowing two billing options would increase gaming opportunities by enabling independent service providers with low-usage business end-users to choose the CBB model and independent service providers with high-usage business end-users to choose the flat rate model. The Bell companies

⁶ RADIUS, or remote authentication dial-in user service, is a technology for authenticating end-user logins and authorizing access to a requested service. It was originally used for dial-up Internet access, but is now used by some Internet service providers in providing high-speed Internet services.

⁷ The Bell companies proposed wholesale penalty charges in Bell Aliant Tariff Notice 392 and Bell Canada Tariff Notice 7339. In Telecom Order 2012-56, the Commission suspended the the proceeding associated with these tariff notices pending resolution of CNOC's application.

further submitted that allowing the application of the CBB model for business wholesale HSA service was inconsistent with the Commission's decision in Telecom Regulatory Policy 2011-704 that the flat-rate model remains appropriate for business traffic.

14. CNOC submitted that the Bell companies' objections to modifying their approach for separating residential and business traffic and their inability to provide appropriate tools to independent service providers reinforce the need for an option that avoids traffic separation.

Commission's analysis and decisions

15. The Commission notes that the Bell companies in Ontario and Quebec are the only incumbents that employ the CBB model for their residential wholesale HSA services and the flat rate model for their business wholesale HSA services.
16. The Commission notes that in Telecom Regulatory Policy 2011-704, it did not consider it necessary to mandate a tariff structure for business services that separated access and usage such as the CBB model.
17. However, the Commission considers that parties' concerns have raised questions about the feasibility of using different models for residential and business wholesale HSA services from a single incumbent.
18. Specifically, the Commission considers that the implementation of realm splitting by independent service providers to separate their residential and business traffic can be disruptive to end-users and can generate costs for the independent service providers.
19. The Commission also considers that cost and time required to separate residential and business traffic using dynamic RADIUS and developing new tools is significant.
20. The Commission notes that in Telecom Order 2012-56, it considered that a penalty charge would be appropriate to address potential gaming opportunities associated with the implementation of realm splitting of the Bell companies in Ontario and Quebec to separate residential and business traffic. Further, without a suitable tool for correlating end-user telephone numbers and login identifiers, the Commission considers that independent service providers would not be able to detect real-time misuse by their end-users. The Commission considers that this situation would result in disputes.
21. Accordingly, the Commission considers that given the potential disruptions to independent service providers' end-users, the potential costs to independent service providers, the potential for disputes under the current implementation of realm splitting of the Bell companies in Ontario and Quebec, and the costs and delays to implement an alternative approach, it would be appropriate to allow a CBB model for business wholesale HSA services.

22. With respect to whether to maintain the interim wholesale HSA model, the Commission considers that, as the Bell companies submitted, this model could lead to gaming opportunities and disputes. The Commission also considers that with this hybrid model, the Bell companies in Ontario and Quebec would have to maintain two separate billing methods for one service. The Commission considers that if the independent service providers' option to choose between the flat rate model or the CBB model for business wholesale HSA service is eliminated, this would reduce disputes and administrative issues for the Bell companies in Ontario and Quebec.
23. In light of all the above, the Commission decides that incumbents that employ the CBB model for their residential wholesale HSA service should also apply the CBB model for their business wholesale HSA service.
24. The Commission notes that in Telecom Decision 2013-73 also issued today,⁸ it found that the business wholesale HSA services of Bell Aliant in Atlantic Canada, the Bell companies in Ontario and Quebec, and TCC were equivalent to those companies' comparable residential wholesale HSA services. The revised rates for business wholesale HSA services are set out in the Appendix of Telecom Regulatory Policy 2013-73.
25. With respect to penalty charges, the Commission notes that this matter is dealt with in Telecom Order 2013-82, also issued today.

Implementation

26. The Commission notes that a number of independent service providers will need time to implement the above decisions.
27. The Commission considers that it would be appropriate to set an implementation date of **8 April 2013** to allow sufficient time for estimation of CBB requirements and migration of the affected independent service providers' business traffic to the CBB model. The interim wholesale HSA model will continue to apply during this period.

II. Should implementation of the CBB model incorporate dynamic capacity allocation across interfaces to support redundancy and load balancing?

28. CNOC, supported by Primus and Vaxination, requested that the Commission require that the Bell companies in Ontario and Quebec, the Cable carriers, and MTS Inc. allow the independent service providers to allocate purchased capacity dynamically to one or more interfaces to provide for independent service provider network redundancy and load balancing without having to pay for excess capacity that will not be used. CNOC submitted that dynamic capacity allocation would enable independent service

⁸ Telecom Decision 2013-73, issued today, sets out the Commission's decisions with respect to CNOC's review and vary application dated 2 March 2012.

providers to purchase extra standby interfaces at full tariffed rates, where applicable, and have their reserved capacity shifted to the standby interfaces for redundancy purposes, when necessary, to prevent service disruptions.

29. The Bell companies submitted that dynamic capacity allocation, as proposed by CNOC, requires a capability known as link aggregation⁹ that has not been implemented. The Bell companies indicated that they have not implemented link aggregation because of technical limitations and provisioning complexities that arise when an independent service provider's interfaces are distributed over various types of routing and switching equipment, which can be located in different central offices. The Cable carriers agreed with the Bell companies' submission regarding the complexities associated with implementing link aggregation in their networks.
30. Both the Bell companies and the Cable carriers submitted that if additional capacity were reserved to support network redundancy and load balancing, this capacity would have to be activated on the designated interfaces, and would be available for use by independent service providers. They added that such capacity would not be set aside and identified as capacity to be used in the event of failure. The companies indicated that to identify such capacity, it would be necessary for them to measure the actual capacity used by each independent service provider.
31. The Bell companies and the Cable carriers also submitted that a requirement for traffic measurement would replace the CBB model with a model that would include features of the 95th percentile model¹⁰ proposed by CNOC in the proceeding leading to Telecom Regulatory Policy 2011-703, which would be contrary to the Commission's decision in that decision that each independent service provider should assume the risks and responsibilities for the capacity it requires.
32. In response to a request for information, CNOC submitted that it had not developed a technical solution for dynamic allocation of capacity for the CBB model. CNOC proposed the following two economic solutions as alternatives:
 - i) Modify the implementation of the CBB model to allow an independent service provider to exceed its contracted capacity and be charged a higher rate for any peak burst above its contracted capacity; and
 - ii) Maintain the existing implementation of the CBB model, but reduce the rates for capacity to a range between \$100 and \$400 per 100 megabits per second (Mbps) increment.

⁹ Link aggregation is a technical solution for managing capacity on an aggregate basis across multiple interfaces.

¹⁰ Under this model, the incumbent measures, in Mbps, the independent service provider's traffic at the interconnection point between the network provider and the independent service provider. The 95th percentile measurement of the independent service provider's traffic is used as the indicator of the provider's peak traffic for billing purposes. With this model, traffic is measured at regular intervals on an ongoing basis throughout the month. The highest five percent of measurements are discarded as outliers and the next highest measurement is used for billing purposes.

33. The Bell companies and the Cable carriers submitted that CNOC's proposed economic solutions should be rejected. They submitted that because the first economic solution required measurement of each independent service provider's traffic, it would effectively replace the CBB model with a form of the Commission-rejected 95th percentile model. The Cable carriers submitted that the second solution would set rates below costs and would violate subparagraph 1(b)(ii) of the Policy Direction,¹¹ which requires that economic regulatory measures neither deter economically efficient competitive entry nor promote economically inefficient entry, as well as subparagraph 1(b)(iv) of the Policy Direction, which requires network access arrangements to be technologically and competitively neutral and not to artificially favour either Canadian carriers or resellers. The Bell companies submitted that in the case of the second solution, they would be undercompensated and independent service providers would not have to assume "the risk and responsibility associated with planning and managing the impact their customers will have on the incumbents' networks," as deemed appropriate by the Commission in Telecom Regulatory Policy 2011-703.

Commission's analysis and decisions

34. The Commission notes that no party provided a feasible technical solution for dynamic capacity allocation across interfaces under the CBB model but that CNOC proposed two economic solutions as potential alternatives.
35. The Commission notes that CNOC's first proposed economic solution does not limit the end-user traffic of each independent service provider to the capacity it has reserved. Instead, the proposed solution allows the contracted capacity level to be exceeded and therefore requires incumbents to measure end-user traffic for each independent service provider to determine, for planning and billing purposes, how much capacity is being used to meet end-user needs. The Commission considers that this approach shifts the responsibility to predict and manage the independent service provider's network usage back to the incumbent, contrary to the Commission's considerations in Telecom Regulatory Policy 2011-703. Accordingly, the Commission considers that CNOC's first proposed economic solution is not acceptable.
36. The Commission notes that CNOC's second proposed economic solution would result in monthly capacity rates that are below the approved rates and would not allow incumbents to fully recover the costs of providing their service. Accordingly, the Commission considers that CNOC's second proposed economic solution is not acceptable.
37. In light of the above, the Commission considers that, based on the evidence in this proceeding, parties have not proposed acceptable technical or economic solutions that support CNOC's proposal for dynamic capacity allocation across interfaces under the CBB model.
38. Accordingly, the Commission **denies** CNOC's request.

¹¹ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006

III. Should MTS Inc. be required to offer common interfaces for its legacy and non-legacy wholesale HSA services?

39. CNOC requested that the Commission direct MTS Inc. to allow independent service providers¹² and non-legacy wholesale HSA services and apply the rate structure approved in Telecom Regulatory Policy 2011-703. CNOC submitted that the Commission intended that a common interface be provided, and that the requirement for separate interfaces diminishes the usefulness of the CBB model to promote competition in MTS Allstream's operating territory.
40. MTS Allstream submitted that its legacy and non-legacy wholesale HSA services do not share the same network equipment. The company added that to permit aggregation of the traffic for the two services, it would have to modify its network, develop a new cost study, and refile tariffs to take into account the associated costs.
41. MTS Allstream also submitted that independent service providers would migrate from its legacy wholesale HSA service to its non-legacy wholesale HSA service because of consumer demand for higher-speed services, which would render the network modifications required to accommodate CNOC's request obsolete.

Commission's analysis and decisions

42. The Commission notes that for MTS Inc. to modify its network to support a common interface for its wholesale legacy and non-legacy wholesale HSA services, the company would incur costs and would have to develop modified rates to reflect those costs.
43. The Commission considers that MTS Allstream's submission regarding the likely migration of independent service providers to the company's non-legacy wholesale HSA service is valid, given consumer demand for higher-speed services and the similarity of the monthly per-end-user rates between its legacy and non-legacy wholesale HSA services.
44. The Commission considers that the costs for MTS Inc. to modify its network and develop modified rates outweigh the benefits of providing independent service providers with a single interface for both legacy and non-legacy services.
45. Accordingly, the Commission **denies** CNOC's request.

IV. Should the Bell companies in Ontario and Quebec be required to adjust their monthly capacity rates for OC-3 interfaces?

46. CNOC submitted that independent service providers should only be charged for purchased usable capacity. CNOC requested that the Bell companies in

¹² Legacy business wholesale HSA services are those services that were on the market prior to July 2011.

Ontario and Quebec be directed not to charge their independent service provider customers for 155 Mbps of capacity on the wholesale OC-3 legacy interface since this interface can only accommodate 130 Mbps of Internet Protocol (IP) traffic.

47. The Bell companies submitted that all data networks require that some portion of the transmission path be dedicated to overhead functions while the balance of the transmission path be available for payload or content. The Bell companies indicated that their monthly capacity rates under the CBB model in the operating territories of Ontario and Quebec are based on theoretical capacities that include both payload and overhead. They added that if this overhead was removed, the monthly capacity rate would have to be increased accordingly.
48. CNOC argued that independent service providers should not be charged based on the assumption that the overhead on legacy asynchronous transfer mode (ATM) interfaces, such as the OC-3 interface, is present throughout the network of the Bell companies in Ontario and Quebec. CNOC stated that, in fact, this overhead only occurs on the small portion of the network between the broadband access server and the legacy ATM interface. CNOC added that in the remainder of the network, the overhead is identical to that found on the newer Ethernet interfaces, and that this overhead is negligible compared to that on ATM interfaces.
49. Vaxination submitted that since the Bell companies in Ontario and Quebec had announced their intention to destandardize legacy interfaces, CNOC's issue was potentially moot.

Commission's analysis and decisions

50. The Commission notes that the level of overhead associated with independent service providers' high-speed access data depends on the technology that is used to transport the data. The level of overhead associated with data can change as the data is transported over different technologies within different parts of the network.
51. The Commission notes that for all implementations of the CBB model by incumbents, the network capacity that an independent service provider pays for is set at the interface. The capacity allocated at an interface allows a certain amount of data payload and the associated overhead to pass through that interface. Accordingly, the monthly capacity rate implicitly assumes that the overhead on an interface is representative of the overhead that applies to the capacity across an incumbent's high-speed access network.
52. The Commission notes that CNOC questioned the appropriateness of including the overheads of OC-3 interfaces in the monthly capacity rates, but not the inclusion of the overheads of Ethernet interfaces in the monthly capacity rates, which it viewed to be negligible. The Commission considers that inclusion of the overheads of the OC-3 interface in the monthly capacity rates may not be representative of the overheads across the network.

53. The Commission notes that any adjustment to the overall monthly capacity rate for OC-3 interfaces would require the development of a methodology to determine how much network overhead to associate with competitors' high-speed access traffic that would take into account the network architecture, the different technologies within the network and their associated overheads, and the proportional contribution of each of the network technologies to an overall average network overhead.
54. The Commission further notes that it approved the destandardization of the legacy interfaces for the Bell companies in Ontario and Quebec, including the OC-3 interface, in Telecom Order 2012-145. The Commission notes that, in their destandardization application, the Bell companies in Ontario and Quebec had submitted that one of the reasons they were provisioning newer technology IP interfaces instead of legacy interfaces such as the OC-3 interface, was that much of the equipment supporting legacy interfaces was at the end of its service life or no longer being manufactured.
55. In light of the above, the Commission considers that it would be inefficient to proceed with a detailed assessment of the network overhead associates with the OC-3 interface.
56. Accordingly, the Commission **denies** CNOC's request.

V. Are the Cable carriers required to adhere to the speed-matching requirements set out in Telecom Decision 2006-77 for both aggregated and disaggregated POIs?

57. CNOC requested confirmation that the Cable carriers are required to adhere to the speed-matching requirements set out in Telecom Decision 2006-77 for both aggregated and disaggregated POIs during the period of transition to aggregated POIs. CNOC referred to the following two decisions: i) if a cable carrier introduces a new retail Internet service speed, it is to file at the same time revised wholesale third-party Internet access (TPIA) tariffs to offer the same speed to independent service providers, with a supporting cost study, and ii) if a cable carrier introduces a speed upgrade to its retail Internet service offerings with no corresponding price change, it should match the speed changes to its wholesale TPIA service with no corresponding price change (re-speeding condition).
58. The Cable carriers submitted that the Commission established, in Telecom Decision 2011-482, that the scope of the speed-matching requirements for wholesale TPIA services at disaggregated POIs was based on whether the comparable retail service speed was offered prior to the release of Telecom Regulatory Policy 2010-632. The Cable carriers added that in Telecom Decision 2011-482, the Commission established 30 August 2010 as the date after which any new retail Internet service speeds need not be made available at disaggregated POIs.

Commission's analysis and decisions

59. The Commission notes that it established the speed-matching requirements for the wholesale TPIA services provided by cable carriers in Telecom Decision 2006-77.

The Commission also notes that, in Telecom Regulatory Policy 2010-632, it maintained the speed-matching requirements for wholesale TPIA services to be supported on aggregated POIs.

60. The Commission notes that it established in Telecom Decision 2011-482 that if a cable carrier offers a new speed for its retail Internet service after the release of Telecom Regulatory Policy 2010-632, the cable carrier must offer the new matching speed for its wholesale TPIA service at aggregated POIs, but it is not required to offer the new speed for its wholesale TPIA service at disaggregated POIs.
61. The Commission notes that in Telecom Decision 2013-36, it stated that it no longer considered the re-speeding condition to be appropriate.
62. In light of the above, the Commission notes that there is a difference in the speed-matching requirements for TPIA services provided at aggregated POIs and the speed-matching requirements for TPIA services at disaggregated POIs.
63. Accordingly, the Commission **denies** CNOC's request for confirmation of their statement regarding speed-matching requirements.

Policy Direction

64. The Policy Direction states that the Commission, in exercising its powers and performing its duties under the *Telecommunications Act* (the Act), shall implement the policy objectives set out in section 7 of the Act, in accordance with paragraphs 1(a), (b), and (c) of the Policy Direction.
65. The Commission considers that its findings in this decision advance the policy objectives set out in paragraphs 7(a), 7(b), 7(c), 7(f), and 7(h) of the Act.¹³ The Commission notes that its decision to require a common CBB model for residential and business wholesale HSA services for an incumbent that employs a CBB model for its residential wholesale HSA service eliminates the need to separate residential and business end-user traffic of independent service providers. The Commission considers that this decision reduces potential disruptions for independent service providers, potential costs for independent service providers and the incumbents, and potential billing disputes. The Commission further considers that this decision will reduce the administrative burden of both independent service providers and the incumbents related to ensuring proper usage of the wholesale HSA services by

¹³ The cited policy objectives of the Act 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;

7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;

7(c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications;

7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; and

7(h) to respond to the economic and social requirements of users of telecommunications services.

end-users. The Commission therefore considers that, in accordance with subparagraphs 1(a)(ii) and 1(b)(iv) of the Policy Direction, the requirement for a common CBB model (a) is a measure that is efficient and proportionate to its purpose and interferes with competitive market forces to the minimum extent necessary to meet the policy objectives noted above, and (b) is a measure that does not artificially favour either Canadian carriers or resellers.

Secretary General

Related documents

- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed wholesale penalty charge*, Telecom Order CRTC 2013-82, 21 February 2013
- *Canadian Network Operators Consortium Inc. – Application to review and vary Telecom Regulatory Policies 2011-703 and 2011-704*, Telecom Decision CRTC 2013-73, 21 February 2013
- *Disposition of review and vary applications with respect to wholesale high-speed access services: Introductory statement*, Telecom Regulatory Policy CRTC 2013-70, 21 February 2013
- *Canadian Network Operators Consortium Inc. – Application requesting enforcement of matching speed requirements with respect to third-party Internet access services provided by Rogers Communications Partnership*, Telecom Decision CRTC 2013-36, 31 January 2013
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Destandardization of legacy Aggregated High-Speed Service Provider Interfaces*, Telecom Order CRTC 2012-145, 12 March 2012
- *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
- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed wholesale penalty charge*, Telecom Order CRTC 2012-56, 27 January 2012
- *Billing practices for wholesale business high-speed access services*, Telecom Regulatory Policy CRTC 2011-704, 15 November 2011
- *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

- *Canadian Network Operators Consortium Inc. – Application for clarification and expedited relief concerning the manner in which cable companies intend to implement directives in Telecom Order 2011-377*, Telecom Decision CRTC 2011-482, 10 August 2011
- *Wholesale high-speed access services proceeding*, Telecom Regulatory Policy CRTC 2010-632, 30 August 2010
- *Cogeco, Rogers, Shaw, and Videotron – Third-party Internet access service rates*, Telecom Decision CRTC 2006-77, 21 December 2006