



Telecom Order CRTC 2005-94

Ottawa, 9 March 2005

Bell Canada

Reference: Tariff Notice 6851

Business primary exchange (local) service

1. The Commission received an application by Bell Canada, dated 1 February 2005, to revise General Tariff item 70.2, Rate Schedules for Primary Exchange (Local) Service – Business Service, in order to increase the monthly rates for flat rate individual line business primary exchange service in rate bands A, B, C and sub-bands E1, F1, F3, and F5 by \$0.80 per line. Bell Canada also proposed to increase the monthly rates for one- and three-year minimum contract period options by \$0.80 per line.
2. Bell Canada submitted that none of the proposed increases exceed the 10% rate element constraint.
3. The Commission received no comments with respect to the application.
4. In *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002 (Decision 2002-34), the Commission applied a number of constraints to the rates for services in the single and multi-line business local exchange services basket, in order to provide customers of those services with price protection.
5. The pricing constraints which apply to services in the single and multi-line business local exchange services basket include:
 - a basket constraint, operating through the service basket limit (SBL) for that basket, which must be updated annually by the rate of inflation;
 - rate element constraint limiting rate increases for a service to 10% per year; and
 - a provision, in order to prevent an incumbent local exchange carrier from decreasing rates in more competitive areas and increasing rates in less competitive areas of the same band, that rates for business local exchange services should not generally be permitted to be further de-averaged within a band.
6. The Commission notes that the proposed increases do not exceed 10% and that the proposed tariff revisions comply with the basket constraint requirement that the service basket index not exceed the SBL for the single and multi-line business local exchange services basket.
7. The Commission further notes that the proposed tariff revisions comply with the Commission's prohibition against further de-averaging rates for single and multi-line business local exchange services within a band.

8. Accordingly, the Commission finds that the proposed tariff revisions are in accordance with the Commission's determinations in Decision 2002-34.
9. The Commission **approves** Bell Canada's application. The revisions take effect as of 1 April 2005.

Secretary General

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