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2005 06 15

Mr. Leonard Katz
Executive Director, Telecommunications
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Katz:

Associated with Aliant Tariff Notice No. 167

1. Aliant Telecom Inc. ("Aliant" or "the Company") submits for the Commission's approval a proposed revision to Aliant Telecom General Tariff (CRTC 21491) Item 235, Provincial Enhanced 911 service. The proposed revision makes the Billing and Collection of the government 911 fee, which is currently available in Nova Scotia and Prince Edward Island, also available to the Government of New Brunswick under the same terms and conditions and at the same rate.
2. The billing and collection fee was proposed in Aliant Tariff Notice 789, March 12, 2001 and approved with revisions by the Commission in Order CRTC 2001-434 on May 31, 2001. The application to extend the agreement to the Government of Prince Edward Island was made in Aliant Tariff Notice 149 and approved by the Commission in Telecom Order CRTC 2005-51 dated February 11, 2005.
3. Aliant has a request from the Province of New Brunswick (the Province) to enter into an agreement to bill and collect a government 911 fee per access per month.
4. Under the current E911 tariff, which the Company proposes to extend to New Brunswick, the Company will act as a billing agent on behalf of the Province. The billing and collection arrangement would be subject to the terms set out in the tariff and in the attached agreement (Attachment 1).

5. The Company is proposing to charge \$0.07 per month per eligible working telephone number for undertaking the billing and collection of the 911 fee. This rate is consistent with the rate charged in Nova Scotia and Prince Edward Island. The attached Economic Study (Attachment 2) demonstrates that the proposed service meets the imputation test requirements. The billing and collection service is treated as an uncapped service for price cap purposes and has no impact on the Company's price cap indices.
6. In accordance with Section 39 of the Telecommunications Act, certain information contained in Attachment 2 is submitted to the Commission in confidence. Release of this information would allow current and potential competitors to establish more effective business and marketing strategies, thereby causing the Company specific direct harm. An abridged version of Attachment 2 is provided for the public record.
7. The Company requests approval of the proposed tariff revision with an effective date of 2005 06 30. Should the Commission have any questions with respect to this filing, please contact Marion Braid our office at 902-487-3328 or Marion.Braid@aliant.ca.

Yours truly,

A handwritten signature in cursive script that reads "David Hennessey".

Attachments



David J. Hennessey
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2005 06 15

Mr. Leonard Katz
Executive Director, Telecommunications
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Mr. Katz:

Associated with Aliant Tariff Notice No. 167

In compliance with the requirements of the Telecommunications Act and Section 29 of the CRTC Telecommunications Rules of Procedure, Aliant applies herewith for approval of the following tariff amendments:

<u>Tariff</u>	<u>Proposed Effective Date</u>	<u>Description</u>
CRTC 21491	2005 06 30	2 nd Revised Page 208.3

Enclosed herewith is a copy of the proposed tariff page and a letter of explanation for the requested changes.

Yours truly,

A handwritten signature in cursive script that reads "David Hennessey".

Enclosures

PROPOSED TARIFF PAGE

Aliant Telecom Inc.

General Tariff

Voice Access Services

Item
 235 Provincial Enhanced 911 Service (Continued)

2. Rates and Charges (Continued)

<u>Prince Edward Island</u>	<u>Monthly Rate</u>
Primary Service equipped with outward local calling to the PSTN, each	\$ 0.30
Centrex working telephone number, equipped for outward local calling to the PSTN	0.30
Microlink service, each B channel equipped for outward local calling	0.30
Each working telephone number of a wireless service provider equipped for outward local calling to the PSTN	0.15

Provincial Cost Recovery Fee (Provinces of Nova Scotia, Prince Edward Island and New Brunswick)

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- a) The Company provides a billing and collection arrangement for each of the Provinces of Nova Scotia, Prince Edward Island and New Brunswick (the "Provinces") whereby it collects monthly from its subscribers a 911 Cost Recovery Fee for each service specified above. This charge, established by the Provinces, is in addition to the monthly rates specified above for these services. C
- b) The Company's charge to the Provinces for billing and collection is \$0.07 per month per exchange service as defined in the Agreement.
- c) The 911 Cost Recovery Fee billing and collection service is provided under the terms of this Tariff and a billing and collection agreement between the Company and the Provinces.
- d) The Company's obligation to implement the billing and collection service described herein is subject to the execution of billing and collection agreements between the Provinces and all other carriers operating in the Provinces' respective territories.



THIS AGREEMENT made in duplicate on this _____ day of _____ 2005.

BETWEEN:

HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF NEW BRUNSWICK, AS REPRESENTED IN THIS BEHALF BY THE MINISTER RESPONSIBLE FOR THE EMERGENCY 911 ACT AND REGULATIONS

(Hereinafter referred to as the "Province")

OF THE ONE PART

AND

ALIANTELECOM INC., A BODY CORPORATE, WHOSE REGISTERED OFFICE IS SITUATED AT 69 BELVEDERE AVENUE, CHARLOTTETOWN, PRINCE EDWARD ISLAND, C1A 7M1

(Hereinafter referred to as the "Telecommunication Service Provider" or "TSP")

OF THE OTHER PART

(Hereinafter jointly referred to as the "Parties" or, singly, as the "Party")

**AGREEMENT TO COLLECT PROVINCIAL CHARGES
IN NEW BRUNSWICK FOR E9-1-1 SERVICE**

WHEREAS the Province has incurred, and will continue to incur, costs associated with its specific 9-1-1 call answer / transfer service delivery responsibilities, such costs including, but are not limited to: providing, maintaining, and improving to hardware / software equipment at Public Safety Answering Points (PSAPs); providing qualified personnel to receive and transfer 9-1-1 calls; administration of the service; public information and education; civic address database management; development of operating procedures and policies; the costs, services and equipment of related programs; and improvements to the general E9-1-1 Service.

AND WHEREAS the Province wishes to charge an E9-1-1 Service Cost Recovery Fee to all exchange service customers in order to recover such costs, pursuant to regulations (the "Regulations") under the *NB Emergency 911 Act*, December 16, 1994;

AND WHEREAS the public has been duly advised of the Province's intent to recover such costs through the collection of a monthly E9-1-1 Service Cost Recovery Fee from telephone subscribers for use of the 911 service;

AND WHEREAS the Province seeks to implement third-party billing with the TSP to recover the costs associated with the E9-1-1 Service, specifically Public Safety Answering Point or "PSAP" costs related to equipment, maintenance and upgrading, as well as costs associated with providing an efficient long-term E9-1-1 Service.

NOW THEREFORE the Parties agree as follows:

1. Definitions

For the purposes of this Agreement, the following definitions apply:

- 1.1 " 9-1-1 Call" means a telephone call routed over telephone service facilities which is placed by a caller dialing the digits "9-1-1", "9-9-1-1" on a PBX system, and "*9-1-1" or "#9-1-1" on a cellular phone, and 911 over the VoIP (Voice over Internet) network;
- 1.2 "Accounts Receivable" means the amounts which are owed to the Province by Local Subscribers through the imposition of the E9-1-1 Service Cost Recovery Fee.
- 1.3 "Automatic Location Identification" or "ALI" means the E9-1-1 system's capability to automatically identify the location of the telephone being used by the caller and to provide a display of this location at the Public Service Answering Points.
- 1.4 "Automatic Number Identification" or "ANI" means the E9-1-1 system's capability to automatically identify the calling telephone number and to provide a display of that number at the PSAPs.
- 1.5 "Bill", "billed" and "billing" in this agreement, shall, where intended to apply to prepaid wireless customers, mean and include, as appropriate for the context, the TSP's act or acts of providing advance notice to its wireless prepaid Customers, in any manner, of the intent to commence collection of the fee on a regular monthly basis
- 1.6 "Billing and Collection Fee" means the monthly charge that the Province will pay the TSP for services, including billing, collecting and remitting to the Province an E9-1-1 Service Cost Recovery Fee as specified in the Regulations.
- 1.7 "CRTC" means the Canadian Radio-television and Telecommunications Commission and its successors.
- 1.8 "Dispatch Centre" means a communication centre to which a E9-1-1 call is transferred from the PSAPs, and which is responsible for dispatching one of the three types of emergency service providers.
- 1.9 "E9-1-1 Service(s)" means the services and materials provided by or on behalf of the province related to the answering of an E9-1-1 call at a PSAP, and the subsequent processing, routing or transfer of the call or related information to an emergency service agency, including, but not limited to, E9-1-1 equipment, operation and administration of the E911 program, public information and education, civic address database management, development of operating procedures and policies, and the costs, services and equipment of related programs.

- 1.10 "E9-1-1 Service Cost Recovery Fee" means the monthly charge the Province imposes or requires to be paid by each Local Subscriber in connection with the Province's costs with regards to the E9-1-1 System; and shall include a billing and collection charge.
- 1.11 "E9-1-1 System" means a telephone emergency system for the reporting of emergencies to public safety and emergency service agencies which automatically connects a person dialing the digits "9-1-1" to a PSAP through telephone network facilities.
- 1.12 "Emergency Service Provider" or "ESP" means police, fire, and ambulance agencies operating in the Province.
- 1.13 "Exchange Service" means any local telecommunications service offered directly or indirectly by the TSP to its local subscribers under the terms of a tariff or agreement.
- 1.14 "Incumbent Local Exchange Carrier" or "ILEC" means the company that provides local telecommunication services and that operates the E9-1-1 System platform or switching station which connects to the Province at its designated PSAP, currently being Aliant Telecom Inc.
- 1.15 "Local Subscriber" means an end user subscriber located within the Province's boundaries who subscribes to the TSP's services and is capable of accessing the E9-1-1 System through outward dialling.
- 1.16 "Network Access Service" or "NAS" means the number of connections to the TSP's network.
- 1.17 "Public Safety Answering Point" or "PSAP" means a communications facility open 24 hours a day, 365 days a year, and responsible for receiving and transferring E9-1-1 calls to ESPs or their Dispatch Centre. The PSAPs are the first point of reception for all 9-1-1 calls in their serving area.
- 1.18 "Serving Area" means geographical areas within the Province's boundaries, as determined by the Province, from which 9-1-1 calls will be directed to a particular PSAP.
- 1.19 "Telephone Service Provider" or "TSP" means a telecommunications service provider and includes the ILEC, any Competitive Local Exchange Carriers (CLECs), and any Wireless Service Providers (WSPs) that provide means for their Local Subscribers to access the Province's E9-1-1 System.

2. Authorization

- 2.1 The Province represents and warrants to the TSP that it has the authority to establish the E9-1-1 Service Cost Recovery Fee, and to designate the TSP as an

agent of the Province to perform the billing and collecting functions described in this Agreement on behalf of the Province.

- 2.2 The Province hereby expressly authorizes the TSP to act as the Province's agent to perform the billing and collecting functions described in this Agreement, and to refer all queries to the Province to explain the nature of the E9-1-1 Service Cost Recovery Fee billed and collected by the TSP as agent for the Province.

3. Billing Procedures

- 3.1 Each month, beginning not later than August 31, 2005, and ending with the final monthly bill with respect to any Exchange Service, the TSP may (a) bill the TSP's Local Subscribers, in the monthly bill for telecommunications products and services provided by the TSP or (b) in the case of a wireless prepaid customer, the TSP may deduct from the TSP's Local Subscribers wireless prepaid accounts, the amount of the E9-1-1 Service Cost Recovery Fee set out in Section 15.1.1 or a prorated portion in respect of that month where E9-1-1 services have only been provided for a portion of the month. The monthly bill or service agreement may identify the amount of the 911 Service Cost Recovery Fee or portion thereof so billed as a separate charge, and may indicate that the TSP is deducting the E9-1-1 Service Cost Recovery Fee, or a portion thereof, as agent for the Province.
- 3.2 Notwithstanding any decision by the TSP to bill only a portion of the E9-1-1 Service Cost Recovery Fee to its Local Subscribers or any subset thereof, or not to bill any part of the E9-1-1 Service Cost Recovery Fee to those Local Subscribers or any subset thereof, the TSP shall be deemed to have billed the full amount to its Local Subscribers every month, and the TSP shall owe and be responsible for remitting to the Province the amounts described in Section 4.1 hereof in the manner and according to the timing described therein.
- 3.3 With respect to wireless prepaid Local Subscribers and the TSP's obligation to remit, at the time of collection, if the TSP is unable to collect the full amount of the E9-1-1 Service Cost Recovery Fee due to insufficient funds in the Local Subscriber's prepaid service account, then there shall be no further collection efforts required on the part of the TSP.
- 3.4 Notwithstanding any decision by the TSP to bill only a portion of the E9-1-1 Service Cost Recovery Fee to its Local Subscribers or any subset thereof, or not to bill any part of the E9-1-1 Service Cost Recovery Fee to those Local Subscribers or any subset thereof, the TSP shall, at least once a year, inform its Local Subscribers of the full magnitude of the E9-1-1 Service Cost Recovery Fee, that it is required to be paid by the Local Subscriber, and that the E9-1-1 Service Cost Recovery Fee has been remitted to the Province on the Local Subscriber's behalf.
- 3.5 The TSP will make commercially reasonable efforts to collect the E9-1-1 Service Cost Recovery Fee, which shall include credit procedures for recovery of its own accounts receivable, provided that the TSP shall not be obligated to terminate

service to a Local Subscriber for non-payment of the E9-1-1 Service Cost Recovery Fee.

- 3.6 If the TSP commits any errors in the establishment of the monthly bill, its responsibility is limited to bringing the necessary correction to the next bill or summary, and remitting amounts due to the Province as identified in Section 4.1.
- 3.7 The Province will pay to the TSP for each Exchange service for which the E9-1-1 Service Cost Recovery Fee is billed, a Billing and Collection Charge in the amount set out in Section 15.1.2.

4. Remittance

- 4.1 The TSP shall either:
 - 4.1.1. remit to the Province, within 45 days after the end of the month or quarter, the amount of the E9-1-1 Service Cost Recovery Fee collected and received by the TSP in that month or quarter, less the amount of the Billing and Collection Charge in accordance with Section 15.1.2.
 - 4.1.2 remit to the Province, within 45 days after the end of the month or quarter, an amount equal to the number of Exchange Services billed by the TSP to its Local Subscribers in that month or quarter multiplied by the amount of the E9-1-1 Service Cost Recovery Fee specified in Section 15.1.1 (prorated for partial billings), less
 - 4.1.2.1 an allowance for bad debt equal to the TSP's average rate of bad debt for Exchange Services in mutually agreed upon previous calendar period; and
 - 4.1.2.2 the amount of the Billing and Collection Charge in accordance with Section 15.1.2.
- 4.2 The Province may assign its rights to the amounts described in Section 4.1 to a Provincial agency, board or commission established for the purpose of administering the E9-1-1 Service Cost Recovery Fee, provided that the Province gives at least sixty (60) days written notice to the TSP. Upon the expiration of the notice period, the TSP will remit the amounts indicated in Section 4.1 to the third party until otherwise indicated in writing by the Province.
- 4.3 If a Local Subscriber is billed or deemed to be billed the E9-1-1 Service Cost Recovery Fee by the TSP, and refuses to pay such fee as required by the regulations, the TSP shall provide to the Province reasonable information, subject to CRTC rules and regulations and all applicable Federal legislation as amended from time to time, as to such TSP Local Subscribers it has been unable to collect the E9-1-1 Service Cost Recovery Fee from. For greater certainty, this information shall be limited to the Local Subscriber's name, billing address and month(s) of non-payment.

- 4.4 Section 4.3 shall apply to wireless prepaid Local Subscribers however, the fact that there is an insufficient balance in the Local Subscriber's account to deduct the E9-1-1 Service Cost Recovery Fee shall not, in and of itself, constitute refusal on the part of the Local Subscriber to pay the fee.

5. TSP Rights and Obligations

- 5.1 The TSP has the right to do all acts necessary to protect and maintain the value of TSP's interests relative to the E9-1-1 Service Cost Recovery Fee identified in this Agreement.
- 5.2 For the purposes of establishing the appropriate amount of the E9-1-1 Service Cost Recovery Fee, the TSP shall provide a confidential report to the Province or its assignee, selected by the Province, that indicates the number of Exchange Services provided by the TSP as of a date, and in accordance with, a methodology to be agreed between the Province and the TSP from time to time.

6. Province's Rights and Obligations

- 6.1 The Province represents and warrants that:
- 6.1.1 it has the authority to enter into this Agreement;
 - 6.1.2. it has the authority to impose the E9-1-1 Service Cost Recovery Fee as defined in this Agreement on Exchange Service Local Subscribers within the Province, subject to clause 6.1.3 of this Agreement; and
 - 6.1.3. it has enacted the Regulations, and that the E9-1-1 Service Cost Recovery Fee is lawfully payable by all Exchange Service Local Subscribers and prepaid wireless Local Subscribers on and after August 31, 2005.

7. Taxes

- 7.1 The Province shall advise the TSP of all taxes and the rates in respect thereof which must be applied to the E9-1-1 Service Cost Recovery Fee. The TSP shall bill such rates to the Local Subscriber and shall remit such taxes to the appropriate authorities. The Province shall save the TSP harmless from any claims arising in connection with the remittance of such taxes.

8. Reporting

- 8.1 At the same time that the TSP remits the amount required under Section 4.1, the TSP will provide to the Province, or its assignee, a report indicating the amount billed and collected in the month with respect to the E9-1-1 Service Cost Recovery Fee, including the Billing and Collection Charge. Taxes, levies or duties or similar charges, if applicable, will be itemized separately.

- 8.2 The reports will be conclusively deemed accurate, unless the Province advises the TSP of any errors within ninety (90) days of the end of the Provincial fiscal year in which the reports were provided. The Province may have these reports verified by auditors of its choice at the Province's expense. The Province acknowledges that the information upon which the reports are based will change, and such information might not be retained by the TSP beyond a reasonable period. At all reasonable times, the Province's auditors or assignee shall have the right to inspect the TSP's books.
- 8.3 If a Party or its assignee identifies an error, the Parties will agree to establish the amount and render compensation if due. The Party who is owed, if there is one, will be reimbursed by making adjustments to the amount of the next remittance, whether the amounts are due to the Province or to the TSP.

9. Resolution of Disputes

- 9.1 Except with respect to any matter within the jurisdiction of Industry Canada and the CRTC, any dispute or disagreement that may occur pursuant to this Agreement is to be resolved by the two Parties attempting to reach a fair and equitable resolution by using, in good faith, one or more of the following means until a resolution is reached. The means to be used are: negotiation, mediation, or arbitration.
- 9.2 Except for purposes of preserving a limitation period or obtaining an appropriate interim order or remedy where reasonably necessary, the Parties agree that legal proceedings shall be avoided until the procedures in this section have been tried in good faith in the order listed, as the Parties recognize that among other aspects of legal proceedings they are public. With respect to procedures and rules, unless otherwise agreed to and confirmed in writing, the procedures and rules of the Canadian Foundation for Dispute Resolution will be followed, and arbitration will be by way of a single arbitrator pursuant to the *Arbitration Act*, R.S.P.E.I. 1988, c. A-16.

10. Term and Renewal

- 10.1 This Agreement will be effective as of the date shown at the beginning of this document and will run for an initial term of one (1) year.
- 10.2 This Agreement will be automatically renewed and extended and remain effective for successive further periods of one (1) year unless one Party gives to the other at least three (3) months written notice of the termination prior to the end of the initial term or any renewal period. Where the Agreement is with a TSP who provides wireless service, the parties agree to negotiate in good faith and, if feasible, include in the renewal agreement, a provision to include prepaid Local Subscribers.
- 10.3 If either Party breaches this Agreement, the Party not in breach may give to the other party written notice specifying the breach and, if the breach is not remedied within a period of ten (10) business days, or, in the case of a breach which

cannot reasonably be remedied within such period, the Party in breach has not adopted a reasonable program for remedying the breach, or does not diligently pursue such program, such other Party may, by a further written notice, terminate this Agreement without penalty for said Party.

- 10.4 Notwithstanding other provisions of this Agreement, the Province may terminate this Agreement in its entirety, or any part thereof, at any time by a notice in writing, signed by or on behalf of the Province and either delivered to the TSP or mailed to the TSP's address at the last-known place of business. This Agreement shall be determined to have ended upon the date of delivery, sending by electronic communications or mailing of such notice in which the TSP shall have no further claim against the Province.
- 10.5 In the event that either Party terminates this Agreement pursuant to the preceding paragraphs, the TSP shall be compensated on a *quantum meruit* basis for any work performed or in process under this Agreement.
- 10.6 It is recognized that the capacity of ILEC to perform under this Agreement is subject to such orders and directions as may be made by the CRTC from time to time in the exercise of its telecommunications regulatory jurisdiction over ILEC.
- 10.7 This Agreement will be automatically renewed under the same terms as the original Agreement, unless otherwise agreed to in writing by both Parties.

11. Force Majeure

- 11.1 Neither the TSP nor the Province will be held responsible for any damages or delays as a result of war, invasion, insurrection, demonstrations, fire, floods, strikes, or as a result of decisions by civilian or military authorities, decisions of regulatory authorities, or generally, as a result of any event that is beyond the Province's or the TSP's reasonable control, in the event any such damage or delays are not covered by the Parties' insurance coverage.

12. Waiver

- 12.1 The failure of either Party to require the performance of any obligation hereunder, or the waiver of any obligation in a specific instance, will not be interpreted as a general waiver of any of the obligations, hereunder, which will continue to remain in full force and effect.

13. Indemnification and Insurance

- 13.1 The Province shall indemnify and save harmless the TSP from and against any and all losses, claims, demands, actions, costs and damages including reasonable legal fees and disbursements (hereinafter collectively referred to as "Claims") arising directly or indirectly from any act or omission of the Province, or the reasonable acts or omissions of the TSP as the Province's billing and collection agent in connection with the provision of services or facilities to be provided on behalf of the province pursuant to this Agreement, and undertakes to

defend any legal action arising from such Claim at its own cost. Notwithstanding the foregoing, the Province shall not be responsible to the extent that any Claims were caused or contributed to by the negligence, gross negligence, or willful misconduct by or on behalf of the TSP, and the TSP shall be responsible for, and indemnify the Province from and against the consequences of the negligence, gross negligence, or willful misconduct by or on behalf of the TSP.

- 13.2 During the term of this Agreement, the Province and the TSP shall maintain Self-Insurance or adequate insurance to cover their particular obligations under this Agreement and will provide evidence of same to the other party hereto, on request.

14. Entire Agreement

- 14.1 Except as otherwise stated herein, this Agreement constitutes the entire agreement of the Parties and supersedes any previous agreement, whether written or verbal. Should any provision of this Agreement be declared null, void or inoperative, the remainder of the Agreement will remain in full force and effect.

15. Fees

- 15.1 The fees that are to be charged under this Agreement are as follows:
- 15.1.1. The E9-1-1 Service Cost Recovery Fee shall be \$ x.xx per month, including the Billing and Collection Charge, for each Exchange Service, which may change from time to time upon review by the Minister responsible for the Act; and
 - 15.1.2. The Billing and Collection Charge payable to the TSP by the Province shall be \$0.07 per month for each Exchange Service, except that in the case of the ILEC, it shall be the amount set out in the ILEC tariff approved by the CRTC.
- 15.2 Prior to revising the amount of the E9-1-1 Service Cost Recovery Fee, the Province will conduct a review to ensure that the revision is fair and reasonable, and reflective of actual costs of maintenance, operation and upgrading of the 911 Service. In connection with the review, the Province will provide the TSP with information on the cost of the 911 Service.
- 15.3 This Agreement is subject to the approval of the CRTC whenever applicable, as well as such terms and conditions as the CRTC may impose from time to time.

16. Notice

- 16.1 Any notice required pursuant to this Agreement will be in writing and delivered personally, by courier, or sent by registered mail (with proper postage), to the addresses listed herein, or to such other address as either Party may indicate in writing to the other. In the event of a strike or other disruption of postal service,



only delivery either personally or by courier or by such other means as is mutually agreeable and confirmed in writing will be considered effective.

16.2

The Province:
Minister responsible for
the Emergency 911 Act
Att: 911 Provincial Co-ordinator
911 Administration Office
PO Box 6000
65 Brunswick Street, 2nd Floor
Fredericton, New Brunswick,
E3B 5H1

The Telecommunications Service Provider:
Aliant Telecom Inc.
Att: _____

17. Confidential Information

17.1 The Parties acknowledge that they are subject to the provisions regarding confidential information pursuant to Section 6 of the *Emergency 911 Act*, O.C.96-967.

17.2 The Parties further agree that information of a proprietary nature belonging to the disclosing party (hereinafter referred to as "Confidential Information") that is received by a party in the course of, or in carrying out, this Agreement will be kept confidential and will not be disclosed by the receiving Party to any other parties or used for any other purpose whatsoever, except as may be reasonably required by any such employees, servants, agents, assigns, or contractors of the receiving Party as have a need to have access to and the use of such Confidential Information for purposes under this Agreement, or reasonably connected with this Agreement such as following up with any Local Subscribers who have not paid the E9-1-1 Service Cost Recovery Fee, or as reasonably required under the *Emergency 911 Act*.

17.3 Confidential Information shall not include, and neither Party shall be obliged to maintain in confidence, any information disclosed to it by the other party to the extent that such information:

1. is in the public domain at the time of disclosure;
2. following disclosure becomes generally known or available through no action or omission on the part of the receiving Party;
3. is furnished to others by the disclosing Party without restriction or disclosure;
4. is known, or becomes known, to the receiving party from a source other than the disclosing party provided that disclosure by such source is not in breach of a confidentiality agreement with the disclosing Party;



- 5. is independently developed by the receiving Party without violating any of its obligations under this Agreement; or
- 6. is legally required to be disclosed by a duly authorized judicial, administrative or governmental body, provided, however, that prompt notice of such requirement shall have been given to the disclosing Party such that the disclosing Party shall be afforded the reasonable opportunity to pursue and exhaust reasonable remedies against such legal requirement.

17.4 The Parties shall each abide by all applicable federal and provincial legislation with respect to the protection of privacy in effect from time to time.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement by their respective officials, duly authorized, on the day and year first above written.

SIGNED, SEALED & DELIVERED)

Province of New Brunswick, in the presence of:
) as represented by the Minister responsible
) for the *Emergency 9-1-1 Act* and Regulations.

)

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)

Telecommunications Service Provider

ABRIDGED

Attachment 2
TN 167
2005 06 15
Page 1 of 9

Report
on the
Economic Evaluation
of
Extending the 911 Billing and Collection Fee Service
to the Province of New Brunswick

1.0 GENERAL

1.1 Purpose of the Study

1. This cost study is in support of a tariff amendment to the E 9-1-1 Provincial Cost Recovery Fee, Aliant General Tariff (CRTC 21491) Item 235.2. The billing and collection agreement is currently available to the Provinces of Nova Scotia and Prince Edward Island and is being extended under the same terms, conditions and contractual arrangements to the Province of New Brunswick

2.0 SERVICE DESCRIPTION

2.1 Service Characteristics

2. The Government of New Brunswick plans to introduce an E 9-1-1 fee like the charge levied by the Province of Nova Scotia and has requested that Aliant bill and collect that charge from Aliant local service subscribers by extending the billing and collection tariff for the Cost Recovery Fee provided in the Aliant General Tariff Item 235.2 to include the Province of New Brunswick.

2.2 Service Benefits

3. The optional billing and collection component enables the Province to efficiently collect this fee from Aliant local service subscribers to help fund its E 9-1-1 related expenses. The billing and collection fee enables Aliant to provide this service to the Province of New Brunswick.

2.3 Marketing Considerations

4. The Government 911 Fee and therefore the Cost Recovery Fee will be charged to the same subscribers paying the Aliant E 9-1-1 network fee for the Province of New Brunswick as described in the Aliant General Tariff Item 235.2. The charge for the billing and collection fee is included in the Government 911 Fee.

5. The billing and collection service is only available to the provincial governments of Nova Scotia, Prince Edward Island and New Brunswick and only in connection with the 9-1-1 Government Fee. The Government of New Brunswick must sign a contract with Aliant and all other service providers in New Brunswick.

3.0 TARIFF CONSIDERATIONS

3.1 Tariff Components

6. The proposed tariff modifies Item 235.2 Cost Recovery Fee to include the Province of New Brunswick.

3.2 Rate Determination Principles

7. The billing and collection component is an optional and non-essential service and is priced as a competitive service and in accordance with an agreement with the Province. The rate is consistent with the rate charged to the Province of Nova Scotia and the Province of Prince Edward Island.

3.3 Proposed Service Commencement Date

8. If approval of this tariff is granted, the Government plans to implement the fee in the July-August 2005 timeframe.

4.0 IMPUTATION TEST

9. This imputation test is filed in accordance with the imputation test methodology as set out in the November 1998 Commission letter and the Commission's letter dated 5 January 2001 re: *Decision CRTC 2000-150 SaskTel - Transition to Federal Regulation Imputation Test Methodology*. These decisions were subsequently amended by *Issues related to imputation test methodology - Rebanding decision follow-up*, Decision CRTC 2001-737, 29 November 2001, and *Review of price floor safeguards for retail tariffed services and related issues*, Telecom Decision CRTC 2005-27, 29 April 2005 (Decision 2005-27), and other relevant decisions or orders.

Table 1
Imputation Test NB E911 Billing and Collection Fee
Total Present Worth of Revenues and Cost within Study Period
 (2005\$)

	<u>Revenue</u>		<u>Phase II</u>		<u>Total Costs</u>		<u>Difference</u>		<u>%</u>	
	\$		\$		\$		\$		%	
All Bands	\$	#	\$	#	\$	#	\$	#	#	#

Table 2
Imputation Test for E911 Billing and Collection Fee
Revenue & Cost per Unit per Month
 (2005 \$)

	<u>Revenue</u>		<u>Phase II</u>		<u>Total Costs</u>		<u>Difference</u>		<u>%</u>	
	\$		\$		\$		\$		%	
All Bands	\$	#	\$	#	\$	#	\$	#	#	#

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5.0 DEMAND AND REVENUE INFORMATION

5.1 Forecast Assumptions and Methodology

10. The economic study reflects the demand variable cost of extending the billing and collection agreement to the Province of New Brunswick. The study is similar to the study provided in support of Aliant Tariff Notice 789 for the Province of Nova Scotia and approved by the Commission under Telecom Order CRTC 2004-434 on May 31, 2001, and Aliant Tariff Notice 149 for the Province of Prince Edward Island and approved by the Commission under Telecom Order CRTC 2005-51, February 11, 2005.

5.2 Estimates of Demand Quantities

11. The following table represents the estimated demand quantities of year-end units of 911 customers.

Table 3
Year-end demand estimates (NB 911 Customers)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>PWOD</u>
<u>NB 911 Billing</u>						
<u>Collection Fee</u>	#	#	#	#	#	\$ #

6.0 PHASE II COSTS

12. The Phase II costs were determined in accordance with the Phase II costing principles set out in *Inquiry into Telecommunications Carriers' Costing and Accounting Procedures – Phase II: Information Requirements for New Service Tariffs Filings*, Telecom Decision CRTC 79-16, 28 August 1979 (Decision 79-16), excluding cross-effects as per Decision 94-19, and as amended by subsequent Commission decisions.

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6.1 Study Assumptions

13. 2005 vintage costs were used with current CIF, EIF and PIF applied.

6.2 Study Period

14. The study period is from June 2005 to December 2009

6.3 Financial Parameters and Tax Rates

15. The financial parameters and tax rates used in the study are provided in Table 4 below.

Table 4

Financial Parameters and Tax Rates

Cost of Capital	7.33 %
Cost of Debt	5.55 %
Debt Ratio	50.00 %
Return on Equity Common	11.00 %
Variable Common Cost Factor	1.88 %
Income Tax Rate	34.00 %
Capital Miscellaneous Tax Rate	2.55 %
Large Corporation Tax Rate	12.10 %
Percent Revenue Charge Rate	1.10 %
Other Tax Rates	0.00 %
Portfolio Loading Factor	3.60 %

16. These parameters and tax rates were filed with the Commission on 14 February 2005.

6.4 Cost Inclusions

17. Detailed descriptions of the cost inclusions in each category are provided in the sections below.

6.4.1 Expenses Causal to the Service

18. Expenses causal to the service:

- Advertising and Promotion

Costs include the initial promotion of this service. These would include bill inserts and Print media ads.

- Billing-related

Billing related costs include those costs incurred to modify the existing billing system in order for Aliant to bill the customer on behalf the Government of New Brunswick.

- Other

Includes initial development costs associated with implementing this service. The major costs were incurred for legal fees to establish a contract with the Government of New Brunswick.

6.4.2 Capital Causal to the Service

19. There is no capital causal to this service.

6.4.3 Capital Causal to Demand

20. There is no capital causal to demand.

6.4.4 Expenses Causal to Demand

21. Expenses causal to demand are provided for each of the following expense categories:

- Maintenance

Maintenance includes the ongoing costs of maintaining a system to identify 911 users (i.e. NAS) and billing those customers on behalf of the Government of New Brunswick.

- Advertising & Sales Management

The ongoing Advertising (Bill inserts, etc.) for this service are included in this category.

- Billing

Billing includes the one-time and ongoing costs associated with billing and collection, as well as the associated ongoing administrative support activities.

- Other

Other includes portfolio expenses.

6.4.5 Phase II Cost Summary

22. The Summary of Phase II Cost is provided in Table 6.4.5-1.

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Table 6.4.5-1
NB E911 Billing and Collection Fee – All Bands
Detailed Summary of Phase II Costs
(2005 \$)

SUMMARY OF REVENUES & PHASE II COSTS

	Present Worth Within Study Period Current (\$)		\$ Per NAS Per Month Current (\$)	
Present Worth of Revenue Impacts	\$	#	\$	#
Total Costs (PWACs):		#		#
Expenses Causal to the service		#		#
Advertising and Promotion		#		#
Billing - Related		#		#
Other		#		#
Capital causal to the service		#		#
Hardware		#		#
Software		#		#
Capital causal to demand		#		#
Outside Plant Equipment		#		#
Switching Equipment		#		#
Transmission Equipment		#		#
Land, Building and Other		#		#
Other		#		#
Expenses causal to demand		#		#
Maintenance		#		#
Service Provisioning		#		#
Advertising		#		#
Sales Management		#		#
Portfolio Expenses		#		#
Present Worth of Demand (NAS)		#		
Present Worth of End of Study Value (included in the PWAC)		#		#

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