

**IN THE MATTER OF THE SECURITIES
LEGISLATION OF NOVA SCOTIA AND
ONTARIO (the “Jurisdictions”)**

AND

**IN THE MATTER OF THE MUTUAL
RELIANCE REVIEW SYSTEM FOR
EXEMPTIVE RELIEF APPLICATIONS**

AND

**IN THE MATTER OF
BELL ALIANT REGIONAL
COMMUNICATIONS, INC., BELL ALIANT
REGIONAL COMMUNICATIONS
HOLDINGS, LIMITED PARTNERSHIP AND
BELL ALIANT REGIONAL
COMMUNICATIONS, LIMITED
PARTNERSHIP (collectively the “Filers”)**

MRRS DECISION DOCUMENT

Background

The local securities regulatory authority or regulator (the “**Decision Maker**”) in each of the Jurisdictions has received an application from the Filers for the following decisions under the securities legislation of the Jurisdictions (the “**Legislation**”):

1. a decision (the “**Continuous Disclosure Relief**”) pursuant to section 13.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) that the requirements of NI 51-102 as well as any comparable continuous disclosure requirements under the Legislation that have not yet been repealed or otherwise rendered ineffective as a consequence of the adoption of NI 51-102 (collectively, the “**Continuous Disclosure Requirements**”) may be satisfied by Bell Aliant Regional Communications, Limited Partnership (“**Bell Aliant LP**”) by filing the continuous disclosure documents required to be filed by Bell Aliant Regional Communications Holdings, Limited Partnership (“**Holdings LP**”) under the Continuous Disclosure Requirements;
2. in the event that the Continuous Disclosure Relief is granted, in order to relieve Bell Aliant LP from certain additional continuous disclosure obligations, a decision (the “**Consequential Disclosure Relief**”):
 - (a) pursuant to section 4.5 of Multilateral Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings* (“**MI 52-109**”) that the requirements of MI 52-109 shall not apply to Bell Aliant LP;

- (b) pursuant to section 8.1 of Multilateral Instrument 52–110 – *Audit Committees* (“**MI 52–110**”) that the requirements of section 5.1 of MI 52–110 shall not apply to Bell Aliant LP; and
- (c) pursuant to section 3.1 of National Instrument 58–101 – *Disclosure of Corporate Governance Practices* (“**NI 58–101**”) that the requirements of Part 2 of NI 58–101 shall not apply to Bell Aliant LP.

Application of Principal Regulator System

Under Multilateral Instrument 11–101 – *Principal Regulator System* (“**MI 11–101**”) and National Policy 12–201 – *Mutual Reliance Review System for Exemptive Relief Applications* (“**MRRS Policy**”):

- (a) the Nova Scotia Securities Commission is the principal regulator for the Filers;
- (b) Bell Aliant LP is relying on the exemptions in Part 3 of MI 11–101 in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Quebec, New Brunswick, Newfoundland and Labrador and Prince Edward Island; and
- (c) this MRRS decision document evidences the decision of each Decision Maker.

Interpretation

Defined terms contained in National Instrument 14–101 *Definitions* have the same meaning in this decision unless they are defined in this decision.

Representations

This decision is based on the following facts represented by the Filers:

The Arrangement

1. Bell Aliant LP, Holdings LP and Bell Aliant Regional Communications Income Fund (the “**Fund**”) are each successor issuers to Aliant Inc. (“**Aliant**”) and its wholly-owned subsidiary, Aliant Telecom Inc. (“**Aliant Telecom**” and, together with Aliant, “**Old Aliant**”), and were created in connection with a reorganization of Old Aliant pursuant to a plan of arrangement (the “**Arrangement**”) under section 192 of the *Canada Business Corporations Act*.
2. On July 7, 2006, Old Aliant, BCE Inc. (“**BCE**”) and Bell Canada completed the implementation of the Arrangement, which involved an exchange of certain business operations between Bell Canada and Old Aliant and the conversion of Old Aliant to an income trust.
3. The Arrangement resulted in
 - (a) the combination of Old Aliant’s wireline telecommunications operation in Atlantic Canada, information technology operation and other operations with Bell Canada’s wireline telecommunications operation in certain of its regional territories in Ontario and Québec (the “**Rural Wireline Operations**”);

- (b) the transfer of Bell Canada's 63.4% indirect interest in NorthernTel, Limited Partnership and Télébec, Limited Partnership (collectively the "**Bell Nordiq Partnerships**") to Old Aliant;
 - (c) the transfer of Old Aliant's wireless operations and its interest in DownEast Ltd. to Bell Canada; and.
 - (d) the conversion of Old Aliant to an income trust with the outstanding common shares of Old Aliant (other than a number of shares held by BCE) being exchanged for units of the Fund on a one for one basis.
4. The Circular provided to shareholders of Aliant in connection with the Arrangement contained the following financial statement disclosure (the "**Circular Financial Disclosure**"):
- (b) audited consolidated financial statements of Aliant (which consolidate the financial statements of Aliant Telecom) as at and for the three years ended December 31, 2005 (incorporated by reference);
 - (c) audited financial statements for the Rural Wireline Operations as at and for the three years ended December 31, 2005;
 - (d) audited consolidated financial statements of BNG as at and for the financial year ended December 31, 2005 (incorporated by reference);
 - (e) an audited balance sheet of the Fund; and
 - (f) unaudited *pro forma* financial statements of the Fund and Holdings LP as at and for the year ended December 31, 2005 giving effect to the Arrangement.
5. The Arrangement resulted in the creation of a number of entities held directly and indirectly, in whole or in part by the Fund, each of which is a general partner or other holding entity created to facilitate the operation of the combined business by Bell Aliant LP and the distribution of cash derived from the operations and activities of Bell Aliant LP and the Bell Nordiq Partnerships to the unitholders.

The Fund

- 6. The Fund is an unincorporated, open-ended trust governed by the laws of the Province of Ontario. The Fund was established on March 30, 2006 under a declaration of trust, as amended and restated on July 6, 2006 (the "**Declaration of Trust**"), in connection with the Arrangement.
- 7. The Fund is a reporting issuer or equivalent in each of the provinces of Canada (where that concept exists) (collectively, the "**Reporting Issuer Jurisdictions**").
- 8. The beneficial interests in the Fund are divided into interests of two classes, designated as "**Units**" and "**Special Voting Units**". An unlimited number of Units and Special Voting Units are issuable pursuant to the Declaration of Trust.
- 9. Each Unit is transferable and represents an equal undivided beneficial interest in any distributions from the Fund and in the net assets of the Fund in the event of a termination

or winding up of the Fund. Each Unit entitles the holder thereof to one vote at all meetings of holders of Units and Special Voting Units (collectively, “**Voting Unitholders**”).

10. Special Voting Units are not entitled to any beneficial interest in any distribution from the Fund or in the net assets of the Fund in the event of a termination or winding up of the Fund. Each Special Voting Unit entitles the holder thereof to one vote at any meeting of Voting Unitholders (subject to customary anti-dilution adjustments).
11. The Units of the Fund are listed on the Toronto Stock Exchange under the symbol “BA.UN”. As of July 27, 2006, 124,121,175 Units were issued and outstanding representing a 55.3 % voting interest in the Fund.
12. Pursuant to an undertaking to be provided by each of the Fund and Holdings LP to the Decision Makers, the Fund will treat Holdings LP as a subsidiary and provide to holders of Units separate annual audited and interim unaudited financial statements of Holdings LP so long as generally accepted accounting principles prohibit the consolidation of financial information of Holdings LP and the Fund and Holdings LP (and any of its significant business interests) represents a significant asset of the Fund.

Holdings LP

13. Holdings LP is a limited partnership established under the laws of the Province of Quebec on June 29, 2006. The head office of Holdings LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.
14. Holdings LP is a successor issuer to each of Aliant and Aliant Telecom and upon completion of the Arrangement it became a reporting issuer in certain jurisdictions, including the provinces of British Columbia, Alberta, and Nova Scotia.
15. Applications have been filed by Holding LP with the securities regulatory authorities in the Reporting Issuer Jurisdictions where it did not become a reporting issuer upon completion of the Arrangement seeking to have Holdings LP deemed to be a reporting issuer or equivalent under the securities legislation of such jurisdictions.
16. Holdings LP is authorized to issue Class 1 exchangeable limited partnership units (the “**Holdings Class 1 Exchangeable LP Units**”) and Class 2 limited partnership units (the “**Holdings Class 2 LP Units**”).
17. As at July 27, 2006, there were 28,168,803 Holdings Class 1 Exchangeable LP Units and 124,121,177 Holdings Class 2 LP Units outstanding. BCE indirectly holds all of the Holdings Class 1 Exchangeable LP Units and Bell Aliant Holdings Trust, a wholly-owned subsidiary of the Fund, holds all of the Holdings Class 2 LP Units.
18. Bell Aliant Regional Communications Holdings Inc. is the general partner of Holdings LP.

Bell Aliant LP

19. Bell Aliant LP is a limited partnership established in connection with the Arrangement under the laws of the Province of Manitoba on July 5, 2006. The head office of Bell

Aliant LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.

20. As part of the Arrangement, substantially all of the business, operations and assets of Old Aliant and its operating subsidiaries were transferred to Bell Aliant LP and Bell Aliant LP continues to carry on the business previously carried on by Old Aliant and its subsidiaries, other than the wireless operations, which were transferred to Bell Canada.
21. Bell Aliant LP is a successor issuer to each of Aliant and Aliant Telecom and became a reporting issuer in certain provinces of Canada upon completion of the Arrangement and became a reporting issuer or equivalent in each of the other Reporting Issuer Jurisdictions upon receiving a final MRRS document on September 15, 2006 for the short form base shelf prospectus offering up to \$3.0 billion principal amount of medium term notes (the “**Prospectus**”).
22. The medium term notes offered pursuant to the Prospectus are unsecured obligations of Bell Aliant LP ranking *pari passu* with all other unsecured and unsubordinated indebtedness incurred by Bell Aliant LP, and are guaranteed by each of Bell Aliant Holdings Trust, Holdings GP, Holdings LP, Bell Aliant Regional Communications, Inc (“**Wireline GP**”) and 6583458 Canada Inc.
23. Pursuant to an undertaking (the “**Undertaking**”) provided by Bell Aliant LP to the Decision Makers pursuant to clause 4.2(b)(ii) of National Instrument 44–101 Short Form Prospectus Distributions, Bell Aliant LP will file the periodic and timely continuous disclosure of Holdings LP which Holdings LP is required to file under the Legislation, other than in connection with a distribution, for so long as the medium term notes distributed under the Prospectus are issued and outstanding.

Wireline GP

24. Wireline GP is a corporation incorporated under the *Canada Business Corporations Act* and was formed by the amalgamation of:
 - (a) Aliant and Aliant Telecom and certain other subsidiaries pursuant to articles of amalgamation on July 1, 2006; and
 - (b) 6591710 Canada Inc. on July 7, 2006 pursuant to the articles of arrangement filed on July 5, 2006 in connection with the Arrangement.
25. Wireline GP is a successor issuer to each of Aliant and Aliant Telecom and is a reporting issuer or equivalent in each of the Reporting Issuer Jurisdictions.
26. Wireline GP is the general partner of Bell Aliant LP.
27. Immediately prior to closing of the Arrangement, Aliant Telecom had an aggregate of \$500 million aggregate principal amount of medium term notes (the “**Existing Notes**”) outstanding, issued in four tranches. These had been created under a trust indenture dated as of October 8, 1999 and were issued to the public under a series of shelf prospectuses of Aliant Telecom. Bell Aliant LP assumed this debt and entered into a supplemental indenture dated July 6, 2006 which reflected this. Three of the four tranches of Existing Notes have been called for redemption and will be redeemed on September 22, 2006. The fourth series matures on January 15, 2007.

28. The outstanding securities of Wireline GP are beneficially owned, directly or indirectly, by less than 15 security holders in each of the Jurisdictions and less than 51 security holders in total in Canada.
29. No securities of Wireline GP are traded on a marketplace as defined in National Instrument 21-101 Marketplace Operation.
30. An application has been filed by Wireline GP with the securities regulatory authorities in each of the Reporting Issuer Jurisdictions, other than British Columbia (where Wireline GP has ceased to be a reporting issuer as of October 10, 2006), for a decision deeming Wireline GP to have ceased to be a reporting issuer in all of the Reporting Issuer Jurisdictions in which it is a reporting issuer.
31. Wireline GP is not in default of any of its obligations under the Legislation as a reporting issuer.

Decision

Each of the Decision Makers is satisfied that the tests contained in the Legislation that provides the Decisions Makers with jurisdiction to make decisions herein have been met.

THE DECISION of the Decision Makers under the Legislation is that the Continuous Disclosure Relief and the Consequential Disclosure Relief are granted, provided that:

- (a) Holdings LP is a reporting issuer in at least one of the jurisdictions listed in Appendix B of National Instrument 45-102 – *Resale of Securities* (“NI 45-102”) and is an electronic filer under National Instrument 13-101 – *System for Electronic Document Analysis and Retrieval (SEDAR)*;
- (b) all outstanding voting securities of Bell Aliant LP are held directly or indirectly by Holdings LP, BCE (or its successor) or their respective affiliates;
- (c) Holdings LP has filed all documents it is required to file under NI 51-102;
- (d) Bell Aliant LP does not issue any securities, and does not have any securities outstanding, other than
 - (i) debt securities that are guaranteed by Holdings LP or one of its affiliates;
 - (ii) securities issued to and held by Holdings LP, BCE (or its successor) or their respective affiliates;
 - (iii) debt securities issued to and held by banks, loan corporations, loan and investment corporations, savings companies, trust corporations, treasury branches, savings or credit unions, financial services cooperatives, insurance companies or other financial institutions; or
 - (iv) securities issued under exemptions from the registration requirement and prospectus requirement in section 2.35 of

National Instrument 45-106 – *Prospectus and Registration Exemptions*;

- (e) Bell Aliant LP files in electronic format,
 - (i) a notice indicating that Bell Aliant LP is relying on the continuous disclosure documents filed by Holdings LP and setting out where those documents can be found for viewing in electronic format, if Holdings LP is a reporting issuer in the local jurisdiction; or
 - (ii) copies of all documents Holdings LP is required to file under securities legislation, other than in connection with a distribution, at the same time as the filing by Holdings LP of those documents with a securities regulatory authority or regulator;
- (f) Bell Aliant LP issues in Canada a news release and files a material change report for all material changes in respect of the affairs of Bell Aliant LP that are not also material changes in the affairs of Holdings LP;
- (g) Bell Aliant LP files, in electronic format, in the notice referred to in (e)(i) above or in or with the copy of the interim and annual consolidated financial statements filed under clause (e)(ii) above, either
 - (i) a statement that the financial results of Bell Aliant LP are included in the consolidated financial results of Holdings LP, if at that time,
 - (A) Bell Aliant LP has minimal assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the securities described in paragraph (d), and
 - (B) each item of the summary financial information of the subsidiaries of Holdings LP on a combined basis, other than Bell Aliant LP, represents less than 3% of the corresponding items on the consolidated financial statements of Holdings LP being filed or referred to under paragraph (e), or
 - (ii) for the periods covered by the interim or annual consolidated financial statements of Holdings LP filed, consolidating summary financial information for Holdings LP presented with a separate column for each of the following:
 - (A) Holdings LP;
 - (B) Bell Aliant LP;
 - (C) any other subsidiaries of Holdings LP on a combined basis;

(D) consolidating adjustments; and

(E) the total consolidated amounts; and

- (h) Bell Aliant LP files a corrected notice under (e)(i) above if Bell Aliant LP filed the notice with the statement contemplated in (g)(i) above and Bell Aliant LP can no longer rely on (g)(i) above.

“J. William Slattery”

J. William Slattery, C.A.

Deputy Director, Corporate Finance

Nova Scotia Securities Commission