
Q. Refer to the Bell companies' reply comments regarding Telecom Notice of Consultation 2013-80 dated 11 April 2013. In paragraph 5 it was submitted that independent service providers have the option to buy modems directly from the same modem manufacturer with rates and features they will have mutually agreed upon. Are any independent service providers currently sourcing VDSL2 modems directly from the manufacturer for use on the Bell companies' network? If so, identify the independent service provider(s).

A. The Companies indicated in their Reply Comments¹ that Internet service providers (ISPs) have the option to buy the modems directly from the same manufacturer at rates and with features they will have mutually agreed to. In that regard, the Companies note that nothing in their tariffs or their agreement with the modem manufacturer prevents this.

In their Reply Comments, the Companies indicated that ISPs also have the choice to use the Companies' network specifications and work with an alternate modem manufacturer to certify other modems. In that regard, the Companies note that there are other potential VDSL2 modem candidates in the market that could work on the Companies' network. Although the Companies chose to work with only a single manufacturer to standardize a VDSL2 modem for use on their network, Sagemcom Canada Inc. (Sagemcom), a number of favourable responses from modem manufacturers were received when the Companies sent a Request for Proposal for VDSL2 modems to manufacturers.

Teresa Murphy, a party in this proceeding, pointed to a digital subscriber line (DSL) blog and indicated in her 25 March 2013 Comments that:

The Commission also seems to be concerned about the major telephone companies having to provide modems to GAS clients, however that isn't the case anymore. Just recently Teksavvy has been able to acquire the Sagemcom modem that Bell rents to their own customers, and in the coming days will now be renting or selling them based on the clients preferences.²

¹ The Companies' Reply Comments, 11 April 2013, paragraph 5.

² <http://www.dslreports.com/forum/r28128855-MODEM-Options>.

Neither the Canadian Network Operators consortium Inc. (CNOC) nor TekSavvy Solutions Inc. (TekSavvy) acknowledged or refuted this statement. Therefore, at this time, the Companies do not know with certainty whether any ISP is close to reaching an agreement with Sagemcom to purchase its own VDSL2 modems or if any ISP initiated any work with other modem manufacturers to certify their own VDSL2 modems.

That being said, the fact there is an on-going proceeding on modems may have influenced ISPs' efforts to actively negotiate the purchase of VDSL2 modems with Sagemcom or to initiate modem certification work with other manufacturers. Some ISPs may have chosen to await the outcome of this proceeding.

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