



Conseil de la radiodiffusion et des
télécommunications canadiennes

Canadian Radio-television and
Telecommunications Commission

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Re: Application concerning billing practices by Bell Mobility and Vidéotron for mobile TV services

Dear Sirs,

You will find attached Commission interrogatories associated with this proceeding.

Responses to these interrogatories are to be filed with the Commission, and served on all parties to this proceeding, by **7 October 2014**. Responses are to be received, and not merely sent, by this date.

Yours sincerely,

Original signed by

Mario Bertrand
Director, Dispute Resolution
Telecommunications Sector

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Appendix

Interrogatories to Bell Mobility

1. Provide a corporate organization chart for Bell Mobility, setting out the various groups/divisions into which the company is organized.
2. (a) Is “Bell Mobile TV” a distinct legal entity? If not, is “Bell Mobile TV” a group or division within a BCE legal entity and, if so, which such entity?
(b) Is “Bell Mobile TV” a registered trademark, and if so, which legal entity is the owner of the trademark?
3. In response to Bell Mobility (CRTC)5August14-3 asking Bell Mobility to describe how the programming services included in the Mobile TV App were selected, Bell Mobility set out some factors according to which programming is selected.
 - (a) Confirm whether employees of Bell Mobility Inc. are responsible for selecting the particular channels distributed as part of Bell Mobile TV and, if so, identify the name of the corporate group/division within Bell Mobility to which they belong.
 - (b) If no Bell Mobility employees are involved in the selection, identify the BCE legal entity that has the employees which are involved in the selection of the programming services for Bell Mobile TV.
 - (c) If Bell Mobility employees and employees of another BCE legal entity or division are jointly involved in the selection of the programming services, identify the entity or division in question and describe the roles of the employees of Bell Mobility and the other entity or division respectively in the selection of programming.
4. In response to Interrogatory Bell Mobility(CRTC)5August 14-1(a), Bell Mobility states that it negotiates the non-exclusive, non-transferable distribution rights for its mobile broadcasting distribution undertaking service with each content rights holder in order to broadcast television channels to mobile devices. Further, in response to Bell Mobility(CRTC)5August14-3 at page 2, Bell Mobility states that it secures mobile distribution rights either through the affiliation agreements that Bell Licensed BDU have with programmers or independently for Bell Mobile TV only.
 - (a) Clarify whether and, if so, how Bell Mobility Inc. acquires the mobile distribution rights and other rights required to distribute Bell Mobile TV service to end users on mobile devices, e.g., through assignment from another legal entity within the Bell family of companies or through direct negotiations with the rights holder(s). If it is not Bell Mobility Inc., identify the legal entity that acquires such rights.
 - (b) Provide a copy of a minimum of 6 affiliation agreements that grant mobile distribution rights for Bell Mobile TV.
 - (c) Provide a copy of the agreements evidencing the independently negotiated mobile distribution rights specific to Bell Mobile TV referred to in Bell Mobility’s response to Bell Mobility(CRTC)5August14-3 at page 2.
5. Further to its response to Bell Mobility(CRTC)4April14-4 in which Bell Mobility described how it invoices its customers for Bell Mobile TV services, are 100% of Bell Mobile TV subscription revenues reported in Bell Mobility Inc.’s financial statements? If yes, provide a copy of that portion of Bell Mobility’s financial statement that reflects Bell Mobile TV service subscription revenues. If 100% of the Bell Mobile TV service revenues are not reported by Bell Mobility Inc., identify the legal entities in the BCE family to which the revenues are allocated, and the reasons for the allocation.

6. Identify, by annual revenue report line (e.g., Total operating revenue reported in financial statements, Canadian telecommunications services revenues, etc.), where the company reports its mobile TV service revenue within the contribution regime and provide the corresponding amount reported on each line in its 2013 annual revenue report (i.e., the information filed in March 2014).
7. On the record of this proceeding, Bell Mobility stated that Bell Mobile TV is a broadcasting service and is not offered or charged on the basis of data transit. Bell Mobility also stated that calls for the application of the ITMP framework to Mobile TV's pricing practices must fail since they are grounded in the Commission's jurisdiction under the *Telecommunications Act* and that Bell Mobile TV is not a telecommunications service.

(a)

- i. Confirm that the radio authorizations and spectrum licences, issued by Industry Canada pursuant to the *Radiocommunication Act*, that Bell Mobility is relying on when it uses its wireless access network to transport Bell Mobile TV to its subscribers authorize Bell Mobility to use the spectrum to provide voice and data telecommunications services.
- ii. Identify any other purpose for which Bell Mobility is authorized to use the spectrum in question.
- iii. Clarify whether Bell Mobility is authorized pursuant to the *Radiocommunication Act* to use the spectrum referred to in (i) to operate a broadcasting undertaking.

(b) In *Telecom Regulatory Policy CRTC 2009-657*, the Commission set out its determinations regarding the use of Internet traffic management practices; it established a principled approach that appropriately balances the freedom of Canadians to use the Internet for various purposes with the legitimate interest of ISPs to manage the traffic thus generated on their networks. In *Telecom Decision CRTC 2010-445*, the Commission determined that the policy framework established for ITMP applies to the use of mobile wireless data services to provide Internet access. In his Part 1 application, Benjamin Klass stated that Bell Mobility was applying an application-specific economic ITMP to Mobile TV, giving itself an undue preference and, in doing so, unjustly discriminating against consumers and competitors. Assume for the purpose of this question that Bell Mobile TV is a data telecommunications service under the *Telecommunications Act* and that the \$5 charge for 10 hours of use is considered by the Commission to be an economic ITMP and subject to the ITMP framework.

- i. Describe the ITMP, as well as the need for it in terms of traffic management, its purpose and effect.
- ii. Does the ITMP results in discrimination, disadvantage or preference? Explain, with supporting rationale evidence, why it does or does not have such a result.
- iii. Assume for the purpose of the following that the ITMP results in any degree of discrimination, disadvantage or preference:
 1. demonstrate that the ITMP is designed to address the need and achieve the purpose and effect in question;
 2. establish that the ITMP results in discrimination or preference as little as reasonably possible; and
 3. demonstrate that any harm to a secondary application, end-user, or any other person is as little as reasonably possible.

Interrogatories to Vidéotron

1. Provide a corporate organization chart of Videotron G.P. that identifies all the groups/divisions that are engaged in the cable television business and the groups/divisions that are engaged in the telecommunications business.
2. (a) Is “illico mobile services” a trade name for Quebecor Media Inc.’s mobile television services, or is it a distinct legal entity? If it is not a legal entity, is “illico mobile services” a group or division within a legal entity and, if so, which such entity?
(b) Is “illico mobile services” a registered trademark, and if so, which legal entity is the owner of the trademark?
3. (a) Is “QMI Contenu” a distinct legal entity? If not, is “QMI Contenu” a group or division within a Québecor Média inc. affiliated entity and, if so, which such entity?
(b) Is “QMI Contenu” a registered trademark, and if so, which legal entity is the owner of the trademark?
4. In response to Interrogatory Québecor Média(CRTC)5août2014-3 asking Québecor Média inc. how the programming services included in the illico mobile services App were selected, Québecor Média inc. set out some factors according to which Vidéotron selects the programming services.
 - (a) Confirm whether employees of the wireless telecommunications group/division of Videotron G.P. are responsible for selecting the particular channels distributed as part of illico mobile services and, if so, identify the corporate group/division within Videotron G.P. to which they belong. Provide evidence to support your answer.
 - (b) If no employees of Videotron G.P.’s wireless telecommunications group/division are involved in the selection of illico mobile services channels, identify the legal entity, and the particular group/division within that entity, that has the employees which are responsible for the selection of channels for illico mobile services.
 - (c) If employees of Videotron G.P. and employees of another Videotron division or unit are jointly involved in the selection of the programming services, identify the entity or division in question and describe the roles of the employees of Videotron G.P. and the other entity or division respectively in the selection of the programming.
5. In response to Interrogatory Québecor Média(CRTC)5août2014-1(a), Québecor Média inc. indicates that Vidéotron acquires the broadcasting rights for those channels by negotiating with each owner. In response to Interrogatory Québecor Média(CRTC)5 août2014-5, Québecor Média inc. indicated that Vidéotron buys content for the illico mobile services App, but that QMI Contenu also buys additional TV shows, which are accessible on different platforms and not only on illico mobile services, directly from producers for Vidéotron.
 - (a) Clarify whether the Videotron G.P. owns the mobile distribution rights and other rights required to distribute the illico mobile service to end users on mobile devices, e.g., through the assignment by another Quebecor Media entity or through direct negotiations with the rights holder(s). If it is not Videotron G.P., identify the legal entity that acquires such rights.
 - (b) Provide a copy of a minimum of 6 affiliation agreements that grant mobile distribution rights for illico mobile services.
 - (c) Provide a copy of any other agreements evidencing independently negotiated mobile distribution rights specific to illico mobile.

6. Further to its response to Québecor Média(CRTC)4avr2014-8 in which Québecor Média inc. described how Vidéotron invoices its customers for illico mobile services, are 100% of illico mobile services revenues reported in the wireless telecommunications group/division of Videotron G.P. 's financial statements? If yes, provide a copy of that portion of Vidéotron G.P.'s financial statement that reflects illico mobile service revenues. If 100% of the illico mobile service revenues are not reported by the wireless telecommunications group/division of Videotron G.P. explain how these revenues are reported, and the reasons for reporting the revenues in that manner.
7. Identify, by annual revenue report line (e.g., Total operating revenue reported in financial statements, Canadian telecommunications services revenues, etc.), where the company reports its mobile TV service revenue within the contribution regime and provide the corresponding amount reported on each line in its 2013 annual revenue report (i.e., the information filed in March 2014).
8. In response to Québecor Média (CRTC)4avril2013-13 illico mobile, Québecor Média inc. stated that the mobile TV service is a broadcasting service because it offers TV content to the subscribers and that it is exempted under the Exemption order for digital media broadcasting undertakings. Québecor Média inc. also stated that the mobile TV services deliver their content via mobile Internet access networks which are telecommunications networks.

(a)

- i. Confirm that the radio authorizations and spectrum licences, issued by Industry Canada pursuant to the *Radiocommunication Act*, that Videotron G.P. is relying on when it uses its wireless access network to transport illico mobile service to its subscribers authorize Videotron G.P. to use the spectrum to provide voice and data telecommunications services.
- ii. Identify any other purpose for which Videotron G.P. is authorized to use the spectrum in question.
- iii. Clarify whether Videotron G.P. is authorized pursuant to the *Radiocommunication Act* to use the spectrum referred to in (i) to operate a broadcasting undertaking.

(b) In *Telecom Regulatory Policy CRTC 2009-657*, the Commission set out its determinations regarding the use of Internet traffic management practices; it established a principled approach that appropriately balances the freedom of Canadians to use the Internet for various purposes with the legitimate interest of ISPs to manage the traffic thus generated on their networks. In *Telecom Decision CRTC 2010-445*, the Commission determined that the policy framework established for ITMP applies to the use of mobile wireless data services to provide Internet access. Assume for the purpose of this question that the illico mobile service is a data telecommunications service under the *Telecommunications Act* and that the illico block of viewing hours (e.g. \$5 charge for 5 hours of use) is considered by the Commission to be an ITMP and subject to the ITMP framework.

- i. Describe the ITMP, as well as the need for it in terms of traffic management, its purpose and effect.
- ii. Does the ITMP results in discrimination, disadvantage or preference? Explain, with supporting rationale evidence, why it does or does not have such a result.
- iii. Assume for the purpose of the following that the ITMP results in any degree of discrimination, disadvantage or preference:
 1. demonstrate that the ITMP is designed to address the need and achieve the purpose and effect in question;

2. establish that the ITMP results in discrimination or preference as little as reasonably possible; and
3. demonstrate that any harm to a secondary application, end-user, or any other person is as little as reasonably possible.