

## DECISION

November 6, 2008

In the Matter of  
the Securities Legislation of  
Nova Scotia and Ontario  
(the “**Jurisdictions**”)

and

In the Matter of  
the Process for Exemptive Relief Applications in Multiple Jurisdictions

and

In the Matter of  
Bell Aliant Regional Communications, Limited Partnership  
(the “**Filer**”)

## DECISION

### Background

The securities regulatory authority or regulator in each of the Jurisdictions (collectively, the “**Decision Makers**”) has received an application from the Filer for a decision under the securities legislation of the Jurisdictions (the “**Legislation**”) for:

- (a) a decision (the “**Short Form Eligibility Relief**”) pursuant to Section 8.1 of National Instrument 44-101 – *Short Form Prospectus Distributions* (“**NI 44-101**”) exempting the Filer from the requirement set out in Section 2.1 of NI 44-101 that an issuer shall not file a prospectus in the form of Form 44-101F1 – *Short Form Prospectus* unless the issuer is qualified under any of Sections 2.2 to 2.6 of NI 44-101; and
- (b) in the event that the Short Form Eligibility Relief is granted, a decision (the “**Shelf Eligibility Relief**”) pursuant to Section 11.1 of National Instrument 44-102 – *Shelf Distributions* (“**NI 44-102**”) exempting the Filer from the requirements set out in Section 2.1 of NI 44-102 that an issuer shall not file a short form prospectus that is a base shelf prospectus unless the issuer is qualified to do so under NI 44-102,

(together, the “**Exemption Sought**”).

Under the Process for Exemptive Relief Applications in Multiple Jurisdictions (for a dual review application):

- (a) the Nova Scotia Securities Commission is the principal regulator for this application,

- (b) the Filer has provided notice that section 4.7(1) of Multilateral Instrument 11-102 *Passport System* (“**MI 11-102**”) is intended to be relied upon in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Québec, New Brunswick, Newfoundland and Labrador and Prince Edward Island, and
- (c) the decision is the decision of the principal regulator and evidences the decision of the securities regulatory authority or regulator in Ontario.

### Interpretation

Terms defined in National Instrument 14-101 *Definitions* and MI 11-102 have the same meaning if used in this decision, unless otherwise defined.

### Representations

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

1. On July 7, 2006, the former Aliant Inc. (“**Old Aliant**”), BCE Inc. (“**BCE**”) and Bell Canada completed the implementation of a plan of arrangement (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.
2. The Arrangement resulted in
  - (i) 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, now carried on by the Filer (such businesses, the “**Bell Aliant Business**”);
  - (ii) the transfer of Bell Canada’s 63.4% indirect interest in NorthernTel, Limited Partnership and Télébec, Limited Partnership (collectively the “**Bell Nordiq Partnerships**”) to Bell Aliant Holdings LP (as defined below);
  - (iii) the transfer of Old Aliant’s wireless operations and its interest in DownEast Ltd. to Bell Canada; and
  - (iv) the conversion of Old Aliant to an income trust, Bell Aliant Regional Communications Income Fund (the “**Fund**”), 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.
3. Subsequently the Fund acquired the remaining indirect interest in the Bell Nordiq Partnerships and transferred this interest to Bell Aliant Regional Communications Holdings, Limited Partnership (“**Bell Aliant Holdings LP**”), resulting in the Bell Nordiq Partnerships being wholly-owned, directly or indirectly, by Bell Aliant Holdings LP.
4. The foregoing transactions 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 Bell Aliant Business by the Filer

and the distribution of cash derived from the operations and activities of the Filer and the Bell Nordiq Partnerships to Fund unitholders.

5. 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.
6. 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.
7. 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**").
8. 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).
9. The Units of the Fund are listed on the Toronto Stock Exchange under the symbol "BA.UN". As of August 31, 2008, 126,976,708 Units were issued and outstanding representing a 55.85% voting interest in the Fund.
10. The Fund files on SEDAR and provides to holders of Units separate annual audited and interim unaudited financial statements of Bell Aliant Holdings LP so long as generally accepted accounting principles prohibit the consolidation of financial information of Bell Aliant Holdings LP and the Fund and Bell Aliant Holdings LP (and any of its significant business interests) represents a significant asset of the Fund.
11. Bell Aliant Holdings LP is a limited partnership established under the laws of the Province of Québec on June 29, 2006. The head office of Bell Aliant Holdings LP is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.
12. Bell Aliant Holdings LP is a reporting issuer or the equivalent under the securities legislation of each of the provinces of Canada, either as a successor issuer to Old Aliant or by virtue of having been deemed or declared to be a reporting issuer under an order dated November 24, 2006 granted by the securities regulatory authorities in the provinces of Saskatchewan, Ontario, New Brunswick and Newfoundland and Labrador. To the knowledge of the Filer, Bell Aliant Holdings LP is not in default of securities legislation in any jurisdiction.
13. The partnership interests in Bell Aliant Holdings LP include a nominal value general partnership interest (the "**Holdings GP Interest**"), 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**"). The Holdings Class 1 Exchangeable LP Units are exchangeable on a one-for-one basis for Units of the Fund.

14. Bell Aliant Regional Communications Holdings Inc. ("**Bell Aliant Holdings Inc.**") is the general partner of Bell Aliant Holdings LP and holds the Holdings GP Interest.
15. As at August 31, 2008, there were 28,168,803 Holdings Class 1 Exchangeable LP Units and 132,367,606 Holdings Class 2 LP Units outstanding. To the knowledge of the Filer, BCE indirectly holds all of the Holdings Class 1 Exchangeable LP Units. The Fund holds, indirectly, all of the Holdings Class 2 LP Units through Bell Aliant Holdings Trust and Bell Nordiq Trust, each a wholly-owned subsidiary of the Fund.
16. The Filer 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 the Filer is located at 6 South Maritime Centre, 1505 Barrington Street, P.O. Box 880 Central, Halifax, Nova Scotia.
17. The partnership interests in the Filer include a nominal value general partnership interest (the "**Wireline GP Interest**"), Class A limited partnership units ("**Wireline Class A Units**") and Class B exchangeable limited partnership units ("**Wireline Exchangeable LP Units**"). The Wireline Exchangeable LP Units are exchangeable on a one-for-one basis for Units of the Fund.
18. Bell Aliant Regional Communications Inc. ("**Bell Aliant Inc.**") is the general partner of the Filer and holds the Wireline GP Interest. Bell Aliant Inc. is a wholly-owned subsidiary of Bell Aliant Holdings LP.
19. As at August 31, 2008 there were 118,526,398 Wireline Class A Units outstanding. Bell Aliant Inc. and 6583458 Canada Inc., each indirect subsidiaries of the Fund, together hold all outstanding Wireline Class A Units, representing a 62.14% interest in the Filer.
20. As at August 31, 2008 there were 72,205,024 Wireline Exchangeable LP Units outstanding, representing a 37.86% interest in the Filer. To the knowledge of the Filer, BCE, indirectly through its affiliates, holds all of the issued and outstanding Wireline Exchangeable LP Units.
21. The Filer is a reporting issuer or equivalent under the securities legislation of each of the provinces of Canada. To the knowledge of the Filer, the Filer is not in default of securities legislation in any jurisdiction.
22. In aggregate, to the knowledge of the Filer, BCE currently owns, directly or indirectly, a 44.15% interest in the Fund on a fully diluted basis.
23. BCE has been granted certain governance rights in respect of the boards of directors and trustees of the Filer and its affiliated entities. BCE, Bell Canada, Bell Aliant Inc. and Bell Aliant Holdings Inc., among others, entered into a securityholders' agreement as a result of which BCE was given the right to appoint or nominate, as applicable, a majority of the directors of Bell Aliant Holdings Inc. and Bell Aliant Inc., and the trustees of the Fund (and a majority of the directors and trustees of certain underlying entities of the Fund), subject to certain conditions, for so long as BCE has not less than a 30% interest in the Fund (on a fully-diluted basis) and certain commercial agreements between the parties are in place.

24. Because BCE is entitled to elect a majority of the board of Bell Aliant Inc. and Bell Aliant Holdings Inc., generally accepted accounting principles do not permit consolidation of the financial information regarding the Filer in the Fund's financial statements. Financial information concerning the Filer is consolidated with that of the Bell Nordiq Partnerships in the financial statements of Bell Aliant Holdings LP.
25. Pursuant to an MRRS Decision Document dated November 10, 2006 (the "**CD Relief**"), the Filer was granted an exemption from the financial statement and other continuous disclosure requirements of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**") and certain related requirements of securities laws on the basis set out therein, including that the Filer files (i) continuous disclosure documents (including an annual information form, financial statements and MD&A) of Bell Aliant Holdings LP on its own SEDAR profile, and (ii) selected consolidating summary financial information for Bell Aliant Holdings LP, the Filer and other subsidiaries of Bell Aliant Holdings LP, on its own SEDAR profile.
26. On September 15, 2006 a receipt was issued by the securities regulatory authorities in each province of Canada for a shelf prospectus of the Filer qualifying the distribution of medium term notes (the "**Notes**") by the Filer. The Notes are unsecured debt obligations of the Filer, and are fully and unconditionally guaranteed by Bell Aliant Holdings LP, Bell Aliant Holdings Inc., 6583458 Canada Inc., Bell Aliant Inc. and Bell Aliant Holdings Trust.
27. The currently outstanding Notes are rated BBB (high) by DBRS Limited and BBB by Standard & Poor's, a division of The McGraw-Hill Companies, Inc.
28. The Filer intends to file a renewal base shelf prospectus in each province of Canada to qualify the issuance of Notes through subsequent prospectuses or pricing supplements to be filed in connection with the distribution thereof. As with the previously issued Notes, the Notes will be unsecured obligations of the Filer ranking *pari passu* with all other unsecured and unsubordinated indebtedness incurred by the Filer, and will be guaranteed by each of Bell Aliant Holdings LP, Bell Aliant Holdings Inc., 6583458 Canada Inc., Bell Aliant Inc. and Bell Aliant Holdings Trust. The Notes may also from time to time be guaranteed by other affiliates of Bell Aliant LP.
29. The annual information form (the "Bell Aliant Holdings LP AIF") and annual and interim financial statements and MD&A (the "Bell Aliant Holdings LP Financial Statements") of Bell Aliant Holdings LP, and the consolidating summary financial information for Bell Aliant Holdings LP, the Filer and other subsidiaries of Bell Aliant Holdings LP, filed on SEDAR by the Filer, will be incorporated by reference in the Filer's renewal base shelf prospectus as required by item 12.1(1) of Form 44-101F1 – *Short Form Prospectus*.
30. The financial statements of Bell Aliant Holdings LP, together with the additional consolidating summary financial information filed by the Filer, provide investors and potential investors in the Notes with sufficient information to make an informed investment decision concerning the Filer's ability to pay interest and repay the principal on the Notes when due, given that the Filer's financial results are consolidated into the financial statements of Bell Aliant Holdings LP and that repayment of the Notes is guaranteed by Bell Aliant Holdings LP.

## Decision

Each of the Decision Makers is satisfied that the decision meets the test set out in the Legislation for the Decision Maker to make the decision.

The decision of the Decision Makers under the Legislation is that the Exemption Sought is granted provided that:

- (i) at the time the Filer files a Base Shelf Prospectus, the Filer satisfies every qualification criteria set out in section 2.3 of NI 44-101 and section 2.3(1)(b) of NI 44-102, other than the qualification criteria set out in paragraph 2.3(d) of NI 44-101,
- (ii) any Base Shelf Prospectus incorporates by reference:
  - i. the Bell Aliant Holdings LP AIF,
  - ii. the Bell Aliant Holdings LP Financial Statements, and
  - iii. any other document of Bell Aliant Holdings LP that would be required to be incorporated by reference into the Base Shelf Prospectus under section 11.1 of Form 44-101F1 if Bell Aliant Holdings LP were the issuer under the Base Shelf Prospectus, and
- (iii) the Filer complies with all the conditions of the MRRS Decision Document dated November 10, 2006.

“J. William Slattery”

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J. William Slattery

Acting Director of Securities

Nova Scotia Securities Commission