



## Telecom Order CRTC 2006-36-2

Ottawa, 27 February 2006

### Bell Canada - Centrex III Service

Reference: Tariff Notice 6916

#### Erratum

1. *Bell Canada - Centrex III Service*, Telecom Order CRTC 2006-36-1, 27 February 2006 (Order 2006-36-1), inadvertently identified information filed in confidence by Bell Canada. Accordingly, in order to correct this mistake, the Commission is issuing this Order, which replaces Order 2006-36-1, and which does not identify the information in question.
2. The Commission issued Order 2006-36-1 to correct Telecom Order CRTC 2006-36, 14 February 2006 (Order 2006-36). In Order 2006-36, the Commission noted that no comments had been received with respect to Bell Canada Tariff Notice 6916 (TN 6916), and approved Bell Canada's application effective 20 February 2006. In fact, MTS Allstream Inc. (MTS Allstream) had filed comments on Bell Canada's application and Bell Canada had filed reply comments.
3. Order 2006-36-1 should have read as follows:

#### The application

4. The Commission received an application from Bell Canada, dated 14 December 2005, requesting the Commission's approval of revisions to Bell Canada's General Tariff item 675, Centrex III Service.
5. In its application, Bell Canada proposed to eliminate the one-year contract option for Centrex Microlink Accesses and Integrated Centrex III Microlink Accesses. Bell Canada also proposed to increase the monthly rates for one-month, three-year and five-year Minimum Contract Period (MCP) options for Centrex Data Locals, Centrex Microlink Accesses and Integrated Centrex III Microlink Accesses.
6. With respect to proposed increases to the MCP monthly rates, Bell Canada specifically proposed to:
  - a) increase the monthly rate for one-month, three-year and five-year MCP options for Centrex Data Locals by \$11.55 per line (from \$115.75 to \$127.30);
  - b) increase the monthly rates associated with the one-month MCP option for both Centrex Microlink Accesses and Integrated Centrex III Microlink Accesses by \$11.55 per line (from \$115.75 to \$127.30);

- c) increase the monthly rates for the three-year MCP option for both Centrex Microlink Accesses and Integrated Centrex III Microlink Accesses by \$10.65 per line (from \$106.50 to \$117.15); and
- d) increase the monthly rates for the five-year MCP option for both Centrex Microlink Accesses and Integrated Centrex III Microlink Accesses by \$10.05 per line (from \$100.50 to \$110.55).

**Process**

- 7. On 22 December 2005, the Commission approved Bell Canada's application on an interim basis in Telecom Order CRTC 2005-417 (Order 2005-417).
- 8. MTS Allstream filed comments on 12 January 2006. Bell Canada filed reply comments on 31 January 2006.

**MTS Allstream's comments**

- 9. MTS Allstream submitted that Bell Canada had proposed significant rate increases, especially given the fact that it was the second increase within a year and that initial increases for some of the same services, ranging from 2.6 to 30.2 percent, had been approved by the Commission in *Bell Canada – Centrex III Service*, Telecom Order CRTC 2005-24, 14 January 2005.
- 10. MTS Allstream further submitted that, despite the fact that Bell Canada's Microlink services are classified as retail services, they were now primarily competitor services, and that it was imperative that competitors be given sufficient notice and opportunity to analyze the impact of the rate increases that Bell Canada had proposed and notify customers of any consequent service or rate changes. MTS Allstream argued that the approximately two-month period from the time of Bell Canada's tariff notice to the proposed effective date of the significant rate increases was insufficient for competitors to make any necessary changes to their services that rely on the Microlink services.
- 11. In light of the above, MTS Allstream requested that the Commission defer the effective date of the rate increases to 20 April 2006.

**Bell Canada's reply comments**

- 12. Bell Canada argued that MTS Allstream's comments were submitted beyond the period established by the Commission for the filing of comments on retail tariff applications, as established by the Commission in *Introduction of a streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-6, 25 April 2005 (Circular 2005-6).
- 13. Bell Canada also was of the view that any extension to the effective date of TN 6916 was unwarranted. Bell Canada indicated that as of 16 January 2006, it had notified all of its affected customers of the changes filed under TN 6916 through the use of an informational message on its customers' bills. Bell Canada also submitted that savvy regulatory players such as MTS Allstream should have been generally aware of Bell Canada's Centrex Data Local and Centrex Microlink Access migration plans, and that as a result, MTS Allstream should not have been surprised by TN 6916.

14. Bell Canada also took issue with MTS Allstream's specific comments on Bell Canada's proposed effective date of TN 6916. Bell Canada noted that MTS Allstream had recently proposed rate increases to its retail multi-line business services in MTS Allstream Tariff Notice 577, requesting an effective date that was a mere 34 days after the date its application was filed with the Commission. Bell Canada noted that, by comparison, its proposed rate increases to its retail Centrex Data Local and Microlink Access services under TN 6916 were filed 68 days in advance of the requested effective date. In light of Bell Canada providing customers with twice the amount of time to analyze and prepare for the rate increases than the duration MTS Allstream had provided to its customers, Bell Canada was of the view that its filing timelines were well in line with standard practices.
15. In response to MTS Allstream's comments that Bell Canada's Centrex Microlink services were seldom used directly by retail customers although they were classified as retail services, Bell Canada submitted that those comments were baseless as a significant percentage of Bell Canada's Centrex Microlink circuits were used by retail customers.
16. In response to MTS Allstream's comments that the proposed rate increases were significant considering the fact that it was Bell Canada's second increase within a year, Bell Canada submitted that the proposed increases had been carefully considered in light of current market conditions and competitive pressures, and that they were in accordance with the regulatory treatment of uncapped services. In addition, Bell Canada indicated that it had been over a year since its last rate increase took effect, on 17 January 2005.

#### **Commission's analysis and determinations**

17. The Commission notes that Centrex Microlink Access and Integrated Microlink Access services are uncapped services and that the rate increases proposed in TN 6916 are consistent with the regulatory treatment to uncapped services. TN 6916 was given interim approval in Order 2005-417.
18. The Commission also notes Bell Canada's submission that, contrary to MTS Allstream's comments, it has been over a year since Bell Canada's last rate increases for these services took effect.
19. With respect to MTS Allstream's submission that Bell Canada's Centrex Microlink services are now primarily competitive services, the Commission notes Bell Canada's submission that a significant percentage of its Centrex Microlink circuits are used by retail customers.
20. The Commission is of the view that Bell Canada's proposed effective date of 20 February 2006 for its proposed rate increases to its Centrex Data Local and Microlink Access services gives enough time to customers to analyze and prepare for the rate increases. The Commission notes that the application was received by the Commission on 14 December 2005 and was given interim approval on 22 December 2005.
21. In terms of process, the Commission reminds MTS Allstream and Bell Canada that in Circular 2005-6, the Commission proposed changing the filing deadlines for all tariff applications. In Circular 2005-6, the Commission indicated that beginning on 1 May 2005,

interested parties were to file comments on all tariff applications within 25 calendar days of the filing date of the application, and the applicant was to file its reply comments within seven calendar days after the final date for interventions. These timelines were confirmed in *Finalization of the streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-9, 1 November 2005. The Commission notes that neither MTS Allstream nor Bell Canada filed their comments within the timeframes envisaged by these Circulars.

22. In light of all the above, the Commission **approves on a final basis** Bell Canada's application.

Secretary General

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