



Telecom Order CRTC 2006-59

Ottawa, 22 March 2006

MTS Allstream Inc.

Reference: Tariff Notices 531 and 531A

Introduction of rates for Competitor Digital Network access – DS-0, Bands C to G, DS-1 Bands D to G, and DS-3, Band C

Application

1. The Commission received an application by MTS Allstream Inc. (MTS Allstream)¹ dated 14 May 2004 (Tariff Notice 531 (TN 531)), and amended on 16 February 2006 (Tariff Notice 531A (TN 531A)), requesting approval of amendments to its Supplementary Tariff Access Services for Interconnection with Carriers and Other Service Providers, Access Arrangements, item 125, Competitor Digital Network (CDN) Services. In its application, MTS Allstream proposed to introduce the following CDN services: (i) DS-0 transmission speed in Bands C to G, (ii) DS-1 transmission speed in Bands D to G, and (iii) DS-3 transmission speed in Band C. MTS Allstream requested an effective date of 1 June 2002.
2. MTS Allstream submitted that TN 531A was filed in accordance with the economic parameters and costing requirements for CDN services as set out in *Competitor Digital Network Services*, Telecom Decision CRTC 2005-6, 3 February 2005 (Decision 2005-6). MTS Allstream noted that the proposed rate in TN 531A for CDN access in Band G at DS-0 transmission speed was greater than the corresponding retail rate for Digital Network Access (DNA). MTS Allstream indicated that it intended to file a revised retail rate for its DNA DS-0 service in Band G in due course.
3. No comments were received with respect to this application.

Commission's analysis and determinations

4. The Commission has reviewed TN 531, as amended by TN 531A, and considers that the imputation test results and proposed costs adhere to the Decision 2005-6 determinations and that the application satisfies the imputation test.
5. Consistent with the impact of the adjustments made to the rates of the other incumbent local exchange carriers (except for Saskatchewan Telecommunications) in Decision 2005-6, the Commission is of the view that the rates filed in MTS Allstream's application should be adjusted by removing the applicable inflation minus productivity offset (I-X) constraints for

¹ Manitoba Telecom Services Inc., the parent company of MTS Communications Inc., acquired all of the issued and outstanding shares of Allstream Inc. effective 4 June 2004. As part of the transaction, MTS Communications Inc., MTS Media Inc., and Allstream Corp. amalgamated effective 4 June 2004 to form a company operating under the name MTS Allstream Inc.

each of the years 2002 to 2005.

6. With respect to MTS Allstream's statement that the proposed rate in TN 531A for CDN DS-0 accesses in Band G was greater than the corresponding retail rate for DNA, the Commission considers that the proposed CDN rate should be effective only on the date the higher revised retail rate for the service in question becomes effective. Until then, the Commission considers that the applicable CDN rate should be equal to the existing rate for the corresponding retail DNA service. In the Commission's view, it would be inconsistent with the purpose underpinning the establishment of CDN services to approve a CDN rate that is higher than the existing rate for the corresponding retail service.
7. Accordingly, the Commission **approves** MTS Allstream's TN 531, as amended by TN 531A, with an effective date of 1 June 2002, with the following modifications: (a) the rates are to be adjusted annually for each of the years 2002 to 2005 to reflect the application of the applicable I-X constraint consistent with the Commission's determination in Decision 2005-6; and (b) the proposed rate for CDN DS-0 accesses in Band G is to be effective at the date the higher revised retail rate for the service in question becomes effective. Until then, the CDN rate is to be equal to the existing rate for the corresponding retail DNA service.
8. The Commission directs MTS Allstream, for its CDN DS-0 access circuits in Band G, to charge competitors a rate equal to the retail rate until such time as MTS Allstream has approval for a retail DNA rate which exceeds the proposed Competitor Service rate in Band G.
9. The Commission directs MTS Allstream to file a revised retail DNA rate for its DS-0 accesses in Band G within 30 days of the date of this Order.

Secretary General

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