



## Telecom Order CRTC 2009-64

Ottawa, 11 February 2009

### **MTS Allstream Inc. – Revised rates for Competitor Digital Network DS-0, DS-1, and DS-3 intra-exchange channels service**

File number: 8740-M59-200816481

1. The Commission received an application by MTS Allstream Inc. (MTS Allstream), dated 8 December 2008, in which the company proposed increases to its Access Services Tariff Item 125, Competitor Digital Network (CDN) intra-exchange channels service monthly rates for each of the transmission speeds of DS-0, DS-1, and DS-3.
2. MTS Allstream submitted that in its regulatory economic study for intra-exchange channels service previously filed with the Commission, the company had incorrectly assumed a point-to-point transmission facility between adjacent central offices and did not include the costs related to diverse fibre routes and inter-connected optical repeater offices. As a result of these cost omissions, the company submitted that its current rates for CDN intra-exchange channels service<sup>1</sup> are substantially lower than the corresponding rates charged by other incumbent local exchange carriers. MTS Allstream provided an updated regulatory economic study incorporating the above-noted cost omissions to support its application.
3. MTS Allstream also provided detailed information as to how the annual vendor support costs for its fibre optic transmission systems (FOTS) optical transport equipment had been estimated.<sup>2</sup> MTS Allstream explained that these costs:
  - included estimated expenditures related to software patches, and emergency and non-emergency technical support provided by the vendor; and
  - were developed based on the 2008 Nortel Transport Support contract and the number of FOTS network elements currently used by the company.
4. The Commission did not received any comments on this application. The public record of this proceeding, which closed on 23 January 2009, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."

<sup>1</sup> These rates were established in *Competitor Digital Network Services*, Telecom Decision CRTC 2005-6, 3 February 2005, as amended by Telecom Decision CRTC 2005-6-1, 28 April 2006.

<sup>2</sup> See MTS Allstream's 9 January 2009 response to a Commission interrogatory dated 23 December 2008.

## Commission's analysis and determinations

5. The Commission has reviewed MTS Allstream's costing information and assumptions filed in support of its application, and is persuaded that the omitted costs are causal to the relevant services and that these costs are reasonable. Accordingly, the Commission **approves** the following CDN intra-exchange channels service rates effective the date of the order.

DS-0	DS-1	DS-3
\$1.08	\$25.80	\$329.28

Secretary General

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