



Telecom Order CRTC 2010-915

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Ottawa, 6 December 2010

MTS Allstream Inc. – Wireless Service Provider Enhanced 9-1-1 Service and Province-Wide Enhanced 9-1-1 Service

File numbers: Tariff Notices 677, 677A, and 677B

Introduction

1. On 4 May 2009, MTS Allstream Inc. (MTS Allstream) filed Tariff Notice 677, amended on 21 May 2009 by Tariff Notice 677A, requesting approval for its revised General Tariff item 3050, Wireless Service Provider Enhanced 9-1-1 Service (WSP E9-1-1 Service),¹ and item 485, Province-Wide Enhanced 9-1-1 Service (PW E9-1-1 Service).² MTS Allstream filed these applications pursuant to certain requirements set out in Telecom Regulatory Policy 2009-40, in which the Commission mandated all incumbent local exchange carriers (ILECs) to file proposed revised WSP E9-1-1 Service tariffs associated with the implementation of Phase II Stage 1 of that service.³ The Commission approved Tariff Notice 677A on an interim basis in Telecom Order 2009-375, effective 1 February 2010.
2. On 27 November 2009, MTS Allstream filed Tariff Notice 677B, in which it requested a modified effective date of 1 March 2010 for the rate approved in Telecom Order 2009-375 for its PW E9-1-1 Service. The Commission approved tariff notice 677B on an interim basis in Telecom Order 2009-779, effective 1 March 2010.
3. The Commission received comments regarding MTS Allstream's applications from Rogers Wireless Inc. (RWI). The public record of this proceeding, which closed on 12 December 2009, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

¹ WSP E9-1-1 service provides WSPs with access to the incumbent local exchange carriers' (ILECs) 9-1-1 networks in order to transport WSPs' end-customer call display information to the public safety answering points (PSAPs).

² PW E9-1-1 Service provides telephone subscribers, both wireline and wireless, with the capability to connect their 9-1-1 calls to the appropriate PSAP. For this service, ILECs charge retail wireline or wireless rates.

³ Implementation of WSP E9-1-1 Service has been accomplished in two phases: the Phase I element provides call number, cell/site location sector information, and WSP identification, while the Phase II Stage 1 element provides longitudinal and latitudinal information regarding caller location in addition to the information provided in Phase I.

WSP E9-1-1 Service

4. MTS Allstream proposed a single monthly rate of \$0.0427 per wireless telephone number associated with the Phase I and Phase II Stage 1 elements of its WSP E9-1-1 Service. The company also proposed a one-time service charge of \$2,168 per WSP for its WSP E9-1-1 Service to support the testing and implementation of the Commission-mandated service enhancements specified in Telecom Regulatory Policy 2009-40. MTS Allstream also proposed the inclusion of General Tariff item 3050 4.C., which would provide for levying additional charges to enable the company to recover unusual expenses related to installing special equipment required to provision the service. MTS Allstream submitted that the inclusion of this provision is appropriate since its WSP E9-1-1 Service is being provided without a technical trial in order to bring the service to market faster, which may result in a need to install special equipment and/or to incur unusual expenses, depending which WSP subscribes to the service.
5. RWI raised a concern regarding the reasonableness of MTS Allstream's proposed monthly rate, noting that it is 55 percent higher than the rate proposed by TELUS Communications Company (TCC). In addition, RWI objected to the proposed one-time service charge, arguing that expenses for testing and implementing the above-mentioned service enhancements are basic expenses of providing the service.
6. RWI also objected to the proposed inclusion of item 3050 4.C., submitting that MTS Allstream should not be permitted to impose additional and unjustified charges on WSPs for the implementation of Phase II Stage 1 of WSP E9-1-1 Service.
7. MTS Allstream replied that the cost studies it filed in support of its applications justify its proposed monthly rate. The company stated that the difference between its proposed rate and that of TCC is due to the fact that although MTS Allstream must incur expenses similar to TCC's, its costs are to be distributed over a smaller number of wireless users than TCC has.
8. MTS Allstream also stated that a one-time service charge is the most appropriate mechanism to recover costs incurred by a particular WSP. With respect to the proposed inclusion of tariff item 3050 4.C., the company argued that provisions for the recovery of unusual expenses are standard, as reflected in Article 3.1 of MTS Allstream's Terms of Service.

Commission's analysis and determinations

9. The Commission has reviewed the cost estimates filed by MTS Allstream and considers that the company's proposed monthly rate for WSP E9-1-1 Service is just and reasonable, taking into account the costs incurred and the customer base from which it will recover these costs.
10. The Commission also considers that, since the costs of testing and implementing the Commission-mandated service enhancements are not recovered by the proposed monthly rate for WSP E9-1-1 Service, the inclusion of a one-time service charge is warranted. Based on the cost estimates filed by MTS Allstream, the Commission finds that the proposed charge is just and reasonable.

11. The Commission further considers that proposed tariff item 3050 4.C. is consistent with MTS Allstream's Terms of Service and notes that it is a standard practice for ILECs to charge a fee to recover unusual expenses that may occur in the provision of services. Accordingly, the Commission considers that tariff item 3050 4.C. is appropriate.
12. In light of the above, the Commission **approves on a final basis** MTS Allstream's tariff for WSP E9-1-1 Service, effective 1 February 2010.

PW E9-1-1 Service

13. MTS Allstream proposed to increase its monthly rates for PW E9-1-1 Service to \$0.18 per wireline telephone number and \$0.09 per wireless telephone number. The company submitted that the proposed increase is based on the fact that it had to undertake a complex and costly project to upgrade its Automatic Location Information database in order to implement the Commission-mandated service enhancements specified in Telecom Regulatory Policy 2009-40. MTS Allstream submitted that the upgrades would provide enhanced service reliability for both wireline and wireless customers.
14. RWI raised a concern about WSPs paying revised monthly rates due to the above-mentioned upgrades and submitted that the Commission must ensure that the study uses the proper asset lives for the establishment of the proposed rates.

Commission's analysis and determinations

15. The Commission notes that the asset lives used by MTS Allstream in its study are based on the economic lives approved in the company's Regulatory Economic Study Manual. The Commission also notes that it has reviewed the cost study methodology and assumptions, and finds them to be consistent with those specified in MTS Allstream's Regulatory Economic Study Manual. The Commission therefore finds that the associated proposed rates are just and reasonable.
16. In light of the above, the Commission **approves on a final basis** MTS Allstream's tariff for PW E9-1-1 Service, effective 1 March 2010.

Secretary General

Related documents

- Telecom Order CRTC 2009-779, 15 December 2009
- Telecom Order CRTC 2009-375, 19 June 2009
- *Implementation of wireless Phase II E9-1-1 service*, Telecom Regulatory Policy CRTC 2009-40, 2 February 2009