



## Telecom Order CRTC 2010-305

Ottawa, 21 May 2010

### **TBayTel – Introduction of an Access Tandem Charge and revisions to Competitor Link Services**

File number: Tariff Notices 153 and 154

1. The Commission received applications by TBayTel, dated 25 and 26 November 2009 respectively, in which the company proposed to modify its Carrier Access Tariff by introducing an Access Tandem Charge and revising its Competitor Digital Network (CDN) Services.
2. Specifically, in the first application, TBayTel proposed revisions to Section 1000, Interexchange Carrier Access Service, of its Carrier Access Tariff to introduce an Access Tandem or Equivalent Connection Charge. TBayTel indicated that this charge would apply for interconnecting circuits with trunk-side access arranged for Feature Group D service connecting at an Access Tandem. The company also proposed revisions to Section 8000, Local Network Interconnection and Component Unbundling, of its Carrier Access Tariff to specify that the applicable rate for Toll Transit service would be the Access Tandem or Equivalent Connection Charge.
3. In the second application, TBayTel proposed revisions to Section 8300.4(f), CDN Central Office Link Services (CDN CO Link Services), of its Carrier Access Tariff. TBayTel indicated that the purpose of these revisions was to introduce a DS-3 CDN CO Link Service and to increase the rates charged for its existing DS-1 CDN CO Link Service.
4. In Telecom Order 2009-768, the Commission approved the applications on an interim basis.
5. The Commission received comments from MTS Allstream Inc. (MTS Allstream) with respect to both of TBayTel's applications. The public record of this proceeding, which closed on 23 December 2009, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file number provided above.
6. MTS Allstream submitted that the proposed monthly rate for the new DS-3 CDN CO Link Service is more than 13 times higher than the monthly rate for any other kind of wholesale link service provided by TBayTel, and more than 150 times higher than TBayTel's monthly rate for a group of 100 connecting links. MTS Allstream further submitted that the proposed rates for this service would yield revenue in excess of \$2,000 per year, per link. MTS Allstream claimed that it would be inappropriate for the Commission to accept the proposed rates as just and reasonable absent supporting evidence of the labour and equipment required by TBayTel to provide the links.
7. In addition, MTS Allstream requested confirmation that the changes proposed in TBayTel's applications would not apply to any existing interconnections or arrangements.

8. In reply, TBayTel submitted that the rates proposed in its applications meet the requirements for services offered by the small incumbent local exchange carriers (small ILECs), as set out in Decision 2001-756 and Telecom Decision 2006-14. TBayTel submitted that, accordingly, it did not provide economic studies in support of the proposed rates, since they are equal to rates already approved for Bell Canada and Saskatchewan Telecommunications (SaskTel) for the same services. TBayTel indicated that the proposed rates would apply to MTS Allstream's existing or pending arrangements or interconnections on a case-by-case basis.

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

9. In Decision 2001-756, the Commission determined that small ILECs should be subject to a simplified form of price regulation involving services grouped into four separate baskets, each with its own pricing constraints. In Telecom Decision 2006-14, the Commission assigned competitor services to the fourth service basket. The Commission concluded that rates for services in this basket are allowed to increase up to any rate approved by the Commission for the same service, but required small ILECs to file an economic study for any proposed rate increase over and above an approved ILEC rate.
10. The Commission notes that the rates proposed by TBayTel for its Access Tandem or Equivalent Connection Charge and for its Toll Transit service are equal to the rates approved for Bell Canada for the same services. The Commission also notes that TBayTel's proposed rates for DS-1 and DS-3 CDN CO Link Services are equal to the rates already approved for SaskTel for the same services.
11. The Commission concludes that TBayTel's proposed rates are consistent with the determinations set out in Telecom Decision 2006-14 and are therefore appropriate. The Commission notes that, once approved, tariff rates apply to all regulated services. TBayTel's proposed rates will therefore apply to MTS Allstream's existing interconnections or arrangements, since they are provided pursuant to an approved tariff.
12. In light of the above, the Commission **approves on a final basis** TBayTel's applications.

Secretary General

### **Related documents**

- Telecom Order CRTC 2009-768, 10 December 2009
- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006
- *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>.*