



Telecom Order CRTC 2006-27

Ottawa, 6 February 2006

Téléphone Milot inc.

Reference: Tariff Notices 28 and 28A

Revisions to Téléphone Milot inc.'s General Tariff

Background

1. In Telecom Order CRTC 2005-417, 22 December 2005, the Commission approved on an interim basis the application by Téléphone Milot inc. (Milot), filed 16 November 2005 and amended 15 December 2005, to adjust, effective 1 January 2006, its General Tariff to reflect the General Tariff of Sogetel Inc. (Sogetel), now that Milot is part of the Sogetel group. Sogetel has acquired all the shares in the capital stock of Les Entreprises de Tel Milot inc., which in turn holds the shares in Milot's capital stock.
2. In its application, Milot proposed to adopt sections of Sogetel's General Tariff to reflect the same terms of service. Milot however proposed to retain the rates currently in effect in its own General Tariff for the services in the first, second and third baskets as classified in *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001 (Decision 2001-756).
3. For services in the fourth basket as classified in Decision 2001-756, Milot proposed to adopt the rates currently in effect in Sogetel's General Tariff.
4. Milot proposed to add to its General Tariff section 4.15 - Carrier Access Tariff, section 4.16 - Access Services for Interconnection with Toll Service Providers, and section 4.18 - Billing and Collection Service.
5. Milot also indicated that it was providing certain services for which provisions were not set out in its own General Tariff. It therefore proposed updating its General Tariff by adding section 5.4 - Terms for Data Transmission, section 5.5 - Radio Paging Access Service, section 5.7 - Digital Network Service, section 5.8 - Frame Relay Service, section 5.9 - High Capacity Digital Link, section 5.11 - Symmetric Digital Subscriber Line, and section 5.12 - Point-to-Point High Speed Access.
6. Milot noted that its subscribers could take advantage of new services that Sogetel currently offers its own subscribers, and thus proposed to include section 5.14 - Use of Carrier Facilities, and section 6.4 - Telephone Services and Equipment for Persons with Disabilities.
7. Finally, Milot requested that the Commission approve the deletion of section 2.9 - Short-Term and Seasonal Service, because it is no longer offered in its territory.
8. The Commission received no comments with respect to the application.

Commission's analysis and determinations

9. The Commission notes that in Decision 2001-756, it established that the small incumbent local exchange carriers (ILECs) would be subject to a simplified form of price regulation, and therefore grouped services into four separate baskets, each with their own pricing constraints.
10. The first and second baskets comprise residential primary exchange service (PES) and business PES, respectively. The Commission determined that the rates for each of these services could be increased annually by no more than inflation in the absence of any exogenous factors.
11. The third basket comprises 9-1-1, message relay service and toll restriction. For these services, the Commission considered it appropriate to freeze, at the existing tariffed rates, the rates for these services provided directly by the small ILECs.
12. The fourth basket comprises all other services offered by the small ILECs, such as optional services, multi-element service categories, special facilities tariffs and competitor access tariffs. The Commission determined that rates for these services would generally be permitted to increase up to any already approved rate for the same service.
13. The Commission notes that Milot's proposal will have no impact on its customers who subscribe to first-, second- or third-basket services. However, Milot's proposal will result in rate increases for many of its customers who subscribe to fourth-basket services. The Commission notes that as of 1 January 2006, the rates applicable to Milot customers are those already approved for Sogetel. Accordingly, the Commission finds that Milot's proposal meets the requirements set out in Decision 2001-756.
14. The Commission further notes that pursuant to subsection 25(1) of the *Telecommunications Act* (the Act), all telecommunications services offered by a telecommunications undertaking must be tariffed, unless covered under regulatory forbearance. Accordingly, the Commission finds that Milot's proposal to add to its General Tariff terms for certain services it offers but which are not included in the General Tariff, is consistent with the requirements of the Act.
15. In light of the above, the Commission **approves on a final basis** Milot's application.

Secretary General

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