



Telecom Order CRTC 2006-127

Ottawa, 30 May 2006

Aliant Telecom Inc. – General Tariff items 502, 503, and 504 – Digital Exchange Access Service, Digital Switched Service, and Megalink Service

Reference: Tariff Notice 196

The application

1. The Commission received an application by Aliant Telecom Inc. (Aliant Telecom), dated 31 March 2006, proposing revisions to its General Tariff with respect to item 502 – Digital Exchange Access (DEA) Service, item 503 – Digital Switched Service (DSS), and item 504 – Megalink Service (Megalink). Aliant Telecom submitted its application as part of its 2006 annual price cap filing.
2. In its application, Aliant Telecom proposed to restructure the access charge components of these three services. Currently, access is charged by reference to item 301 of Bell Canada's National Services Tariff (NST), which contains various elements, including access, link, and intra-exchange channel. Under Aliant Telecom's proposal, access would instead be charged within the tariff item applicable for each of the individual services. Specifically, the company proposed to introduce provisions, including rates, related to a non-contracted option as well as for one-, three-, and five-year Minimum Contract Period (MCP) options. Aliant Telecom submitted that the proposed changes would provide a simplified, easier to understand rate structure for customers. Aliant Telecom indicated that some customers would see a rate decrease and that none would see an increase due to the proposed restructure.
3. By letter dated 11 April 2006, the Commission addressed interrogatories to Aliant Telecom regarding its application. Aliant Telecom filed its responses to these interrogatories on 24 April 2006.
4. In its response to an interrogatory asking for clarification regarding the company's proposal for customers under an existing two- or four-year MCPs, Aliant Telecom indicated that it would contact all affected customers to advise them of their options with respect to the proposed changes. Aliant Telecom indicated that its intention was to move the affected customers to an MCP that would lower the existing rates for these customers. Aliant Telecom noted that if a customer wished to subscribe to another option, the company would accommodate his or her request, subject to the conditions of the tariff.
5. The Commission received no comments with respect to this application.

Commission's analysis and determination

6. The Commission notes that item 301 of the NST includes provisions for rates related to a monthly (non-contracted) option as well as for rates related to one-, two-, three-, four-, and five-year MCPs. However, the company is proposing to eliminate two- and four-year MCPs in this application.
7. The Commission is concerned by Aliant Telecom's proposal to move existing two-year MCP customers to a -three-year MCP, as it would allow the company to tie down these customers for a longer period. The Commission is also concerned about the alternatives available to these customers. Specifically, if they opt for a shorter term they would have to pay higher rates, and if they opt for early termination, they would have to pay termination charges. The Commission therefore considers that it would be appropriate for Aliant Telecom to include in General Tariff items 502, 503, and 504 a provision that existing Megalink, DSS, and/or DEA customers with two- or four-year contracts may terminate their contracts without penalty if these customers so choose.
8. Accordingly, the Commission **approves** Tariff Notice 196, subject to the following:
 - Aliant Telecom is to include in General Tariff items 502, 503, and 504 a provision that existing Megalink, DSS, and/or DEA customers under a two- or four-year MCP may terminate their contracts without penalty if these customers so choose.
9. Aliant Telecom is to issue revised tariff pages within 10 days from the date of this Order.

Secretary General

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