

# **Telecom Decision CRTC 2007-10**

Ottawa, 15 February 2007

## AT&T Global Services Canada Co. – Application seeking relief with respect to the application of Basic Service Extension Feature charges to configurations involving Competitor Digital Network DS-1 to DS-0 channelization service

Reference: 8661-A76-200602260

The Commission grants in part AT&T Global Services Canada Co.'s request that the incumbent local exchange carriers (ILECs) cease applying Basic Service Extension Feature (BSEF) charges to configurations involving Competitor Digital Network (CDN) DS-1 to DS-0 channelization service.

The Commission considers that one of the features of BSEF service, Dataphone Digital Service (DDS) compatible data encoding, is already included in the CDN DS-0 access service. To the extent that, based on the circuit configuration, the only BSEF feature required and obtained by competitors in connection with Competitor Digital Network Access service and CDN DS-0 access service was the DDS encoding feature, the Commission directs the ILECs to cease applying BSEF charges, and to make refunds consistent with their Terms of Service.

## Introduction

 The Commission received an application by AT&T Global Services Canada Co. (AGSC), dated 3 March 2006, pursuant to Part VII of the *CRTC Telecommunications Rules of Procedure*, requesting that the Commission direct Aliant Telecom Inc., now Bell Aliant Regional Communications, Limited Partnership (Bell Aliant);<sup>1</sup> Bell Canada; TELUS Communications Inc., now TELUS Communications Company (TCC);<sup>2</sup> MTS Allstream Inc. (MTS Allstream); and Saskatchewan Telecommunications (SaskTel) (collectively, the incumbent local exchange carriers or ILECs) to cease applying Basic Service Extension Feature (BSEF) charges to configurations involving Competitor Digital Network (CDN) DS-1 to DS-0 channelization service and to refund all such charges back to 3 February 2005, the effective date for the creation of CDN DS-1 to DS-0 channelization service.

# Canada

<sup>&</sup>lt;sup>1</sup> On 7 July 2006, Bell Canada's regional wireline telecommunications operations in Ontario and Quebec were combined with, among other things, the wireline telecommunications operations of Aliant Telecom Inc., Société en commandite Télébec, and NorthernTel, Limited Partnership to form Bell Aliant Regional Communications, Limited Partnership (Bell Aliant).

<sup>&</sup>lt;sup>2</sup> Effective 1 March 2006, TELUS Communications Inc. assigned and transferred all of its network assets and substantially all of its other assets and liabilities, including substantially all of its service contracts, to TELUS Communications Company (TCC).

### Process

- 2. The Commission received comments dated 27 March 2006 from Rogers Telecom Inc. (RTI) and 3 April 2006 from Bell Aliant and Bell Canada (collectively, the Companies), MTS Allstream, SaskTel, and TCC.
- 3. AGSC filed reply comments dated 13 April 2006.

## Background

- 4. The Commission introduced Competitor Digital Network Access (CDNA) service on an interim basis in *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002, as amended by Telecom Decision CRTC 2002-34-1, 15 July 2002 (Decision 2002-34). In Decision 2002-34, the Commission determined that the access component of the CDNA service should provide a transmission facility at DS-0, DS-1, DS-3, OC-3, and OC-12 transmission speeds from a customer's premises to a competitor's switch within the same ILEC's serving wire centre area or to the ILEC's serving wire centre, in which case it must terminate on the competitor's co-located equipment. The Commission also determined that the link component, being an integral part of the access, should allow for connection at transmission speeds up to the OC-12 level.
- 5. In *Interim Competitor Digital Network Access service*, Telecom Decision CRTC 2002-78, 23 December 2002 (Decision 2002-78), the Commission approved revised interim CDNA service rates and addressed issues raised by parties with respect to the interim CDNA service tariffs issued by the ILECs on 14 June 2002. In Decision 2002-78, the Commission confirmed that competitors could use components of the CDNA service in conjunction with other ILEC services or service components at current tariff rates, with any service that they self-supplied, or with any service acquired from a third party.
- 6. 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 (Decision 2005-6), the Commission established the scope, rates, terms, and conditions of the ILECs' CDN service on a final basis. The CDN service represented an expanded service as compared to the interim CDNA service and included, among other things, intra-exchange facilities, channelization facilities for a competitor that was not co-located in a given ILEC wire centre, and metropolitan interexchange facilities. The rates approved on a final basis were effective 3 February 2005, except for the rates applicable to the facilities subject to the interim CDNA service, which were effective 1 June 2002. The interim CDNA service was available to competitors from 1 June 2002 to 2 February 2005 (the interim period).

## **AGSC's application**

7. AGSC submitted that BSEF was a retail tariff item that allowed a customer to physically connect a DS-0 circuit to a channel on a channelized DS-1 circuit. AGSC indicated that BSEF was described in the National Services Tariff as follows:

"*Basic Service Extension Feature (BSEF)*" is provided at rate centres to enable shared access to multiplexing and DS-1 channelizing equipment. It provides 64 Kbps Pulse Code Modulation (PCM) voice encoding, Dataphone Digital Service (DDS) compatible data encoding in addition to Drop-and-Insert capabilities. The standard DDS format also allows Sub-Rate Digital Multiplexing (SRDM) of 2.4 Kbps, 4.8 Kbps, 9.6 Kbps and 19.2 Kbps circuits where available, onto a single DS-0 interexchange channel. BSEF at 112.0 and 128.0 Kbps is also available.<sup>3</sup>

- 8. AGSC requested that the Commission direct the ILECs to cease applying BSEF charges to configurations involving CDN central office DS-1 to DS-0 channelization service and to refund all such charges back to 3 February 2005. AGSC submitted that BSEF functionality was part of the CDN DS-1 to DS-0 channelization service and that any BSEF charges were already being recovered in the CDN DS-1 to DS-0 channelization rates.
- 9. In the alternative, AGSC requested that the Commission:
  - i) order the ILECs to file CDN-based tariffs for BSEF functionality using the same costing and mark-up principles the Commission had used to establish the rate for CDN DS-1 to DS-0 channelization service (i.e. Category II competitor service pricing) on the grounds that both of these services were integral to one another; and
  - ii) make BSEF rates interim until new rates were established in accordance with the CDN rating principles.
- 10. AGSC noted that in Decision 2005-6, the Commission had stated that channelization equipment could be used to channelize traffic from multiple lower bandwidth circuits to a single higher bandwidth circuit or to dechannelize traffic from a higher bandwidth circuit to multiple lower bandwidth circuits.
- 11. AGSC submitted that the requested relief was necessary to give effect to paragraph 160 of Decision 2005-6, wherein the Commission had concluded that each ILEC should provide channelization facilities at the relevant wire centre as part of CDN services to each competitor that had not co-located at the wire centre, regardless of whether the competitor self-supplied channelization facilities at the customer's premises.
- 12. AGSC submitted that the ILECs applied BSEF tariff charges whenever a retail DS-0 circuit was connected to a retail channelized DS-1 circuit within a central office. It noted that certain ILECs also referred to BSEF charges as "port charges" for the connection of DS-0 circuits to a channelized DS-1 circuit.
- 13. AGSC also submitted that the ILECs insisted that BSEF charges from their respective retail tariffs applied to the connection of CDN DS-0 circuits including CDN DS-0 accesses, CDN DS-0 intra-exchange channels, and CDN DS-0 metropolitan interexchange channels to

<sup>&</sup>lt;sup>3</sup> National Services Tariff, item 304.2 (Bell Aliant and Bell Canada). Kbps stands for kilobits per second.

channelized CDN DS-1 circuits, notwithstanding that all the CDN components, including CDN DS-1 to DS-0 channelization service, were set out in a completely different tariff from that which contained the BSEF rates.

- 14. AGSC noted that the ILECs' current retail rate for BSEF was \$85 per month for each DS-0 circuit connected to the tariffed wholesale CDN DS-1 to DS-0 channelization service. The company submitted that in many rate bands, the retail BSEF charge was much greater than that of the CDN DS-0 access itself and that it was in all cases greater than the cost of CDN DS-1 to DS-0 channelization service. AGSC also submitted that it was considerably more expensive for competitors to use CDN DS-0 access circuits combined with BSEF charges and a pro-rated share of CDN DS-1 to DS-0 channelization charges than to use CDN DS-1 access circuits. AGSC submitted that the addition of the retail BSEF charge effectively undermined the Commission's wholesale CDN tariff regime.
- 15. AGSC argued that BSEF functionality was integral to CDN DS-1 to DS-0 channelization service since it was of limited value for competitors to be able to obtain DS-1 to DS-0 channelization equipment at the end of a DS-1 circuit at a central office if they could not connect one or more DS-0 circuits to the DS-1 circuit via that equipment. AGSC submitted that any DS-0 interface capability should have been included in the rates established for CDN DS-1 to DS-0 channelization service.
- 16. AGSC submitted that the ILECs' CDN tariffs did not mention that BSEF functionality was necessary for using CDN DS-1 to DS-0 channelization service in conjunction with CDN DS-0 accesses, in contrast to the retail tariffs for digital private line services, which specifically included a section related to BSEF charges. AGSC submitted that it was reasonable to conclude that BSEF functionality was, or should have been, included within CDN DS-1 to DS-0 channelization service and that where such service was used, charging retail BSEF charges was improper.

## **Positions of parties**

## **RTI's comments**

- 17. RTI agreed with AGSC's application and submitted that the BSEF functionality consisted solely of a physical connection of a retail DS-0 circuit to a channel on a channelized DS-1 circuit.
- 18. RTI was of the view that the issue might have been a billing correction issue and noted that it had hoped that the ILECs would have indicated that they agreed in principle that BSEF charges should not have applied to CDN DS-1 to DS-0 channelization service. RTI also noted that it had anticipated that, as the ILECs had been undertaking billing modifications to reflect the conversion of their retail DS-0 circuits to CDN DS-0 circuits for competitors, they would have also eliminated the retail BSEF charges from their invoices for the new CDN DS-0 circuits and the new CDN DS-1 to DS-0 channelization functionality. RTI noted that it had continued to be billed for retail BSEF charges and that all the ILECs charged the same monthly retail rate of \$85 per CDN DS-0 circuit for BSEF.

 RTI submitted that CDN DS-0 access was technically not a digital access, but rather a legacy 56 Kbps analogue channel that the ILECs had decided to include in CDN service instead of 64 Kbps digital access.

#### **MTS Allstream's comments**

- 20. Relying in part on schematic diagrams, including diagrams submitted by certain ILECs in the proceeding that led to Decision 2005-6, MTS Allstream submitted that BSEF charges were inappropriately being levied on competitors because, in MTS Allstream's view, the sub-rate data transmission capability provided by the retail BSEF was integral to the CDN DS-0 access service. MTS Allstream submitted that the costs associated with the BSEF components formed part of the ILEC's CDN access costs and that competitors were being, and had been, overcharged for this sub-rate component.
- 21. MTS Allstream argued that the Category II competitor service rating requested by AGSC as part of its alternative relief was predicated on a misunderstanding. In MTS Allstream's view, there was no need to provide any additional CDN tariff component since the BSEF element was already captured in the CDN tariff rate.
- 22. MTS Allstream submitted that BSEF was not the same as CDN channelization service, noting that BSEF provided DDS-compatible data encoding of 2.4 Kbps to 56 Kbps signals onto a single DS-0 through the appropriate equipment multiplexer or channel bank, while the CDN channelization service provided DS-0 mapping. The company also submitted that the channel bank/multiplexer port located in the central office used DDS data encoding to provide the necessary transmission and reception of the encoded data signal and that this encoding functionality, which was included in the BSEF service, was the same capability that was included in the CDN DS-0 access service. MTS Allstream argued that the ILECs' responses to interrogatories during the CDN proceeding left no doubt that the sub-rate data encoding capability was integral to the CDN DS-0 service. It asserted that only the ILECs could provide the sub-rate capability since it was an integral component in the 1:0 multiplexer.
- 23. MTS Allstream submitted that the ILECs had traditionally levied the BSEF charges whenever a retail Digital Network Access (DNA) customer had required a sub-rate data transmission capability, and that it appeared that this practice had been inadvertently carried over to the CDN service.

#### The Companies' comments

- 24. The Companies submitted that BSEF was not part of the channelization functionality mandated by the Commission in Decision 2005-6, and that CDN channelization and BSEF were not functionally the same. They indicated that BSEF enabled a low-speed channel to use a channelized time slot, while CDN channelization subdivided a larger channel so that a number of smaller bandwidth channels could use the larger channel simultaneously for the same or different applications.
- 25. The Companies submitted that no party had referred to BSEF in the proceeding leading to Decision 2005-6. The Companies argued that since the Commission had broadened the scope of CDN services consciously, it had not contemplated including BSEF functionality as part of the scope of CDN services mandated in Decision 2005-6.

- 26. The Companies submitted that BSEF functionality, like channelization, could be readily self-supplied by competitors once they were co-located in an ILEC's central office building. They argued that, as such, BSEF functionality did not meet the Commission's criteria for an essential facility. The Companies submitted that BSEF functionality should not be provided on a mandated wholesale basis.
- 27. The Companies submitted that the rates for BSEF were just and reasonable and that the competitors had provided no compelling reason that these rates should be made interim. They also submitted that BSEF was a long-standing tariff with a multitude of applications and users, and that it was clearly outside the scope of Decision 2005-6. The Companies argued that to change the status of BSEF rates from final to interim would be highly disruptive and would create significant uncertainty in the marketplace. They submitted that, accordingly, AGSC's request that BSEF rates be made interim should be rejected by the Commission.
- 28. The Companies argued that should the Commission determine that it would be appropriate for BSEF functionality to be provided on a mandated wholesale basis, the rates for wholesale BSEF should be based on the Commission's Category II pricing principles, consistent with the Commission's findings in Decision 2005-6 regarding higher speed DNA, intra-exchange and metropolitan interexchange facilities, and channelization facilities.

#### **TCC's comments**

- 29. TCC submitted that BSEF was a retail service that interfaced between a DS-0 and any of several transmission speeds available on a copper loop, which allowed a selection of transmission rates on a given loop while still using DS-0s for inter-office transport. The company also submitted that CDN channelization service included 1:0 multiplexing but also provided for the cross-connection of DS-0 channels between various DS-1 channels. It indicated that this combined multiplexing and cross-connection functionality required a digital cross-connect, a device that did not provide loop interface functionality and was available only in a limited number of TCC central offices. The company argued that, therefore, BSEF was clearly distinguishable and different from CDN channelization service and, accordingly, the two had been tariffed separately.
- 30. TCC stated that the CDN cost studies it had filed with the Commission had not included BSEF functionality in its CDN channelization rates and that the costs for BSEF functionality had not been included in any other CDN component rating.
- 31. TCC submitted that competitors had had every opportunity to raise the BSEF issue in the CDN proceeding, but had chosen not to do so. TCC argued that any suggestion by AGSC that the Commission had intended to include BSEF as part of CDN services was not supported by the evidence. TCC concluded that it was fully justified in charging retail rates for BSEF based on approved tariffs.
- 32. TCC argued that AGSC's application was really an application to review and vary Decision 2005-6 in order to create a new CDN service in this case CDN BSEF. TCC submitted that AGSC's application should be denied because AGSC had not raised substantial doubt as to the correctness of Decision 2005-6.

- 33. TCC submitted that the issue at hand was not simply a billing correction issue, as RTI had claimed. TCC argued that it did not have the discretion to deviate from the Commission-approved BSEF tariff, whether under guise of a billing correction or otherwise, and submitted that RTI's billing correction argument should be dismissed.
- 34. TCC argued that granting AGSC's request to refund BSEF charges would be contrary to the *Telecommunications Act*. TCC submitted that BSEF charges were levied pursuant to a retail tariff approved by the Commission and that no rebate was warranted. TCC submitted that should the Commission choose to change the rate for BSEF, it could only do so on a prospective basis, as well established by past Commission practice and the applicable case law.
- 35. TCC submitted that should the Commission determine that BSEF merited CDN rating, RTI's request for Category I competitor service rating should be rejected. TCC submitted that BSEF could be self-supplied by customers, just as channelization service could be self-supplied by customers where they were co-located. TCC submitted that the only appropriate rating for a CDN version of BSEF would be as a Category II competitor service, which would have to be determined by the Commission on the basis of the unique set of circumstances pertaining to this service.
- 36. TCC submitted that RTI's argument regarding 56 Kbps analogue circuits was an attempt to persuade the Commission that these circuits merited CDN rating. TCC also submitted that a similar request had been made by Call-Net Enterprises Inc. (Call-Net) during the proceeding that led to Decision 2005-6 and that the Commission had considered Call-Net's request for a 56 Kbps CDN access service to be outside the scope of that proceeding. TCC further submitted that RTI's attempt to resurrect the 56 Kbps CDN analogue channel issue should similarly be rejected in the present circumstances since it was not one of the issues that AGSC had raised in its application.

#### SaskTel's comments

37. SaskTel noted that for all the ILECs except itself, the rates for CDN accesses were retroactive to 1 June 2002 for those service configurations that qualified for the interim CDNA service defined in Decision 2002-34. SaskTel also noted that in its case, the Commission had determined that CDN rates would apply only to new demand – that is, incremental demand occurring after 3 February 2005 – and that competitors could not migrate existing demand for SaskTel's retail DNA and interexchange service tariffs to the CDN services. SaskTel submitted that due to the unique company circumstances described above, the majority of SaskTel's installed circuit base to which the BSEF charge applied was not the subject of AGSC's application.

38. SaskTel submitted that BSEF and its associated costs were not part of CDN DS-1 to DS-0 channelization service and that BSEF functionality involved connecting either an analogue voice access service, a 56 Kbps digital access service, or one or more low-speed services to a DS-0 network service. SaskTel indicated that although in many cases the service might be further channelized to a DS-1 speed or even higher, this subsequent channelization was not a requirement and the circuit might well continue over DS-0 facilities. Accordingly, SaskTel argued that AGSC's submission that the ILECs applied BSEF charges whenever a retail DS-0 circuit was connected to a retail channelized DS-1 circuit was not accurate and that, hence, the requested relief should be denied.

#### **AGSC's reply comments**

- 39. AGSC noted that MTS Allstream agreed with the relief sought by AGSC but on a different basis namely that BSEF charges were already recovered in the CDN DS-0 charges, and not because they were part of the CDN DS-1 to DS-0 channelization service, as argued by AGSC. AGSC submitted that the schematic diagrams filed by MTS Allstream could be construed as suggesting that BSEF functionality was part of the CDN DS-0 access.
- 40. AGSC submitted that because the Companies and TCC disagreed with AGSC's position that BSEF charges were recovered through the channelization charges and that new CDN tariffs would be required to provide CDN BSEF functionality, it would be reasonable to infer that the Companies and TCC would disagree with MTS Allstream's submission that BSEF charges were recovered in the CDN DS-0 access charges. AGSC submitted that to the extent that the Commission agreed with AGSC that BSEF charges should be a CDN tariff element, the ILECs should be required to file the appropriate tariffs, provided that they certify that BSEF functionality was not part of the CDN access or CDN channelization services.
- 41. AGSC agreed with SaskTel's position that to the extent that low-speed access circuits were not new demand, the BSEF tariff should continue to apply when these circuits were connected to channelized DS-1s. However, AGSC disagreed with SaskTel's submission that the relief sought should be denied because channelization was not a requirement for the proper application of BSEF charges. AGSC argued that SaskTel had misunderstood the terminology used by AGSC and that the term "retail DS-0" referred to the ILECs' low-speed access services. AGSC further submitted that the label attached to the ILECs' low-speed access services was not material to the application.

## Commission's analysis and determinations

- 42. The Commission considers that AGSC's application is a request for clarification of the application of Decision 2005-6, and not a request to review and vary that Decision as argued by TCC.
- 43. The Commission notes that a digital access requires telecommunications equipment at both ends of a transmission facility. In the case of CDN DS-0 access, the customer location requires a channel service unit (CSU) and a data service unit (DSU), which are normally incorporated into a single CSU/DSU data terminal unit that the customer can self-supply. In the central office, the transmission facility terminates on a port located on a channel bank/multiplexer.

- 44. The Commission agrees with MTS Allstream's statement on the record of this proceeding that the channel bank/multiplexer port uses DDS-compatible data encoding to provide the necessary transmission and reception of the encoded data signal. The Commission also agrees with MTS Allstream's statement that the DDS-compatible data encoding functionality included in the BSEF service is the same functionality that is required to support CDN DS-0 access.
- 45. The Commission notes MTS Allstream's submission that a review of the cost studies and service configurations filed by the ILECs in the proceeding leading to Decision 2005-6 shows that the costs associated with the sub-rate data capability are already reflected in the CDN DS-0 access service. The Commission has reviewed the responses to interrogatories related to the CDN DS-0 access service and is satisfied that the cost studies filed in association with that service reflect the DDS-compatible data encoding feature provided in the BSEF service. In this regard, the Commission notes that the DDS-compatible data encoding feature is but one of several features available through the BSEF service.
- 46. The Commission notes that, in addition to DDS-compatible data encoding, BSEF service provides 64 Kbps PCM voice encoding; drop and insert capabilities; sub-rate DDS-capable data multiplexing of 2.4 Kbps, 4.8 Kbps, 9.6 Kbps, and 19.2 Kbps onto a single DS-0; and 112 Kbps and 128 Kbps access circuits. The Commission considers that such additional features provided by BSEF are not included in CDN DS-0 access service for the following reasons:
  - BSEF provides 64 Kbps PCM voice encoding for voice access, while CDN service provides digital access;
  - BSEF provides drop and insert capability, which provides for daisy-chaining of multiple customer terminations, while CDN DS-0 access is associated with a single customer termination;
  - BSEF provides sub-rate DDS-capable data multiplexing of 2.4 Kbps, 4.8 Kbps, 9.6 Kbps, and 19.2 Kbps onto a single DS-0 (DS-0 to sub-DS-0 channelization), while there is no multiplexing present in the CDN DS-0 service; and
  - BSEF provides 112 Kbps and 128 Kbps access, while in contrast, these speeds are not provided by CDN access.
- 47. In light of the above, the Commission grants in part the relief sought by AGSC's request and directs the ILECs to cease applying BSEF charges to CDN DS-0 accesses except where a competitor wishes to obtain BSEF functionalites over and above DDS-compatible data encoding.

## **Incorrect billing**

48. The Commission considers that the ILECs have incorrectly applied BSEF charges to CDNA DS-0 accesses and are incorrectly applying BSEF charges to CDN DS-0 accesses where the only BSEF functionality sought and obtained by the customer is DDS-compatible data encoding. With regard to these incorrectly billed recurring charges, the Commission finds that

competitors are entitled to refunds with interest consistent with the ILECs' Terms of Service. The Commission considers that the issue of whether a competitor required and obtained the other BSEF functionalities can be resolved by examining the circuit configuration established for the competitor in question.

- 49. In light of the above, the Commission directs Bell Aliant, Bell Canada, MTS Allstream, SaskTel, and TCC, to the extent set out below, to refund competitors for BSEF charges with interest, consistent with their Terms of Service, to the extent that they applied these charges with respect to eligible CDNA and CDN DS-0 accesses and where, based on the circuit configuration, the only BSEF feature needed and obtained was DDS-compatible data encoding.
- 50. The Commission notes that the ILECs' Terms of Service generally provide that in the case of a recurring charge that should not have been billed or was overbilled, a customer must be credited with the excess back to the date of the error, subject to the applicable limitation periods provided by law. A customer who does not dispute the charge within one year of the date of an itemized statement that shows that charge correctly loses the right to have the excess credited for the period prior to that statement. For the purpose of determining applicable customer credits in the current situation, the Commission directs the ILECs to use the earlier of either the date of notification by the customer of a dispute or the date of this Decision.

## **ILEC compensation**

- 51. In Decision 2002-34, the Commission found it appropriate to compensate the ILECs for lost revenues associated with demand by eligible competitors that migrated from the retail DNA service to the CDNA service, effective 1 June 2002. In Decision 2005-6, the Commission stated that each ILEC was also to be compensated for the revenue lost due to the migration of retail DNA service and other digital network services, in existence on the date of Decision 2005-6, that were eligible for the new CDN services approved in that Decision.
- 52. The Commission considers that to the extent the BSEF charges to be refunded to competitors in accordance with this Decision and the applicable Terms of Service are associated with CDN access demand in existence at 1 June 2002, such charges constitute forgone revenues for the ILECs that, consistent with Decision 2002-34, are eligible for compensation from their respective deferral accounts.
- 53. In Decision 2005-6, the Commission determined that having regard to the level of funds in its deferral account, SaskTel was to replace, retroactive to 1 June 2002, the interim CDNA rates with rates equal to the company's retail DNA rates for the interim period between Decision 2002-34, which created the CDNA service, and Decision 2005-6. In Decision 2005-6, the Commission also determined that competitors could not migrate existing demand for SaskTel's retail DNA and interexchange service tariffs to the CDN services. Consistent with the approach set out in Decision 2005-6, the Commission considers that SaskTel's BSEF refunds should apply only to new demand subsequent to Decision 2005-6. In this regard, the Commission notes the determination in Decision 2005-6 that forgone revenues associated with such demand are not subject to compensation from the ILECs' respective deferral accounts.

54. In light of the above, the Commission directs Bell Aliant, Bell Canada, MTS Allstream, SaskTel, and TCC to make the necessary refunds to competitors consistent with this Decision. The Commission also directs each of these ILECs, except SaskTel, to file deferral account draw-down estimates associated with such refunds, consistent with this Decision, within 60 days of the date of this Decision.

Secretary General

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: <u>http://www.crtc.gc.ca</u>