



Telecom Order CRTC 2007-277

Ottawa, 3 August 2007

MTS Allstream Inc.

Reference: Tariff Notices 610 and 610A

Public Telephone Service and Semi-Public Telephone Service

The application

1. The Commission received an application by MTS Allstream Inc. (MTS Allstream), dated 19 December 2006 and amended on 4 June 2007, proposing revisions to its General Tariff items 1700 – Public Telephone Service and 1710 – Semi-Public Telephone Service. MTS Allstream proposed to increase the rate charged for a local payphone call originating at public and semi-public telephones (local payphone call) from \$0.25 to \$0.50 per local call paid for by cash or with an authorized prepaid cash card using an automated card reader. MTS Allstream also proposed to increase the message charge per call portion of local payphone calls billed using alternative billing arrangements from \$0.25 to \$0.50.
2. MTS Allstream stated that approval of its application would properly align local payphone rates with costs of providing this service. The company indicated that local payphone service revenues were predominantly generated by call volumes, while local payphone costs were predominantly generated by the number of payphones in service. It further submitted that call volumes had been decreasing at a much greater rate than payphones in service, thereby driving its need for a rate increase.
3. MTS Allstream filed a cost study in support of its application.
4. MTS Allstream indicated that it would provide notification of the rate increase via public interest advertisements in city and rural newspapers and through a message on the payphone liquid crystal display (LCD) screen or signage posted on each payphone.
5. The Commission received comments, dated 12 January 2007, from the Public Interest Law Centre on behalf of the Consumers Association of Canada (Manitoba Branch) and the Manitoba Society of Seniors (CAC/MSOS). CAC/MSOS submitted that MTS Allstream's application was premature and should be denied, as pay telephone rates were frozen until the end of the current price cap period.
6. By way of a letter dated 21 February 2007, the Commission advised MTS Allstream that it would be unable to dispose of this tariff application within 45 business days. The Commission indicated that the issue of increases to public telephone rates was raised and would be dealt with in the proceeding to review the price cap framework of the large incumbent local exchange carriers (ILECs),¹ which was initiated by Telecom Public Notice 2006-5.

¹ Bell Aliant Regional Communications, Limited Partnership, Bell Canada, MTS Allstream, Saskatchewan Telecommunications, and TELUS Communications Company.

Commission's analysis and determinations

7. In Telecom Order 2007-209, the Commission approved MTS Allstream's application on an interim basis effective 11 June 2007.
8. The Commission notes that no further comments were received on this application.
9. In Telecom Decision 2007-27, the Commission established the price cap regime that now applies to large ILECs and, among other things, provided all large ILECs with the flexibility to increase the local call charge for a cash call up to a maximum rate of \$0.50.
10. The Commission notes the rate proposed by MTS Allstream for local calls paid for by cash or with a prepaid cash card is within the limit placed on it in Telecom Decision 2007-27 and is compensatory.
11. In light of the above, the Commission **approves on a final basis** MTS Allstream's application.

Related documents

- Telecom Order CRTC 2007-209, 11 June 2007
- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007
- *Review of price cap framework*, Telecom Public Notice CRTC 2006-5, 9 May 2006

Secretary General

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