



Telecom Order CRTC 2008-283

Ottawa, 3 October 2008

MTS Allstream Inc. – 900 Service

Reference: Tariff Notice 643

In this Order, the Commission approves with a change on a final basis MTS Allstream's application to add 900 service to its Carrier Access Tariff, to revise its Billing and Collection Service associated with 900 service, and to add 900 Call Denial/Blocking Service to its General Tariff.

Introduction

1. The Commission received an application by MTS Allstream Inc. (MTS Allstream), dated 28 January 2008, in which the company proposed to revise
 - its Carrier Access Tariff to introduce item 50, 900 Service – Carrier Access, Call Routing, and Billing and Collection (900 Service);
 - its Carrier Access Tariff item 42, Billing and Collection Service, in order to include 900 Service calls; and
 - its General Tariff to introduce item 2145, 900 Call Denial/Blocking Service.
2. MTS Allstream indicated that 900 Service would allow all 900 service carriers to obtain access to the company's network in order to route 900 calls associated with Commission-approved 900 service and to obtain associated billing and collection services.
3. MTS Allstream noted that it currently provided carrier access, call routing, and billing and collection services related to 900 service as a signatory carrier to the National Services Tariff (NST), item 515 – 900 Service (item 515). The company further noted, however, that as a result of the changes to its business arrangements with Bell Canada, it would no longer remain a signatory carrier to the service provided in NST item 515.
4. MTS Allstream proposed a non-recurring set-up charge of \$60,400 for its 900 Service, to reflect charges for provisioning work required by the company to implement both carrier access and routing for 900 service, and 900 central office code (NXX) six-digit routing on its switching system. The non-recurring set-up charge also includes costs related to changes to its billing system. Under this proposal, a further non-recurring charge of \$9,941, as per MTS Allstream's current Supplemental Tariff – Special Assemblies item 17520, Activation of a Network Routing Capability (item 17520), would apply for subsequent changes requested by a 900 service carrier to add any number of additional 900 service NXXs, to activate network routing capability, or to add or change a carrier identification code.

5. MTS Allstream also proposed that its 900 Service be classified as a Category I competitor service.
6. MTS Allstream submitted that its local service customers who make 900 calls would not be affected by the company's proposal.
7. The Commission approved MTS Allstream's application on an interim basis in Telecom Order 2008-42.
8. The Commission received comments from Fastrack Global Billing Networks Inc. (Fastrack) and Quebecor Media Inc. (QMI) on behalf of Videotron Ltd. The public record of this proceeding, which closed on 23 May 2008, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Should the Commission approve MTS Allstream's application on a final basis?

9. Interested parties commented that the level of the proposed charges was excessive.
10. Fastrack requested that the Commission deny MTS Allstream's application due to the significant cost of interconnecting to obtain access to MTS Allstream's network. Fastrack submitted that MTS Allstream had historically pursued an anti-competitive position toward competitive 900 service in its territory. Fastrack further indicated that, in comparison to MTS Allstream's proposal, Saskatchewan Telecommunications' (SaskTel) Special Facility Tariff¹ stipulated a one-time charge of \$7,000 for activation of network routing capability for 900 service.
11. QMI noted that MTS Allstream's proposed tariff stated that an interexchange carrier wishing to provide competitive 900 services in Manitoba must first implement equal access interconnection with MTS Allstream.² QMI submitted that the incremental costs associated with routing competitive 900 calls over interconnection circuits would be modest and more in line with MTS Allstream's Carrier Access Tariff item 40.1.G, Change Order (item 40.1.G), for which a \$482.92 charge applies per DS-0 set. QMI requested that the Commission direct MTS Allstream to replace its proposed non-recurring charges for set-up and subsequent change requests with a cross reference to item 40.1.G.
12. MTS Allstream indicated that the comments made by Fastrack and QMI regarding the proposed charges were based on a misunderstanding as to the services provided under the proposed tariff application, the modifications required to existing systems and processes, and the development and implementation of new capabilities.

¹ Item 1000.17, Activation of Network Routing Capability

² MTS Allstream Access Services Tariff item 40, Interconnection Circuits with Trunk Side Access

13. MTS Allstream submitted that, as a result of the changes to its business arrangement with Bell Canada, it needed to develop and implement new capabilities, and to modify its existing systems and processes to accommodate both the additional 900 service capabilities previously available through Bell Canada's services, and the requirements of 900 calls carried by competitors in order to be compliant with Telecom Decision 2006-48.
14. MTS Allstream submitted that QMI assumed incorrectly that MTS Allstream's proposed set-up charge was to provide equal access interconnection only. MTS Allstream noted that its set-up charge covered (1) provisioning and implementing carrier access and routing for 900 service for a specific carrier, and (2) establishing 900 NXX six-digit routing for a specific carrier in its switching system. MTS Allstream further noted that the non-recurring set-up charge also included related changes to its billing system.
15. MTS Allstream submitted that SaskTel's non-recurring charge of \$7,000 for 900 service relates solely to activating 900 call routing service and, therefore, the rate comparison to MTS Allstream's proposal was not meaningful.
16. MTS Allstream added that it would be more accurate to compare SaskTel's non-recurring charge of \$7,000 to activate one NXX network routing capability with MTS Allstream's non-recurring charge for subsequent changes of \$9,941 to add any number of 900 NXXs and to activate network routing capability. MTS Allstream submitted that a comparison of the charges for these two similar services would show that its charge to add and activate more than one NXX, which was common, was in fact more favourable to customers.
17. MTS Allstream also pointed out that it had designed its 900 Service to accommodate Fastrack's needs. MTS Allstream indicated that Fastrack had accepted this service before MTS Allstream had filed this application.
18. MTS Allstream submitted that the expected demand for its 900 Service in Manitoba was very small, which resulted in a higher set-up charge than otherwise would have been.

Commission's analysis and determinations

19. The Commission notes that it is to be expected that MTS Allstream's rates for its proposed 900 Service would be higher than those for a service that only activates 900 call routing. In addition, in Telecom Decision 2006-76, the Commission approved a CRTC Interconnection Steering Committee consensus report³ that indicated that incumbent local exchange carriers (ILECs) implementing changes related to 900 billing and collection for the first time would face new development and incremental operational costs.
20. The Commission therefore considers that MTS Allstream has provided sufficient evidence to justify a non-recurring set-up charge, in light of the required changes to the company's systems and processes to accommodate all 900 carriers as a result of the changes in its business arrangements with Bell Canada, and to implement the modifications to 900 service required by Telecom Decision 2006-48.

³ The consensus report was requested by the Commission in Telecom Decision 2006-48.

21. The Commission has reviewed the supporting economic evaluation filed by MTS Allstream, as well as the additional costing details provided by the company in response to interrogatories from the Commission. The Commission considers that the costs and associated details provided by MTS Allstream in support of the level of the proposed non-recurring set-up charge of \$60,400 are reasonable.
22. With respect to the non-recurring charge of \$9,941 in item 17520, the Commission notes that this charge is similar to the lesser non-recurring charge of \$7,000 for 900 service activation in SaskTel's Special Facility Tariff, except that SaskTel's charge is for the activation of one NXX. The Commission therefore considers that the application of the \$9,941 non-recurring charge for MTS Allstream's proposed 900 Service to add any number of additional NXXs and to activate network routing capability, or to add or change a carrier identification code, is reasonable.
23. The Commission notes that the first sentence of paragraph 1A in item 50 of MTS Allstream's proposed tariff reads as follows:

900 service carriers may obtain access to MTS Allstream's network to route 900 calls associated with Commission-approved 900 service.
24. The Commission is concerned that this wording would prevent competitors that offer 900 service in competition with the ILECs from interconnecting with MTS Allstream pursuant to the proposed tariff. The Commission therefore considers that the words "associated with Commission-approved 900 service" should be removed from the tariff.
25. The Commission notes that MTS Allstream's proposal to classify its 900 Service as a Category I competitor service is consistent with Telecom Decision 2007-27, given that 900 service is an interconnection service. The Commission notes, however, that subsequent to Telecom Order 2008-42 it issued Telecom Decision 2008-17, wherein wholesale services were assigned to six service categories to which different pricing principles were applied. The Commission notes that, pursuant to its determinations in Telecom Decision 2008-17, MTS Allstream's 900 Service falls into the new category of interconnection services.

Conclusion

26. In light of the above, the Commission **approves with a change on a final basis** MTS Allstream's application. The Commission directs MTS Allstream to replace the first sentence of item 50, paragraph 1A by the following:

900 service carriers may obtain access to MTS Allstream's network to route 900 calls.

Secretary General

Related documents

- *Revised regulatory framework for wholesale services and definition of essential service*, Telecom Decision CRTC 2008-17, 3 March 2008
- Telecom Order CRTC 2008-42, 11 February 2008
- *Price cap framework for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-27, 30 April 2007
- *MTS Allstream and Bell Canada – Part VII applications regarding 900 service*, Telecom Decision CRTC 2006-48, 3 August 2006
- *Billing and collection for 900 services – CISC consensus report*, Telecom Decision CRTC 2006-76, 12 December 2006

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