



Telecom Order CRTC 2012-165

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Ottawa, 20 March 2012

Télébec, Limited Partnership – Revised toll interconnection service rates

File number: Tariff Notice 437

Background

1. In Telecom Decision 2011-517, the Commission directed Télébec, Limited Partnership (Télébec) and TELUS Communications Company to file tariff notices to amend their rates for direct connection, access tandem, and toll-free carrier identification services, and for primary interexchange carrier processing (collectively, toll interconnection services) in the province of Quebec. The proposed rates were to be based on either revised Phase II cost studies or rates in Bell Aliant Regional Communications, Limited Partnership's (Bell Aliant) territory.
2. The Commission made the existing rates for toll interconnection services interim as of 22 August 2011, the date of that decision.

Introduction

3. The Commission received an application by Télébec, dated 21 November 2011, in which the company proposed rates for its toll interconnection services in the province of Quebec based on the rates for these services set out in Bell Aliant's General Tariff CRTC 21491 for Newfoundland and Labrador. Télébec indicated that it based its proposed rates on the ones used in those territories because those territories are similar to Télébec's territory in the province of Quebec in terms of population density, the scarcity of heavily populated cities, and the remoteness of the constituencies.
4. Télébec submitted that in Telecom Decision 2005-4, the Commission allowed the company to set its rates for toll interconnection services using a 25% mark-up. Télébec indicated that accordingly, to establish its proposed rates, it adjusted Bell Aliant's rates for these services.¹

¹ Télébec adjusted Bell Aliant's rate, which includes a 15% mark-up, with a multiplicative factor of 1.087 to increase the mark-up to 25%.

5. The Commission received comments on Télébec's application from MTS Allstream Inc. (MTS Allstream)², dated 28 November 2011, and from Distributel Communications Limited (Distributel), dated 19 December 2011. The public record of this proceeding, which closed on 17 January 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.
6. Distributel did not provide comments on Télébec's proposed rates. MTS Allstream submitted that Télébec's proposed rates were reasonable. Both Distributel and MTS Allstream requested that the rates be made retroactive to 22 August 2011, the date the rates were made interim.

Commission's analysis and determinations

7. The Commission notes that Télébec based its proposed rates on Commission-approved Bell Aliant rates, consistent with the directives in Telecom Decision 2011-517, adjusted for a 25% mark-up, consistent with the directives in Telecom Decision 2005-4. Accordingly, the Commission determines that Télébec's proposed rates for its toll interconnection services are just and reasonable.
8. The Commission notes that the existing interim rates for these services are up to five times higher than the proposed rates. Given this disparity, the Commission finds it appropriate to make these rates effective 22 August 2011, the date the rates were made interim.
9. In light of the above, the Commission **approves on a final basis** Télébec's proposed rates for its toll interconnection services, effective 22 August 2011.

Secretary General

Related documents

- *MTS Allstream Inc. – Request for revisions to toll interconnection rates charged by Télébec, Limited Partnership and TELUS Communications Company in Quebec*, Telecom Decision CRTC 2011-517, 22 August 2011
- *Implementation of competition in the local exchange and local payphone markets in the territories of Société en commandite Télébec and the former TELUS Communications (Québec) Inc.*, Telecom Decision CRTC 2005-4, 31 January 2005

² As of early 2012, MTS Allstream Inc. became known as two separate entities, namely, MTS Inc. and Allstream Inc.