



## Telecom Order CRTC 2012-632

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Ottawa, 16 November 2012

### TBayTel – DS-1 Digital Network Access service

File number: Tariff Notice 166

1. The Commission received an application from TBayTel, dated 12 September 2012, in which the company proposed revisions to its General Tariff, item 3.03.1 – Digital Network Access. Specifically, the company proposed to increase the rates associated with its DS-1 Digital Network Access (DNA) service. In this regard, the company noted that the rates for this service have not changed since 2005.
2. TBayTel did not submit an economic study in support of its proposed rates, noting that the proposed monthly non-contracted rates and related service charge, and the proposed monthly rates for one-, two-, and three-year contract terms and related service charge are the same as those with corresponding terms currently identified in Bell Canada's National Services Tariff (NST). As part of its application, TBayTel provided a copy of a Bell Canada letter showing the rates that company currently is charging in the Thunder Bay exchange for similar service.
3. TBayTel's application was given interim approval on 27 September 2012.
4. The Commission received comments from MTS Inc. and Allstream Inc. (collectively, MTS Allstream). The public record of this proceeding, which closed on 16 October 2012, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file number provided above.

### Should the Commission approve TBayTel's application on a final basis?

5. MTS Allstream noted that TBayTel proposed to increase the monthly rates for DS-1 DNA service by more than 17 percent. MTS Allstream argued that the letter from Bell Canada advising of its pricing for DS-1 DNA service in the Thunder Bay exchange could not be used to justify the increases since Bell Canada's rates in this exchange are not regulated. MTS Allstream submitted that the company's application should be denied, as TBayTel had not met the price cap test for the fourth basket of services (i.e. Other services).
6. TBayTel argued that its proposed monthly rates for DS-1 DNA service meet the Commission's requirements. In support of its application, TBayTel provided copies of page 302.4.2 of Bell Canada's NST, item 301 – Digital Network Access (DNA), which showed the approved rates for Bell Canada's DS-1 DNA service over the period 2003 to 2011. With reference to the most recent version of the above-mentioned page from Bell Canada's NST, TBayTel submitted its proposed rates for DS-1 DNA service

are the same as Bell Canada's current Band 3 rates for similar service. TBayTel submitted that it had provided the Bell Canada letter referenced in paragraph 2 above simply to indicate what can reasonably be charged for this service.

7. The Commission notes that DNA service was assigned to the fourth basket of services, i.e., Other services, in Telecom Decision 2006-14. In that decision, the Commission determined that rates for such services would be allowed to increase up to any rate approved by the Commission for the same service, without being supported by an economic study. The Commission confirmed this policy in Telecom Regulatory Policy 2009-788.
8. The Commission notes that the rates proposed in this application are the same as the Band 3 rates currently approved for Bell Canada's DS-1 DNA service for monthly non-contracted terms, and for contracted terms of one year, two years, and three years.<sup>1</sup>
9. As such, the Commission considers that TBayTel's application meets the requirements of Telecom Decision 2006-14 and Telecom Regulatory Policy 2009-788.
10. Accordingly, the Commission **approves on a final basis** TBayTel's application.

Secretary General

### **Related documents**

- *Regulatory framework for the small incumbent local exchange carriers*, Telecom Regulatory Policy CRTC 2009-788, 17 December 2009
- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006

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<sup>1</sup> See item 301 of Bell Canada's NST.