



## Telecom Order CRTC 2005-414

Ottawa, 22 December 2005

### Sogetel inc.

Reference: Tariff Notices 125 and 125A

### Application of Sogetel inc.'s General Tariff to the former subscribers of Le Téléphone de St-Liboire de Bagot Inc.

1. The Commission received an application by Sogetel inc. (Sogetel), dated 13 October 2005 and amended on 24 October 2005, proposing to apply its General Tariff to Le Téléphone de St-Liboire de Bagot Inc.'s (St-Liboire) subscribers as of 1 January 2006 now that it has acquired the issued shares of the capital stock of Télécommunications St-Liboire inc., which holds the issued shares of the capital stock of St-Liboire.
2. Sogetel proposed to add to section 2.1 of its General Tariff the monthly rates for residential and business primary exchange services (PES) approved for St-Liboire in Telecom Order CRTC 2005-169, 6 May 2005.
3. Sogetel also proposed to add to its General Tariff two sections for services approved by the Commission for St-Liboire, namely section 2.16, Centrex PME Service, and section 5.14, Use of Carrier Facilities, in order to continue providing those services to former St-Liboire customers.
4. With regard to services that are included in the fourth basket of services according to the classification established in *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001 (Decision 2001-756), Sogetel proposed that the rates for those services included in its General Tariff be applied to former St-Liboire customers.
5. Sogetel noted that where the technology permits it, St-Liboire subscribers will have access to new services currently provided by Sogetel to its subscribers.
6. Finally, Sogetel requested that the Commission approve the withdrawal of the St-Liboire General Tariff effective 1 January 2006.
7. The Commission received no comments with respect to this application.
8. The Commission notes that in Decision 2001-756, it established that small incumbent local exchange carriers (ILECs) should be subject to a simplified form of price regulation. The Commission thus grouped services into four separate baskets, each with their own pricing constraints.

9. The first and second baskets comprise residential PES and business PES respectively. The Commission determined that the rates for each of those services would be permitted to increase each year by no more than inflation in the absence of any exogenous factors.
10. The third basket comprises 9-1-1, message relay service and toll restriction. The Commission considered it appropriate to freeze, at the existing tariffed rates, the rates for those services provided directly by the small ILECs.
11. The fourth basket comprises all other services offered by the small ILECs, such as optional services, multi-element service categories, special facilities tariffs and competitor access tariffs. The Commission determined that rates for those services would generally be permitted to increase up to any already approved rate for the same service.
12. The Commission notes that Sogetel's proposal will have no impact on St-Liboire customers who already subscribe to first-, second- or third-basket services. However, Sogetel's proposal will result in rate increases for many St-Liboire customers who subscribe to services in the fourth basket. The Commission notes that, as of 1 January 2006, the rates applicable to former St-Liboire customers will be the rates already approved for Sogetel. The Commission therefore finds that Sogetel's proposal meets the requirements set out in Decision 2001-756.
13. In light of the above, the Commission **approves** Sogetel's application. The amendments will take effect as of 1 January 2006.

Secretary General

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