



For Teresa Griffin-Muir
Vice President, Regulatory Affairs
Vice-présidente des Affaires réglementaires
MTS Allstream Inc.

13 September 2006

By epass

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, Ontario
K1A 0N2

Dear Ms. Rhéaume:

Subject: Telecom Public Notice CRTC 2006-5: Review of price cap framework.

In accordance with the procedures identified at paragraph 36 of Telecom Public Notice CRTC 2006-5, *Review of price cap framework*, MTS Allstream Inc. submits the following requests for public disclosure and further responses to the interrogatories identified in the Attachment.

Yours truly,

Angela Donnelly

Attachment

c.c.: Interested parties to Public Notice 2006-5.

Requests for Disclosure and Further Responses

The Companies(MTS Allstream)8Aug06-1 PN 2006-5

In this interrogatory, Bell Canada, Bell Aliant and SaskTel (Bell et al.) were asked to provide (a) each Company's estimates of its residential wireline local exchange service market share, measured in terms of network access lines, for the years, 2002, 2003, 2004, 2005, and mid-year 2006 (or if not yet available, 1Q06) and (b) each Company's estimates of its business wireline local exchange service market share, measured in terms of network access lines or equivalents, for same time period. In Bell Canada and Bell Aliant's cases, they were also asked to provide a breakdown of their market share estimates by province within each Company's respective operating territory as configured prior to the recently completed Bell Aliant restructuring.

In response, Bell et al. claimed that the information requested is irrelevant and unnecessary for a decision in this proceeding and that market share estimates at a disaggregate level are considered confidential.

As well, Bell et al. noted that its proposed uncapping test does not rely on market share data. Bell et al. also suggested that to assess market share for local exchange services, all reasonable substitutes for those services must be included in that assessment in the relevant geographic market, including access independent Voice over Internet Protocol (VoIP) alternatives.

MTS Allstream notes that in this interrogatory, it made reference to a statement made at paragraph 32 in Bell et al.'s submission where Bell et al. stated that ""In summary, the telecommunications landscape is highly competitive and has undergone a transformation in recent years". The interrogatory asked Bell et al. to support this statement with evidence of recent historical changes in market share within the operating territories of Bell Canada, Aliant and SaskTel. Paragraph 32 of Bell et al.'s submission had no direct relationship to Bell et al.'s proposed uncapping test. Nor did MTS Allstream's interrogatory pertain to Bell et al.'s proposed uncapping test. Consequently, Bell et al.'s claim that its proposed uncapping test does not rely on market share data is irrelevant to this interrogatory.

As to market share methodology concerns, MTS Allstream notes that over a good part of the historical period covered by the interrogatory (i.e., 2002 to mid year 2006), access independent VoIP services were either non-existent or accounted for a negligible share of the local market. Consequently, Bell et al.'s concern about the inclusion of such services in an historical market share measure for the period in question is irrelevant. In any event, Bell et al. is certainly free to include access independent VoIP services in its market share estimates in response to this question.

Further, Bell et al.'s suggestion that market share is irrelevant to this proceeding is entirely without merit. Clearly market share is an important element in assessing the state of competition in the provision of local services and, by extension, the design of the next price cap regime. Indeed, Bell et al. devotes large sections of its submission to the

state of local competition (including, for instance, sections 2.1, 2.2 and Appendix 1), which specifically include historical and projected market share estimates.

Lastly, Bell et al.'s suggestion that historical provincial market share estimates are confidential is equally without merit. For one, the interrogatory requests historical market share data, not forecast market share data. Moreover, market share information at a provincial level can hardly be considered disaggregate. Indeed, in SaskTel's case it could not be any more aggregate.

Consequently, MTS Allstream requests that Bell et al be directed to provide a full response to this interrogatory on the public record.

The Companies(MTS Allstream)8Aug06 6 d) PN 2006-5

In relation to Bell et al.'s proposed uncapping test, this interrogatory asked Bell et al. to provide an estimate of the percentage of residence local PSTN, business local PSTN, local PL and IXPL service revenues, individually, that would likely satisfy Bell et al.'s connectivity service uncapping test based on Bell et al.'s current knowledge of competitors in the local market (as for instance identified in Appendix 1 of Bell et al.'s submission). MTS Allstream asked that this information be provided separately for Bell Canada, Aliant and SaskTel.

In response, Bell et al. cross referenced Bell Canada, Bell Aliant and SaskTel's responses to ____ (CRTC)8Aug06-1203 PN 2006-5, and ____ (CRTC)8Aug06-1204 PN 2006-5, which provide estimates of the number of exchanges that would satisfy Bell et al.'s proposed uncapping test. As to MTS Allstream's specific request, Bell et al. stated that estimates of the percent of revenues that would satisfy the uncapping test are confidential. No rationale for this claim was provided.

MTS Allstream notes that under the current price cap regime, the total revenues associated with each price cap service basket are not confidential. They are readily available from ILEC annual price cap filings, which are posted on the "Tariff Applications" section of the Commission's website.¹ MTS Allstream did not request a forecast of Bell Canada, Bell Aliant and SaskTel's revenues by price cap basket, but simply an estimate of the share of existing revenues for each local service basket that would likely become uncapped under Bell et al.'s proposal for each of the companies, Bell Canada, Bell Aliant and SaskTel. Based on the detailed information made available in response to ____ (CRTC)8Aug06-1203 PN 2006-5, and ____ (CRTC)8Aug06-1204 PN 2006-5, it would appear that such information is readily available.

In MTS Allstream's view there is no reason to consider such information confidential. No harm could possibly result from the disclosure of Bell et al.'s estimates of the percentage of revenues that would be assigned to price capped versus uncapped categories under their proposal. Indeed, MTS Allstream notes that TELUS provided estimates of the percentage of its residence revenues in Alberta and BC that would become uncapped under its proposed uncapping test, which supports MTS Allstream's view that the

¹ <http://www.crtc.gc.ca/8740/eng/tariff.htm>.

information should not be deemed confidential. Consequently, MTS Allstream requests that the Commission direct Bell et al. to provide a full response to this interrogatory on the public record.

TELUS(MTS Allstream)8Aug06-5 PN 2006-5

In this interrogatory, TELUS was asked to provide its views on how price capped services with approved rate ranges (as in the case of Bell Digital Voice service) should be treated for the purpose of calculating the actual price index (API) for a basket of price capped services. In addition, TELUS was asked to provide the associated rationale and justification, in the event that it considers that rate range limits rather than actual price levels should be used to calculate the API.

In response, TELUS provided a reference to TELUS(CRTC)8Aug06-1301. The referenced interrogatory, however, involves questions posed by the Commission relating to rate de-averaging and does not in any way address the question posed in this interrogatory.

Consequently, TELUS has not provided any response to this interrogatory. MTS Allstream therefore requests that the Commission direct TELUS to provide a response to this interrogatory.

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