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September 13, 2006

SENT BY FAX AND EMAIL

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

Dear Madam:

**Re: CRTC Telecom Public Notice 2006-5
Review of Pricecap Framework**

1. In accordance with paragraph 36 of Public Notice 2006-5, CAC/MSOS is submitting both requests for further responses to their interrogatories and also requests for public disclosure of information for which confidentiality has been claimed.

The relevance of CAC/MSOS's interrogatories

2. While competition in the telecommunications industry has changed since the last price cap proceeding, the need to protect vulnerable customers living in remote communities where there are little, if any, viable competitive options still exists.

3. The evidence filed with the Commission to date reveals the dynamics of the telecommunications market and shows that the absence of competitive service alternatives remains a live and pressing issue. In Manitoba alone, there are several remote communities in HCSAs that will be affected by the decisions made in this proceeding and it is therefore critical that the evidence submitted by the parties be subject to meaningful examination and testing through the interrogatory process.

4. Through its interrogatories, CAC/MSOS attempted to gather information relevant to the need to maintain distinctions between HCSAs and non-HCSAs and the need to maintain different pricing rules to protect "captive" and vulnerable customers. CAC/MSOS also submitted a number of interrogatories in an effort to obtain accurate information on the state of competition in Canada. CAC/MSOS believes all of this information is both relevant and necessary to assist the Commission in fulfilling its statutory obligation to use regulation as a means of maintaining affordable service and to ensure the rates set are just and reasonable.

5. CAC/MSOS is requesting both disclosure of information claimed to be confidential and further responses to some of the interrogatories asked of Bell Aliant/SaskTel, MTS Allstream and TELUS.
6. With respect to the requests for disclosure, CAC/MSOS believes it struck an appropriate balance in its interrogatories. CAC/MSOS requested information that would allow it to be able to properly and meaningfully test the evidence and would not cause harm to the particular party because it would not reveal specific details containing confidential and sensitive information.
7. With respect to the requests for further information, CAC/MSOS is only seeking more information regarding those interrogatories where answers were either not provided at all, or where insufficient or vague answers were provided.
8. As CAC/MSOS asked certain questions of each of Bell Aliant/SaskTel, MTS Allstream and TELUS, there is some overlap in the requests made in this letter and where that occurs, we have cross-referenced the requests to avoid undue duplication. For ease of reference we have set out our requests on a company by company basis.

Requests for public disclosure and further responses

I. Bell Aliant/SaskTel

(a) Bell(CAC/MSOS) 8Aug06-1(b) PN 2006-5

9. Access to competitive services and the benefits that flow from it, for example by the offering of discount packages to customers, is a measure of the level of competition in a particular area. Differences in availability of these services among various locations and communities across Canada is relevant to issues of access and affordability of service.
10. To obtain information that paints an accurate picture of services available in different areas, CAC/MSOS requested that Bell Aliant/SaskTel provide the percentage of customers registered for discount packages for the past five years in (1) HCSAs and (ii) non-HCSAs so that a comparison may be made between the two.
11. Both Bell Aliant and SaskTel responded to this interrogatory by stating that this information is confidential and would reveal details that would benefit existing or potential competitors. Neither Bell Aliant nor SaskTel claimed it was either irrelevant or unnecessary.
12. CAC/MSOS respectfully submits that Bell Aliant and SaskTel's concerns are unfounded. CAC/MSOS believes the aggregate composition of the information minimizes any potential for specific or direct harm and is outweighed by the public interest in having all relevant and necessary evidence before the Commission. The information requested by CAC/MSOS would not reveal any details regarding specific areas that may be of interest to a

competitor and in the absence of a clear and express example of how this information would harm Bell Aliant or SaskTel, CAC/MSOS requests the Commission order its disclosure.

(b) Bell (CAC/MSOS) 8Aug06-1(e) PN 2006-5

13. In its evidence, Bell Aliant/SaskTel made reference to a speech by the Minister of Industry regarding the state of competition in Canada. In that speech, the Minister made statements to the effect that competition has increased over the years such that there are competitive pressures coming from all sides, with the exception of remote regions of the country.

14. In order to identify those specific remote areas where competition has been either slow to emerge or is non-existent, CAC/MSOS requested Bell Aliant/SaskTel provide a list of those locations. As the nature and extent of competition varies across the country depending on the region, it is imperative that there be a true understanding of the the number and location of areas in Canada that remain "captive" and vulnerable due to a lack of competition.

15. Both Bell Aliant and SaskTel responded to this interrogatory by stating they could not provide details because the phrases "remote regions of the country" and "competitive pressures coming from all sides" were not defined by the Minister.

16. This is not a satisfactory answer. The question asked by CAC/MSOS was straightforward and clear, and the phrases referred to above are not difficult to understand or define. CAC/MSOS simply asked for a list of remote regions where competition is either slow to emerge or is non-existent. Using the plain and ordinary meaning of the phrases "remote regions of the country" and "competitive presures from all sides", both Bell Aliant and SaskTel should be able to provide this information and CAC/MSOS respectfully requests the Commission order them to provide a full and complete answer.

(c) Bell (CAC/MSOS) 8Aug06-1(f) PN 2006-5

17. Relevant to the reasons for a continued distinction between pricing in HCSAs and non-HCSAs is a comparison of the competitive market in both. CAC/MSOS requested Bell Aliant/SaskTel provide that comparison in their respective service areas by identifying areas designated either a HCSA or a non-HCSA.

18. Both Bell Aliant and SaskTel responded to this interrogatory by referring to their responses to interrogatories posed by the Commission which consisted of a list, by exchange, of competitors offering alternatives to their residential local exchange services.

19. It is not possible to answer CAC/MSOS's question from the information provided by Bell Aliant and SaskTel and more is required. The lists only reveal where competitive services are offered, they do not expressly identify whether the area is a HCSA or a non-HCSA and

assumptions in that regard cannot be made. For example, one cannot safely presume that an area is a non-HCSA simply because some competitive services are offered.

20. CAC/MSOS is requesting the Commission direct both Bell Aliant and SaskTel to provide a list that expressly identifies both the HCSAs and non-HCSAs in their respective service areas so that the information is accurate and there is no confusion or uncertainty. CAC/MSOS does not believe it would be a hardship for either Bell Aliant or SaskTel to provide this information, as areas designated either HCSA or non-HCSA in their service areas should be known to them.

(d) Bell (CAC/MSOS) 8Aug06-2 PN 2006-5

21. Evidence about trends that may have developed over the past few years in terms of the cost of telephone service in both HCSAs and non-HCSAs is relevant to the issues of availability of competitive services and affordability and is of particular importance when considering whether differences in pricing rules are still necessary. For those reasons, CAC/MSOS submitted the following interrogatory to Bell Aliant/SaskTel:

Please provide, for each residence primary exchange service (eg. single line, party line, touch tone, etc.) for the years 2000 and 2005 the average total monthly bill of a residential customer subscribing to a local exchange service in a HCSA and the average total monthly bill for a non-HCSA. Please confirm that the change in these two values is indicative of a trend in the years between 2000 and 2005. If not, please explain.

22. Bell Aliant and SaskTel responded to this interrogatory by stating that the information from 2000 is no longer available and that information since that time is confidential. Neither Bell Aliant nor SaskTel claimed the information was either irrelevant or unnecessary.

23. Although CAC/MSOS is not certain why the 2000 information no longer exists, it is nonetheless still asking for the information for the years 2001 to 2005.

24. CAC/MSOS does not believe that disclosure of this information would harm either Bell Aliant or SaskTel, as it would not reveal details that would be of interest or benefit to competitors. The information requested is not specific to a certain area, but rather is an average amount based on all locations within a HCSA or non-HCSA. In the absence of a specific example of how a competitor could use this information, CAC/MSOS requests the Commission order its disclosure.

II. MTS Allstream

(a) MTS Allstream(CAC/MSOS)8Aug06-1(b) PN 2006-5

25. CAC/MSOS asked MTS Allstream the same question it asked of Bell Aliant/SaskTel

relating to the percentage of customers registered for discount packages for the past five years in both HCSAs and non-HCSAs, and refers the Commission to paragraphs 9 and 10 of this letter for an explanation as to the relevance and importance of this question.

26. MTS Allstream claimed confidentiality regarding this question on that grounds that release of disaggregated customer information would reveal valuable market information that would allow potential competitors to develop more effective business and marketing strategies. MTS Allstream did not claim this information was either irrelevant or unnecessary.

27. CAC/MSOS takes the same position on the matter of confidentiality of this information as it did with respect to Bell Aliant/SaskTel in paragraph 12 of this letter. The information requested by CAC/MSOS is not, as MTS Allstream claims, disaggregated customer information, but instead is aggregated information that would not reveal sensitive or confidential information that would be of benefit to any potential competitors. In the absence of more specific details as to how this general information would cause harm, CAC/MSOS respectfully requests the Commission order its disclosure.

(b) MTS Allstream(CAC/MSOS)8Aug06-1(c) PN 2006-5

28. Residential penetration rates may vary significantly depending on the particular region and it is important to gather accurate statistics so a proper analysis can be done. It is reasonable to assume that there will be a disparity in penetration rates between HCSAs and non-HCSAs and CAC/MSOS believes that the degree of disparity is relevant to the issues of access to basic services, the level of competition, and affordability. In this interrogatory, CAC/MSOS requested that MTS Allstream provide a comparison of the residential local exchange service subscription market penetration percentages for both HCSAs and non-HCSAs.

29. MTS Allstream did not answer this question and claimed the information is confidential because it would provide existing and potential competitors with valuable market information.

30. CAC/MSOS does not agree that revealing overall market penetration percentages would result in any harm to MTS Allstream because it would not identify any specific target areas that would be of interest to a competitor. As is the case with the other questions to which confidentiality is claimed, CAC/MSOS believes the appropriate balance was struck in its interrogatories and that this information is sufficiently general in nature that it does not warrant protection.

(c) MTS Allstream(CAC/MSOS)8Aug06-1(d) PN 2006-5

31. The level of competition in the telecommunications industry in Canada is central to this proceeding and information relating to the need to maintain different pricing rules for HCSAs is a matter that will be determined by the Commission. In this interrogatory, CAC/MSOS requested information relevant to those issues, as follows:

d) With specific reference to the residential markets primarily served by MTS Allstream (including the province of Manitoba), please identify the areas where:

(i) local competition has begun to emerge within the residential local services market segment and the nature of that competitive service offering;

(ii) where competitive alternatives to MTS Allstream are limited or non-existent.

32. MTS Allstream's response was very brief and limited to statements that Shaw launched a competing residential local voice service in Winnipeg in July, 2005 and that there is some competition from VoIP providers outside of Winnipeg.

33. CAC/MSOS does not believe this response is sufficient to answer the question and it is too vague to be of value. For example, CAC/MSOS is not sure what "some competition" means or what is meant by "outside of Winnipeg". CAC/MSOS requests that the Commission direct MTS Allstream to provide a full and complete answer to this question by identifying, with a reasonable degree of detail, the areas where competition has and has not emerged, for example by submitted a list of exchanges and the competitive services offered within each.

(d) MTS Allstream(CAC/MSOS)8Aug06-1(e) PN 2006-5

34. In this interrogatory, CAC/MSOS asked two things of MTS Allstream, the first being to confirm that in areas currently designed as HCSAs, "local competition remains very limited at this time". The second part of this interrogatory related to MTS Allstream's position regarding separate HCSA baskets.

35. MTS Allstream provided a response to the second part of this interrogatory, but it did not address the first. CAC/MSOS is therefore requesting the Commission direct MTS Allstream to provide its confirmation as to whether, in areas currently designed as HCSAs, local competition remains very limited at this time.

(e) MTS Allstream(CAC/MSOS)8Aug06-1(f) PN 2006-5

36. CAC/MSOS asked MTS Allstream to provide a comparison of the competitive market between the HCSAs and non-HCSAs in its service area, a question it also asked of Bell Aliant/SaskTel and TELUS. As noted in paragraph 17, this information is relevant and will shed light on any differences between the services available in HCSAs as opposed to non-HCSAs.

37. MTS Allstream's response was very brief and limited to statements that Shaw launched a competing residential local voice service in Winnipeg in July, 2005 and that there is some competition from VoIP providers outside of Winnipeg.

38. CAC/MSOS does not believe this response is sufficient to answer the question and it is far too vague to be of value. For example, CAC/MSOS is not sure what "some competition" means or what is meant by "outside of Winnipeg". CAC/MSOS requests that the Commission direct MTS Allstream to provide a full and complete answer to this question, for example by providing a list of exchanges in its service areas, identifying each exchange as either a HCSA or non-HCSA, and identifying any exchanges with no competitive local exchange service options.

(f) MTS Allstream(CAC/MSOS)8Aug06-2 PN 2006-5

39. CAC/MSOS asked MTS Allstream the same question it did of Bell Aliant/SaskTel relating to the provision of the average total monthly bill in both HCSAs and non-HCSAs and to comment on any trend that may have emerged in the years between 2000 and 2005. We would refer the Commission to our comments in paragraph 21 of this letter as to the importance and relevance of this information.

40. MTS claimed this information is confidential and would provide existing and potential competitors with valuable market information. MTS Allstream did not claim the information was either irrelevant or unnecessary.

41. As noted in paragraph 24 of this letter, CAC/MSOS does not accept that this information would cause harm to MTS Allstream. CAC/MSOS is asking for general information and is not requesting specific details that would be of interest or use to any existing or potential competitors.

(g) MTS Allstream(CAC/MSOS)8Aug06-4 PN 2006-5

42. In this interrogatory, CAC/MSOS requested that MTS Allstream provide the percentage of residential customers in HCSAs and non-HCSAs with technology that has the capability of high speed data transmission to the Internet. This information is relevant to a determination of the differences in services available in HCSAs as compared to those in non-HCSAs.

43. In its response, MTS Allstream stated that 85% of Manitobans have access to high speed data transmission but that further details on high speed data transmission access is confidential. MTS Allstream did not claim the information is irrelevant or unnecessary.

44. CAC/MSOS does not understand why MTS Allstream could disclose that 85% of Manitobans have access to high speed data transmission and then be unable to disclose

anything relating to the rest of the interrogatory. It is also not clear to CAC/MSOS as to how this information could be used by a competitor, as it is general in nature and does not reveal details of any specific location that could be targeted by a competitor. In the absence of evidence as to how this information would harm MTS Allstream or give a competitor access to sensitive or confidential information, CAC/MSOS requests the Commission order its disclosure.

III. TELUS

(a) TELUS(CAC/MSOS) 8Aug06-1(b) PN 2006-5

45. CAC/MSOS asked TELUS the same question it asked of Bell Aliant/SaskTel and MTS Allstream regarding disclosure of the percentage of customers registered for discount packages for the past five years in both HCSAs and non-HCSAs. Kindly refer to paragraph 9 of this letter regarding the importance and relevance of this question.

46. In its response, TELUS interpreted the term "discount packages" as bundle service and stated that the percentage of residential customers that subscribe to bundles is confidential and that release of disaggregated customer information would benefit existing and potential competitors. TELUS does not claim that this information is irrelevant or unnecessary.

47. CAC/MSOS takes the same position it did with respect to Bell Aliant/SaskTel and MTS Allstream regarding the confidentiality of this information. CAC/MSOS is not asking for disaggregated customer information, but rather an aggregated composition which would not reveal specific details that would be of value or use to any potential or existing competitors. Absent a valid reason on the part of TELUS as to how and why release of this information would be harmful, CAC/MSOS requests the Commission order its disclosure.

(b) TELUS(CAC/MSOS) 8Aug06-1(d)

48. CAC/MSOS asked the same question of TELUS as it did of MTS Allstream that is referred to in paragraph 31 of this letter, namely to provide details relating to areas where local competition has either begun to emerge or is limited or non-existent. The information requested relates to the level and nature of competitive services offered.

49. TELUS's response was very limited and only indicated that local competition in urban areas has existed for many years, while competition is expanding in rural areas.

50. CAC/MSOS does not believe the information provided by TELUS is sufficient to answer this interrogatory. TELUS's response does not identify the areas in any level of detail greater than "urban" and "rural" and without that information, CAC/MSOS's ability to test TELUS' evidence is severely hampered. CAC/MSOS requests the Commission direct TELUS to provide a full and complete response to this interrogatory by identifying, with a reasonable degree of detail, the areas where competition has or has not emerged. CAC/MSOS believes

that TELUS should be able to provide, at the very least, a list of exchanges and a description of competitive services offered in each.

(c) TELUS(CAC/MSOS) 8Aug06-1(e)

51. CAC/MSOS asked TELUS the same question it asked of Bell Aliant/SaskTel and MTS Allstream regarding a comparison of the competitive market between the HCSAs and non-HCSAs in its service area and we would draw your attention to paragraph 17 for details regarding the importance and relevance of this information.

52. TELUS responded to this interrogatory by stating that competition is more intense in non-HCSAs than in HCSAs. In CAC/MSOS's view, this is far from sufficient information to answer this question.

53. CAC/MSOS requests the Commission direct TELUS to provide a full and complete answer, for example by listing the exchanges in its service areas, identifying each exchange as either a HCSA or non-HCSA and identifying any exchanges with no competitive local exchange service options. CAC/MSOS does not believe it would be a hardship or undue inconvenience for TELUS to provide this information, as it should be readily accessible.

(d) TELUS(CAC/MSOS) 8Aug06-2 PN 2006-5

54. CAC/MSOS submitted the same interrogatory to TELUS as it did to Bell Aliant/SaskTel and MTS Allstream relating to the provision of the average total monthly billing for HCSAs customers and non-HCSAs customers and refers the Commission to paragraph 21 for details as to the relevance and importance of this interrogatory.

55. In its response, TELUS stated that this information is confidential and would reveal valuable market information that would benefit existing and potential competitors. TELUS did not claim this information was irrelevant or unnecessary.

56. For the reasons stated in paragraph 24 of this letter, CAC/MSOS does not believe the information requested would cause harm to TELUS. The information is sufficiently general so as not to reveal any details that would benefit potential or existing competitors. In the absence of a specific example of how this information would harm TELUS, CAC/MSOS requests the Commission order its disclosure.

(e) TELUS(CAC/MSOS) 9Aug06-4 PN 2006-5

57. CAC/MSOS requested from TELUS the same information it did from MTS Allstream regarding the percentages of residential customers in HCSAs and non-HCSAs with technology that has the capability of high speed data transmission to the Internet and refers the

Commission to paragraph 42 of this letter with respect to the importance and relevant of this interrogatory.

58. In its response, TELUS stated that this information is confidential and would provide valuable market information to potential and existing competitors. TELUS did not claim this information is irrelevant or unnecessary.

59. Again, for the reasons referred to previously, CAC/MSOS does not accept this response as the information is general and not specific to any particular location that could be targeted by a competitor. In the absence of a specific example as to how disclosure of this information would cause harm, CAC/MSOS requests the Commission order its disclosure.

60. CAC/MSOS respectfully submits the above requests and thanks the Commission for its consideration.

Yours truly,

***Original signed by
Beverly Froese, for***

Byron Williams
Attorney

/bf

cc: Parties and Interested Parties - PN 2006-5 (by email only)

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