



PUBLIC INTEREST ADVOCACY CENTRE
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October 4, 2006

VIA Fax Only

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

Dear Ms. Rhéaume:

**Re: Telecom Public Notice 2006-5 - Review of Price Cap Framework
Oral Hearing**

In preparation for the commencement of the oral phase of this proceeding, the Consumer Groups would note that it would be helpful if the Commission indicated at the commencement of the proceeding whether the changes that are to be considered to the price cap regime include a review of the forbearance conditions associated with the services to be capped. Further, we believe Commission instructions would be helpful on the issue of what constitutes the "other forms of regulation" that paragraph 24 of the Public Notice seeks to prohibit.

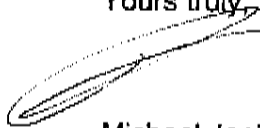
Our understanding of the objectives of this proceeding was that the Commission was concerned with adjusting the parameters of the existing price cap for regulated services for a yet to be determined period. The existing evidentiary record to date seems replete with submissions that are not only directed to the issue of forbearance, or when should price cap regulation be imposed, but also seek to set up new paradigms of regulation. This seems to run counter not only to the plain words of the Public Notice, but also to the particular way in which the written evidence was solicited: all parties submitting at the same time. The Consumer Groups may well have been ready to argue regulatory theory, market dominance principles, the general effectiveness and application of price caps in the context of a generic proceeding specifically designed for the same. This does not seem to be a generic proceeding of that type.

In our view, it makes little sense to spend two weeks revisiting the principles of Telecom Decision 2006-15, (or Decisions 94-19, 95-21 and 97-9 for that matter) this time with one-sided evidence that belongs in another forum, if it belongs anywhere. We cannot be expected to meet a case which has not been set out in the Public Notice.

It would not be an efficient exercise, at this juncture, to prune the evidentiary record of the irrelevant evidence and polemic associated with the matters described above that appear to be outside the scope of this proceeding. However, it would serve as a useful guide to the participants, at the commencement of the oral hearing, if the terms of the inquiry associated with Public Notice 2006-5 were confirmed so that the exploration of the issues could be confined to the necessary changes to the price cap in accordance with paragraph 22 therein.

Thank you.

Yours truly,



Michael Janigan
Counsel for Consumer Groups

cc Parties and Interested parties to PN 2006-5 (by e-mail only)