



3 July 2001

Aliant Telecom Inc.
Bell Canada
MTS Communications Inc.

Mr. Mel Cappe
Clerk of the Privy Council and
Secretary to the Cabinet
Langevin Block, 80 Wellington Street
Ottawa, Ontario
K1A 0A3

Bernard A. Courtois
Chief Strategy Officer
Bell Canada

Dear Sir:

Subject: Canadian Gazette Notice No. DGTP-007-01 (14 April 2001) Petition to the Governor in Council concerning Decision CRTC 2000-745: Changes to the contribution regime

This response is submitted by Aliant Telecom Inc., Bell Canada and MTS (collectively, the Companies) to a petition to the Governor in Council concerning Decision 2000-745 (the Decision) by Amtelecom Inc., Bruce Municipal Telephone System, Prince Rupert City Telephones and Sogetel (the Petitioners).

Since our May 28 submission, the Canadian Radio-television and Telecommunications Commission (CRTC) has initiated a proceeding - Public Notice CRTC 2001-61: New regulatory framework for small independent telephone companies and related issues (the Public Notice) which will include in its determination how much money the independent companies will *receive* as part of the new national subsidy fund.

There are two sides to the contribution mechanism: the collection of the contribution funds from telecommunications service providers (TSPs) and the distribution of the funds to eligible recipients, i.e., providers of local residential service in high cost areas. The Decision under appeal addressed only the collection of funds from all TSPs, including small independents, and the distribution of funds to the recipients other than the small independents. However, the distribution of funds to small independent companies was left to another proceeding, namely that proceeding initiated by the Public Notice.

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The Public Notice states that the Commission will be examining several aspects of the regulatory framework for independents, including the financial viability of the independents within the new framework, the opportunity for the independents to earn a fair rate of return and the affordability of telephone service in the independents' territories. This examination will necessarily take into account any contribution obligations. This is because any of the independent companies that are required to pay contribution will identify these payments as one of their costs to be recovered.

Consequently, any concerns that there may be regarding the financial implications of the Decision on the Petitioners will be addressed in the course of the proceeding. Therefore, there is no need to alter the contribution collection mechanism to give special treatment for some of the independents. Further, as pointed out in our earlier submission, to grant the Petitioners' requests would unfairly burden other contributors to the national fund.

In light of the foregoing, we again respectfully request the Governor in Council to reject all requests made by the Petitioners.

Yours truly,

A handwritten signature in black ink, appearing to read "Bernard A. Courtois". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bernard A. Courtois
Chief Strategy Officer
Bell Canada

Attachment

c.c.: The Honourable Brian Tobin, Ministry of Industry
Ms. Ursula Menke, Secretary General, CRTC
Mr. Michael Helm, Director General,
Telecommunications Policy Branch, Industry Canada
CRTC Regional Offices
The Companies

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