



**A Community Partnership:
Un Partenariat Communautaire:**



September 13, 2001

City of Greater Sudbury,
200 Brady Street
P.O. Box 5000 stn. A
Sudbury, Ontario P3A 5P3

Attn. Mr. Tom Mowry
City Clerk

Dear Mr. Mowry,

**Subject: Presentation to City Council – October 25, 2001
Sudbury District Energy Corporation (SDEC)**

Further to your telephone conversation with Bruce Ander, this letter confirms Sudbury District Energy Corporation's request to present an update to Council on October 25, 2001.

Appearing before council would be myself and Mr. Ander, both Directors of SDEC. We plan to present a 10 minute powerpoint presentation which will be emailed to your office no later than October 15th.

The presentation will include a brief update on the status of the SDEC downtown plant and construction progress on the Hospital project. In general terms, we will also report on the combined long-term outlook for SDEC, including future growth in customers and investment return.

At your earliest convenience, please confirm that we will be included on the Council Agenda for October 25th. Your office can contact Mr. Ander at (416) 667-5724 or by fax at (416) 667-5694 or email at bander@toromont.com.

Sincerely yours,

Hugo T. Sørensen
Chair, Sudbury District Energy Corporation,
President & COO, Toromont Industries Ltd.
(416)-667-5527

1

***Greater Sudbury Utilities Inc./
Services Publics du Grand Sudbury Inc.***

500 Regent Street / rue Regent, PO Box 250 / CP 250, Sudbury, ON P3E 4P1
Telephone (705)675-7536 Fax (705)671-1413

October 12, 2001

City of Greater Sudbury
P.O. Box 5000
Station A
Sudbury ON P3E 5P3

Attention: Mr. Thom Mowry
City Clerk

Dear Mr. Mowry:

The Board of the Greater Sudbury Utilities Inc. requests your leave to appear before City Council on October 25, 2001 to present a progress report on the Utility businesses. We will review the financial arrangements existing between the City and the Utility.

We would also like to review the potential partnerships between the Utility and the City.

Yours truly,



Paul Marleau
Chair

PM:ro

City Agenda Report

Report To: CITY COUNCIL

Report Date: October 18, 2001

Meeting Date: October 25, 2001

Subject: Contract 2001-55
Trillium Centre - Roof Replacement and Repairs

Division Review:



R. G. (Greg) Clausen, P. Eng.
Director of Engineering
Services

Department Review:



for D. Bélisle
General Manager of
Public Works

C.A.O. Review:



J. L. (Jim) Rule
Chief Administrative Officer

Report Prepared by:

Recommendation:

That Contract 2001-55, Trillium Centre Roof Replacement and Repairs be awarded to Douro Roofing Sheet Metal Contractors Ltd., in the estimated value of \$516,668.76, being the lowest tender meeting all the requirements of the contract documents.

Background:

Tenders were opened for Contract 2001-55, Trillium Centre Roof Replacement and Repairs, by the Tender Opening Committee at 2:30 p.m. on October 18, 2001. The following bids were received at that time:

Bidder	Amount
Douro Roofing and Sheet Metal Contractors Ltd.	\$516,668.76
Semple-Gooder Northern Limited	\$541,045.50
J. G. Fitzgerald & Sons Limited	\$578,822.92
Bothwell-Accurate Co. Limited	\$579,279.81

The tender documents have been reviewed and found to be in order.

We recommend that this contract be awarded to Douro Roofing and Sheet Metal Contractors Ltd., being the lowest bid meeting all the requirements of the contract documents.

Funding for this work is from the 2001 Capital Budget for Building & Facilities.




City Agenda Report

Report To: **CITY COUNCIL**

Report Date: October 17, 2001

Meeting Date: October 25, 2001

Subject: Tender for the Rental of Operated Snow Plowing Equipment -
Loaders, Graders and Four Wheel Drive Truck Plows
2001 - 2004

Division Review:  M. Montpellier Director of Operations	Department Review:  D. Bélisle General Manager of Public Works	C.A.O. Review:  J. L. (Jim) Rule Chief Administrative Officer
Report Prepared by: R. Martin, Manager of Fleet.		

Recommendation:

That the tenders for the supply of sixteen (16) Graders be awarded to: Armand Arbour, Tommy Carruthers, Pat Taylor Contracting Ltd. (2 Graders), O.C.L. Trucking & Excavating (2 graders) , Marc Beuparlant Contracting (2 Graders), D. Lafond Contracting Limited (3 Graders), Ethier Sand & Gravel Limited, Pioneer Construction Inc. (3 Graders); that the tenders for the supply of ten (10) Four Wheel Drive Plow Trucks be awarded to: Ron Vaillancourt, Reg Demore Haulage, Jean Beuparlant.

Lewis General Contracting, D. Lafond Contracting Limited (2 trucks), P Greco, c/o Mobile Whole-Sale, Wolf Lake Construction Inc. (2 trucks), and McGuire's Tree Guys, and that the tenders for the supply of two (2) Loaders be awarded to D. Lafond Contracting Limited (2 loaders) these being the lowest tenders as determined by the unit prices and quantities involved, meeting all specifications.

Background:

Tenders for the supply of sixteen (16) Graders, ten (10) Four Wheel Drive Plow Trucks, and two (2) Loaders were opened on October 02 , 2001. The tenders are for a three (3) year contract estimated at \$280,000.00. The equipment will be used in winter control operations.

After the tenders were received, it was determined by the Tender Opening Committee that the following bids had to be rejected:

Company Name	Reason for Rejection
985985 Ont. Inc. o/a Nutri Lawn	No deposit.
Bruce Tait Construction Inc.	Insufficient deposit.
P. Bouillon	Not properly signed.
E. Marynuk	Not witnessed.
William Day Construction Ltd.	Contract not returned.

The remainder of the tenders have been reviewed and found to be in order.

*Successful Bids		EQUIPMENT TYPE		
BIDDER	QUANTITY	GRADER (Per Hour)	4 X 4 PLOW (Per Hour)	LOADER (Per Hour)
985985 Ont. Inc. o/a Nutri Lawn	1		\$36.00	
Tommy Carruthers Service	1	\$67.50*		
Ron Vaillancourt	1		\$37.00*	
Reg Demore Haulage	1		\$38.00*	
Jean Beauparlant	1		\$35.00*	
Armand Arbour	1	\$65.00*		
Pat Taylor Contracting Ltd.	1	\$65.00*		\$52.00
	1	\$75.00*		
O.C.L. Trucking & Excavating	2			\$55.00
	2	\$75.00*		
Bruce Tait Construction Inc.	1			\$68.00
	2		\$49.00	
Lewis General Contracting	1		\$32.00*	
Marc Beauparlant Contracting	2	\$65.00*		
D. Lafond Contracting Limited	2			\$49.95*
	1	\$58.00*		
	1	\$72.00*		
	1	\$82.00*		
	2		\$45.00*	
R.M. Belanger Limited	1			\$59.00
Ethier Sand & Gravel Limited	1	\$70.00*		
P. Bouillon	1		\$44.00	
	1		\$45.00	
P. Greco c/o Mobile Whole-Sale	1		\$39.50*	
Piconeri Contractor's Ltd.	1		\$52.00*	
Pioneer Construction Inc.	1			\$82.70
	1			\$86.15
	1			\$93.15
	6	\$85.00*		
Wolf Lake Construction Inc.	2		\$42.50*	
E. Marynuk	1		\$40.00	
Interpaving Limited	1	\$73.00*		
William Day Construction Ltd.	2	\$85.00		
McGuire's Tree Guys	1		\$35.50*	

Award is recommended to the lowest bidders; the supply of Graders to Armand Arbour (1), Tommy Carruthers (1), Pat Taylor Contracting Ltd. (2), O.C.L. Trucking & Excavating (2), Marc Beauparlant Contracting (2), D. Lafond Contracting Limited (3), Ethier Sand & Gravel Limited (1), Pioneer Construction Inc. (3) and Interpaving Limited (1); the supply of Four Wheel Drive Plow Trucks to Ron Vaillancourt (1), Reg Demore Haulage (1), Jean Beauparlant (1), Lewis Contracting (1), D. Lafond Contracting Limited (2), P. Greco, c/o Mobile Whole-Sale (1), Wolf Lake Construction Inc. (2), and McGuire's Tree Guys (1); the supply of Loaders to D. Lafond Contracting Limited (2), these being the lowest tenders as submitted by the unit prices and quantities involves, meeting all specifications.




Funding for this work is provided from the current operating budgets for winter control on municipal roads.

Report To: **CITY COUNCIL**

Report Date: October 17, 2001

Meeting Date: October 25, 2001

Subject: Tender for the Rental of Two (2) Operated Tandem Trucks with Plow Wing and Spreader

Division Review:  M. Montpellier Director of Operations	Department Review:  D. Bélisle General Manager of Public Works	C.A.O. Review:  J. L. (Jim) Rule Chief Administrative Officer
Report Prepared by: R. Martin, Manager of Fleet.		

Recommendation:

That the Tender for Rental of Two Operated Tandem Trucks with plow and spreader, be awarded as follows:

D. Lafond Contracting \$84.45/Hr. For One Unit, and
Pioneer Construction Inc. \$85.00/Hr. For One Unit;

these being the lowest tenders as determined by the unit prices and quantities involved, meeting all specifications.

Background:

Tenders for the Rental of Two (2) Operated Tandem Trucks with plow, wing and spreader, were opened at the Tender Opening Committee on the 2nd day, October, 2001. The trucks will be used in winter control operations. The estimated total value is \$480,000.00. The tenders are for a three (3) year period, and the following are the tender results.

Bidder	# of Units	Hourly Rate for each Tandem Truck W/Plow Wing & Spreader	Hourly Rate for Optional Equipment One (1) Grader
D. Lafond Contracting	1	\$84.45	\$68.00
Pioneer Construction Inc.	2	\$85.00	N/A
O.C.L. Trucking & Excavating Ltd.	2	\$87.00	\$75.00
D. Lafond Contracting	1	\$93.45	N/A

The tenders have been reviewed and found to be in order.

Award is recommended to the lowest bidders, D. Lafond Contracting and Pioneer Construction Inc. for one unit each.

Funding for this work is provided from the current operating budgets for winter control on municipal roads.




City Agenda Report

Report To: CITY COUNCIL

Report Date: October 17, 2001

Meeting Date: October 25, 2001

Subject: Tender for the Rental of One (1) Operated Loader

Division Review:  M. Montpellier Director of Operations	Department Review:  D. Bélisle General Manager of Public Works	C.A.O. Review:  J. L. (Jim) Rule Chief Administrative Officer
Report Prepared by: R. Martin, Manager of Fleet.		

Recommendation:

That the Tender for Rental of One Operated Loader, be awarded to:

D. Lafond Contracting \$29.95/Hr.

being the lowest tender as determined by the unit prices and quantities involved,
meeting all specifications.

Background:

Tenders for the Rental of One Operated Loader, were opened at the Tender Opening Committee on the 2nd day, October, 2001. The loader will be used in winter control operations. The estimated total value is \$ 249,000.00. The tender is for a three (3) year period, and the following are the tender results.

Bidder	Hourly Rate for Rental of one (1) Loader
D. Lafond Contracting Limited	\$29.95
Robert A. Roy Enterprises	\$44.25
William Day Construction Ltd.	\$44.35
O.C.L. Trucking & Excavating	\$55.00
Bruce Tait Construction Ltd.	\$55.00
R.M. Belanger Limited	\$57.00

The tenders have been reviewed and found to be in order.

Award is recommended to the lowest bidder; D. Lafond Contracting Limited.




Funding for this work is provided from the current operating budgets for winter control on municipal roads.

Report To: CITY COUNCIL

Report Date: October 17, 2001

Meeting Date: October 25, 2001

Subject: Tender for Granular, Crushed Material, and Winter Sand

Division Review:  M. Montpellier Director of Operations	Department Review:  D. Bélisle General Manager of Public Works	C.A.O. Review:  J. L. (Jim) Rule Chief Administrative Officer
Report Prepared by: R.M. Falcioni, P.Eng., Operations Engineer.		

Recommendation:

That the tender for the Supply of Granular, Crushed Material, and Winter Sand be awarded to the lowest bidders; OCL Trucking & Excavating Ltd., Warren Bitulithic Limited, Bélanger Ready Mix Ltd., and Pioneer Construction Inc. as outlined in the attached report, these being the lowest tenders, as determined by the unit prices and quantities involved, meeting all specifications.

Background:

Tenders for Granular, Crushed Material and Winter Sand were opened at the Tender Opening Committee on 2nd day, October, 2001. The tender results are as follows:

Material	Zone	OCL	Warren	Gratton	Rintala	Ethier	Belanger	Alexander	Pioneer	Day	Maley	Sked
Granular A	PU	4.60	4.85	4.30	/	6.34	3.50	6.35	5.90	/	7.24	5.24
	NE	6.48	7.55	4.00	/	9.61	0.00	10.00	9.65	/	9.74	8.24
	NW	6.48	0.00	2.10	/	11.23	6.00	11.25	11.69	/	9.74	8.12
	S	7.48	0.00	3.30	/	9.29	0.00	9.50	9.65	/	9.19	7.84
	SE	7.48	0.00	3.60	/	8.63	0.00	8.65	8.61	/	8.49	7.61
	SW	7.48	0.00	3.20	/	10.38	0.00	10.50	11.40	/	9.99	8.71
Modified B	PU	2.65	2.00	2.20	/	4.02	2.50	4.10	2.85	/	5.68	3.94
	NE	4.53	4.70	4.00	/	7.29	0.00	7.40	6.60	/	8.18	6.94
	NW	4.53	0.00	2.10	/	8.91	4.50	9.00	8.64	/	8.18	6.82
	S	5.48	0.00	3.30	/	6.97	0.00	7.10	6.60	/	7.63	6.54
	SE	5.48	0.00	3.60	/	6.31	0.00	6.40	5.56	/	6.93	6.31
	SW	5.48	0.00	3.20	/	8.06	0.00	8.15	8.35	/	8.43	7.41
Granular C	PU	2.40	1.80	2.00	/	3.09	1.10	3.25	1.85	/	0.00	3.52
	NE	4.28	4.50	4.00	/	6.36	0.00	6.50	5.60	/	0.00	6.52
	NW	4.28	0.00	2.10	/	7.98	3.10	8.25	7.64	/	0.00	6.40
	S	5.23	0.00	3.30	/	6.04	0.00	6.25	5.60	/	0.00	6.12
	SE	5.23	0.00	3.60	/	5.38	0.00	5.45	4.56	/	0.00	5.89
	SW	5.23	0.00	3.20	/	7.13	0.00	7.35	7.25	/	0.00	6.99
Sand Bedding	PU	2.40	4.10	2.10	/	3.09	1.60	3.35	3.40	/	0.00	3.52
	NE	4.28	6.80	4.00	/	6.36	0.00	6.60	7.15	/	0.00	6.52
	NW	4.28	0.00	2.10	/	7.98	3.60	8.35	9.19	/	0.00	6.40
	S	5.23	0.00	3.30	/	6.04	0.00	6.35	7.15	/	0.00	6.12
	SE	5.23	0.00	3.60	/	5.38	0.00	5.55	6.11	/	0.00	5.89
	SW	5.23	0.00	3.20	/	7.13	0.00	7.45	8.90	/	0.00	6.99
1 4" Pipe Screenings	PU	2.65	4.10	2.10	/	4.13	1.60	4.50	3.00	/	0.00	3.52
	NE	4.53	6.80	4.00	/	7.40	0.00	7.85	6.75	/	0.00	8.52
	NW	4.53	0.00	2.10	/	9.02	3.60	9.45	8.79	/	0.00	6.40
	S	5.48	0.00	3.30	/	7.08	0.00	7.50	6.75	/	0.00	6.12
	SE	5.48	0.00	3.60	/	6.42	0.00	6.90	5.71	/	0.00	5.89
	SW	5.48	0.00	3.20	/	8.17	0.00	8.60	8.50	/	0.00	6.99
3/4" Stone	PU	2.65	11.75	9.00	/	12.13	9.50	12.95	9.65	/	11.48	0.00
	NE	4.53	14.45	4.00	/	15.40	0.00	16.25	13.40	/	13.98	0.00
	NW	4.53	0.00	2.10	/	17.02	11.50	17.85	15.44	/	13.98	0.00
	S	5.48	0.00	3.30	/	15.08	0.00	16.00	13.40	/	13.43	0.00
	SE	5.48	0.00	3.60	/	14.42	0.00	15.25	12.36	/	12.73	0.00
	SW	5.48	0.00	3.20	/	16.17	0.00	16.95	15.15	/	14.23	0.00
Mortar Sand	PU	4.15	0.00	7.30	/	9.37	6.00	9.40	7.95	/	7.60	0.00
	NE	6.03	0.00	4.00	/	12.64	0.00	12.65	11.70	/	10.10	0.00
	NW	6.03	0.00	2.10	/	14.26	3.00	14.30	13.74	/	10.10	0.00
	S	6.98	0.00	3.30	/	12.32	0.00	12.35	11.70	/	9.55	0.00
	SE	6.98	0.00	3.60	/	11.66	0.00	11.75	10.66	/	8.85	0.00
	SW	6.98	0.00	3.20	/	13.41	0.00	13.50	13.45	/	10.35	0.00

<i>Material</i>	<i>Zone</i>	<i>OCL</i>	<i>Warren</i>	<i>Gratton</i>	<i>Rintala</i>	<i>Ethier</i>	<i>Belanger</i>	<i>Alexander</i>	<i>Pioneer</i>	<i>Day</i>	<i>Maley</i>	<i>Skead</i>
Crusher Dust	PU	7.25	6.25	6.00		10.00	0.00	9.35	8.55		9.70	0.00
	NE	9.13	8.95	4.00		13.27	0.00	12.60	12.30		12.20	0.00
	NW	9.13	0.00	2.10		14.89	0.00	14.25	14.34		12.20	0.00
	S	10.08	0.00	3.30		12.95	0.00	12.30	12.30		11.65	0.00
	SE	10.08	0.00	3.60		12.29	0.00	11.70	11.26		10.95	0.00
	SW	10.08	0.00	3.20		14.04	0.00	13.45	14.05		12.45	0.00
Winter Sand	PU	2.60	0.00	2.00	2.25	9.37	1.60	0.00	7.90	0.00	0.00	6.25
	NE	5.48	6.15	4.05	5.53	5.40	0.00	0.00	4.36	4.45	0.00	9.25
	NW	5.48	0.00	2.60	0.00	6.83	4.38	0.00	4.39	5.35	0.00	9.13
	S	6.43	0.00	3.61	6.42	6.29	0.00	0.00	4.89	0.00	0.00	8.85
	SE	6.43	0.00	4.00	5.95	6.09	0.00	0.00	4.37	0.00	0.00	8.62
	SW	6.43	0.00	4.28	6.15	7.96	0.00	0.00	6.02	0.00	0.00	9.72

All agreements are for an eighteen month duration with a possible extension of eighteen months.

A total of ten tenders were received and reviewed. William Day Construction Ltd. and Dennis Gratton Transport Ltd. have been rejected based on tender irregularities. William Day Construction Ltd. failed to submit the signed tender contract with his bid and Dennis Gratton Transport Ltd. submitted irregular pricing. The remaining tenders were found to be in order and award is recommended as set out in Table 2.

Funding for the work is provided from the current operating accounts.

Table 2

Material	Zone	OCL	Warren	Belanger	Pioneer
Granular A	PU				
	NE	6.48			
	NW			6.00	
	S	7.48			
	SE	7.48			
	SW	7.48			
Modified B	PU				
	NE	4.58			
	NW			4.50	
	S	5.48			
	SE	5.48			
	SW	5.48			
Granular C	PU				
	NE	4.28			
	NW			3.10	
	S	5.23			
	SE				4.56
	SW	5.23			
Sand Bedding	PU				
	NE	4.28			
	NW			3.60	
	S	5.23			
	SE	5.23			
	SW	5.23			
1/4" Pipe Screenings	PU				
	NE	4.53			
	NW			3.60	
	S	5.48			
	SE	5.48			
	SW	5.48			
3-4" Stone	PU				
	NE	4.53			
	NW	4.53			
	S	5.48			
	SE	5.48			
	SW	5.48			
Mortar Sand	PU				
	NE	6.03			
	NW	6.03			
	S	6.98			
	SE	6.98			
	SW	6.98			
Crusher Dust	PU				
	NE		3.95		
	NW	9.13			
	S	10.08			
	SE	10.08			
	SW	10.08			




Material	Zone	OCL	Warren	Belanger	Pioneer
Winter Sand	PU				
	NE				4.36
	NW			4.38	
	S				4.89
	SE				4.37
	SW				6.02

Report To: CITY COUNCIL

Report Date: October 17, 2001

Meeting Date: October 25, 2001

Subject: Tender for Coarse, Crushed Rock Salt

Division Review:  M. Montpellier Director of Operations	Department Review:  D. Bélisle General Manager of Public Works	C.A.O. Review:  J. L. (Jim) Rule Chief Administrative Officer
Report Prepared by: R.M. Falcioni, P. Eng., Operations Engineer.		

Recommendation:

That the tender for the Supply and Delivery of Coarse, Crushed Rock Salt be awarded to Sifto Canada Inc., in the amount of \$1,853,380.00, this being the lowest tender as determined by the unit prices and quantities involved, meeting all specifications.

Background:

Tenders for the Supply and Delivery of Coarse, Crushed Rock Salt, were opened at the Tender Opening Committee on 16th day, October, 2001 and the following are the tender results.

BIDDER	2001/2002	2002/2003	2003/2004
Sifto Canada Inc.	\$1,853,380.80	\$1,946,131.20	\$2,043,492.00
The Canadian Salt Company Limited	\$2,184,244.80	\$2,249,875.20	\$2,316,861.60

The tenders have been reviewed and found to be in order.

Award is recommended to Sifto Canada Inc.

Funding for this work is provided from the current operating accounts for winter maintenance.



October 19, 2001

Members of City Council
City of Greater Sudbury

PO BOX 5000 STN A
200 BRADY STREET
SUDBURY ON P3A 5P3

CP 5000 SUCC A
200 RUE BRADY
SUDBURY ON P3A 5P3

Dear Councillors,

SUBJECT: TOLL-FREE CALLING IN THE CITY OF GREATER SUDBURY

705.671.2489

www.city.greatersudbury.on.ca

I have attached a report from Harold Beaudry of Desmarais, Keenan, who has been acting for the City on the toll-free calling initiative. Mr. Beaudry's report summarizes our efforts to date and indicates possible directions for Council in this matter.

Last spring, Council directed City staff to prepare a plan to achieve toll-free calling within the City of Greater Sudbury. As Council is aware, the City has been participating in the CRTC's proceeding on toll-free local calling since May. This proceeding has effectively halted applications to the Commission since then.

Mr. Beaudry will make his final submission in the current proceeding on November 15, 2001. The CRTC's ruling should follow within a couple of months. At that point Council will be able to decide how it wants to proceed on this matter.

The following resolution is presented for Council's consideration:

That staff be directed to file the draft submissions to the CRTC regarding toll-free calling.

Yours sincerely,

A handwritten signature in black ink that reads 'Jim Gordon'.

Jim Gordon
Mayor



DESMARAIS, KEENAN LLP
LAWYERS AVOCATS

Harold P. Beaudry, Q.C.
R.B. Michael Keenan, Q.C.
Patrick J. Cull, Q.C.
Douglas J. Bamberger
Martin S. James
Marc J. Rémillard
G. Stephen Watt
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J.N. Desmarais, Q.C., LL.D.
1922-1983

In Reply, Please Refer To

Harold P. Beaudry, Q.C.
e-mail: beaudry@desmaraiskeenan.com

October 18, 2001

DELIVERED

The City of Greater Sudbury
200 Brady Street
Sudbury, Ontario
P3A 5W5

Attention: Mr. Ronald Swiddle

Dear Ron:

RE: City of Greater Sudbury
- Public Notice CRTC 2001-47
Our File No. 75,708

In March of this year, a news release indicated that the City of Greater Sudbury was attempting to meet with Bell Canada to obtain toll free calling throughout the City of Greater Sudbury, copy attached. Discussions were held with Bell to this end, as reflected in Resolution 2001-03-13, copy attached. Before this matter was proceeded with in any length, the CRTC published Public Notice CRTC 2001-47 on April 27, 2001. The CRTC was seeking public input to establish a set of general principles and criteria to be used in assessing applications for the creation of common local calling areas.

Back in 1988 the Regional Municipality of Sudbury participated in a Hearing to attempt to get toll free calling within the Region of Sudbury. As a result of that hearing, Decision 88-15 of the CRTC was issued which set the criteria to establish what was then called Extended Area Service ("EAS"). These criteria were as follows:

1. At least 60% of the subscribers in one exchange must call the other exchange at least once per month.

2. The distance between the exchanges rate centres, normally the main switching centre and exchange must not exceed 40 miles and,
3. A simple majority, 51% of the subscribers whose basic rates would be increased must approve the new service.

Those criteria would probably result in the refusal of the CRTC to approve EAS for the City of Greater Sudbury because criteria number one would not be met. In the last go around, I believe only 13% of the people in Capreol called people in Lively to qualify under Criteria 1.

Therefore, in order for Bell Canada and the City of Greater Sudbury to achieve and extend the local calling area and the withdrawal of tolls within the City of Greater Sudbury, the EAS criteria as set out in Decision 88-15 would have to be changed.

We entered CRTC 2001-47 as an interested party and filed an initial brief with the CRTC indicating that we wished to have the right for all the citizens of Greater Sudbury to call any other citizen in the City of Greater Sudbury without the charging of a toll. I am advised that 60% of the consumers and 84% of the businesses already enjoy toll free local calling capability within the City of Greater Sudbury.

Initially, the process being followed with Bell Canada was that there would be a general discussion and then Bell Canada proposed steps to achieve expanded local calling areas, see attached Bell material. This was Bell Canada's proposal to representatives of the City, but once the CRTC Notice 2001-47 was published, Bell Canada's negotiation or involvement with the City was at an end until new criteria were developed.

There have been a number of applications for some form of EAS since 1988. Some have been successful, particularly the Greater Vancouver area, where a number of exchanges surrounding Greater Vancouver were permitted to call each other on a toll free basis.

Sixty-five different parties received status in the proceeding CRTC 2001-47 and a number have filed submissions, including the City of Greater Sudbury.

Interrogatories, which are really just questions from one to some of the other people filing, were permitted. The interrogatories were extensive and the responses extensive. Only the City of Ottawa and ourselves made submissions on behalf of municipalities in Ontario. Ottawa was, I believe, further along than the City of Greater Sudbury when the Notice went out. Sarnia is registered and we understand Bell Canada had been dealing with them. Bell Canada had been dealing with Hamilton, but they are not registered or parties to this matter. We have been in communication with Ottawa and it is essentially taking a similar approach to ourselves.

One of the issues is community of interest ("COI"). Under the old EAS, the test was that 60% of telephone subscribers in one exchange must call another exchange before EAS would apply. Ottawa's position is that political leaders determine whether the application should be made and they should determine COI. The majority of the telephone companies requested a vote of those whose rates would be changed. Bell Canada has taken the position that if an increase was less than \$1.00 there was no need for a vote. Ottawa suggests that the level for doing away with the necessity of a vote should be \$1.14 taking into account inflation. Generally, if there was a rate increase, the CRTC required a vote of those subscribers whose rate changed, see EAS criteria 3.

The original approach by Bell Canada is still being advanced and supported essentially by us. They would deal with representatives of the City of Greater Sudbury, they would get various groups in the City to support the application and if it was determined there was sufficient interest, Bell would then go to the CRTC for approval.

I believe that it is quite well established in the CRTC decisions and by all filing submissions that any change to toll free enlargement of the area should be revenue neutral. That is to say, any expenses incurred by Bell Canada in instituting a toll free area should be paid by the subscribers in the area. Traditionally the CRTC have insisted upon a vote of those whose rates are increased to see if they want it. Our position, I believe, should be that if the increase is \$1.00 or less, and there is precedent to this effect, there should be no vote. Telus Corporation, a large competitive telephone company's position is that if the vote fails, Bell Canada would have to pay for it. If it is successful, of course, it would go into the mix regarding the increased costs. Any increases in rates would have to go for approval by the CRTC.

There is some argument that Bell Canada's lost toll revenues should go into the mix for costs. Bell Canada has said in their submission that they should get any lost toll revenues, but any other toll carriers would just lose their revenue. Telus makes a point that long distance has been so competitive that there is no profit in the tolls so it can be well argued that if there is no profit, then there would be no losses and any lost toll revenue would not really result in any lost profits for Bell Canada and should be ignored.

In the B.C. case those who already had the privilege of toll free calling were charged an extra 25¢, residences were charged 70¢ and businesses \$1.50, that is by way of example.

It is my submission and I urge on you that we need to support the changes from the criteria set by CRTC 88-15. If we do not get that criteria changed, there is virtually no hope for toll free calling within the City of Greater Sudbury. I believe that the CRTC may well support this position and we would be back to where we were when all this

started with Bell, except that now there would be no impediment to installing toll free calling because the EAS criteria set out in CRTC 88-15 would be changed.

The date for filing our submissions is November 15, 2001. I would appreciate your authority to proceed with our final submissions so that they can be ready by approximately November 5, 2001 and sent to you for approval. We can then circulate our drafts as we have been doing with Ottawa, exchange them, submit them to Hamilton and Sarnia and hopefully get their support for our submissions.

I feel reasonably comfortable that what had started out essentially as attempts to produce toll free calling for the City of Greater Sudbury with Bell Canada in the early part of this year can be continued. If we get a favourable decision from the CRTC on Public Notice 2001-47 any impediment that exists at the present time, would be done away with and nothing substantially would be changed from what Bell Canada was attempting to achieve in early 2001.

May I have your instructions.

Yours very truly

DESMARAIS, KEENAN LLP

**Original Copy signed by
Harold P. Beaudry**

Harold P. Beaudry
HPB*lf
encl.