



VIA E-MAIL

June 16, 2008

British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Financial Services Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

c/o Ontario Securities Commission 20 Queen Street West Suite 1900, Box 55 Toronto, Ontario M5H 3S8 Attention: John Stevenson, Secretary	Autorité des marchés financiers 800, square Victoria, 22e étage C.P. 246, tour de la Bourse Montréal (Québec) H4Z 1G3 Attention: Anne-Marie Beaudoin, Directrice du secrétariat
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**Re: Request for Comments
Proposed National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings (the "Proposed Instrument") and Companion Policy 52-109CP (the "Proposed Policy")**

This letter sets out the comments of Manitoba Telecom Services Inc. (the "Company" and also referred to as "we" or "our") in response to the Request for Comments issued by the Canadian Securities Administrators ("CSA") on April 18, 2008 with respect to the Proposed Instrument and the Proposed Policy.

The Company is a reporting issuer in each of the Canadian provinces under applicable securities legislation, and has a market capitalization of approximately \$2.8 billion as at June 10, 2008.

Our comments are as follows:

1. Effective Date

We recommend that the Proposed Instrument and the Proposed Policy come into effect on a date that will provide sufficient time to allow for testing of the effectiveness of internal control over financial reporting ("ICFR"). The effective date should provide for an interval of at least six months that spans a minimum of two complete calendar quarters from the date on which the final versions of the Proposed Instrument and the Proposed Policy are issued by the CSA. This recommendation is being made for the following reasons:

- (a) There have been substantial changes in the Proposed Instrument and the Proposed Policy from the versions of these documents that were issued for comment by the CSA on March 30, 2007. Our testing strategy and approach can be finalized only when the final rules are known. Only then can we fully engage control owners to perform the necessary work in order to ensure compliance with the new rules. This next phase of certification requires the investment of a significant amount of time and resources by control owners located in numerous departments and business units to ensure that the appropriate evaluation of the effectiveness of ICFR occurs, and that relevant evidence is retained. To ensure optimum use of resources, we would require a minimum period of six months for implementation. To undertake work in advance of the final rules is not reasonable or feasible in view of scarce resources and competing priorities. Since the testing of the effectiveness of quarterly controls is an important element of our testing approach, we would require at least two complete calendar quarters in order to allow sufficient scope of testing.
- (b) A number of our significant processes relating to the effectiveness of ICFR are outsourced to certain service organizations that the Company has retained in order to ensure appropriate consideration and implementation of the requirements prescribed by the Proposed Instrument and the Proposed Policy. However, until these documents are finalized, we are unable to negotiate final terms and deliverables with these service organizations that will ensure timely delivery of appropriate reports, including reports by independent auditors of their processes and controls. Part 8 of the Proposed Policy includes new guidance that applies where a service organization has been engaged to perform significant processes. We require at least a six-month period to conclude the necessary arrangements with our service organizations to ensure that appropriate steps are implemented in order to evaluate the effectiveness of the performance of the relevant controls that are outsourced.

2. Changes in ICFR

Part 11 of the Proposed Policy clarifies the manner of assessing the materiality of a change in ICFR to be disclosed. We agree with the statements in Part 11 that a “material change in ICFR might occur regardless of whether the change is being made to remediate a material weakness”, and that a “change in an issuer’s ICFR that was made to remediate a material weakness would generally be considered a material change in an issuer’s ICFR”.

However, we do not agree that the example of “a change from a manual payroll system to an automated payroll system” cited in Part 11 necessarily constitutes a material change in ICFR. This example does not take into account the different facts and circumstances of individual reporting issuers, and can be viewed as prescriptive. We believe that further guidance is required to assist reporting issuers with assessing the materiality of a change in ICFR, similar to the approach that has been taken in other sections of the Proposed Policy. For example, subsection 6.7(3) of the Proposed Policy specifies five documents that “could be useful for purposes of assessing an issuer’s control environment”. Similarly, subsection 6.10(3) identifies six factors that “will be relevant when determining whether an account or disclosure is significant.” The payroll example in Part 11 is meaningless unless it is viewed in context. To assess whether such a change is a material change, reporting issuers must consider the size, nature and composition of the impacted amount, as well as the risk of a misstatement of the reporting issuer’s financial statements related to the change itself and the risk of a misstatement going forward, among other factors. The example that is cited does not incorporate the concept of materiality of potential deficiencies. As such, we recommend that Part 11 of the Proposed Policy be expanded to include

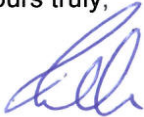
guidelines that require consideration of selected factors, such as context and materiality, when assessing changes in ICFR to be disclosed, and that the current example be removed, as it may result in a prescriptive approach.

Another concern arising from the limited guidance and example cited in Part 11 of the Proposed Policy is that reporting issuers will be required to disclose many changes regardless of whether there is any likelihood that a material weakness may exist. In the normal course of business, a number of changes occur from time to time, such as process improvements and system enhancements. These changes may be initiated for various operational and business reasons, and not just to address a deficiency. Change controls may be implemented to ensure that there is little or no likelihood that a potential material weakness may exist. We do not believe that the Proposed Instrument and the Proposed Policy intend to include all material changes in ICFR, because these documents adopt the concept of "exception-based disclosure", that is, specific disclosure is required only when there is a reasonable probability that deficiencies that are material may not be prevented or detected. If a reporting issuer were to apply the current guidelines to meet its reporting obligations, then disclosure of material changes in ICFR would be required even when the risk that a material misstatement of the reporting issuer's financial statements will not be prevented or detected on a timely basis is low or non-existent. This seems inconsistent with the approach of exception-based reporting, and may be misleading to stakeholders. Our concern is that a reported change in ICFR may be perceived as resulting from a weakness, even when it is not.

3. Overall Comment

Other than the matters outlined above, we believe that the Proposed Instrument and the Proposed Policy are appropriate for reporting issuers in Canada.

Yours truly,



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