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NewsRelease

MTS Allstream Urges Government to Support Competition and Customer Choice for Broadband Internet Access

Bell and Telus Petitions, if Allowed, Would Stifle Competition

OTTAWA, ON, May 4, 2009 – MTS Allstream is urging the Federal Government to set Canada on a course for competition and innovation in broadband Internet, Ethernet and other next generation communications services. To do so, Cabinet should reject proposals from Bell Canada and Telus that would stifle broadband internet competition.

MTS Allstream made its comments in response to recent petitions to the Federal Cabinet by Bell Canada and Telus. In effect, the Bell and TELUS proposals ask for latitude to raise prices, reduce competition, and control the content that users are able to access.

MTS Allstream takes the position that wholesale access to broadband internet not only is an essential service, but that it fits the CRTC's own definition of an essential service. The issue, in MTS Allstream's view, is the CRTC's failure to properly apply its own definition of essential services to this critical market.

MTS Allstream said the position being advocated by Bell and Telus runs counter to the Federal Government's policy direction in favour of competition and innovation in Canada's telecom sector. Granting the Bell and Telus request would also put Canada directly at odds with the emerging international consensus that an open access model is the optimal means for broadening competitive choice for broadband customers. That consensus is reflected in recent decisions by the United Kingdom, Australia, New Zealand and the European Union.

"Compared to most of the industrialized world, Canadians already pay higher prices for slower Internet speeds. Only Greece, Mexico and Turkey are more expensive among OECD countries. Adopting the ideas tabled by Bell and Telus would entrench them as the gatekeepers for customer choice in telecom services. Bringing choice and competition to the market for wholesale broadband services is essential to enrich the lives of Canadians and help drive improved productivity for small, medium and large businesses across Canada. Government must stand up to this pressure and defend the public interest," said Chris Peirce, Chief Corporate Officer, MTS Allstream.

"The Federal government has already been a catalyst for healthy competition in the wireless market in the run up to last year's advanced wireless spectrum auction. It is clear that Ministers need to again tell the CRTC to focus not just on deregulation, but deregulation that ensures the benefits of healthy competition," said Mr. Peirce.

MTS Allstream has filed its own petition to the Federal Cabinet on a related issue, and is asking the Federal Cabinet to take the necessary steps to have the CRTC recognize that competitive access to broadband and the Internet is essential for Canadians and Canadian businesses in the 21st century. To view MTS Allstream's own petition, and see the facts supporting it, visit www.mtsallstream.com/cabinetpetition.

About MTS Allstream

MTS Allstream is a wholly owned subsidiary of Manitoba Telecom Services Inc. and is one of Canada's leading national communication solutions providers, delivering innovative products and services through the Enterprise Solutions and Consumer Markets divisions. The Enterprise Solutions division, which operates under the Allstream brand nationally and under the MTS Allstream brand in Manitoba, is a leading competitor in the national business and wholesale markets. This division offers customers a portfolio of solutions tailored to the needs of medium and large businesses looking for success in a world of rapidly evolving technology – IP connectivity, unified communications, IT consulting and security services. The Consumer Markets division leads every telecommunications market segment in Manitoba, delivering a full suite of next generation wireless, high-speed Internet and data, digital television and wireline voice services under the MTS brand, as well as small business services in select markets across Canada under the Allstream brand, and security and alarm monitoring services through AAA Alarm Systems Ltd., an affiliate of MTS Allstream which also operates in other western provinces. MTS Allstream's extensive national broadband fibre optic network spans more than 27,900 kilometres, and provides international connections through strategic alliances and interconnection agreements with other international service providers. Manitoba Telecom Services Inc.'s common shares are listed on The Toronto Stock Exchange (trading symbol: MBT). For more information, please visit: www.mtsallstream.com.

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For more information, please contact:

Media:

Greg Burch
Manager, Corporate Communications
(416) 345-3576
(204) 941-8576
media.relations@mtsallstream.com

Investors:

Ian Chadsey
Vice-President, Investor Relations
(204) 941-8283
investor.relations@mtsallstream.com