



Telecom Order CRTC 2004-163

Ottawa, 18 May 2004

TELUS Communications (B.C.) Inc.

Reference: Tariff Notice 4200

Terminal network access for local service

1. The Commission received an application by TELUS Communications Inc. (TCI), dated 25 June 2003, to revise the former TELUS Communications (B.C.) Inc. General Tariff item 196, Terminal Network Access (TNA) for Local Service, pursuant to the directives set out in *Rates for co-location floor space, Direct Connection service, Wireless Access Service: Line-side Access services, and Wireless Service Providers Enhanced Provincial 9-1-1 Network Access service*, Telecom Decision CRTC 2003-12, 18 March 2003.
2. The application was supported by a cost study that reflected a 15% mark-up and included the application of the I-X¹ factor during the study period.
3. By letter dated 16 December 2003, questions were posed to TCI. The Commission received responses by TCI dated 30 January 2004 and amended on 4 and 20 February 2004.
4. In response to an interrogatory dated 16 December 2003, TCI provided a revised cost study on 30 January 2004 that reflected updated financial parameters and excluded the application of the I-X factor during the study period. The Commission notes that this change was consistent with the Commission staff's 14 July 2003 letter concerning Phase II costing information requirements for Competitor Services. Under this revised submission, TCI's cost-based rates reflecting a 15% mark-up were as follows:
 - \$5.92 per month for a block of 100 active telephone numbers; and
 - \$2.04 per month for a block of 100 reserved telephone numbers.
5. The Commission received comments from Paging Network of Canada Inc., dated 12 April 2004. Paging Network of Canada Inc. requested that the Commission approve TCI's application as soon as possible, as the proposed rates reflected significant savings over those currently approved for the service.
6. The Commission notes that on 18 June 2003, TCI also filed Tariff Notices 515 and 4199, which proposed revised rates for line-side wireless access service for telephone numbers and access channel service. The Commission notes that the supporting cost studies showed significant changes from the previous cost estimates, both of which will be subject to further process. The Commission further notes that the line-side wireless access service cost studies are inter-related with those for the terminal network access for local service.

¹ I-X: an inflation factor less a productivity offset.

7. The Commission notes that in *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002, it made these tariff rates interim, effective 1 June 2002. In that decision, the Commission further stated that changes to the Category I Competitor Services rates will become effective on 1 June 2002.
8. In light of the above, the Commission **approves on an interim basis** TCI's proposed revised terminal network access for local service rates of \$5.92 per month for a block of 100 active telephone numbers and \$2.04 per month for a block of 100 reserved telephone numbers. The revisions take effect on 1 June 2002.
9. The Commission directs TCI to issue revised tariff pages forthwith to reflect the above rates.

Secretary General

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