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August 8, 2006

Ms. Diane Rhéaume
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, ON K1A 0N2

Dear Ms. Rhéaume:

**Subject: *Review of price cap framework, Telecom Public Notice CRTC 2006-5*
(“PN 2006-5”) –Interrogatories to Parties**

1. In accordance with the procedures set out by the Commission in PN 2006-5, please find attached interrogatories from TELUS Communications Company addressed to the Consumer Groups, CAC Manitoba and MTS Allstream.
2. In TELUS' view, portions of the evidence submitted by the City of Calgary are outside the scope of the proceeding established by the Commission. Specifically, in sections 5 through 9 of its evidence, the City of Calgary addresses the return on equity on regulated services earned by the ILECs, which is clearly outside the scope of the proceeding set out in PN 2006-5.
3. TELUS reserves the right to address interrogatories to the City of Calgary on its evidence if the Commission changes the scope of the proceeding to include return on equity issues.

Yours truly,

{original signed by Willie Grieve}

Willie Grieve
Vice-President
Telecom Policy and Government Affairs

HR/sa

Attachment

cc: Interested Parties to PN 2006-5
John Macri, CRTC

**Interrogatories for the Consumers' Association of Canada and the
National Anti-Poverty Association (the Consumer Groups)**

Consumer Groups(TELUS)8Aug06-1

At paragraph 22 of Dr. Roycroft's evidence, he provides a definition of the concept of economies of scope:

Economies of scope arise when a multi-product firm's average total costs decline as the number of different products and/or services produced by the firm increases.

- a) Please provide the source of this definition.
- b) In this context of multiple service offerings, please define 'average total costs' as used in the above quote and provide a formula to measure this concept.

Consumer Groups(TELUS)8Aug06-2

In reference to Table 1 at page 23 of Dr Roycroft's evidence, please list the 4-digit NAICS (North American Industrial Classification Standard) industries within the Electrical and Communications Equipment Industries.

Consumer Groups(TELUS)8Aug06-3

Paragraph 48 of Dr Roycroft's evidence refers to a study on input prices for U.S. Regional Bell Operating Companies (RBOCs) for the years from 1995 to 2004. Please provide all data, including all worksheets (in electronic form) for this study.

Consumer Groups(TELUS)8Aug06-4

Please provide the data used to derive Table 3 on page 27 and Table 4 on page 26 of the Dr Roycroft's evidence.

Consumer Groups(TELUS)8Aug06-5

In reference to paragraph 50 of Dr Roycroft's evidence, please provide all data related to the labour cost study performed by Dr. Roycroft for the U.S. Regional Bell Operating Companies (RBOCs) for the years from 1995 to 2004.

Consumer Groups(TELUS)8Aug06-6

Dr Roycroft states at paragraph 55 of his evidence that

Total factor productivity may be calculated using econometric techniques, which can be used to estimate the marginal cost of production.

In the context of a telecommunications carriers that has multiple outputs, which are not perfect substitutes or perfect complements, and multiple inputs, which are also not perfect substitutes or perfect complements, provide the equations establishing how total factor productivity determines the marginal cost of production for an individual output produced by the telecommunications carrier.

Consumer Groups(TELUS)8Aug06-7

At paragraph 73 of the his evidence, Dr. Roycroft states that

Furthermore, the fact that major ILECs are offering their own VoIP products will contribute to their economies of scope and productivity growth.

Please provide all econometric studies (undertaken by Dr. Roycroft or other studies published in refereed journals) that estimate economies of scope between basic residential wireline services and VoIP services and the data for each study.

Consumer Groups(TELUS)8Aug06-8

Dr. Roycroft concludes in paragraph 80 of his evidence that scope economies exist between wireless and wireline services. Please provide all econometric studies (undertaken by Dr. Roycroft or other studies published in refereed journals) that estimate economies of scope between basic residential wireline services and wireless services and the data for each study.

Consumer Groups(TELUS)8Aug06-9

With respect to the study undertaken by Dr. Roycroft regarding broadband services, as described on pages 46 to 51, and in the Appendix from pages 61 to 69 of his evidence:

- a) Please provide all the data used in this study.
- b) Please provide all the tables described in the Appendix.
- c) Please develop a set of tables showing the data for total revenue, excluding or net of DSL services, and the data pertaining to DSL service revenues for each of the years from 1999 to 2003, for each of the 14 state-level companies of AT&T, and Verizon that are utilized in this study.
- d) Please provide the study and all data relevant to the results in Table 7 (footnote 57) on page 49.

Consumer Groups(TELUS)8Aug06-10

Do economies of scope in the U.S. telecommunications industry differ from economies of scope in the Canadian telecommunications industry?

Consumer Groups(TELUS)8Aug06-11

In reference to Dr. Roycroft's evidence, paragraph 25, has Dr. Roycroft conducted any study, or is he aware of any study, that demonstrates that the efficiencies derived from merger activity or services integration in the Canadian telecommunications industry differ from those which have been realized in the aggregate Canadian economy? If so, please provide any and all such studies.

Consumer Groups(TELUS)8Aug06-12

In reference to Dr. Roycroft's evidence, paragraph 25, has Dr. Roycroft performed, or is he aware of any studies, that indicate that the scope economies realized in the Canadian telecommunications industry differ from those that have been realized in the overall Canadian economy? If so, please provide any and all such studies.

**Interrogatories for the Manitoba Branch of the Consumers Association
of Canada (CAC Manitoba)**

CAC Manitoba(TELUS)8Aug06-1

Please provide (i) the percentage of residential households in Winnipeg, and (ii) the percentage of residential households in Manitoba, that currently have access to:

- (a) cable telephone service;
- (b) VOIP service;
- (c) cellular telephone service;
- (d) high-speed Internet access service; and
- (e) other telephone services which compete with MTS' local telephone service.

CAC Manitoba(TELUS)8Aug06-2

What percentage of apartment dwellers or renters in (i) Winnipeg and (ii) Manitoba are in an area passed by cable system offering cable but cannot obtain service because installation is not available?

Interrogatories for MTS Allstream

MTS Allstream(TELUS)8Aug06-1

Please provide (i) the percentage of residential households in Winnipeg, and (ii) the percentage of residential households in Manitoba, that currently have access to:

- (a) cable telephone service;
- (b) VOIP service;
- (c) cellular telephone service;
- (d) high-speed Internet access service; and
- (e) other telephone services which compete with MTS' local telephone service.

MTS Allstream(TELUS)8Aug06-2

What percentage of apartment dwellers or renters in (i) Winnipeg and (ii) Manitoba are in an area passed by cable system offering cable but cannot obtain service because installation is not available?

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