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October 6, 2006

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

Dear Ms. Rhéaume:

RE: Responses to Requests for Disclosure and Further Responses to Interrogatories - Telecom Public Notice CRTC 2006-10 - *Continued need for the regulatory constraints applicable to toll and toll-free services*

1. TELUS Communications Company ("TELUS") is in receipt of a letter from the Public Interest Advocacy Centre on behalf of the Consumers' Association of Canada, the National Anti-Poverty Organization and l'Union des consommateurs (collectively, "PIAC"), requesting disclosure and further responses to interrogatories filed by TELUS on 22 September, 2006. In its letter, PIAC seeks further responses to:

TELUS(Consumer Groups)1Sep06-1 PN2006-10

TELUS(Consumer Groups)1Sep06-2 PN2006-10

TELUS(Consumer Groups)1Sep06-3 PN2006-10

TELUS(Consumer Groups)1Sep06-4 PN2006-10

TELUS(Consumer Groups)1Sep06-5 PN2006-10

TELUS(Consumer Groups)1Sep06-6 PN2006-10

TELUS will deal with each request from PIAC in turn.

2. In TELUS(Consumer Groups)1Sep06-1 PN2006-10, PIAC asked the following interrogatory.

“Please indicate the number of TELUS long distance subscribers (both rate plan and basic toll, and present these numbers separately) who presently also subscribe to a VoIP service. If there are any significant numbers who subscribe to both, please explain how VoIP is a substitute for traditional long distance service?”

3. In interpreting the interrogatory from its text, the question asked was the number of TELUS long distance subscribers (rate plan and basic toll) who presently also subscribe to VoIP. Since VoIP services are supplied by a wide number of facilities carriers and resellers other than TELUS, all active in the marketplace, and none of which provide their market data to TELUS, TELUS responded that it had no information and provided that reply.

4. Apparently, in the request for further responses to interrogatories, PIAC now wants to change the question into two separate parts:

Part a) the number of toll subscribers on basic toll and the number on rate plans, and then

Part b) how many of each of these groups also subscribe to a VoIP service.

This is clearly evident in the request for further disclosure when PIAC reworded its question to say:

“In this interrogatory, the Consumer Groups asked TELUS the number of toll subscribers on basic toll and the number on rate plans, *then* inquired into whether TELUS also knew how many of each of these groups also subscribe to a VoIP service.” (emphasis added)

5. This is a new different two part interrogatory. The “rules” do not allow parties to change their question as a part of a deficiency process. Changing a question is improper and certainly out of process at this stage. TELUS responded to the interrogatory asked and accordingly, its response is not in any way deficient.

6. TELUS also disagrees with the following claim made by PIAC.

“The requested information is essential for the Consumer Groups to determine how many BTS customers will be affected by the proposed elimination of BTS restrictions and whether those customers will be able to find a functional equivalent at a comparable rate.”

7. TELUS suggests that the absolute number of basic toll subscribers expressed either numerically or as a percentage of total toll customers is completely irrelevant to the question at issue in this proceeding. What is relevant, however, are the choices that these basic toll subscribers and all other toll subscribers have. As an example, TELUS would point out the September 22, 2006 press release¹ from Shaw Communications which states:

“Shaw's Digital Phone service includes unlimited calls to Canada and the U.S., 1000 international calling minutes per month to Europe, the U.K., and Asia Pacific, as well as six calling features, all for one flat monthly rate. Shaw's Digital Phone network is completing over 3 million calls per day; and, with the newly added benefit of 1000 international calling minutes per month, Shaw's network is logging half a million overseas calls monthly. New customers can now enjoy this service at an introductory price of \$29.95 per month, for the first three months.”

8. Similarly, PRIMUS Communications offers its Triple Value Bundle² for \$69.95. This bundle includes Home Phone with nine local calling features, High Speed DSL Internet with up to 5 Mbps and Unlimited Long Distance which includes calling within Canada and to the U.S., anytime, any day with no caps or time restrictions and no monthly network fee. TELUS notes that these are just two of many toll offerings available but as well, there are all of the other substitutes from email to instant messaging to P2P, etc.

¹ SEPTEMBER 22, 2006 - 10:56 ET Shaw Communications Announces Introductory Pricing for Shaw Digital Phone Fall Campaign to Showcase Shaw's Digital Phone Service Across Western Canada

² NEW! Primus Triple Value Bundle™
Home Phone High Speed DSL Internet Unlimited Long Distance
Now you can enjoy Primus Local Home Phone Service - including Call Display, Voice Mail, Call Waiting & more, DSL High Speed Internet and Unlimited Long Distance within Canada and to the U.S. all for only \$69.95/mth. With no contract to sign or network fees to pay!

9. TELUS notes and agrees with the statement by PIAC that "...it is true that TELUS did not disclose these figures (number of basic toll subscribers) on the public record in 2001...." TELUS objects to the proposal by PIAC to be allowed to see the number of basic toll and toll rate plan subscribers "upon the exchange of the appropriate non-disclosure agreement with TELUS." This is a public proceeding operating under the rules of the Commission and in TELUS' view, it would be unfair and improper to disclose to any one party information not available to other parties. In the competitive toll marketplace, TELUS claims confidentiality in respect of this data pursuant to Rule 19 of the *CRTC Telecommunications Rules of Procedure*. This information is confidential because it is TELUS-specific information that could be used by TELUS' current and potential competitors to better address TELUS' toll customers with competitive toll packages. It has not been made public before. Such information could be used by all of those providers of substitutable toll services such as VoIP, pre-paid calling card, wireless and other toll competitors that have either entered, or are poised to enter the toll market. The release of this information would prejudice TELUS' competitive position thereby causing TELUS direct and specific harm.

10. In interrogatory TELUS (Consumer Groups)1Sep06-2, PIAC asked:

"Please indicate the number of TELUS long distance subscribers (both rate plan and basic toll, and present these numbers separately) who presently also use a P2P service. If there are any significant numbers who use both, please explain how P2P is a substitute for traditional long distance service?"

11. Again, TELUS replied openly and truthfully that it did not know quantitatively how many of its toll subscribers on either rate plans or basic toll also made use of P2P services. P2P services "ride" over the Internet. TELUS is only one of a number of different competitive providers of Internet service. Even with its own Internet subscribers, TELUS does not monitor its clients use of the Internet to see if they utilize P2P services, or whether their use of P2P was for the exchange of voice, music, video or other material.

12. TELUS reiterates that P2P service is available as a ready substitute for toll service to many TELUS subscribers but it cannot quantify its level of use among its rate plan and basic toll subscribers.
13. In interrogatory TELUS (Consumer Groups)1Sep06-3 PN2006-10, PIAC asked how many basic toll and rate plan toll subscribers also use Instant Messaging service. TELUS did not and cannot reply with quantitative data to this question. TELUS reiterates that Instant Messaging service is available as a ready substitute for toll service to many TELUS subscribers but it cannot quantify its level of use among its rate plan and basic toll subscribers.
14. In interrogatory TELUS (Consumer Groups)1Sep06-4 PN2006-10, PIAC asked how many basic toll and rate plan toll subscribers also use email service. TELUS did not and cannot reply with quantitative data to this question. Email service is available as a computer application from a number of software suppliers and Internet websites. TELUS is only one of many suppliers of Internet services in its operating territories and it certainly does not monitor its own Internet subscribers' use of the Internet including email. TELUS reiterates that email is a ready substitute for toll service to many TELUS subscribers but it cannot quantify its level of use among its rate plan and basic toll subscribers.
15. In interrogatory TELUS (Consumer Groups)1Sep06-5 PN2006-10, PIAC asked how many basic toll and rate plan toll subscribers also use wireless long distance service. TELUS did not and cannot reply to this question. Wireless long distance service is available from a number of competitive facilities based and resale suppliers of wireless services. TELUS reiterates that wireless long distance is a ready substitute for toll service to many TELUS wireline subscribers but it cannot quantify its level of use among its rate plan and basic toll subscribers.
16. In interrogatory TELUS (Consumer Groups)1Sep06-6 PN2006-10, PIAC asked

“Please provide any surveys, studies, figures or any other document profiling the demographics of TELUS basic toll subscribers.”

17. TELUS replied that it did not have any surveys, studies, figures or any other document profiling the demographics of TELUS basic toll subscribers. This was a full reply to the question.
18. It now appears that PIAC wishes it had recast the question into one that asked TELUS to carry out studies which would be able to provide figures profiling the demographics of TELUS basic toll subscribers. This is an entirely different question which PIAC did not ask until now. While TELUS has its own subscriber records, the processing costs, time and effort to analyse this data to carry out and provide a demographic study on TELUS' basic toll subscribers would be substantial, unscheduled and unbudgeted. In TELUS' view, devoting such time and effort into the production of demographic reports on basic toll subscribers for the benefit of PIAC in this proceeding is not appropriate. At the same time, TELUS reiterates that the PIAC interrogatory did not ask for it to carry out such a study, just to provide (existing) “surveys, studies, figures,...”.
19. Overall, PIAC's claims of deficiencies in the TELUS response to the six interrogatories that it posed have no merit. TELUS answered each of the PIAC interrogatories fully and completely. If there was any deficiency, it was in the questions posed by PIAC in that they did not ask the questions that PIAC wanted answered. A deficiency process is not the place to ask new and different questions. PIAC and all other parties in this proceeding had every opportunity allowed under the procedure established by the Commission to pose the necessary questions to illuminate issues in this proceeding. PIAC's new requests for information and data from TELUS under the guise of this deficiency process are improper and out of process. TELUS also objects to the proposal by PIAC to be allowed to see this newly-requested but still confidential and sensitive information “upon the exchange of the appropriate non-disclosure agreement with TELUS.”

This is a public proceeding and in TELUS' view, it would be unfair and improper to disclose to any one party, information not available to other parties. TELUS reiterates its claim of confidentiality with respect to this information. TELUS also notes that devoting time and effort into the production of demographic reports on basic toll subscribers as now requested by PIAC as a "pseudo-deficiency" in this proceeding is not appropriate.

20. For all of the above reasons, TELUS submits that PIAC's deficiency requests should be denied.

Yours truly,

{original signed by Willie Grieve}

Willie Grieve
Vice President
Telecom Policy & Regulatory Affairs

PD/cs

cc: PN2006-9 Interested parties

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