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

Dear Ms. Rhéaume:

Subject: Rate ranges for services other than voice over Internet protocol services, Telecom Public Notice CRTC 2006-8 – Reply Comments

1. TELUS Communications Company (“TELUS”) is in receipt of Comments from Bell Aliant and Saskatchewan Telecommunications, Bell Canada, NorthernTel Limited, Partnership and Télébec, société en commandite (the Companies), Cogeco Cable Inc., Quebecor Media Inc., Rogers Communications Inc. and Shaw Communications Inc. (the Competitors), MTS Allstream Inc. (MTS Allstream) and the Public Interest Advocacy Centre (PIAC) for Consumer Groups.
2. Failure by TELUS to address any comment or position of any party with respect to any matter raised in the proceeding should not be construed as agreement with that comment or position, to the extent that such agreement would be inconsistent with the interests of TELUS.
3. TELUS notes that there is substantial agreement in this proceeding that ranges of rates permitted under subsection 25(1) of the *Telecommunications Act* and that the approval of rate ranges can afford ILECs with greater competitive flexibility and provide consumers benefits including more responsive and

competitive pricing and service offers.¹ TELUS also notes there is agreement that where a range of rates is approved, all existing regulatory constraints would continue to apply including the relevant price cap treatment for services included in the price cap.

4. TELUS agrees with MTS Allstream that ranges of rates should be approved on technology neutral basis.² The Commission has already approved rate ranges with respect to Bell Canada's digital voice service. The Commission has already found that rate ranges would permit ILECs some measure of flexibility in responding to competitive circumstances and would provide consumer benefits.
5. TELUS notes that while some parties proposed further constraints, indeed constraints that do not apply to regulated services today, ranges of rates are specifically permitted in the current statutory framework. TELUS submits that the onus is upon those parties to this proceeding who have proposed to limit the use of rate ranges to justify those limits. In TELUS' view those parties have not met that onus. Further, TELUS submits that parties seeking to constrain this limited pricing flexibility for ILECs have failed to demonstrate that there are any benefits flowing from their proposals that would outweigh the costs to consumers or the goal of competition generally.
6. PIAC proposes five provision be established prior to approval of a range of rates. The five provisions are as follows:
 - basic residential services should not be eligible for a rate range when offered on a stand-alone basis;
 - customers must receive a minimum of 30 days advance notice of any price increase and residential customers should be afforded the opportunity to cancel or switch to an alternative service without penalty;
 - new rates must be published on or before the date they become effective; and

¹ PIAC Comments, at paragraph 4.

² MTS Allstream Comments, at paragraph 12.

- flexibility afforded by rate ranges should not permit ILECs to engage in price discrimination against vulnerable and uncontested consumers.
7. TELUS submits that PIAC has misunderstood the nature of this proceeding. This proceeding is not a forbearance proceeding. Rather, this proceeding is about what guidelines, if any, might be necessary in respect of the approval of ranges of rates for services other than VoIP services. TELUS reiterates, that irrespective of the approval of range of rates for a given service, all existing regulatory constraints would continue to apply including the price cap treatment for the given service.
 8. In addition, TELUS notes that the 30 day advance notice proposal goes beyond TELUS General Terms of Service. Item 102.3 of TELUS General Terms of Service read as follows:

When rate increases or decreases are authorized by the CRTC, TCI must adjust customer accounts as of the effective date. Customers must pay the new rate whether or not they were notified of the change. In addition, customers must pay the new rate even if they were billed at the old rate or paid at the old rate.

As can be readily seen there is no current notification process mandated in TELUS' General Terms of Service similar to what PIAC has proposed, yet PIAC has proposed greater constraints while acknowledging the need more competitive flexibility for ILECs. Rates for tariffed services are approved as of the effective date and no further notice requirements are warranted. In addition, TELUS notes that the notification requirements proposed by PIAC would fundamentally frustrate the very purpose of having a range of rates, that is, to respond to competitive circumstances. Publication of rate changes 30 days in advance would signal to competitors ILEC price changes and provide them with an undue advantage.

9. Further, TELUS reiterates that when the Commission approves a range of rates those rates with the range are *prima facie* just and reasonable. There is no need for advance notification although TELUS notes that it suspects that most if not

all carriers advise customers as soon as possible of rate changes in the interests of customer service and relations.

10. For its part, MTS Allstream suggests ILECs be required to provide evidence of competitive conditions in order to justify the confidentiality of the range. TELUS submits that the Commission has already established that ranges of rates should remain confidential in Decision 2006-11 approving rate ranges for Bell Canada's digital voice service. This proceeding is not about reviewing and varying the Commission's finding in Decision 2006-11. The Commission has recognized the rapidly increasing competitive intensity in most major markets in Canada. MTS Allstream's proposal speaks more to increasing regulatory and administrative burden on ILECs and the Commission than to recognizing the need for competitive flexibility and greater consumer benefits.
11. In TELUS' view, rate ranges should be approved where an ILEC proposal meets all existing regulatory rules. Rate ranges should be confidential and movements within the range should be subject only to a requirement to notify the Commission with 24 hours of making the rate change. As TELUS noted in its Comments, this would significantly reduce regulatory lag and burden on both the Commission and ILECs and would preserve the very flexibility for which rate ranges are intended.

Yours truly,

{original signed by Willie Grieve}

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cc: Interested Parties

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