



Telesat Canada  
1601 Telesat Court  
Gloucester, Ontario  
K1B 5P4

August 18, 2005

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

Dear Ms. Rhéaume:

**Re: PN 2004-1: Review and Disposition of Deferral Accounts for the Second Price Cap Period – Applications for Costs by ARCH and the Consumer Groups**

Telesat Canada (“Telesat”) is in receipt of the TELUS Communications Inc. (“TELUS”) letters of August 8, 2005, in the above referenced proceeding. In these letters, TELUS submits that Telesat should be identified as a cost respondent with respect to the applications filed by ARCH and the Consumer Groups. Telesat does not believe that this would be appropriate for the following reasons.

To begin with, Telesat’s participation in this proceeding was limited to the filing of comments and reply to proposals made by other parties to use deferral accounts to fund broadband expansion into rural and remote areas of Canada, based on the Company’s own experience in serving these regions using satellite technology. Telesat did not offer any comment on any of the other proposals. Moreover, Telesat was not involved in the multiple interrogatory processes established in this proceeding.

Telesat believes TELUS’s suggestion that the Company should be named as a cost respondent is also arbitrary. In particular Telesat notes that other alternative service providers were just as active in this proceeding and yet have not been singled out by TELUS to be cost respondents. In this regard, Telesat further notes that no other party suggested that Telesat should be a cost respondent in this proceeding.

The TELUS suggestion that Telesat should be identified as a cost respondent in this proceeding should therefore be ignored or rejected as being inappropriate.

Yours truly,

Robert Power  
Director, Regulatory Matters & Policy Initiatives

c.c.: Parties to PN 2004-1