



Telecom Order CRTC 2005-195

Ottawa, 20 May 2005

TELUS Communications Inc.

Reference: Tariff Notice 4232

Integrated Services Digital Network - Primary Rate Interface (ISDN-PRI) Service

1. The Commission received an application by TELUS Communications Inc. (TCI) on 31 March 2005, proposing revisions to the former TELUS Communications (B.C.) Inc.'s General Tariff Item 470, Integrated Services Digital Network - Primary Rate Interface (ISDN-PRI) Service in British Columbia. TCI indicated that its application was part of its 2005 Price Cap filings related to its Other capped services basket.
2. In its application, TCI proposed the following:
 - a) increased monthly rates for non-contracted DS-1 Access and a change to the maximum service period for non-contracted service from 90 days to 180 days;
 - b) decreased monthly rates for PSTN Connectivity;
 - c) decreased monthly rates for optional feature Name Display;
 - d) the introduction of an ISDN-PRI Starter Bundle, available for contract terms of one, three and five years;
 - e) the addition of Automatic Blocking and Per Line Blocking to the list of optional features available on ISDN-PRI Service; and
 - f) the addition of a service condition to allow for the automatic renewal of ISDN-PRI Service contracts.
3. TCI filed an imputation test in support of its application, with the projected overall revenues exceeding costs.
4. On 8 April 2005, the Commission addressed an interrogatory to TCI requesting additional information regarding the proposed change to the maximum service period for non-contracted service.
5. On 15 April 2005, TCI provided its response to the interrogatory.
6. The Commission received no comments with respect to the application.

Commission's analysis and determinations

7. In *Regulatory framework for second price cap period*, Telecom Decision CRTC 2002-34, 30 May 2002 (Decision 2002-34), the Commission established the price cap regime that is now applicable to the following incumbent local exchange carriers (ILECs): Aliant Telecom Inc., Bell Canada, MTS Communications Inc., Saskatchewan Telecommunications and TCI.
8. In Decision 2002-34, the Commission applied the following pricing constraints to services in the Other capped services basket:
 - a basket constraint, operating through the service basket limit (SBL) for that basket, which must be updated annually by the rate of inflation less the productivity offset;
 - a rate element constraint limiting rate increases for a service to 10% per year; and
 - a provision, in order to prevent an ILEC from decreasing rates in more competitive areas and increasing rates in less competitive areas of the same band, that rates for business local exchange services should not generally be permitted to be further de-averaged within a band.
9. The Commission notes that the proposed rate increases do not exceed the rate element level constraint of 10% and would not result in the service basket index exceeding the SBL for the Other capped services basket, as required in Decision 2002-34.
10. With regard to TCI's proposed change to the maximum service period for non-contracted service, the Commission notes that the current monthly rates are lower than one-year contracted monthly rates. The Commission further notes that TCI indicated its intent to increase these rates over time to a level that is higher than the one-year contracted monthly rates.
11. The Commission finds that the proposed increased monthly rate, in concert with the current service charge for the non-contracted option would provide an appropriate level of differential as compared to the corresponding contracted rates. Therefore, the Commission considers that the existing maximum service period for non-contracted ISDN-PRI Service in British Columbia should be eliminated altogether rather than extended as proposed by TCI, in order to provide customers with the option of not signing a long term contract for this service.
12. In *Follow-up to Decision 2002-34 - Automatic renewal of contracts with a minimum contract period*, Telecom Decision CRTC 2003-85, 22 December 2003 (Decision 2003-85), the Commission determined that tariff pages for individual and multi-line flat rate business service customers are to indicate that:
 - all minimum contract period (MCP) or Local Business Contract Option (LBCO) contract customers will be notified, either on their monthly bill or by letter, at least 60 days before the end of the current MCP or LBCO contract, as to when automatic renewal will take place, absent any indication by the customer to the contrary;

- customers will be informed that automatic renewal has occurred, within 35 days following renewal; and
 - customers will be advised, either on their monthly bill or by letter, that they may cancel automatically renewed contracts without penalty within 30 days of the date of the notice of automatic renewal.
13. The Commission notes that TCI's proposed addition of a service condition to allow for the automatic renewal of ISDN-PRI Service contracts is compliant with Decision 2003-85.
 14. In light of the above, the Commission **approves on an interim basis** the application effective 1 June 2005, with the following amendment:
 - (i) TCI is to eliminate the maximum service period for the non-contracted option for ISDN-PRI Service in British Columbia.
 15. TCI is to issue revised tariff pages forthwith reflecting the above changes.

Secretary General

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