



Telecom Order CRTC 2011-54

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Ottawa, 27 January 2011

TELUS Communications Company – Withdrawal of Internet Call Director service

File numbers: TCI Tariff Notice 393
TCBC Tariff Notice 4339

1. The Commission received applications by TELUS Communications Company (TCC), dated 18 August 2010, in which the company proposed revisions to TELUS Communications Inc. General Tariff item 300 – Call Management Services and TELUS Communications (B.C.) Inc. General Tariff item 2234 – Internet Call Director, in order to withdraw Internet Call Director (ICD) service, effective 1 December 2010. ICD service is a call management service that enables customers who are using their telephone line for a dial-up Internet session to see a pop-up message on their computer screen when they have incoming telephone calls and to answer those calls.
2. In support of its applications, TCC submitted that
 - the number of ICD service customers is declining rapidly – for example, TCC noted that there had been a 14-percent decline in the number of customers between 31 December 2009 and 31 July 2010, to a total of 21,316 ICD service customers on the latter date;
 - the number of ICD service customers actually using the service is low – for example, TCC noted that only 23 percent of customers, or 4,391 customers, had turned on the service in the 90 days preceding its applications;
 - most customers who had previously accessed the Internet via a dial-up connection have converted to high-speed Internet access service and no longer require ICD service; and
 - there are many alternatives to ICD service that provide the same or better functionalities, such as a second telephone line – either cellular or landline; high-speed Internet access; and wireless Internet access.
3. The Commission received 38 comments from businesses and individuals regarding TCC's applications. The public record of this proceeding, which closed on 22 October 2010, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

Should the Commission allow TCC to withdraw its ICD service?

4. TCC submitted that it is no longer practical for the company to offer ICD service. Specifically, it submitted that its ICD service is provided by a third-party vendor, which makes it more expensive and complex to provision the service, as well as adding uncertainty about the ongoing availability of the service. TCC also submitted that simplifying its product line would enable it to serve its customers more efficiently and effectively.
5. Interveners generally opposed TCC's proposal. Some submitted that they depend on ICD service to ensure that they do not miss business calls when using the Internet. Many interveners also submitted that they require ICD service because high-speed Internet, mobile Internet, and cellular service alternatives are not available in their areas. In addition, some interveners submitted that a second telephone line would be too expensive.
6. In response, TCC acknowledged that there are areas where certain service alternatives may not be available or reliable. TCC submitted that it is continuing to expand its service footprint for these alternatives. It also proposed to offer an ongoing \$20 per month discount on its Unlimited Surfer dial-up Internet service (TCC's discounted Unlimited Surfer offer) to current residential ICD service customers who install a second telephone line. TCC indicated that this offer would be available to customers for a period of three months following the Commission's approval of TCC's applications.

Commission's analysis and determinations

7. The Commission considers that TCC's discounted Unlimited Surfer offer would enable customers without access to TCC's high-speed Internet or cellular services to receive calls while on the Internet, although this offer could result in higher costs for some ICD service customers.¹
8. However, the Commission also considers that substitutes, such as high-speed Internet, cellular, and satellite services, are available in most of TCC's serving territory. Specifically, the Commission notes that the rate for TCC's High-Speed Lite Internet service is comparable to the combined rate for TCC's basic Dial-up Internet and ICD services.
9. The Commission notes that most incumbent local exchange carriers have either destandardized or withdrawn ICD service. The Commission also notes that demand for TCC's ICD service is declining and that, based on the evidence provided by TCC, approximately one quarter of TCC's ICD service customers had used the service within the 90 days prior to the date TCC filed its applications.

¹ Rates for some customers residing in high-cost areas could increase up to \$20 per month with this offer.

10. The Commission considers that TCC has complied with the requirements set out in *Mandatory customer contract renewal notification and requirements for service destandardization/withdrawal*, Telecom Decision CRTC 2008-22, 6 March 2008, in which the Commission revised its procedures for dealing with applications to destandardize and/or withdraw tariffed services. The Commission notes, among other things, that TCC has notified its ICD service customers of its intention to withdraw its ICD service and has identified service alternatives.
11. Accordingly, the Commission considers that TCC's proposal to withdraw its ICD service is acceptable.
12. In light of the above, the Commission **approves** TCC's applications, effective 90 days after the date of this order, to enable current residential ICD service customers to migrate to TCC's discounted Unlimited Surfer offer or another alternative over the next three months.

Secretary General