



Telecom Order CRTC 2022-282

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Reference: [2022-219](#)

Ottawa, 13 October 2022

Public record: Tariff Notice 572

TELUS Communications Inc. – Changes to Customer Volume Pricing Plan discount schedule

Application

1. On 27 July 2022, the Commission received an application from TELUS Communications Inc. (TCI), Tariff Notice 572, in which the company proposed changes to its General Tariff CRTC 21461, Item 504, Customer Volume Pricing Plan (CVPP).
2. TCI's CVPP allows a customer to contract for a Minimum Monthly Billing Commitment (MMBC) for their services in return for a discount based on the term and the amount of the commitment. CVPP-eligible regulated services include the monthly charges associated with Managed Digital Private Line Service, Digital Private Line Extension Features, and Inter-office Digital Channels.
3. TCI proposed to remove all discounts from its 10-year contract term and from its top three MMBC levels of \$200,000, \$350,000 and \$650,000. TCI noted that the 10-year term has not been available to new contracts for over 20 years, and there are no customers on this term. The company further noted that there are no customers currently contracted at the three highest MMBC levels, and that the demand for these levels has been extremely low. These MMBC levels have had either no customers for several years, or have had the last customer re-contract to a lower level.
4. In its application, TCI also indicated that the overall demand for CVPP has been declining because of reduced demand for CVPP-eligible private line services, as well as a growing number of forborne interexchange private line routes that are ineligible for CVPP. As a result, only a small number of customers are currently on CVPP contracts, and these customers have lowered their MMBC levels twice, partly due to their ongoing plans to migrate to CVPP-ineligible services. Therefore, TCI stated that it does not foresee any future demand for the top three MMBC levels.
5. In Telecom Order CRTC 2022-219, 10 August 2022, TCI's Tariff Notice 572 was approved on an interim basis with an effective date of 1 September 2022. The Commission received two interventions from individuals, dated 10 August and 19 August 2022.

Interventions

6. One intervener submitted that TCI should not remove discounts or the 10-year plan because they are valuable to consumers. The other intervener submitted that they were opposed to TCI's application.

Reply

7. TCI noted that neither of the interveners appear to be current CVPP customers.
8. TCI submitted that the CVPP-eligible services for which it is proposing to remove discounts have had no customers for years. Due to the declining demand for CVPP-eligible services, and a history of customers lowering their MMBC levels, TCI argued that the discounts it is proposing to remove are not valuable to customers.
9. Further, TCI noted that a wide range of CVPP discounts will remain available to meet any potential customer needs, and that no existing CVPP customer has commented on this application to express concern over the proposed removal of discounts.

Commission's analysis

10. The Commission considers that, given that the 10-year term for CVPP has not been available for new contracts for over 20 years and that there are no customers using it, removing the 10-year term ensures that options that are no longer available to customers have been removed from tariff pages. Further, since the top three MMBC levels currently have no customers and demand for these levels has been declining, the Commission considers that the removal of the top three MMBC levels would not impact current customers and would be unlikely to impact future customers. The remaining MMBC levels would continue to offer customers a wide range of discounts.

Conclusion

11. In light of the above, the Commission **approves on a final basis** TCI's application.

Policy Directions

12. The 2019 Policy Direction¹ states that the Commission should consider how its decisions can promote competition, affordability, consumer interests, and innovation.
13. The Commission has reviewed TCI's application in light of the 2019 Policy Direction and has considered its aspects to the extent necessary using measures that are efficient and proportionate to their purpose. The Commission considers that final approval of

¹ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

this application is compliant with the 2019 Policy Direction because it will promote consumer interests by clarifying and simplifying Item 504 of TCI's General Tariff.

14. Further, in compliance with subparagraph 1(b)(i) of the 2006 Policy Direction,² final approval of this application advances section 7(f) of the *Telecommunications Act*.³

Secretary General

² *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

³ The cited policy objective is 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective.