



Telecom Order CRTC 2008-146

Ottawa, 16 May 2008

TELUS Communications Company

Reference: Tariff Notice 4294 (TCBC)

Withdrawal of Residential Additional Line Bundle

1. The Commission received an application by TELUS Communications Company (TCC), dated 27 February 2008, in which it proposed to withdraw the former TELUS Communications (B.C.) Inc.'s General Tariff item 279 – Residential Additional Line Bundle (the Bundle).¹
2. The Bundle was intended for residential single-line customers in TCC's operating territory of British Columbia who had high volumes of dial-up Internet service usage and needed to free their primary access line. TCC indicated that it proposed withdrawing the Bundle due to (a) the cost of migrating obsolete services to its new billing system; (b) the increased availability of comparably priced and technologically superior substitutes, resulting in declining demand; and (c) the Bundle no longer reflecting market rates.
3. In support of its application, TCC provided the information required by the Commission in Telecom Circular 2005-7, which established procedures for destandardization and/or withdrawal of tariffed services. TCC also included a copy of the notification letter sent to affected customers.
4. The Commission received no comments regarding this application.

Commission's analysis and determinations

5. On 6 March 2008, the Commission published Telecom Decision 2008-22, which revised the Commission's procedures for the disposition of applications dealing with destandardization and/or withdrawal of tariffed services. Applicants are still required to provide a copy of the notice to affected customer with their application for destandardization and/or withdrawal.
6. The Commission notes that, in its notification letter, TCC invited customers to call to discuss the solution that would best meet their needs. The Commission also notes that TCC will automatically migrate customers to the Unlimited Surfer dial-up Internet service (Unlimited Surfer) with their secondary local line and current calling features to ensure uninterrupted service if the company does not hear from the customers by 30 May 2008. The Commission further notes that TCC indicated that Unlimited Surfer is very similar to the Bundle, except that Internet usage is unlimited and subscription to the additional access line is optional.
7. The Commission notes that customers who migrate to Unlimited Surfer with their current calling features but without subscribing to an additional access line would save 26 to 34 percent monthly, depending on their rate band. With an additional access line, they would incur a

¹ The Bundle provides to residential customers, at a single monthly rate, a band of services consisting of one additional individual residential access line, including TCC's Message Relay Centre charge; a choice of one TCC Call Management Services feature or Voice Mail features; and 120 hours per month of dial-up Internet service, including one additional email address.

monthly rate increase ranging from 13 to 27 percent. The Commission further notes that, alternatively, if TCC were required to retain the Bundle, it would have to increase its rates in order to recover the costs incurred by migrating the Bundle to the new billing system and to reflect market rates.

8. Further, the Commission notes TCC's proposal that, within 30 days from the date of automatic migration, TCC will refund the difference between the rates of the Bundle and Unlimited Surfer if customers chose to subscribe to another service or to cancel Unlimited Surfer.
9. The Commission notes that secondary access lines and call management services are optional services and are discretionary in nature. The Commission also notes that demand for optional services tends to be more sensitive to pricing. The Commission further notes that as a result of price increases for optional services, customers could re-evaluate their requirements, choose to explore other alternatives, or drop the services entirely.
10. The Commission notes that no comments were received from the affected customers. The Commission further notes that, with the emergence of superior alternatives to the Bundle, such as the high speed Internet service that does not require an additional access line, subscriptions to the Bundle have declined significantly in the last five years.
11. The Commission notes that TCC addressed all the criteria set out in Telecom Decision 2008-22 and considers that the company has fulfilled the requirements of that Decision. Accordingly, the Commission considers TCC's proposal to withdraw the Bundle to be reasonable. However, the Commission finds that TCC should send a reminder by 30 May 2008 to automatically migrated customers to advise them that they have 30 days from that date to refuse the migration without incurring a penalty.
12. In light of the above, the Commission **approves** TCC's application, effective 30 May 2008, and directs TCC to send a reminder by 30 May 2008 to automatically migrated customers.

Secretary General

Related documents

- *Mandatory customer contract renewal notification and requirements for service destandardization/withdrawal*, Telecom Decision CRTC 2008-22, 6 March 2008
- *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005

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