



Telecom Order CRTC 2012-68

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Ottawa, 2 February 2012

TELUS Communications Company – Application to increase the rate for Payphone Per Call Compensation service

File number: Tariff Notice 417

Introduction

1. The Commission received an application from TELUS Communications Company (TCC), dated 13 September 2011, in which the company proposed a revision to its Carrier Access Tariff item 205 – Payphone Per Call Compensation service. Specifically, TCC proposed to increase the rate for this service from \$0.2054 per call to \$0.2630 per call. TCC noted that the current rate for this service was established in 2000 based on a cost study filed by Bell Canada. TCC therefore submitted a new cost study with its application, upon which it based its proposed new rate.
2. TCC noted that the number of its payphones and the average call volume per payphone have been decreasing since 2000. TCC submitted that, based on the cost study it provided with its application, the current rate for the Payphone Per Call Compensation service is no longer compensatory.
3. The Commission received comments regarding TCC's application from MTS Allstream Inc. (MTS Allstream). The public record of this proceeding, which closed on 2 December 2011, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.

Commission's analysis and determinations

4. MTS Allstream submitted that in TCC's cost study, TCC had allocated the costs for commissions paid to payphone agents based on the average commission paid per call for all payphone-originated calls. MTS Allstream argued that these costs should be based instead on the average commission paid for toll-free calls only.
5. The Commission has reviewed the costs that TCC proposed to cover commissions paid to payphone agents. The Commission notes that payphone commission contracts vary significantly by location and by agent. The Commission also notes that TCC's proposed allocation of commission costs is straightforward to calculate and verify.
6. Accordingly, the Commission finds that TCC's proposed allocation of commission costs based on the average commission paid per call for all payphone-originated calls is reasonable.

7. The Commission has also reviewed the other costs included in TCC's cost study relating to the Payphone Per Call Compensation service and finds these costs to be appropriate.
8. In light of the above, the Commission finds that TCC's proposed tariff revision to increase the rate for its Payphone Per Call Compensation service is acceptable. Accordingly, the Commission **approves on a final basis** TCC's application. The Commission directs TCC to issue the revised tariff page within 10 days of the date of this order.

Secretary General