Canadian Radio-television and Telecommunications Commission
Conseil de la radiodiffusion et des télécommunications canadiennes

# Telecom Order CRTC 2011-575

PDF version

Ottawa, 8 September 2011

## TELUS Communications Company – Local Business Contract Option termination charge

File numbers: TCI Tariff Notice 637
TCBC Tariff Notice 4349

1. The Commission received applications by TELUS Communications Company (TCC), dated 11 August 2011, in which the company proposed revisions to TELUS Communications Inc. General Tariff item 425 – Local Business Contract Option and TELUS Communications (B.C.) Inc. General Tariff item 32 – Exchange Rates.

2. Specifically, TCC proposed to introduce a new termination charge that would apply to Local Business Contract Option customers that terminate their contracts prior to expiry. TCC also proposed to set up a rate range for the new charge, ranging from a minimum of $0 to a maximum of one half of the charges for the remaining part of the minimum contract period. TCC further proposed that it be allowed to reduce or waive the termination charge at its discretion.

3. In Telecom Order 2011-521, the Commission approved TCC's applications on an interim basis, effective 12 September 2011.

4. The Commission received no comments regarding TCC's applications. The public record of this proceeding, which closed on 26 August 2011, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

### Commission's analysis and determinations

5. The Commission considers that TCC's proposed maximum termination charge of one half of the charges for the remaining part of the minimum contract period is consistent with the company's General Terms of Service.[1]

[1] Under item 122.4 of TCC's General Terms of Service, when a customer cancels a service or a contract that has a minimum contract period greater than one month, and no termination charges are specified in the company's tariff or in the contract, the customer must pay a termination charge of one half of the remaining charges for the remainder of the minimum contract period.

6. With regard to the rate range proposed by TCC, the Commission notes that, in Telecom Decision 2006-75, it determined that rate ranges would generally be appropriate for local exchange and related services. In that decision, the Commission noted that the use of rate ranges would permit an incumbent local exchange carrier (ILEC) to change rates within an approved range, at any time, without delay and without the requirement to file a tariff application and obtain Commission approval. The Commission considers that TCC's proposal is consistent with the determinations in Telecom Decision 2006-75.

7. Regarding TCC's proposal to reduce or waive the new termination charge at its discretion, the Commission notes that, in Telecom Decision 2007-106, it removed the prohibition on further rate de-averaging for, among other things, single- and multi-line business local exchange services offered by the large ILECs. Since that determination allows ILECs to charge different rates to different subscribers, the Commission considers that TCC's proposal is consistent with the determinations in Telecom Decision 2007-106.

8. In light of the above, the Commission considers that TCC's proposal is acceptable. Accordingly, the Commission **approves on a final basis** TCC's applications.

Secretary General

## Related documents

- Telecom Order CRTC 2011-521, 23 August 2011

- *Further rate de-averaging for pay telephone and business services for large incumbent local exchange carriers*, Telecom Decision CRTC 2007-106, 9 November 2007

- *Rate ranges for services other than voice over Internet Protocol services*, Telecom Decision CRTC 2006-75, 23 November 2006