



Telecom Order CRTC 2007-70

Ottawa, 1 March 2007

TELUS Communications Company

Reference: Tariff Notices 243 and 243A

Special Facilities Tariff – Data Transmission

1. The Commission received an application by TELUS Communications Company (TCC), dated 5 December 2006, proposing revisions to item 628, Data Transmission – Multi-point Anti-streaming Service (MASS) (B.C. Only) (item 628) and item 688, Data Transmission – Flat Rate Low-Speed Data Network (B.C. Only) (item 688) of its Special Facilities Tariff.
2. As a result of TCC and its customer having concluded a new service arrangement whereby TCC will replace the network currently provided through items 628 and 688 with an Internet Protocol (IP)-based network, TCC proposed to amend items 628 and 688 by creating a migration period to assist the customer to migrate its services to the new IP-based network.
3. TCC noted that its customer had indicated that, rather than TCC "flash cutting" all of the customer's existing remote terminals over to the new IP-based network on a pre-determined date, it would prefer that TCC use a gradual migration approach to replace the network on a terminal-by-terminal basis starting 1 January 2007 and concluding 31 August 2007.
4. TCC's application received interim approval in Telecom Order CRTC 2006-343 dated 19 December 2006.
5. The Commission received no comments with respect to this application.
6. The Commission notes that in *Bell Canada – High speed metro service*, Telecom Order CRTC 2006-131, 31 May 2006 (Order 2006-131), it approved a six-month extension to a Minimum Contract Period for Bell Canada's High Speed Metro Service. The Commission further notes that, in that Order, it specified that such extensions should only be available to customers in situations in which the customers had undertaken a bidding process and needed more time to complete it.
7. The Commission notes that the original expiry dates of the contracts for items 628 and 688 are 29 May 2007 and 13 May 2007, respectively. The Commission further notes that TCC's proposal, if approved, would therefore result in a contract extension of approximately three months for both of these tariff items.
8. The Commission acknowledges that requiring the customer to migrate on a flash-cut basis by the end of the existing contract might result in remote terminals going out of service. The Commission further considers that moving remote terminals from a circuit-switched-based network to an IP-based network on a flash-cut basis would place an additional burden on the customer's operations with respect to manpower, coordination, etc.

9. The Commission is of the view that the situation addressed in TCC's application is similar to that of Bell Canada's customer in Order 2006-131 as, in both cases, the extension was proposed for the customer's benefit.
10. In light of the above, the Commission considers that it is appropriate, in this case, to approve TCC's application in order to allow TCC to complete the gradual migration of its customer's remote terminals while ensuring that service to the customer's clients is maintained.
11. The Commission also notes that the existing rates for the services provided under items 628 and 688 have passed the imputation test. The Commission further notes that the existing rates for these services will also apply to the services that TCC will provide during the three-month extension. The Commission considers that, as TCC will have recovered its capital costs during the initial contract, it will only have to recover its operating costs for the three-month extension period. Accordingly, the Commission is satisfied that the rates for the above-noted services will continue to pass the imputation test.
12. The Commission **approves on a final basis** TCC's application.
13. Revised tariff pages are to be issued within 10 days of the date of this Order.

Secretary General

This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>