

**A COMPARATIVE ANALYSIS OF
RESIDENTIAL TELEPHONE SERVICE:
1992-2002**

Written by:
Philippa Lawson and Andrew Briggs
September, 2003

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EXECUTIVE SUMMARY

The historic decision of the Canadian Radio-television Commission (CRTC) in 1992 (Telecom Decision CRTC 92-12)¹ to allow competition in the provision of long distance services between the incumbent monopoly telephone companies (ILECs) and new entrant providers provoked more than a contest for customers. The 1992 decision, together with subsequent CRTC implementation decisions, set up the framework for the delivery of competitive telecommunications services extending to the provision of local exchange service by non-incumbent carriers. The restructuring of the regulation of telephony provoked and continues to provoke debate as to the winners and losers in the new world created by competition based decisions.

This study examines the impact of the restructuring changes in the delivery of residential wireline services on residential consumers. It attempts to do so using measurements that are factual and meaningful to the actual usage of residential consumers. The report relies on information in large part collected from a variety of referenced and publicly available sources for the period 1992-2002.

The report notes the significant increases in prices for basic local service that occurred between 1992 and 2002. Some of these increases were attributable to a CRTC-approved “rate rebalancing” plan under which local rate increases effectively funded long distance rate reductions. Other increases were due to ILEC revenue requirement applications, extension of local calling areas, new mandatory surcharges for 911 and Message Relay Service, and revenue based contribution charges to fund high cost serving areas. New or increased charges for directory assistance, connection installation, and maintenance fees were also implemented during this period. As well, consumers saw the prices for optional features such as voice mail, call display, and call waiting increase over the same period.

The report reviews the changes in long distance calling plans available to residential customers, noting a significant increase in the variety of options, as well as in the discounts available. However, the addition of a monthly “Network Service Charge” by the telephone companies applicable to most long distance calling plans has significantly compromised savings to low and medium use long distance consumers.

Given the presence of both price benefits and price burdens delivered by competition, it is important to arrive at a bottom line. To assess the overall impacts of the changes in prices for telephone services, the report uses three primary customer usage profiles: light, medium, and heavy. The light and medium profiles are each further divided into two profiles to better reflect actual calling patterns. The customer usage profiles are based on telephone company data. Not surprisingly, heavy usage consumers were the biggest winners, showing reduced telephony costs of between 15-30%. On the other hand, light users of telephone services, (some 25% of ILEC customers) received substantial increases in telephone bills over the ten-year period increases of between 35%-65%. The

¹ Telecom Decision CRTC 92-12

median, or medium use, customer was also generally subject to increased telephone costs, ranging from -4% to +33%, depending on location.

Statistics Canada tracks consumer price changes in the telephone services sector, using a representative basket of services. Over the period, January 1992 to June 2002, the Statistics Canada price index for telephone services rose 17.4%. While this increase is slightly less than the rate of inflation, it is important to note that the period in question was one in which the telephone companies experienced significant productivity growth. Improvements in productivity came about primarily as a result of the installation of computer based technology, such as digital switches, that greatly reduced telephone company costs. For example, Bell Canada's productivity growth rate over the period 1988-2002 was 5 times the long run economy-wide TFP growth. It is therefore likely that telephone service prices would have been much lower during this period had they tracked actual costs.

The report also notes the deterioration in customer service that appears to have accompanied the development of competition over this ten-year period. Telephone companies seem to be focused more on capturing customers than on servicing them, once captured.

As well, while competition has greatly expanded customer choice, new problems have arisen. The frequent changes in plans and options make it difficult for customers to compare services and prices to ensure the best deal. Unwanted and misleading marketing is a persistent problem. Customers are far too frequently given inaccurate information about charges and costs associated with service plans. While no longer as great a problem as it was, switching of service providers without the consumer's permission ("slamming") remains a marketplace problem.

The availability of basic local service did not suffer over this period. However, competition in the provision of local residential service was very slow to develop. As of 2002, most residential communities in Canada did not have wireline options to ILEC local service. Only a few providers were offering alternative wirelines services, and only in a few locations.

The report concludes that while competition has brought welcome changes in choice, service innovation, and reductions in the price of long distance service, it has also brought higher overall telephone prices for the typical residential customer, a deterioration in service quality, and a number of new marketplace problems for consumers.

1.0 INTRODUCTION

1.1 Purpose of the Report

This report was commissioned by Industry Canada, Office of Consumer Affairs. Its purpose is to determine how residential consumers of telephone services have fared as a result of competition and deregulation in telephony over the ten year period since the introduction of long distance competition (1992 to 2002).

1.2 Scope Of Study

The focus of this report is residential wireline telephony services. It does not address business services, and does not analyse the impact on consumers of changes in other telecommunications services such as wireless and Internet.

The study is also focused on actual, direct impacts (rather than theoretical and/or indirect impacts) of changes in the telephony market on residential consumers. It concentrates on changes in retail prices, service availability, and service options. Impacts on quality of service and other aspects of the consumer experience are reviewed in less depth.

1.3 Research Methodology

This report is based mainly on primary research, supplemented with secondary sources where available and as required. Data was collected from major ILECs² (Bell, TELUS, SaskTel, MTS, Aliant) and major competitors (Sprint, Primus). For each service, a description and price details for Jan.1, 1992 and June 15, 2002 were sought.

Data was obtained from a variety of sources, including:

- CRTC tariffs (regulated services)
- Company websites (current offers, policies, rates)
- Customer Service Representatives (current offers, policies, rates)
- Company representatives (information not otherwise available)
- Industry Canada/Statistics Canada (general industry statistics)
- CRTC (industry lists, complaints, telco filings, decisions, etc.)
- Media reports
- Published reports and analyses

In the preparation of this report, PIAC consulted with various industry players (ILECs, CLECs³, wireless and long distance providers), Industry Canada, the CRTC, and independent experts, in order to ensure rigour of data and analysis.

² Incumbent local exchange companies.

³ Competing local exchange companies.

The report does not cover services/plans that were only offered after Jan. 1992, if no longer available to new customers in June 2002 (e.g., grandfathered plans). The focus of the report is instead on what was available to new subscribers in Jan.1992 and June 2002.

The report does not cover smaller ILECs (e.g., Northwest Tel, Telebec, TELUS(Quebec), the independents). Generally, competition has come later to these areas, so the results of any analysis may be different than that experienced by consumers in the territories of the large ILECs. In addition, small ILECs operating in high cost areas have relatively high cost structures, which are reflected in higher interconnection costs and hence less competition.

1.4 Overview of Residential Bill Analysis Methodology

As part of the our review of changes in residential telephone services from 1992 to 2002, this report examined the overall impact of changes in prices and service plans on customer bills . Three representative customer calling profiles (light, medium, heavy) are used to examine the impact of price changes on consumers' monthly telephone bills (excluding taxes). Each profile includes components of basic local, long distance, and optional services.

Details of this methodology are provided in Section 3.2.

2.0 SERVICE AND PRICE COMPARISON – 1992 VS 2002

The following section provides a comparison of the various service offerings available from 1992 to 2002.

2.1 ILEC Local Services

2.1.1 Basic local service

Prices for basic local service have increased significantly between 1992 and 2002. Rate increases over this time have been driven primarily by rate rebalancing initiatives⁴, local rate increase applications to off-set revenue requirement shortfalls, the re-classification of local exchanges in rate bands/groups, and the movement to a revenue-based contribution charge⁵.

In addition, the expansion of local calling areas (extended area service) in some locations has been accompanied by rate increases. In such cases, consumers are obviously receiving greater value for service (a larger local calling area) in exchange for the higher price.⁶

2.1.2 Mandatory charges

The 1992 - 2002 time period has also seen the introduction of a number of mandatory local surcharges. These surcharges are intended to recover the costs associated with provision of 9-1-1 emergency reporting service (E911)⁷ and Message Relay Service (MRS)⁸. As of 1992, these services, where provided, were offered free of charge, as part of the basic local service rate. To some extent, the introduction of these new charges was accompanied by introduction or improvement of the service (e.g., expansion and improvement of 911 services).

In 2002, monthly charges for E911 ranged from \$0.14 to \$0.50, and the monthly surcharge associated with MRS ranged from \$0.11 to \$0.25, depending on the company. In 2002, only Aliant – NewTel had no separate surcharge for E911 service, while only SaskTel and Aliant did not have a separate surcharge associated with MRS. The following table sets out the rates associated with E911 and MRS, by ILEC, for 2002.

⁴ Rate rebalancing initiatives refers to increases in local service rates and off-setting reductions in long distance rates or the amount of contribution flowing from long distance services to support local service.

⁵ In Decision CRTC 2000-745, the Commission introduced a percent of revenue contribution charge to fund the provision of local residential service to High Cost Serving Areas.

⁶ A detailed analysis of the impact on local rate increases of extended area service changes over the studied period was not undertaken as part of this study. It is not clear whether such an analysis is possible.

⁷ E911 provides for the routing of 911 calls to a central answering agency then to fire, ambulance and police dispatch centres.

⁸ MRS enables persons who use a keyboard type device (e.g. TTY) to communicate with a hearing person via an MRS operator who alternates between the TTY user and the hearing person as required until the call is completed.

Monthly Mandatory Local Surcharges

ILEC	Emergency 9-1-1 Service	Message Relay Service
Bell Canada	\$0.22	\$0.13
TELUS - BC	\$0.17	\$0.16
TELUS - AB	\$0.14	\$0.11
Aliant - NS	\$0.19	N/A
Aliant - PEI	\$0.30	N/A
Aliant - NB	\$0.32	N/A
Aliant - NF	N/A	N/A
MTS	\$0.19	\$0.25
SaskTel	\$0.50	N/A

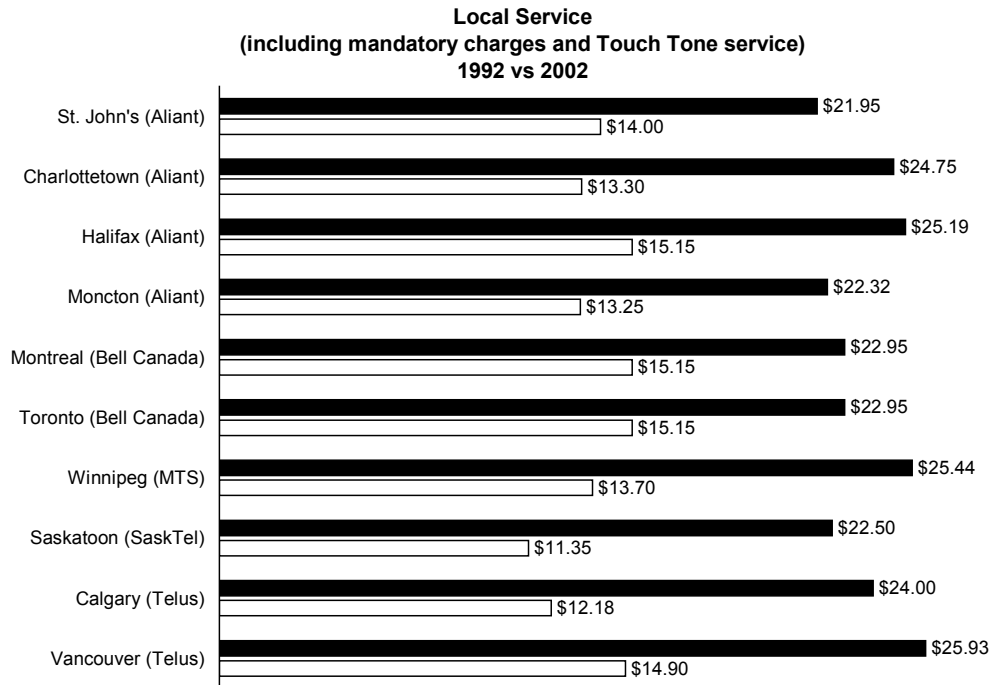
In addition, between 1992 and 2002, TouchTone service had become a mandatory service requirement among the ILECs, replacing rotary dial service. New customers thus no longer had the option of lower-priced rotary dial service, and instead were required to pay the surcharge (or increased rate) associated with TouchTone service. This surcharge ranged from \$1.10 to \$2.55 per month in 1992.

Monthly TouchTone Surcharge

ILEC	1992
Bell Canada	\$2.55
TELUS - BC	\$1.30
TELUS - AB	Note 1
Aliant - NS	\$1.60
Aliant - PEI	\$1.80
Aliant - NB	\$2.50
Aliant - NF	\$1.10
MTS	\$2.25 - \$2.35
SaskTel	Note 1

Note 1 - TouchTone included in basic service

The combined impact of basic local rate increases, standardization of TouchTone service, and the introduction of mandatory surcharges, has been to substantially increase the monthly non-recurring charges for residential local phone service over the 1992 to 2002 period. The following figure illustrates the change in basic service prices for the larger locations in each of the ILECs. Local rates are for TouchTone service and include all mandatory charges.



Appendix I provides an expanded listing of the residential local rate changes (including mandatory surcharges) experienced by various communities for each ILEC.

2.1.3 Local Optional Features

Prices for local optional features have generally increased over the period 1992 to 2002. In addition, the popularity and penetration of these services has also increased over this period. The more popular local optional features include:

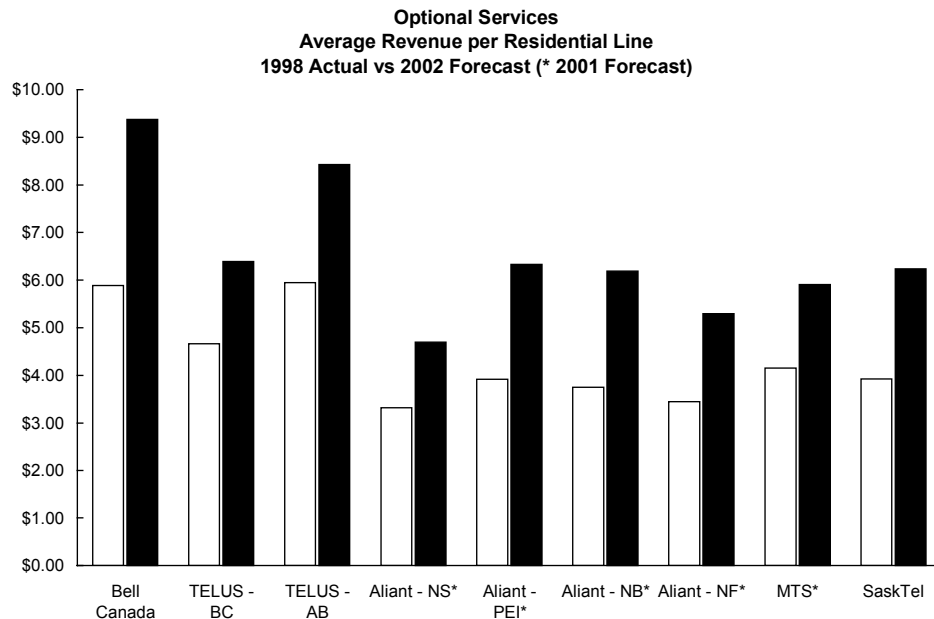
- Voice Mail/Call Answer/Message Manager
- Call Waiting
- Call Display
- Call Forward
- Call Return
- Ident-A-Call/SMART Ring/Select Ring
- Call Screen

Most of these local optional features are available on a monthly subscription basis. However, some features, such as Last Call Return, Busy Call Return and Three-way Calling are available on a pay-per-use basis from some ILECs, often with a maximum charge per month. For example, in 2002 Bell Canada offered these three features on a pay-per-use basis of \$0.95 per activation to a monthly maximum of \$8.00.

In addition, there has been a general trend towards offering more (or larger) bundles of optional local services. The bundles usually provide a number of services for a fixed

monthly rate, lower than the sum of charges for individual component services. Alternately, some ILECs offer pricing plans where the price for additional features declines as more features are purchased. For example, in 1992 Bell Canada offered packages of two to five optional services, for prices ranging from \$5.50 to \$11.50 per month. These packages excluded Call Answer (i.e., voice mail). In 2002, Bell Canada offered a “Flex Bundle” with six calling features, including Call Answer, for \$24.95 per month.

The following chart provides the monthly average revenue for each ILEC from optional local services for 1998 (1992 data not available) and 2001 or 2002 forecast.⁹ The chart demonstrates the impact of the increasing penetration of these services (as more residential customers subscribed to optional services) as well as price increases over this period.



Appendix II provides a price comparison for local optional services between 1992 and 2002 for each ILEC.

2.1.4 Public Telephone Service

Over the 1992 – 2002 period, the rate for local calls from public payphones has remained constant at \$0.25, with the exception of TELUS – Alberta, where the rate increased to \$0.35.

2.1.5 Directory Assistance Charges

⁹ Based on data from PN 2001-37 proceeding, ____ (CRTC)26Jun01-1202.

Directory Assistance, an operator service, is used by consumers to obtain telephone numbers directly from the telephone company. Charges for this service vary depending on whether the requested number is:

- a local number published in the telephone directory
- a local number not published in the telephone directory
- a long distance number
- unlisted or unable to be found by the operator.

Directory assistance calls from payphones remain free of charge, and some ILECs continue to offer an exemption from DA charges to registered disabled and/or elderly customers.

Since 1992, some companies have also offered “reverse directory” services, by which consumers can obtain the name and/or location associated with a given telephone number.

Between the period 1992 to 2002, the rates charged for directory assistance services have generally increased across all ILECs. The following table provides a comparison of the rates across this time period.

Directory Assistance (DA)

ILEC	Local # in Directory		Local # not in Directory		Long Distance #		Unlisted or unable to be found		Reverse Directory	
	1992	2002	1992	2002	1992	2002	1992	2002	1992	2002
Bell Canada	\$0.60	\$0.75	N/C	\$0.75	\$0.80 ¹	\$0.75	N/C	\$0.75	N/A	N/A
TELUS - BC	\$0.80	\$0.95	N/C	\$0.95	\$0.80 ¹	\$0.95	N/C	\$0.95	N/A	N/A
TELUS - AB	\$0.50	\$0.75	N/C	\$0.75	\$0.50 ²	\$0.75	N/C	\$0.75	N/A	N/A
Aliant - NS	\$0.75	\$0.95	N/C	N/C	\$0.75 ⁴	\$0.95	N/C	N/C	N/A	\$0.70
Aliant - PEI	\$0.50	\$0.95	N/C	N/C	\$0.50 ⁴	\$0.95	N/C	N/C	N/A	\$0.70
Aliant - NB	\$0.50	\$0.60 ³	N/C	\$0.60 ³	N/C	\$0.60 ³	N/C	\$0.60 ³	N/A	\$0.70
Aliant - NF	\$0.70	\$0.95	N/C	N/C	N/C	\$0.95	N/C	N/C	N/A	\$0.70
MTS	\$0.60	\$1.00	N/C	\$1.00	\$0.50 ²	\$1.00	N/C	\$1.00	\$0.60	\$1.00
SaskTel	\$0.60	\$0.75	N/C	\$0.75	N/A	\$0.75	N/C	\$0.75	\$0.40	\$0.40

N/C - No charge

N/A - Not available or offered

¹ Only applies to LDDA calls in the US exceeding monthly allowance of 250 calls per month

² Only applies to LDDA calls in the US exceeding monthly allowance of 50 calls per month

³ After 100 requests/month, rate is \$0.75 per request

⁴ Only applies to LDDA calls in the US exceeding monthly allowance of 100 calls per month

2.1.6 Extra Listings and Unlisted Number Service

Customers are provided with an initial listing in the directory as part of the basic local service. An extra listing provides consumers with an additional listing in the telephone directory (e.g., for spouses with different surnames). Unlisted number service provides

for the omission of the customer's listing from the telephone directory and from directory assistance.

The following table illustrates the changes to these rates over the 1992 – 2002 period. Generally, the rates for extra listings have increased over the period, while the rates for unlisted number service have generally declined, due to a CRTC decision in the mid-1990s to cap the rate for unlisted service at \$2/month.¹⁰

Extra Listings & Unlisted No. Service

ILEC	Extra Listing		Unlisted No. Service	
	1992	2002	1992	2002
Bell Canada	\$1.20	\$1.85	\$4.05	\$2.00
TELUS - BC	\$1.10	\$1.80	\$2.15	\$2.00
TELUS - AB	N/A	\$1.15	\$1.81	\$2.00
Aliant - NS	\$0.85	\$2.00	\$2.35	\$2.00 ⁴
Aliant - PEI	\$1.00	\$1.35	\$2.50	\$2.00 ⁵
Aliant - NB	\$1.35	\$1.35	\$4.75	\$1.95
Aliant - NF	\$1.75	\$2.05	\$3.65	\$2.00
MTS	\$0.65/\$1.20 ³	\$1.95	\$1.45	\$2.00
SaskTel	\$1.20/\$1.45 ¹	\$1.90/\$2.30 ²	\$3.00	\$2.00

N/C - No charge

N/A - Not available or offered

¹ \$1.45 in Saskatoon and Regina, \$1.20 elsewhere

² \$2.30 in Saskatoon and Regina, \$1.90 elsewhere

³ Rate depends on exchange group

⁴ \$5.75/month for automated per line blocking

⁵ \$4.00/month for automated per line blocking

2.1.7 Connection/Installation Fees & Administrative/Order Processing Fees

Connection and installation fees are applied to the installation of a residential customer's local service. Additional administrative and order processing fees also sometimes apply; they are typically associated with customer service requests other than those for the initiation of local service.

The following table illustrates the change in these fees over the 1992 – 2002 period.

¹⁰ Telecom Order CRTC 98-109.

**Connection/Installation Rates &
Administrative/Order Processing Fees**

ILEC	Connection / Installation		Administrative / Order Processing	
	1992	2002	1992	2002
Bell Canada	\$18.00	\$55.00	\$16.50	\$25.00
TELUS - BC	\$7.00	\$55.00	\$16.50	\$10.00
TELUS - AB	\$10.00	\$10.00	\$15.00	\$18.00
Aliant - NS	N/A	\$23.00	N/A	\$35.00
Aliant - PEI	N/A	\$23.00	N/A	\$35.00
Aliant - NB	\$10.00	\$12.00	\$7.50	\$22.00
Aliant - NF	\$12.00	\$22.55	\$11.00	\$43.30
MTS	\$26.05	\$12.00	N/A	N/A
SaskTel	\$28.00	\$35.00	\$9.00	\$9.00

N/C - No charge
N/A - Not available

2.1.8 Telephone Rentals – 2 & 4 Party Lines

Telephone equipment for single line residential service has been available for purchase from any number of retailers, including the ILECs, since before 1992. In addition, the ILECs continue to offer monthly rental plans for such equipment.

However, customers with 2 or 4 party line service are required to rent telephone sets from the ILEC. While many party-line customers have been moved to single line service over this period, those customers still subscribing to 2 and 4 party line service¹¹ in 2002 must rent their phone sets from the ILECs. The following table illustrates the changes in rental set rates applicable to party-line customers over the 1992 – 2002 period.

¹¹ Approximately 30,000 Bell Canada customers were party-line subscribers in 2002.

**2 & 4 Party Line Telephone Rental
Monthly Rate**

ILEC	Telephone Equipment Rental	
	1992	2002
Bell Canada	\$2.75	\$2.95 ²
TELUS - BC	\$2.65/\$3.05 ¹	\$3.15
TELUS - AB	N/A	N/A
Aliant - NS	\$3.25	N/A
Aliant - PEI	\$3.25	\$3.75
Aliant - NB	\$1.80	\$5.95
Aliant - NF	N/A	\$2.95
MTS	N/A	N/A
SaskTel	N/A	N/A

N/C - No charge

N/A - Not available or offered

¹ \$2.65 for rotary dial / \$3.05 for touch tone

² Bell Canada was improperly charging over \$5 per month for this service in 2002. This overcharging was the subject of a PIAC complaint and subsequent application to the CRTC in the summer of 2002. It was eventually reversed by Bell Canada.

2.1.9 Local Service Availability

Over the 1992 to 2002 period, the availability of local wireline telephone service improved in a number of respects. Wide scale deployment of digital switches by the ILECs permitted the provisioning of enhanced calling features, and single line service was made available to many party-line customers who previously had not had this option.¹² As of 1999, more than 97% of lines were connected to a digital switch, provided touch-tone telephone service, and could connect, via low speed data transmission, to the Internet without incurring long distance charges.¹³

However, service improvements in high cost areas slowed down after competition was introduced, as ILECs shifted their attention to competitive markets.¹⁴

In Decision 99-16, the CRTC responded to this problem, by establishing a “basic service objective” for all regions of the country, including high-cost areas, and ordering the ILECs to develop and proceed with service improvement plans accordingly. The “basic service objective” is:

¹² In 1999, the CRTC estimated that approximately 99% of the lines connected to the public switched network (PSTN) represent single line service (including major ILECs, as well as smaller ILECs).

¹³ Telecom Decision CRTC 99-16, para. 16.

¹⁴ Ibid., para.40.

- Single line local service with touch-tone dialling, provided by a digital switch with capability to connect via low speed data transmission to the Internet at local rates;
- Enhanced calling features, including access to emergency services (E911), Voice Message Relay service (MRS), and privacy protection features;
- Access to operator and directory assistance services;
- Access to the long distance network; and
- A copy of a current local telephone directory

The CRTC has since approved a number of plans by the ILECs to further extend service and service features through various Service Improvement Plans (SIP). In light of the competitive pressures on the ILECs in non-high-cost areas, which tends to slow down the roll-out of the SIP, the CRTC monitors the ILECs adherence to the approved SIPs.

One area where service availability has generally declined is pay telephone service. The number of pay telephones in service among the major ILECs has steadily declined in recent years. By June 2002, the five major ILECs had approximately 154,000 pay phones in service, down from 170,000 in June 1999. The introduction of competition in this market in 1998 has not improved this situation, as few new locations are served by competitors. Generally, the ILECs point to the rise in popularity of cell phone service as a major contributing factor for the decreased usage of pay phones.

The availability of mobile wireless phone service has expanded over the past decade to the point where approximately 95% of Canadians have some form of mobile service available to them.¹⁵ All urban areas, and most populated rural areas, are now served by at least one wireless provider.

Internet service has expanded rapidly, to the point where almost all Canadian households now have access to local Internet service in their community. High-speed service is now available to 85% of Canadians, but the majority of rural communities remain limited to dial-up service options.¹⁶

It should be noted that customer privacy protection has been addressed in a number of ways over this period. In opening the local telephone market to competition, the CRTC implemented a requirement that all local service providers must satisfy all existing and future regulatory requirements designed to protect customer privacy.¹⁷ These measures and/or services include:

- Delivery of the privacy indicator when invoked by an end customer;
- Provision of automated universal per-call blocking of calling line identification;
- Provision of per line call display blocking to qualified end customers;
- Disallowance of Call Return to a blocked number;

¹⁵ CRTC Competition Report 2002, p.58. Digital service is not yet as widespread as analog. See pp.60-61 for maps showing mobile service coverage in Canada.

¹⁶ CRTC Competition Report 2002, p.ii.

¹⁷ Telecom Decision CRTC 97-8, para. 288.

- Restrictions on Automatic Dialing-Announcing Devices, Automatic Dialing Devices, and unsolicited facsimiles ;
- Provision of universal Call Trace.

2.2 ILEC Long Distance Services

2.2.1 Basic Toll Schedule - 1992

In 1992, the ILECs provided basic toll service to residential customers at tariffed rates under their basic toll schedules (BTS). These schedules set out the rates for long distance calling, by various mileage bands. Each ILEC had different schedules for calling:

- Within province or ILEC territory
- Within Canada (excluding Northwest Territories)
- Canada-Northwest Territories
- Adjacent provinces (for some ILECs; for example BC-Alberta)
- Canada-US (excluding Alaska and Hawaii)
- Canada-Alaska
- Canada-Hawaii
- Canada-Overseas

These rate schedules typically had three rating periods – prime, off-peak and deep off-peak, with varying discounts offered for each rating period. The specific time periods for each of these rating periods varied among the ILECs and schedules, but typically, prime time period was Monday – Friday (and sometimes Saturday) between 8:00 am – 6:00 pm., and deep off-peak discount periods were from late evening to early morning and sometimes on Sundays. The typical discount structure for rating periods was:

- Prime 0% discount
- Off-peak 35% discount
- Deep off-peak 60% discount

Transaction charges for services such as operator-assisted calls, calling card service, etc. were not subject to any discount.

2.2.2 Basic Toll Schedule – 2002

In 2002, the ILECs also provided basic toll service under their basic toll schedules (BTS), as in 1992.

BTS schedules have changed little since 1992, while rates have changed somewhat. For example, Bell Canada moved to a single off-peak discount of 60%. In addition, overseas rates have decreased significantly in comparison to 1992. Overall, BTS rates have decreased since 1992.

2.2.3 Residential Long Distance Calling Plans - 1992

In 1992, in addition to the basic toll schedule (BTS) rates, the ILECs offered some toll discount plans targeted at residential customers with heavier amounts of toll usage. The two most common plans offered at this time were the “Teleplus” and “Between Friends” plans:

- Teleplus plans offered a fixed discount of 15% over BTS rates on all eligible LD calling, in exchange for a monthly subscription fee (See Appendix III for details);
- Between Friends plans provided a block of calling (30 minutes) for a flat monthly fee, with additional minutes available at a set rate. Only calls in off-peak periods were subject to a discount under this plan. (See Appendix III for details).

Each of these plans had a number of variants (territories covered, etc.) available depending on the ILEC.

In addition, some companies offered other forms of discount toll calling plans. Some plans were targeted at short haul calling between locations with a community of interest. There were no overseas discount calling plans available in January 1992.

Further details on these residential calling plans for each ILEC are provided in Appendix III.

2.2.4 Residential Long Distance Calling Plans - 2002

In 2002, in addition to the basic toll schedule (BTS) rates, ILECs offered a variety of toll discount plans to residential customers. The various discounts differed in terms of geographic focus (within Canada, to US, overseas) and time of day (off-peak vs. peak).

In comparison to 1992, when LD plans were relatively standardized across the ILECs, the plans available in 2002 were much more varied between the ILECs. One of the more common forms of calling plans in 2002 involved a fixed per minute rate for calling within Canada (and US in some instances), in exchange for a monthly plan fee. Numerous variations on this calling plan structure are available.

In the early 2000s, a new \$1.25 “Network Service Charge” was added to the price of the various ILEC calling plans. This charge is applicable to virtually all LD plans, but not to customers only using the BTS rates (i.e., not subscribed to a calling plan).¹⁸ It has significantly reduced LD savings for low to medium use callers.

While the permutations of the various plans are significant and create a challenge for consumers trying to compare plans, the potential savings available for heavy LD users are also significant. Since the implementation of the Network Service Charge, however, the

¹⁸ Shortly after June 2002, this charge was increased to \$2.95 per month by most companies.

savings available to low and medium LD users as a result of these “discount” plans (vs. BTS rates) has been reduced.

Further details on these residential calling plans for each ILEC are provided in Appendix IV.

2.2.5 Long Distance Service Charges

Services charges typically apply to long distance calls made through the operator (i.e., not direct dialled by the customer), charged to a calling card, or charged to a different number. Typical service charges include:

- Station-to-Station Automated
- Calling Card
- Credit Card
- Collect, third number

- Station-to-Station Operator Assisted
 - Calling Card
 - Sent paid, Collect, etc.

- Person-to-Person

Over the period 1992 – 2002, the rates for these services have generally increased. Appendix V provides a comparison over this time period for these service charges for a number of the large ILECs.

2.3 Competitive Service Providers

2.3.1 Competitive Long Distance Service Providers – June 2002

In 1992, the CRTC opened up the long distance market to facilities-based competition. Since then, a number of competitors have entered (and exited) the market place. Many mergers and acquisitions have occurred.

In 2002, numerous companies provided a competitive alternative to the ILECs. A few of these companies provided service on their own networks, while most either resold or rebilled service provided by other long distance carriers.

Alternative LD service providers operate in most areas served by the major ILECs. In contrast, fewer competitive alternatives are available to consumers in areas served by Northwestel or the small, independent telephone companies.

Alternative LD services are available by either pre-subscribing (1 + calling) or through the use of a service provider local access number, depending upon the service provider. In some instances, calling is offered as a “dial around” service (10-XXX) and calls are billed on the customer’s local residential phone account.

The following table lists the major LD competitors with an overview of the territories covered:

Long Distance Service Provider	Availability of Service (limitations noted where identified by service provider)
ACN Canada www.acncanada.ca	Available from select locations across Canada
AT&T Canada Only available to AT&T Canada Internet subscribers www.attcanada.ca	Available across Canada
Excel Canada www.excel.com/canada	Available across Canada
CIBC www.cibc.com	Available to CIBC VISA Cardholders. Covers most areas in Canada
Distributel www.distributel.ca	Flat rate calling between select locations in Ontario. Long distance available in Ontario and Quebec locations
EastLink www.eastlink.ca	Available in Nova Scotia and PEI
Futureway Communications www.futureway.com	Available to Futureway local customers in select locations in Toronto area
HBC Rewards Long Distance (The Bay/Zellers)	No new applications being accepted . See Sussex Telecommunications
Lo-Call Connections www.locall.ca	Provides extended area local coverage in Calgary, Edmonton, Red Deer , Lethbridge and Ottawa
London Telecom (subsidiary of Primus) www.ltn.com	Requires use of a local access number. Approx. 60 – 70 locations across Canada (except Saskatchewan, Yukon and Northwest Territories) where local access number available.
MDC Inc. www.mdc.ca	Available across Canada
Primus www.primustel.ca	Across Canada, except NorthwesTel serving territory
Royal Bank – Talk and Save www.royalbank.com	Available to Royal Bank VISA cardholders. Available across Canada in areas served by major ILECs
SearsConnect (Sears Canada) www.searsconnect.ca	Available to Sears Canada cardholders. Available across Canada
Sprint Canada www.sprint.ca	Available across Canada, except in NorthwesTel serving territory
Sun Telecom www.suntelecom.net	Available where AT&T Canada, Bell and most Independent telcos provide service
Sussex Telecommunications www.sussexgroup.ca	Available across Canada in areas served by major ILECs
Symphony Telecom www.symphony.net	Available across Canada. Dial around service available in areas served by Independent telcos
West Can Group www.westcangroup.ca	Available across Canada
West Coast Teltech www.wcteltech.com	Available in lower mainland to Fraser Valley in B.C.
WinTel (subsidiary of Primus) www.wintel.ca	Requires a local access number. Approx. 60 – 70 locations across Canada (except Saskatchewan, Yukon and Northwest Territories) where local access number available.
YAK Communications www.yak.ca	Dial around (10-XXX) service in Ontario, Quebec, Manitoba, Alberta and B.C. with 1 + calling in Ontario and Quebec.

These service providers offered a wide range of long distance calling plans in 2002. Appendix VI provides detailed descriptions of the calling plans offered by Sprint Canada and Primus, two of the largest residential long distance service competitors.

2.3.2 Competitive Long Distance Service Providers – Pre-paid Calling Cards

Another recent trend has been the growing market for the provision of long distance pre-paid calling cards. Long distance pre-paid calling cards are offered by the ILECs as well as through competitive providers.

These cards are generally sold through various retailer outlets. With a long distance pre-paid calling card, customers pay in advance for a block of minutes.

The long distance rates available to different destinations with these cards vary significantly from company to company. In addition, access or connection fees per call (or per card) may apply. There may also be minimum call duration applicable to each card.

2.3.3 Competitive Local Service Providers

Competition in the provision of wireline local service was introduced in 1998. Since then, entry has been focused on the business market. There has been relatively little competitive entry into the residential local market.

In 2002, the only significant competitive providers of residential local service were Sprint Canada, Futureway Communications and EastLink.

Sprint Canada

Offered residential local service in and around the following areas:

- Calgary
- Toronto
- Other Southern Ontario locations
- Ottawa-Hull
- Montreal
- Vancouver.

Pricing:

- \$29.95/month for local service including one calling feature
- Add 2nd feature for \$4.00/month, with 3rd or more features for \$2.00/month per feature

Futureway Communications

Offers residential service in the Toronto area in ten specific residential developments with which it is associated.

EastLink

A provider of cable television service in Atlantic Canada, offered service in Nova Scotia and PEI. The areas served included:

- Halifax
- Bridgewater
- Truro
- New Glasgow
- Liverpool
- Antigonish
- Oxford/Collingwood
- Charlottetown

Pricing:

- \$20.00/month for first local service line
- \$15.00/month for second line

In addition to these companies, one reseller, Symphony Telecom also offered residential local service. Another reseller, Sussex Telecommunications, indicated that it would commence offering local service in September 2002.

Wireless service providers also offered an alternative to wireline based local services in 2002, in the form of pre-paid or post-paid calling plans. However, the cost of wireless service was still high relative to local wireline service, such that for the vast majority of consumers, switching from their existing local service provider to a wireless service provider was not a rational choice.

2.4 Service Bundles and Packages

In 2002, both ILECs and competitive service providers offered a number of service bundles which combined elements of local service, optional calling features, long distance service and Internet service. In the case of EastLink, these bundles also include cable TV service.

The make up and pricing of these bundles varied depending on the services included within the packages or bundles. In some instances, prices also varied depending on whether the customer also subscribed to the service providers' long distance service.

Further details on the service bundles and package offered by each each ILEC, as well as EastLink and Sprint Canada are provided in Appendix VII.

2.5 Bill Management Tools

As part of effort to address a number of obstacles for obtaining telephone service for lower income Canadians, the CRTC directed the ILECs in Telecom Decision CRTC 96-10 to implement a number of bill management options. These include:

Toll restriction service:

- ILECs offer a toll restriction service on residential local phone lines which prohibits 1+/0+ long distance calls from being made;
- No monthly charge for service;
- One time service charge of up to \$10 may apply to deactivate the service

Instalment payment plans:

- ILECs residential customers the option to spread any payments associated with connection charges over a period of up to six months

In addition, the ILECs make available 900/976 call blocking service. This service is usually available for a one-time charge of \$10.

2.6 Quality of Service

The CRTC has had a regime in place since 1982 to monitor the quality of service provided by the ILECs. With the introduction of competition and the movement from rate of return regulation to price regulation, ILEC quality of service appears to have deteriorated.¹⁹

During its review of the initial price cap regime, the CRTC found that the over much of the 1998 – 2000 period, ILEC quality of service had suffered. In Decision 2002-34, the CRTC determined that the existing monitoring rules were an insufficient incentive for the ILECs to maintain service quality at the Commission’s approved standards. The CRTC therefore established a framework for financial penalties to be applied when the ILECs’ quality of service falls below the approved standard.

Anecdotal evidence based on the research conducted for this report, and some supplementary research aimed at testing customer service, confirms that customer service of both ILECs and competitors was unacceptably poor in the summer of 2002. Our researcher found that it was often difficult to reach a customer service representative. He frequently encountered long waits and busy signals. In the case of some unregulated companies, we could not even find an option for a real person. More than once, we were hung up on or told to “hang up and call back later”.

When reached, customer service representatives were often unable to provide a clear answer to our straightforward questions, whether about basic toll rates or rental set charges. In such cases, the representatives were often condescending and sometimes rude.

¹⁹ We were unable to obtain 1992 quality of service results in a timely way in order to compare with 2002 results reported to the Commission. . We have therefore relied on other evidence of changes in service quality.

We were frequently transferred from one agent to another, without ever having our question answered, and were refused access to the supervisor even when our inquiries went unanswered. When answers were provided, they were all-too-frequently wrong. We were assured, for example, that all of the company's services were regulated, that an invalid rate was valid, that the best long distance deal for a given customer was Plan X when the customer would have been better off with basic toll rates, and that the monthly \$1.25 "Network Fee" voluntarily applied to unregulated plans by most companies was imposed by the CRTC. None of this is true.

When inquiring about long distance plans, one agent told us that the information you get depends on the customer service representative! Unfortunately, this advice corresponded with our own experience.

Directory assistance also appears to have suffered over the 1992-2002 period. Once again, small survey testing and anecdotal evidence suggests that it has become fraught with inaccuracies and incompleteness.²⁰

The available evidence thus indicates, somewhat surprisingly, that customer service has suffered coincidentally with the rise of competitive market forces. This preliminary finding is significant enough to warrant further research.

2.7 Other Consumer Impacts

2.7.1 Marketing:

a) Customer confusion

With the introduction of competition in telecommunications services, residential consumers have been faced with an increasing array of service offers, and much more responsibility for ensuring that they are getting the best possible service at the best possible rates. In some cases, the confusing proliferation of choices and alternatives can be paralyzing; at a minimum, it makes choosing among the various options a difficult task. For long distance service in particular, the ever-changing variety of plans with different pricing for different locations and times of day make it virtually impossible for an ordinary consumer to ensure that they are always getting the best possible deal. Indeed, research conducted by PIAC in the summer of 2002 indicated that a significant proportion of ILEC LD customers were paying more than they needed to for LD service, even before considering competitive (i.e., non-ILEC) offerings.²¹

b) Unwanted Marketing

²⁰ See <http://www.piac.ca/dirast.htm> for the results of a small survey of directory assistance conducted by PIAC.

²¹ See PIAC Part VII Application to the CRTC re: ILEC failure to disclose BTS rates, August 28, 2003; accessible at: <http://www.piac.ca/PIAC%20Application-e.htm> .

With the advent of competition has come an increase in the level of direct marketing, by mail, telephone, and in person. For many, if not most, consumers, the level of direct marketing is an unwanted annoyance. A survey conducted by EKOS Research for PIAC in 2001 found that a large majority of Canadians had very limited tolerance for telemarketing, in particular.²² The same survey indicated consumer fatigue with respect to direct mail. Door-to-door solicitations by LD companies seeking new subscribers is a further annoyance to many consumers.

c) **Misleading representations**

Perhaps not surprisingly, this increased level of marketing has brought with it some misleading and deceptive representations. Advertised rates do not include other, hidden charges such as the monthly “Network Fee”. When asked about such charges, more than one company service representative attributed them, incorrectly, to the CRTC. Moreover, customers requesting the least cost option are often directed to a LD plan that is clearly more costly to them than another option.²³

2.7.2 Slamming

A problem unique to telecommunications competition is the switching of service providers without the consumer’s permission. In the long distance market, this practice (known as “slamming”) was more prevalent in the early days of competition, but remains a minor marketplace problem. The CRTC and the industry have attempted to minimize this practice through the use of industry-wide procedures for obtaining the proper authorization from customers to change service providers.

2.7.3 Numbering Exhaustion

Also unique to telecommunications is the issue of numbering. Because telephone numbers are a finite resource, new area codes have had to be added in order to accommodate new service providers, as well as wireless service. In areas where 10-digit dialling has been introduced, consumers must dial the 3-digit area code in addition to the 7-digit local phone number for all local calls. While consumers appear to have coped well with changes to telephone numbers and increased number dialling, this development has not been without some frustration to consumers.

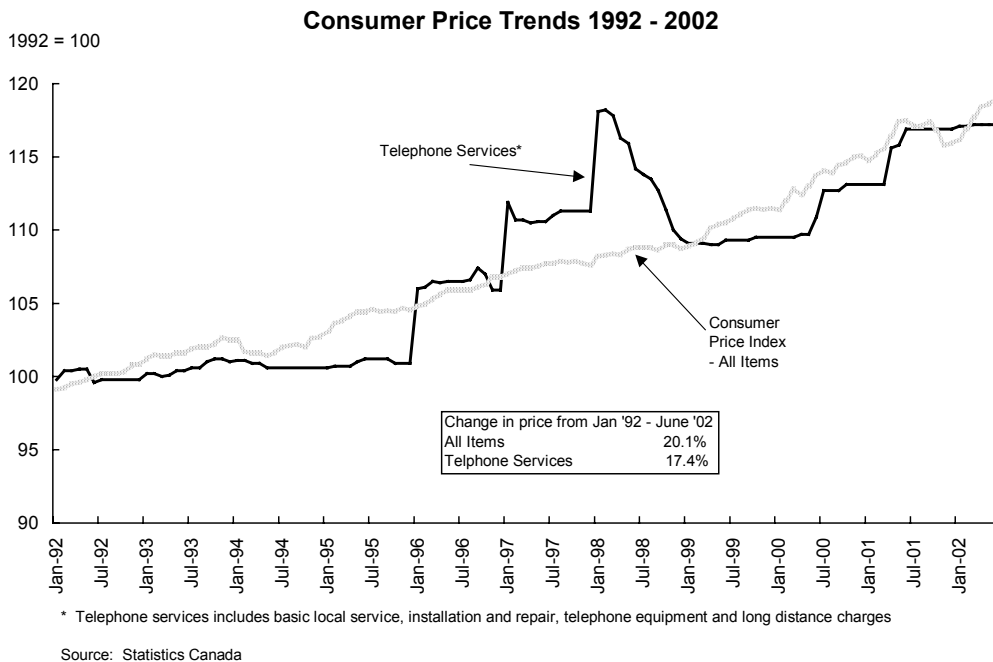
²² See “Business Usage of Customer Information for Direct Marketing: What the Public Thinks” (August 2001), accessible at: <http://www.piac.ca/privacy.htm>

²³ Op cit, FN 121.

3.0 ANALYSIS OF IMPACTS

3.1 Overview of Price Trends

Statistics Canada has constructed a “telephone services price index” in order to track consumer price changes in this sector.²⁴ Over the period January 1992 to June 2002, the price for this basket of telephone services rose by 17.4%. The graph below illustrates the price trends over time, clearly showing the impact of the residential local service rates increases implemented in January 1996, January 1997 and January 1998.

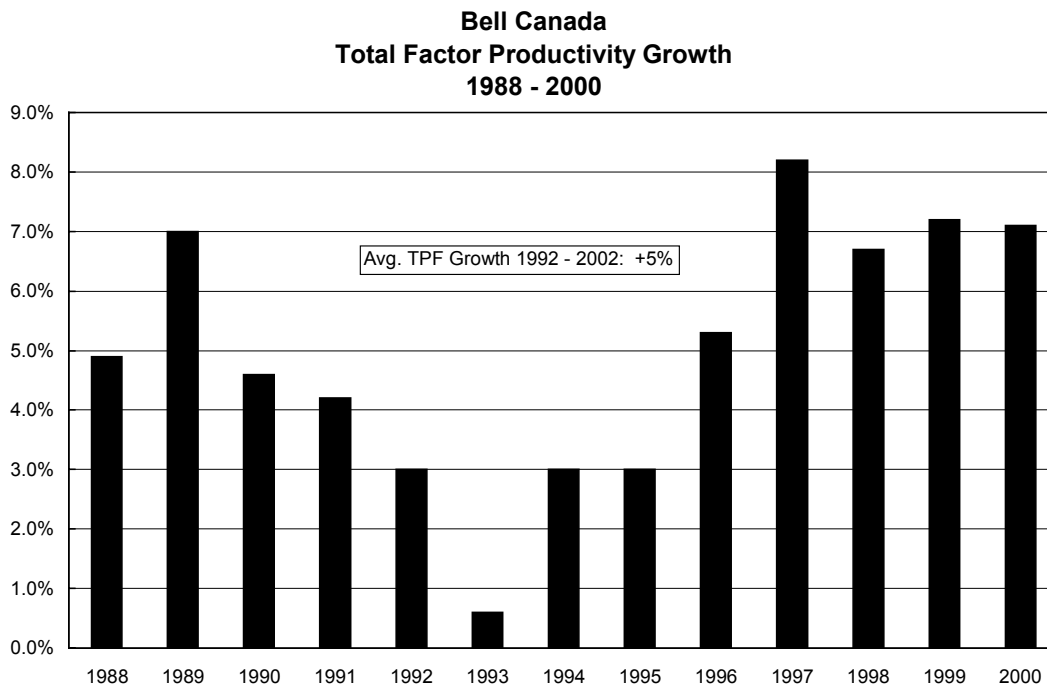


While the basket of telephone services has risen by slightly less than inflation, as measured by the change in CPI (20.1%) over this period, it should be noted that the telecommunications industry has been characterized by significant productivity improvements over this period. Much of this productivity improvement results from the declining costs of capital inputs such as computer-based technology. Such productivity improvements lower the cost to the telephone companies of providing telephone services. In particular, the replacement of analog central office switches with digital switches has resulted in enormous productivity gains.

The following graph illustrates the company-wide improvements in productivity for Bell Canada. Total Factor Productivity (TFP) measures how effectively a firm or industry employs inputs to produce outputs. The rate of change in TFP provides a measure of the

²⁴ TPI is a composite of prices for basic local telephone charges, other local charges, installation and repair charges, telephone equipment charges, and long distance toll charges. Basic local charges and long distance toll charges make up most of the index.

productivity gain or loss over time. As the following graph illustrates, Bell Canada experienced an average TFP growth rate of +5% over the 1988 – 2000 period. By comparison, the long run economy-wide TFP growth rate is approximately +1%.²⁵



Under the CRTC’s most recent price cap regime decision (Decision 2002-34), the CRTC established the target for annual productivity gains for the major ILECs at 3.5%. This target factor was 4.5% for the 1998 – 2001 period. Under the CRTC’s price cap formula in use for 2002 – 2005, on average, rates for basic residential service should not increase unless inflation goes above 3.5%. If inflation exceeds 3.5%, basic residential rates would increase on average by inflation less 3.5%.

As a result of these industry-wide productivity gains, the CPI does not provide an appropriate reference point for telephone service prices over the period 1992 to 2002. Had telephone service prices instead tracked the relevant costs to telephone companies over this period, they would likely have risen much more slowly, if at all.

3.2 Residential Telephone Bill Analysis

A key element of this study is an examination of the impact on customer bills of changes in prices and service plans over the ten year period, 1992-2002. This analysis uses representative customer calling profiles in 2001 to examine the impact of price changes on consumers’ monthly telephone bills (excluding taxes) over this period. The profiles include components of local service, long distance, as well as optional services. While

²⁵ See Telecom Decision CRTC 97-9, para. 68.

there are numerous permutations possible, we selected three main profiles (light, medium and heavy) to broadly illustrate the changes that have occurred over time.

This bill impact analysis is limited to recurring local and long distance charges; it does not include the impact on consumers of changes in non-recurring charges such as connection fees, repair charges, or directory assistance. Nor does it factor in either the impact of inflation or the effects of productivity improvements experienced by the ILECs over time.

3.2.1 Methodology & Calling Profiles

For each major ILEC, we used the largest urban centre in its territory as the location of the customer. This serves as the basis for establishing the applicable local rate, as well as the call origination point for long distance calling. The locations selected are:

- Vancouver (TELUS)
- Saskatoon (SaskTel)
- Winnipeg (MTS)
- Toronto (Bell Canada)
- Halifax (Aliant)

For each location, we developed three representative customer usage profiles for long distance calling, based on actual 2001 calling data provided by Bell Canada, TELUS and MTS.²⁶ This data was adjusted to account for the likelihood that heavy long distance users are more prone to migrate to alternative providers (and hence, that ILEC toll customer profiles may understate average toll calling).²⁷ The light user profile is based on the 20th-25th percentile range of LD callers as reported by the telcos; the medium user profile is based on the 50th percentile, and the heavy user profile is based on the 75th-80th percentile range. Long distances minutes for each of the customer usage profiles used in the analysis are therefore:

- Light - 10 minutes/month
- Medium - 50 minutes/month
- Heavy - 175 minutes/month

For each customer usage profile, calling destinations, time of day (peak vs off-peak), distribution of calling among settlement categories (intra-provincial), inter-provincial, US and overseas) were based on ILEC-provided information where available. Where this information was unavailable, reasonable judgement was exercised. Each profile is based

²⁶ The analysis thus factored out changes in calling patterns (i.e., increased LD calling) over the 1992-2002 period.

²⁷ The monthly minutes of use for light and medium customers were rounded up from reported data. In addition, the medium minutes used in the analysis corresponded to 40% of the CRTC's reported national residential average of 125 min/month. This is consistent with the Bell Canada provided data (mean = 105.6 min/month and median (50th percentile) = 42.5 min/month).

on average (mean) calling data for all customers in that category; it therefore includes small amounts of calling to some general destinations for which a minority of customers in that category make calls. In order to correct for this averaging problem, we created an additional profile (#2) for each of light and medium users. These profiles are more reflective of the actual calling patterns of a typical consumer in that category (i.e., more intra-territory and Canada calling, less US and overseas).

Two sets of calling patterns profiles were developed – the first based on data from Bell Canada, and the second based on data provided by MTS. The MTS profile was adopted for TELUS, SaskTel and Aliant. The major difference between the two profiles lies in the number of minutes in each calling category, with Bell Canada having a larger amount of intra-provincial calling vs inter-provincial calling. The two calling profiles are illustrated in the following tables:

**Calling Profile for
Bell Canada**

	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Intra prov - peak	1.5	1.0	7.3	5.0	25.6
Intra prov - off peak	5.8	9.0	29.2	35.0	102.2
Inter prov - peak	0.1	0.0	0.6	0.0	1.9
Inter prov -off peak	1.0	0.0	4.9	5.0	17.3
US - peak	0.2	0.0	1.0	0.0	3.5
US - off peak	0.6	0.0	3.0	5.0	10.5
OVS - peak	0.3	0.0	1.3	0.0	4.6
OVS - off peak	0.5	0.0	2.7	0.0	9.4
Total L. D. Minutes	10.0	10.0	50.0	50.0	175.0
Average Call Length (min/call)	4.1	4.1	5.9	5.9	7.5

**Calling Profile for
MTS, TELUS, SaskTel
and Aliant**

	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Intra prov - peak	1.0	1.0	5.0	5.0	17.5
Intra prov - off peak	4.0	9.0	20.0	35.0	69.9
Inter prov - peak	0.4	0.0	2.0	0.0	7.0
Inter prov -off peak	3.6	0.0	18.0	5.0	63.0
US - peak	0.1	0.0	0.6	0.0	2.2
US - off peak	0.4	0.0	1.9	5.0	6.6
OVS - peak	0.2	0.0	0.8	0.0	2.9
OVS - off peak	0.3	0.0	1.7	0.0	5.9
Total L. D. Minutes	10.0	10.0	50.0	50.0	175.0
Average Call Length (min/call)	4.1	4.1	5.9	5.9	7.5

Calling locations and destinations for each customer usage profile (light, medium and heavy) were kept consistent for each ILEC, as illustrated in the table below.

Telephone Company	Location	Intra-prov	Inter-prov	US	Overseas
Bell Canada	Toronto	Montreal	Winnipeg	New York	UK
Aliant	Halifax	Truro	Montreal	New York	UK
MTS	Winnipeg	Brandon	Calgary	Minneapolis	UK
SaskTel	Saskatoon	Regina	Winnipeg	Denver	UK
TELUS	Vancouver	Victoria	Calgary	Los Angeles	UK

* For Bell Canada, intra-prov includes calling within Ontario and Quebec

In each location and for each customer usage profile, the 1992 and 2002 long distance bills were determined based on the ILEC basic toll schedules (BTS) and long distance plans offered. The Network Service Charge was included, where applicable. For each customer usage profile, the least costly alternative was included in the analysis despite the fact that consumers do not necessarily subscribe to their lowest cost alternative.²⁸

In addition to the long distance calling cost component of residential telephone bills, local service and optional services were included. Local service (primary exchange service) costs were compared for 1992 and 2002, including TouchTone service and any mandatory surcharges associated with E 9-1-1 and Message Relay Service.

For optional services, Call Answer or the equivalent voice mail service was included in both the medium and heavy user calling profiles in 2002, and where offered, in 1992 (Bell Canada, TELUS and SaskTel). In those instances where a voice mail service was not offered by the ILEC in 1992, Call Waiting was instead included. In addition, for heavy users, a bundle of optional services (4 – 6 services, depending on ILEC offerings) was also included (MTS and Aliant). The light user profile does not include any optional services.

3.2.2 Summary Results

Detailed results of our residential telephone bill analysis are provided in the following section. In brief, monthly telephone service costs for light users (i.e., 25% of ILEC residential customers) have increased significantly from 1992 to 2002. The range of monthly increases experienced by customers at the high end of this category is 35% - 65%, with those consumers who make more intra-territory and calls within Canada having slightly larger cost increases (Light user 2). The size of these increases reflects the large impact of the increases in local calling service with little offsetting benefit from lower long distance pricing, due to the relatively low level of long distance calling by these customers.

²⁸ This apparently irrational behaviour can be attributed in many cases to ILEC marketing strategies, including the failure of ILECs to promote their BTS rates to customers for whom such rates represent the least cost option.

**Summary of Residential Telephone Costs
User Type: Light 1**

Telephone Company	Location	1992	2002	\$ Change	% Change
Bell Canada	Toronto	\$19.02	\$25.59	\$6.58	35%
Aliant - NS	Halifax	\$19.48	\$28.18	\$8.70	45%
MTS	Winnipeg	\$17.46	\$27.92	\$10.46	60%
SaskTel	Saskatoon	\$15.27	\$23.84	\$8.57	56%
TELUS - BC	Vancouver	\$18.24	\$28.50	\$10.27	56%

**Summary of Residential Telephone Costs
User Type: Light 2**

Telephone Company	Location	1992	2002	\$ Change	% Change
Bell Canada	Toronto	\$17.82	\$24.93	\$7.11	40%
Aliant - NS	Halifax	\$19.11	\$27.74	\$8.63	45%
MTS	Winnipeg	\$16.82	\$27.66	\$10.84	64%
SaskTel	Saskatoon	\$14.71	\$23.50	\$8.79	60%
TELUS - BC	Vancouver	\$16.89	\$27.92	\$11.03	65%

Telephone service costs for medium usage consumers (i.e., the 50% percentile customer) have also generally increased over the 1992 to 2002 period. However, the size of this increase is less than that for light users, further demonstrating the impact of the price reductions in long distance calling, which partially offsets the increases in local calling service prices. The range of monthly bill changes for this profile is -4% to +33%. Similar to the Light User 2 profile, the Medium User 2 profile has larger cost increases as a result of having less US and overseas long distance calling in comparison to Medium User 1 customers.

**Summary of Residential Telephone Costs
User Type: Medium 1**

Telephone Company	Location	1992	2002	\$ Change	% Change
Bell Canada	Toronto	\$37.10	\$38.98	\$1.88	5%
Aliant - NS	Halifax	\$37.90	\$40.13	\$2.23	6%
MTS	Winnipeg	\$34.49	\$39.99	\$5.50	16%
SaskTel	Saskatoon	\$36.53	\$35.15	-\$1.38	-4%
TELUS - BC	Vancouver	\$35.01	\$39.71	\$4.69	13%

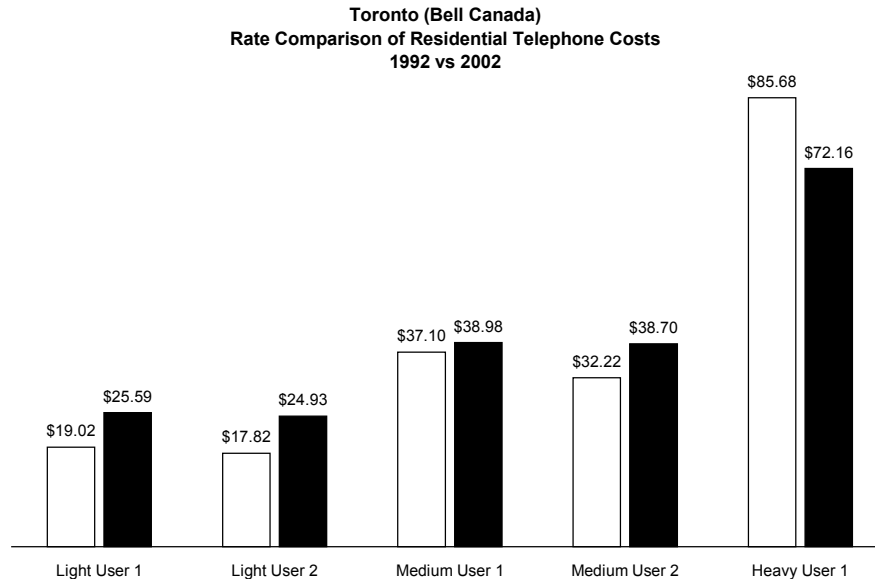
Summary of Residential Telephone Costs
User Type: Medium 2

Telephone Company	Location	1992	2002	\$ Change	% Change
Bell Canada	Toronto	\$32.22	\$38.70	\$6.48	20%
Aliant - NS	Halifax	\$34.90	\$38.58	\$3.68	11%
MTS	Winnipeg	\$29.63	\$39.49	\$9.86	33%
SaskTel	Saskatoon	\$32.27	\$34.20	\$1.93	6%
TELUS - BC	Vancouver	\$30.15	\$38.73	\$8.58	28%

Finally, telephone service costs for heavy users have decreased over the 1992 to 2002 period by 15% - 30%. This illustrates that for heavy users of long distance, the impact of the price reductions in long distance more than fully off-sets increases in local calling service and optional services prices.

Telephone Company	Location	1992	2002	\$ Change	% Change
Bell Canada	Toronto	\$85.68	\$72.16	-\$13.52	-16%
Aliant - NS	Halifax	\$95.53	\$81.16	-\$14.37	-15%
MTS	Winnipeg	\$76.72	\$64.12	-\$12.60	-16%
SaskTel	Saskatoon	\$88.26	\$61.91	-\$26.34	-30%
TELUS - BC	Vancouver	\$86.58	\$72.15	-\$14.43	-17%

Bell Canada – Residential Rate Analysis Results:



The chart above illustrates the residential telephone costs in Toronto for 1992 and 2002 in total, while the table below provides the disaggregated data for local service, optional local services (where applicable) and long distance calling. The table illustrates the increase in the cost of local and optional services, as well as the decreases in long distance calling costs between 1992 and 2002.

**Bell Canada
Comparison of Residential Telephone Costs
1992 vs 2002**

1992 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Toronto					
Local (incl. touch tone and other mandatory charges)	\$15.15	\$15.15	\$15.15	\$15.15	\$15.15
Optional local services	\$0.00	\$0.00	\$5.50	\$5.50	\$17.00
Long distance	\$3.87	\$2.67	\$16.45	\$11.57	\$53.53
Total	\$19.02	\$17.82	\$37.10	\$32.22	\$85.68

2002 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Toronto					
Local (incl. touch tone and other mandatory charges)	\$22.95	\$22.95	\$22.95	\$22.95	\$22.95
Optional local services	\$0.00	\$0.00	\$7.00	\$7.00	\$24.95
Long distance	\$2.64	\$1.98	\$9.03	\$8.75	\$24.26
Total	\$25.59	\$24.93	\$38.98	\$38.70	\$72.16

1992 vs 2002 - \$ Change	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Toronto					
Local (incl. touch tone and other mandatory charges)	\$7.80	\$7.80	\$7.80	\$7.80	\$7.80
Optional local services	\$0.00	\$0.00	\$1.50	\$1.50	\$7.95
Long distance	-\$1.22	-\$0.69	-\$7.42	-\$2.82	-\$29.27
Total	\$6.58	\$7.11	\$1.88	\$6.48	-\$13.52
Percentage change	35%	40%	5%	20%	-16%

The following table identifies the long distance calling plan or schedule used to develop the long distance calling cost component of the analysis.

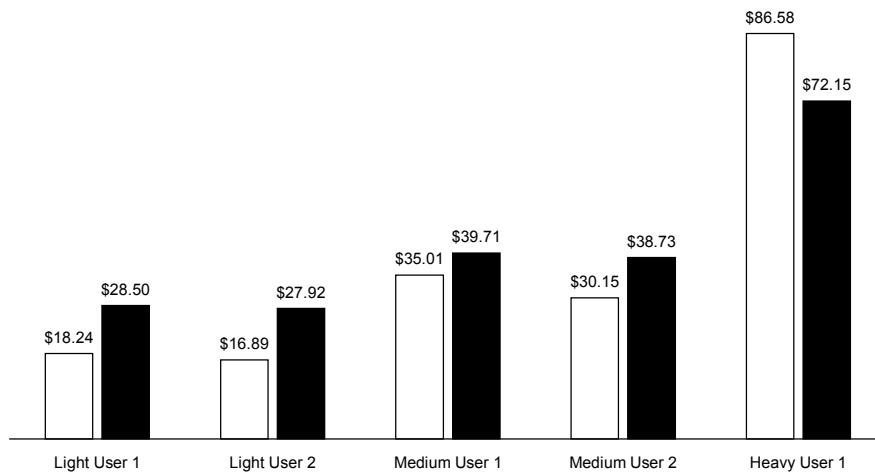
Bell Canada - Toronto

Long Distance Calling Plans

Calling Profile	1992	2002
Light 1	Basic Toll Schedule	Basic Toll Schedule
Light 2	Basic Toll Schedule	Basic Toll Schedule
Medium 1	Between Friends Ontario & Quebec	First Rate My Province
Medium 2	Between Friends Ontario & Quebec	First Rate My Province
Heavy 1	Between Friends Ontario & Quebec and Canada & US	First Rate Overseas

TELUS – Residential Rate Analysis Results:

**Vancouver (TELUS)
Rate Comparison of Residential Telephone Costs
1992 vs 2002**



The chart above illustrates the residential telephone costs in Vancouver for 1992 and 2002 in total, while the table below provides the disaggregated data for local service, optional local services (where applicable) and long distance calling. The table illustrates the increase in the cost of local and option services, as well as the decreases in long distance calling costs between 1992 and 2002. TELUS also has two bundled offerings that offer additional local calling features – both plans (Residence Value Bundle and

Residence No Limits Bundle) how ever have the same cost for the local optional services included in the bundle for Heavy User 1.

TELUS
Comparison of Residential Telephone Costs
1992 vs 2002

1992 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Vancouver					
Local (incl. touch tone and other mandatory charges)	\$14.90	\$14.90	\$14.90	\$14.90	\$14.90
Optional local services	\$0.00	\$0.00	\$3.95	\$3.95	\$20.45
Long distance	\$3.34	\$1.99	\$16.16	\$11.30	\$51.23
Total	\$18.24	\$16.89	\$35.01	\$30.15	\$86.58

2002 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Vancouver					
Local (incl. touch tone and other mandatory charges)	\$25.93	\$25.93	\$25.93	\$25.93	\$25.93
Optional local services	\$0.00	\$0.00	\$5.95	\$5.95	\$21.90
Long distance	\$2.57	\$1.99	\$7.83	\$6.85	\$24.32
Total	\$28.50	\$27.92	\$39.71	\$38.73	\$72.15

1992 vs 2002 - \$ Change	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Vancouver					
Local (incl. touch tone and other mandatory charges)	\$11.03	\$11.03	\$11.03	\$11.03	\$11.03
Optional local services	\$0.00	\$0.00	\$2.00	\$2.00	\$1.45
Long distance	-\$0.76	\$0.00	-\$8.34	-\$4.45	-\$26.91
Total	\$10.27	\$11.03	\$4.69	\$8.58	-\$14.43
Percentage change	56%	65%	13%	28%	-17%

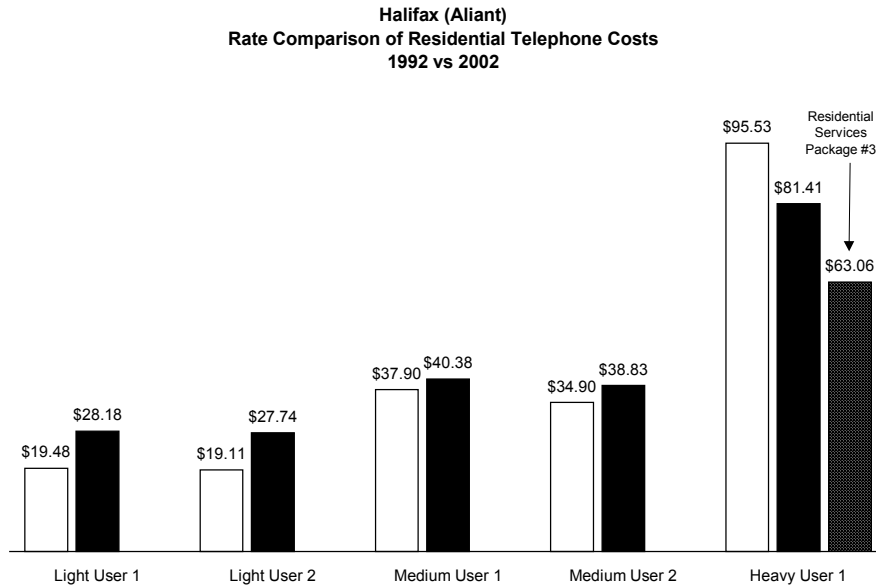
The following table identifies the long distance calling plan or schedule used to develop the long distance calling cost component of the analysis.

TELUS - Vancouver

Long Distance Calling Plans

Calling Profile	1992	2002
Light 1	Basic Toll Schedule	Two West
Light 2	Basic Toll Schedule	Basic Toll Schedule
Medium 1	Basic Toll Schedule	Two West
Medium 2	Between Friends B.C.	Two West
Heavy 1	Between Friends B.C. and Canada & US	First Rate 24 hours – 2 regions and Overseas option

Aliant – Residential Rate Analysis Results:



The chart above illustrates the residential telephone costs in Halifax for 1992 and 2002 in total. Note that for Heavy User 1, Aliant’s Residential Services Package #3 (PrimPak Select), a bundle of local service, optional and long distance calling provides the least cost option based on the calling profile used. The table below provides the disaggregated data for local service, optional local services (where applicable) and long distance calling. The table illustrates the increase in the cost of local and option services, as well as the decreases in long distance calling costs between 1992 and 2002.

Aliant
Comparison of Residential Telephone Costs
1992 vs 2002

1992 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Halifax					
Local (incl. touch tone and other mandatory charges)	\$15.15	\$15.15	\$15.15	\$15.15	\$15.15
Optional local services	\$0.00	\$0.00	\$2.75	\$2.75	\$13.75
Long distance	\$4.33	\$3.96	\$20.00	\$17.00	\$66.63
Total	\$19.48	\$19.11	\$37.90	\$34.90	\$95.53

2002 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Halifax					
Local (incl. touch tone and other mandatory charges)	\$25.19	\$25.19	\$25.19	\$25.19	\$25.19
Optional local services	\$0.00	\$0.00	\$5.00	\$5.00	\$24.25
Long distance	\$2.99	\$2.55	\$9.94	\$8.39	\$31.72
Total	\$28.18	\$27.74	\$40.13	\$38.58	\$81.16

1992 vs 2002 - \$ Change	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Halifax					
Local (incl. touch tone and other mandatory charges)	\$10.04	\$10.04	\$10.04	\$10.04	\$10.04
Optional local services	\$0.00	\$0.00	\$2.25	\$2.25	\$10.50
Long distance	-\$1.34	-\$1.41	-\$10.06	-\$8.61	-\$34.91
Total	\$8.70	\$8.63	\$2.23	\$3.68	-\$14.37
Percentage change	45%	45%	6%	11%	-15%

Notes:
Heavy user 1 would have been better off with Residential Services Package #3 in 2002 \$63.06

The following table identifies the long distance calling plan or schedule used to develop the long distance calling cost component of the analysis.

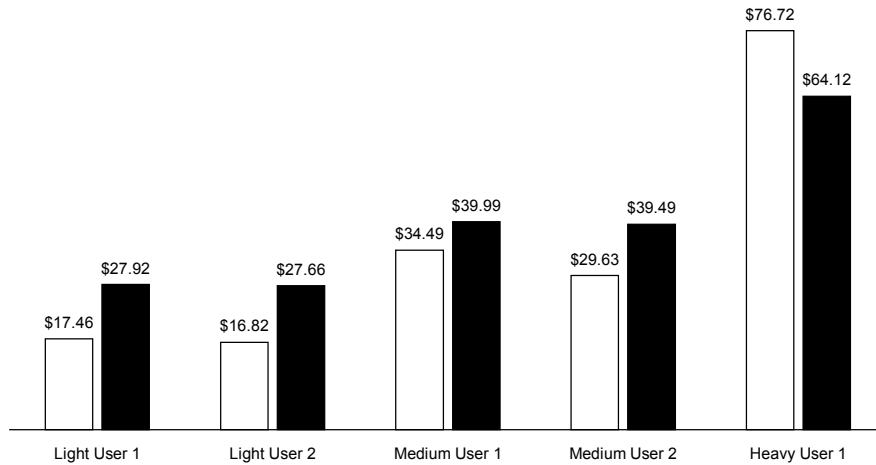
Aliant - Halifax

Long Distance Calling Plans

Calling Profile	1992	2002
Light 1	Basic Toll Schedule	Real Time Saving
Light 2	Basic Toll Schedule	Real Time Saving
Medium 1	Between Friends	Real Time Saving
Medium 2	Between Friends	Real Time Saving
Heavy 1	Teleplus Canada	Real Time Saving

MTS – Residential Rate Analysis Results:

**Winnipeg (MTS)
Rate Comparison of Residential Telephone Costs
1992 vs 2002**



The chart above illustrates the residential telephone costs in Winnipeg for 1992 and 2002 in total, while the table below provides the disaggregated data for local service, optional local services (where applicable) and long distance calling. The table illustrates the increase in the cost of local and option services, as well as the decreases in long distance calling costs between 1992 and 2002. For 2002, the optional local services bundle for Heavy User 1 contains 4 more services than in 1992. However, the stand-alone price in 2002 for the 4 services included in the 1992 bundle (this bundle is no longer available in 2002) is greater than the eight services bundle.

MTS
Comparison of Residential Telephone Costs
1992 vs 2002

1992 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Winnipeg					
Local (incl. touch tone and other mandatory charges)	\$13.70	\$13.70	\$13.70	\$13.70	\$13.70
Optional local services	\$0.00	\$0.00	\$2.45	\$2.45	\$7.35
Long distance	\$3.76	\$3.12	\$18.34	\$13.48	\$55.67
Total	\$17.46	\$16.82	\$34.49	\$29.63	\$76.72

2002 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Winnipeg					
Local (incl. touch tone and other mandatory charges)	\$25.44	\$25.44	\$25.44	\$25.44	\$25.44
Optional local services	\$0.00	\$0.00	\$5.65	\$5.65	\$18.00
Long distance	\$2.48	\$2.22	\$8.90	\$8.40	\$20.68
Total	\$27.92	\$27.66	\$39.99	\$39.49	\$64.12

1992 vs 2002 - \$ Change	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Winnipeg					
Local (incl. touch tone and other mandatory charges)	\$11.74	\$11.74	\$11.74	\$11.74	\$11.74
Optional local services	\$0.00	\$0.00	\$3.20	\$3.20	\$10.65
Long distance	-\$1.28	-\$0.90	-\$9.44	-\$5.08	-\$34.99
Total	\$10.46	\$10.84	\$5.50	\$9.86	-\$12.60
Percentage change	60%	64%	16%	33%	-16%

The following table identifies the long distance calling plan or schedule used to develop the long distance calling cost component of the analysis.

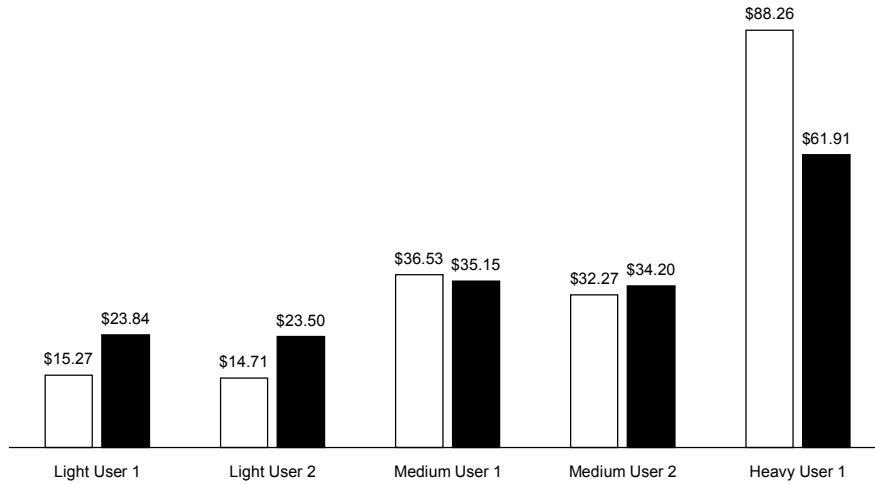
MTS - Winnipeg

Long Distance Calling Plans

Calling Profile	1992	2002
Light 1	Basic Toll Schedule	Basic Toll Schedule
Light 2	Basic Toll Schedule	Basic Toll Schedule
Medium 1	Basic Toll Schedule	First Rate Day or Night
Medium 2	Between Friends Manitoba	First Rate Day or Night
Heavy 1	Between Friends Manitoba and Canada & US	First Rate Day or Night

SaskTel – Residential Rate Analysis Results:

**Saskatoon (SaskTel)
Rate Comparison of Residential Telephone Costs
1992 vs 2002**



The chart above illustrates the residential telephone costs in Saskatoon for 1992 and 2002 in total, while the table below provides the disaggregated data for local service, optional local services (where applicable) and long distance calling. The table illustrates the increase in the cost of local service, as well as the decreases in long distance calling costs and local optional service bundles between 1992 and 2002.

SaskTel
Comparison of Residential Telephone Costs
1992 vs 2002

1992 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Saskatoon					
Local (incl. touch tone and other mandatory charges)	\$11.35	\$11.35	\$11.35	\$11.35	\$11.35
Optional local services	\$0.00	\$0.00	\$5.95	\$5.95	\$17.95
Long distance	\$3.92	\$3.36	\$19.23	\$14.97	\$58.96
Total	\$15.27	\$14.71	\$36.53	\$32.27	\$88.26

2002 - Calling Profile	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Saskatoon					
Local (incl. touch tone and other mandatory charges)	\$22.50	\$22.50	\$22.50	\$22.50	\$22.50
Optional local services	\$0.00	\$0.00	\$5.95	\$5.95	\$15.95
Long distance	\$1.34	\$1.00	\$6.70	\$5.75	\$23.46
Total	\$23.84	\$23.50	\$35.15	\$34.20	\$61.91

1992 vs 2002 - \$ Change	Light User 1	Light User 2	Medium User 1	Medium User 2	Heavy User 1
Location - Saskatoon					
Local (incl. touch tone and other mandatory charges)	\$11.15	\$11.15	\$11.15	\$11.15	\$11.15
Optional local services	\$0.00	\$0.00	\$0.00	\$0.00	-\$2.00
Long distance	-\$2.58	-\$2.36	-\$12.53	-\$9.22	-\$35.49
Total	\$8.57	\$8.79	-\$1.38	\$1.93	-\$26.34
Percentage change	56%	60%	-4%	6%	-30%

The following table identifies the long distance calling plan or schedule used to develop the long distance calling cost component of the analysis.

SaskTel - Saskatoon

Long Distance Calling Plans

Calling Profile	1992	2002
Light 1	Basic Toll Schedule	Straight Rate Saskatchewan Savings
Light 2	Basic Toll Schedule	Straight Rate Saskatchewan Savings
Medium 1	Basic Toll Schedule	Straight Rate Saskatchewan Savings
Medium 2	Between Friends Saskatchewan	Straight Rate Saskatchewan Savings
Heavy 1	Between Friends Saskatchewan and Canada & US	Straight Rate Saskatchewan Savings

3.2.3 Other Calling Profiles

The residential telephone bill analysis focused on calling patterns for typical consumers in the largest locations in each ILEC territory. The change in residential telephone costs

from 1992 to 2002 will be significantly influenced by the location of the consumer, their use of calling features and long distance calling patterns. For different consumer groups, the change in telephone costs will vary.

For example, customers in more rural (less urban) locations have generally seen larger than average increases in local calling rates as the telephone companies have moved towards more uniform residential rate pricing, with less spread in the residential rates between rural and urban areas. The following tables provides a comparison of the residential local service rate increases for the locations used in the bill analysis with the rate changes experienced by residential customers in more rural areas.²⁹

ILEC	Area	Location	1992	2002	\$ Increase	%
Bell Canada	Urban	Toronto, Ont	\$15.15	\$22.95	\$7.80	51%
Bell Canada	Rural	Cardiff, Ont	\$8.95	\$22.15	\$13.20	147%
Bell Canada	Rural	Ste. Agathe, Que	\$9.65	\$22.15	\$12.50	130%

ILEC	Area	Location	1992	2002	\$ Increase	%
TELUS	Urban	Vancouver, BC	\$14.90	\$25.93	\$11.03	74%
TELUS	Rural	Terrace, BC	\$8.70	\$23.03	\$14.33	165%
TELUS	Rural	Jasper, AB	\$10.47	\$26.85	\$16.38	156%

ILEC	Area	Location	1992	2002	\$ Increase	%
Aliant	Urban	Halifax, NS	\$15.15	\$25.19	\$10.04	66%
Aliant	Rural	Igonish, NS	\$13.10	\$25.19	\$12.09	92%
Aliant	Rural	Tignish, PEI	\$11.25	\$24.75	\$13.50	120%
Aliant	Rural	Port Elgin, NB	\$10.90	\$22.32	\$11.42	105%
Aliant	Rural	Bonavista, NF	\$9.60	\$21.95	\$12.35	129%

ILEC	Area	Location	1992	2002	\$ Increase	%
MTS	Urban	Winnipeg, MB	\$13.70	\$25.44	\$11.74	86%
MTS	Rural	Nelson House, MB	\$9.25	\$24.64	\$15.39	166%
MTS	Rural	Oakburn, MB	\$10.00	\$23.49	\$13.49	135%

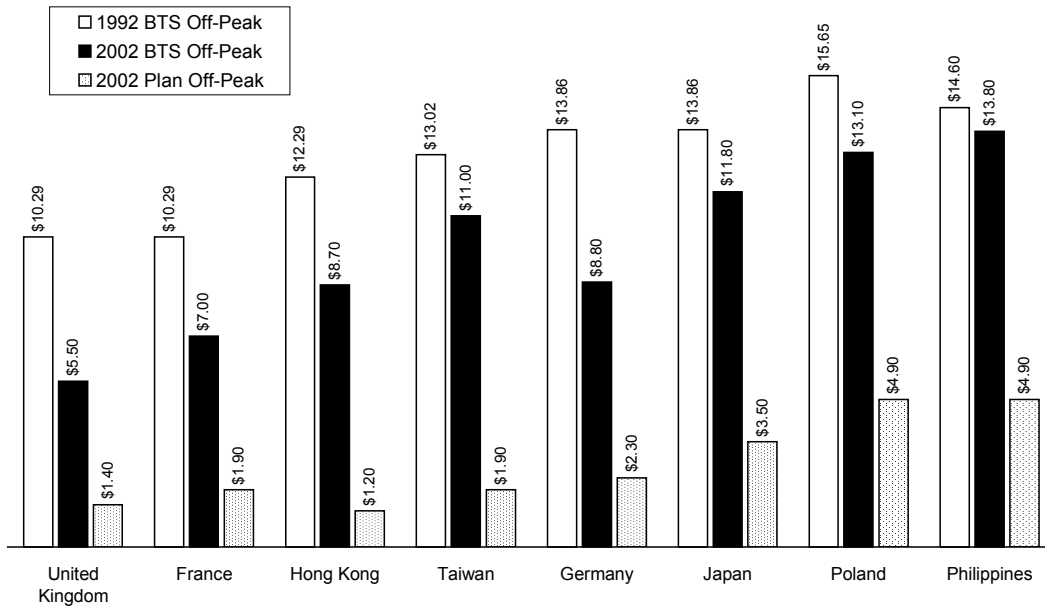
ILEC	Area	Location	1992	2002	\$ Increase	%
SaskTel	Urban	Saskatoon, SK	\$11.35	\$22.50	\$11.15	98%
SaskTel	Rural	Lloyminster, SK	\$8.65	\$22.50	\$13.85	160%
SaskTel	Rural	Estevan, SK	\$10.10	\$22.50	\$12.40	123%

On the other hand, customers with significant amounts of overseas or U.S. long distance calling have seen larger than average reductions in the long distance component of their telephone costs. The graph below illustrates the changes in overseas calling costs for a select number of countries. The graphs compare the cost of a 10 minute off-peak overseas call in TELUS-B.C. territory using the basic toll schedule (1992 and 2002) and the cost under TELUS' New World overseas rate plan (2002).³⁰

²⁹ Local rates include local service, touch tone and mandatory services (E9-1-1, MRS, etc.) where applicable.

³⁰ The New World rate plan also has a monthly fee of \$4.95 and Network Service Charge of \$1.25 that are not reflected in the call costs. Regardless of these additional fees, the New World rate plan offers significant savings in 2002 over 1992.

TELUS - BC
Overseas Rate Comparison - 10 minute call
1992 vs 2002



3.3 Consumer Choice

Over the 1992 – 2002 time period, consumers have seen a greater variety in the number of long distance service providers. While some larger players have exited the residential market (AT&T Canada), the remaining competitors offer a choice and variety in terms of service providers. It is also relatively easy for consumers to move between long distance service providers

In the local service market, however, residential subscribers have few, if any, competitive alternatives. Where competition in the local market has emerged, it has been very geographically limited. EastLink provides service within the territory of its cable television operations. Sprint Canada has rolled out residential local service in areas where it has established co-location facilities with the ILECs. These have been focused on the major urban markets.

An important goal of competition is to promote and stimulate service and product innovations. There is no question that consumers had much more choice in terms of services available to them in 2002 than in 1992. In particular, residential customers have seen a significant increase in the number and variety of long distance calling plans – so much so that it is a major challenge for consumers simply to keep abreast of the various calling plans in an effort to ensure that they are getting the best prices possible. Customers have also seen the emergence of bundles of services. With product bundles, a number of services are priced together. Commonly available service bundles include:

- Local optional services
- Internet (dial up or high speed) and long distance
- Local service, optional features and long distance

3.4 Quality of Service and Other Direct Consumer Impacts

As well, while consumers have clearly benefited from increased choice, this has come at the cost of some new problems that are either endemic to competitive markets generally (e.g., misleading advertising), or that are unique to telecommunications competition (e.g., slamming). This study has not attempted to assess the cost or overall impact of these developments.

Coincident with competition and deregulation in telecommunications, there appears to have been a deterioration in ILEC customer service. Despite continued regulatory oversight of incumbent phone company quality of service (e.g., time taken to answer your call, to provide a hook-up, or to repair a problem)³¹, levels of service were remarkably poor across both incumbents and competitors in 2002.

³¹ See <http://www.crtc.gc.ca/ENG/publications/reports/8660/8660.htm> .

This is not surprising, given the tremendous pressure in competitive markets to cut costs, without sufficient counter-incentives to maintain a high level of service quality. Unlike the case of tangible goods, telephone service cannot be inspected for quality prior to purchase. Indeed, customer service is often not tested until the customer has a problem. Moreover, the costs and inconveniences of switching providers to some consumers may be such that consumers tolerate poor levels of customer service. Other consumers (e.g. heavy users) may be willing to tolerate poor service in exchange for lower prices.

3.5 Causal Factors: The Role of Competition

Many of the changes identified in chapter two are clearly attributable to competition and deregulation. By definition, competition brings consumers choice among service providers, as well as the various market problems that inevitably accompany that choice. It has also, without question, been a primary force behind the proliferation of service options and the trends in service pricing.

It is noteworthy, however, that many of the features and options available in 2002 were already offered, in one form or another, in 1992. This could be because competition was already on the horizon in 1992, and ILECs were thus anticipating it. It could also, however, be because such services are highly profitable to the ILECs. Thus, as long as the regulatory structure includes some incentive for the company to increase profits, competition may not have been needed to deliver at least some of the service features and options that consumers now enjoy.

Competition appears to be a key factor underlying the apparent deterioration in service quality for the ILECs. With the rise of competition came an obvious shift of company resources to marketing; such that companies seem to be focused more on *capturing* customers via great price deals than on serving them, once captured. Competition also clearly concentrated company efforts on competitive markets, such that the regulator had to intervene in order to force service improvements in rural and remote areas.

The tremendous improvements in wireless and Internet services over the period 1992-2002 cannot be ignored. They may be tangentially related to policies of competition and deregulation in the wireline telephony market, but are, in our view, primarily attributable to policies of competition specific to those markets.

4.0 Conclusions

Competition and deregulation in telecommunications have been a mixed blessing for consumers. On one hand, they have brought tremendous choice, service innovation, and significant reductions in long distance prices. On other hand, they have brought higher prices for basic local service, frustratingly poor customer service, and new problems specific to competitive markets.

Looking at overall price effects, heavy users of long distance services have clearly benefited. On the other hand, light users of long distance services have been subjected to significant overall bill increases. Those whose long distance calling is largely overseas have clearly benefited, while those who live in rural and remote areas have been subjected to particularly large local rate increases.

Perhaps most interestingly, our analysis shows that the typical³² residential consumer was paying more in 2002 for the same package of telephone services than she was in 1992 notwithstanding the introduction of competition and deregulation in this industry.

³² i.e., the medium user.

APPENDIX I

Local Services

The following tables illustrate the impact of residential local rate changes (including mandatory surcharges for E911, MRS and TouchTone) for each ILEC across a sampling of communities.

Bell Canada Residential Local Service

Exchange	Province	1992	2002	\$ Change	% Change
Armstrong	Ont	\$8.15	\$22.15	\$14.00	172%
Aurora	Ont	\$18.40	\$26.40	\$8.00	43%
Barry's Bay	Ont	\$8.95	\$22.15	\$13.20	147%
Burlington	Ont	\$11.70	\$22.15	\$10.45	89%
Calabogie	Ont	\$9.65	\$22.15	\$12.50	130%
Cardiff	Ont	\$8.95	\$22.15	\$13.20	147%
Cardinal	Ont	\$10.55	\$22.15	\$11.60	110%
Carp	Ont	\$12.15	\$22.15	\$10.00	82%
Claremont	Ont	\$21.55	\$28.45	\$6.90	32%
Clarence Creek	Ont	\$13.20	\$22.15	\$8.95	68%
Clarkson	Ont	\$17.30	\$26.40	\$9.10	53%
Elgin	Ont	\$8.65	\$22.15	\$13.50	156%
Kleinburg	Ont	\$16.25	\$22.95	\$6.70	41%
London	Ont	\$11.70	\$22.15	\$10.45	89%
Minden	Ont	\$9.95	\$22.15	\$12.20	123%
Nipigon	Ont	\$8.65	\$22.15	\$13.50	156%
North Bay	Ont	\$10.55	\$22.15	\$11.60	110%
Oakville	Ont	\$17.30	\$26.40	\$9.10	53%
Ottawa	Ont	\$12.15	\$22.15	\$10.00	82%
Pakenham	Ont	\$9.65	\$22.95	\$13.30	138%
Pelee Island	Ont	\$8.15	\$22.15	\$14.00	172%
Pickering	Ont	\$16.25	\$26.40	\$10.15	62%
Port Credit	Ont	\$15.15	\$22.95	\$7.80	51%
Rockland	Ont	\$13.20	\$22.15	\$8.95	68%
Schomberg	Ont	\$21.55	\$28.45	\$6.90	32%
Stouffville	Ont	\$18.40	\$28.00	\$9.60	52%
Stratford	Ont	\$9.95	\$22.15	\$12.20	123%
Toronto	Ont	\$15.15	\$22.95	\$7.80	51%
Whitby	Ont	\$11.30	\$22.15	\$10.85	96%
Windsor	Ont	\$11.30	\$22.15	\$10.85	96%

**Bell Canada
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Biencourt	Que	\$8.15	\$22.15	\$14.00	172%
Chateauguay	Que	\$14.15	\$22.15	\$8.00	57%
Chomedey	Que	\$13.20	\$22.15	\$8.95	68%
Drummondville	Que	\$10.55	\$22.15	\$11.60	110%
Fortierville	Que	\$8.65	\$22.15	\$13.50	156%
Hudson	Que	\$19.45	\$28.00	\$8.55	44%
Jonquiere	Que	\$10.55	\$22.15	\$11.60	110%
Lachute	Que	\$9.65	\$28.00	\$18.35	190%
Luskville	Que	\$12.15	\$22.15	\$10.00	82%
Mascouche	Que	\$15.15	\$22.95	\$7.80	51%
Mirabel Aeroport	Que	\$20.50	\$22.95	\$2.45	12%
Montreal	Que	\$15.15	\$22.95	\$7.80	51%
Oka	Que	\$19.45	\$28.00	\$8.55	44%
Pointe-Claire	Que	\$14.15	\$22.15	\$8.00	57%
Quebec	Que	\$11.70	\$22.15	\$10.45	89%
Riviere-du-Loop	Que	\$9.95	\$22.15	\$12.20	123%
Sherbrooke	Que	\$11.30	\$22.15	\$10.85	96%
St-Constant	Que	\$13.20	\$22.15	\$8.95	68%
Ste-Agathe	Que	\$9.65	\$22.15	\$12.50	130%
St-Polycarpe	Que	\$9.95	\$22.15	\$12.20	123%
Tadoussac	Que	\$8.95	\$22.15	\$13.20	147%
Temiscaming	Que	\$11.70	\$22.15	\$10.45	89%
Trois-Riviere	Que	\$11.30	\$22.15	\$10.85	96%
Vaudreuil	Que	\$16.25	\$22.95	\$6.70	41%
Vercheres	Que	\$16.25	\$22.95	\$6.70	41%
Wakefield	Que	\$12.15	\$22.15	\$10.00	82%
Weedon	Que	\$8.95	\$22.15	\$13.20	147%

**TELUS
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Abbotsford	BC	\$10.45	\$29.58	\$19.13	183%
Bowser	BC	\$10.45	\$23.03	\$12.58	120%
Courtenay	BC	\$9.85	\$24.13	\$14.28	145%
Elko	BC	\$9.30	\$23.03	\$13.73	148%
Flatrock	BC	\$11.05	\$23.03	\$11.98	108%
Kamloops	BC	\$9.85	\$24.13	\$14.28	145%
Kelowna	BC	\$10.45	\$29.58	\$19.13	183%
Kitimat	BC	\$8.70	\$23.03	\$14.33	165%
Port Hardy	BC	\$9.30	\$27.83	\$18.53	199%
Quesnel	BC	\$9.30	\$23.03	\$13.73	148%
Red Rock	BC	\$11.65	\$23.03	\$11.38	98%
Terrace	BC	\$8.70	\$23.03	\$14.33	165%
Topley	BC	\$9.85	\$23.03	\$13.18	134%
Trail	BC	\$9.30	\$23.03	\$13.73	148%
Vancouver (Core)	BC	\$14.90	\$25.93	\$11.03	74%
Victoria	BC	\$11.65	\$24.13	\$12.48	107%
Wells	BC	\$11.05	\$23.03	\$11.98	108%
Yale	BC	\$9.30	\$23.03	\$13.73	148%
Yarrow	BC	\$10.45	\$23.03	\$12.58	120%

**TELUS
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Anzac	AB	\$10.18	\$26.85	\$16.67	164%
Bentley	AB	\$10.47	\$26.85	\$16.38	156%
Big Valley	AB	\$10.18	\$26.85	\$16.67	164%
Calgary	AB	\$12.18	\$24.00	\$11.82	97%
Canmore	AB	\$10.66	\$27.95	\$17.29	162%
Edson	AB	\$10.66	\$26.85	\$16.19	152%
Fort McMurray	AB	\$11.27	\$26.85	\$15.58	138%
Jasper	AB	\$10.47	\$26.85	\$16.38	156%
Keg River	AB	\$10.18	\$26.85	\$16.67	164%
Lake Louise	AB	\$10.47	\$26.85	\$16.38	156%
Lethbridge	AB	\$11.27	\$25.30	\$14.03	124%
Lloydminster	AB	\$11.27	\$25.30	\$14.03	124%
Lougheed	AB	\$10.18	\$26.85	\$16.67	164%
Medicine Hat	AB	\$11.27	\$25.30	\$14.03	124%
Peace River	AB	\$10.66	\$26.85	\$16.19	152%
Red Deer	AB	\$11.27	\$25.30	\$14.03	124%
Slave Lake	AB	\$10.66	\$27.40	\$16.74	157%

**Aliant
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Canso	NS	\$13.10	\$25.19	\$12.09	92%
Digby	NS	\$14.30	\$25.19	\$10.89	76%
Glace Bay	NS	\$14.70	\$25.19	\$10.49	71%
Halifax	NS	\$15.15	\$25.19	\$10.04	66%
Igonish	NS	\$13.10	\$25.19	\$12.09	92%
Mabou	NS	\$13.50	\$25.19	\$11.69	87%
New Glasgow	NS	\$14.70	\$25.19	\$10.49	71%
Port Greville	NS	\$13.50	\$25.19	\$11.69	87%
Port Hood	NS	\$13.95	\$25.19	\$11.24	81%
Syndey	NS	\$14.70	\$25.19	\$10.49	71%
Truro	NS	\$14.70	\$25.19	\$10.49	71%
Yarmouth	NS	\$14.30	\$25.19	\$10.89	76%

**Aliant
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Charlottetown	PEI	\$13.60	\$24.75	\$11.15	82%
Mount Stewart	PEI	\$13.60	\$24.75	\$11.15	82%
O'Leary	PEI	\$11.25	\$24.75	\$13.50	120%
Summerside	PEI	\$12.90	\$24.75	\$11.85	92%
Tignish	PEI	\$11.25	\$24.75	\$13.50	120%
Tyne Valley	PEI	\$12.90	\$24.75	\$11.85	92%

**Aliant
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Bathurst	NB	\$12.30	\$22.32	\$10.02	81%
Blacks Harbour	NB	\$11.15	\$22.32	\$11.17	100%
Campbellton	NB	\$11.95	\$22.32	\$10.37	87%
Chatham	NB	\$11.95	\$22.32	\$10.37	87%
Edmunston	NB	\$11.95	\$22.32	\$10.37	87%
Fredericton	NB	\$13.25	\$22.32	\$9.07	68%
Hoyt	NB	\$10.75	\$22.32	\$11.57	108%
Kedgwick	NB	\$11.15	\$22.32	\$11.17	100%
Minto	NB	\$11.15	\$22.32	\$11.17	100%
Moncton	NB	\$13.25	\$22.32	\$9.07	68%
New Castle	NB	\$12.30	\$22.32	\$10.02	81%
Port Elgin	NB	\$10.90	\$22.32	\$11.42	105%
Red Bank	NB	\$11.75	\$22.32	\$10.57	90%
Sackville	NB	\$11.45	\$22.32	\$10.87	95%
Saint John	NB	\$13.25	\$22.32	\$9.07	68%
Woodstock	NB	\$11.45	\$22.32	\$10.87	95%

**Aliant
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Badger	NF	\$9.60	\$21.95	\$12.35	129%
Bonavista	NF	\$9.60	\$21.95	\$12.35	129%
Corner Brook	NF	\$11.70	\$21.95	\$10.25	88%
Gander	NF	\$10.75	\$21.95	\$11.20	104%
New Harbour	NF	\$9.60	\$21.95	\$12.35	129%
Roddickton	NF	\$9.60	\$21.95	\$12.35	129%
St. John's	NF	\$14.00	\$21.95	\$7.95	57%
Summerside	NF	\$11.70	\$21.95	\$10.25	88%
Wild Cove	NF	\$9.60	\$21.95	\$12.35	129%

**MTS
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Berens River	Manitoba	\$9.25	\$23.49	\$14.24	154%
Brandon	Manitoba	\$11.75	\$24.64	\$12.89	110%
Churchill	Manitoba	\$10.00	\$20.74	\$10.74	107%
Edwin	Manitoba	\$11.30	\$24.64	\$13.34	118%
Erickson	Manitoba	\$10.25	\$23.49	\$13.24	129%
Flin Flon	Manitoba	\$10.95	\$24.64	\$13.69	125%
Landmark	Manitoba	\$11.30	\$24.64	\$13.34	118%
Nelson House	Manitoba	\$9.25	\$24.64	\$15.39	166%
Oakburn	Manitoba	\$10.00	\$23.49	\$13.49	135%
Selkirk	Manitoba	\$10.95	\$24.64	\$13.69	125%
The Pas	Manitoba	\$10.65	\$24.64	\$13.99	131%
Thompson	Manitoba	\$10.95	\$24.64	\$13.69	125%
Wanless	Manitoba	\$10.65	\$24.64	\$13.99	131%
Winnipeg Core	Manitoba	\$13.70	\$25.44	\$11.74	86%
Winnipeg Suburban	Manitoba	\$13.70	\$25.44	\$11.74	86%

**SaskTel
Residential Local Service**

Exchange	Province	1992	2002	\$ Change	% Change
Big River	SK	\$8.65	\$22.50	\$13.85	160%
Buffalo Narrows	SK	\$8.65	\$22.50	\$13.85	160%
Estevan	SK	\$10.10	\$22.50	\$12.40	123%
Lloydminster	SK	\$8.65	\$22.50	\$13.85	160%
Maymont	SK	\$8.65	\$22.50	\$13.85	160%
Moose Jaw	SK	\$10.10	\$22.50	\$12.40	123%
North Battleford	SK	\$10.10	\$22.50	\$12.40	123%
Pinehouse	SK	\$8.65	\$22.50	\$13.85	160%
Prince Albert	SK	\$10.10	\$22.50	\$12.40	123%
Regina	SK	\$11.35	\$22.50	\$11.15	98%
Saskatoon	SK	\$11.35	\$22.50	\$11.15	98%
Stanley Mission	SK	\$8.65	\$22.50	\$13.85	160%
Unity	SK	\$8.65	\$22.50	\$13.85	160%
Val Marie	SK	\$8.65	\$22.50	\$13.85	160%
Weyburn	SK	\$10.10	\$22.50	\$12.40	123%

Appendix II

Local Optional Features

The following tables provide a comparison of local optional features pricing between 1992 and 2002 for each ILEC. A sampling of local optional features is provided.

Bell Canada - Residential Optional Features Comparison of Prices - 1992 vs 2002

	1992	2002	Change
Voice Mail (Call Answer)	\$5.50	\$7.00	\$1.50
Call Forwarding	\$4.00	\$5.00	\$1.00
Speed Calling 8-code	\$4.00	\$3.00	-\$1.00
Call Waiting	\$4.00	\$6.00	\$2.00
Three way calling	\$4.00	\$5.00	\$1.00
Ident-A-Call	\$4.00	\$5.00	\$1.00
Call Display (Name and Number)	N/A	\$8.00	-
Call Return	N/A	\$5.00	-
Call Screen	N/A	\$5.00	-
Call Privacy	N/A	\$5.00	-

TELUS - BC - Residential Optional Features Comparison of Prices - 1992 vs 2002

	1992	2002	Change
Call Answer Plus Voice Mailbox	\$5.95	\$5.95	\$0.00
Call Forwarding	\$3.00	\$4.95	\$1.95
Speed Calling 8-code	\$3.00	N/A	-
Call Hold	\$3.00	N/A	-
Three way calling	\$3.00	N/A	- *
Smart Ring	\$6.00	\$6.95	\$0.95
Call Trace	\$3.50	No charge	-
Calling No. Display	\$6.00	\$7.95	\$1.95
Call Again	\$3.50	N/A	- *
Call Return	\$3.50	N/A	- *
Call Waiting	\$4.50	\$5.95	\$1.45

* 2002 - Now Pay Per Use \$1.00 to max. \$7.00

**TELUS - Alberta - Residential Optional Features
Comparison of Prices - 1995 vs 2002***

	1992	2002	Change	
Call Answer (Enhanced)	\$5.95	\$7.95	\$2.00	
Call Forwarding	\$3.00	\$4.95	\$1.95	
Speed Calling 8-code	\$3.00	N/A	-	
Three way calling	\$3.00	N/A	-	**
Smart Ring	\$4.95	\$6.95	\$2.00	
Call Trace	\$3.00	No charge	-	***
Calling Display	\$4.95	\$7.95	\$3.00	
Call Again	\$3.00	N/A	-	**
Call Return	\$3.00	N/A	-	**
Call Waiting	\$4.00	\$5.95	\$1.95	

- * SmartTouch Services tariff introduced 1995
- ** 2002 - Now Pay Per Use \$1.00 to max. \$7.00
- *** Rate per trace

**Aliant - Nova Scotia - Residential Optional Features
Comparison of Prices - 1992 vs 2002**

	1992	2002	Change
Call Answer	N/A	\$6.00	-
Call Waiting	\$2.75	\$5.00	\$2.25
Call Forwarding	\$2.75	\$5.00	\$2.25
Select Ring	\$2.75	\$5.00	\$2.25
Three way calling	\$2.75	\$5.00	\$2.25
Call Trace	\$2.75	No charge	-
Call Display	\$4.75	\$8.00	\$3.25
Ring Again	\$2.75	\$5.00	\$2.25
Call Return	\$2.75	\$5.00	\$2.25

**Aliant - PEI - Residential Optional Features
Comparison of Prices - 1992 vs 2002**

	1992	2002	Change
Call Answer	N/A	\$5.00	-
Call Waiting	\$3.00	\$5.00	\$2.00
Call Forwarding	\$3.00	\$5.00	\$2.00
Select Ring	\$3.00	\$5.00	\$2.00
Three way calling	\$3.00	\$5.00	\$2.00
Call Display	N/A	\$5.00	-
Ring Again	N/A	\$5.00	-
Call Return	N/A	\$5.00	-

**Aliant - New Brunswick - Residential Optional Features
Comparison of Prices - 1992 vs 2002**

	1992	2002	Change
Call Answer	N/A	\$6.00	-
Call Waiting	\$3.95	\$5.00	\$1.05
Call Forwarding	\$3.95	\$5.00	\$1.05
Distinctive Ringing	\$3.95	\$5.00	\$1.05
Three way calling	\$3.95	\$5.00	\$1.05
Speed Calling	\$3.95	\$5.00	\$1.05
Call Trace	\$3.95	\$5.00	- *
Call Display	\$4.95	\$7.00	\$2.05
Call Return	\$3.95	\$5.00	\$1.05

* 2002 - Rate per trace, to max. \$10 per month

**Aliant - Newfoundland - Residential Optional Features
Comparison of Prices - 1992 vs 2002**

	1992	2002	Change
Message Manager - Basic (IVMS)	\$4.95	\$6.00	\$1.05
Message Manager - Enhanced (IVMS)	\$6.95	\$6.95	\$0.00
Call Waiting	\$2.50	\$5.00	\$2.50
Call Forwarding	\$2.50	\$5.00	\$2.50
Distinctive Ringing	\$2.50	\$5.00	\$2.50
Three way calling	\$2.50	\$5.00	\$2.50
Speed Calling - 8 code	\$2.50	\$5.00	\$2.50
Call Trace	\$4.95	\$5.00	- *
Call Display	\$4.95	\$7.00	\$2.05
Call Return	\$4.95	\$5.00	\$0.05

* 2002 - Rate per trace, to max. \$10 per month

**MTS - Residential Optional Features
Comparison of Prices - 1992 vs 2002**

	1992	2002	Change	
Call Answer - Basic	N/A	\$7.00	-	
Call Answer - Enhanced	N/A	\$9.95	-	
Call Waiting	\$2.45	\$5.65	\$3.20	
Call Forwarding	\$2.45	\$4.65	\$2.20	
Ident-A-Call	\$3.95	\$5.65	\$1.70	
Three way calling	\$2.45	\$4.65	\$2.20	**
Speed Calling - 8 code	\$2.45	\$5.00	\$2.55	
Call Trace	\$5.00	No charge	-	*
Call Display	\$3.95	\$7.00	\$3.05	
Call Return	\$2.40	\$4.65	\$2.25	**
Call Screen	\$2.40	\$4.65	\$2.25	

* Rate per trace

** 2002 - also available on pay per use basis of \$0.60 to max. of \$10/month

**SaskTel - Residential Optional Features
Comparison of Prices - 1992 vs 2002**

	1992*	2002	Change
Message Manager - Basic	\$5.95	\$5.95	-
Call Waiting	\$2.00	\$4.00	\$2.00
Call Forwarding	\$2.00	\$4.00	\$2.00
Ident-A-Call	\$2.00	\$4.00	\$2.00
Three way calling	\$2.00	\$4.00	\$2.00
Speed Calling - 8 code	\$2.00	\$4.00	\$2.00
Call Trace	\$2.00	\$4.00	\$2.00
Call Display	\$3.00	\$4.00	\$1.00
Call Return	\$2.00	\$4.00	\$2.00

* \$1/mth monthly subscription for optional features also applies

APPENDIX III

Residential Long Distance Calling Plans - 1992

Bell Canada

Econopak

- Intra-provincial (Ontario-Ontario or Quebec-Quebec); 12:00 pm and 8:00 pm daily; all other calls at BTS rates
 - \$17.45 for 60 min/month. (equivalent of \$0.29/minute)
 - \$3.45 for each additional 15 minute block (equivalent of \$0.23/minute)
- Service charge of \$16.75 applied for subscription to the service

In comparison to the top end of the Ontario-Quebec BTS schedule (\$0.39) the \$0.29 equivalent rate represented a discount of 26%.

Teleplus

There were two versions of the plan: Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for Canada-US calling):

- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400
- Service charge of \$16.75 applied for subscription to the service.

Based on monthly fee, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.

Between Friends

The Between Friends were similar in structure to the Econopak plan in that they were based on a flat monthly fee for an initial block of time (30 minutes) and a fee for each additional minute. There were two versions of the Between Friends plan: Ontario & Quebec Plan and Canada & US Plan:

Ontario & Quebec Plan:

- For calling within Ontario and Quebec; eligible calls in off-peak periods (Mon – Friday 6:00 pm – 8:00 am, all day Sat, Sun, Christmas and New Year’s Day); all other calls at BTS rates
 - \$5.50/month for 30 minutes (equivalent of \$0.183/minute)
 - \$0.18 for each additional minute
- Service charge of \$16.75 applied to subscription to the service.

Canada & US Plan:

- For calling within Canada (outside of Ont. and Que.) and between Canada and US; eligible calls in off-peak periods (Mon – Friday 6:00 pm – 8:00 am, all day Sat, Sun, Christmas and New Year’s Day); all other calls at BTS rates
 - \$8.00/month for 30 minutes (equivalent of \$0.267/minute)
 - \$0.26 for each additional minute
- Service charge of \$16.75 applied to subscription to the service.
- Ontario & Quebec plan rates represented approx. a 29% discount off the top end of the Ontario/Quebec BTS rate schedule in the off-peak period (65% of \$0.29/minute)
- Canada & US plan represented a discount of 17% off the top end of the TransCanada BTS schedule in the off-peak period (65% of \$0.48) and discount of 29% off the top end of the Canada-US BTS schedule in the off-peak period (65% of \$0.56)
- Actual discounts achieved would depend on the customers’ calling patterns.

Aliant Telecom – Nova Scotia

Teleplus

There were two versions of the plan: Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for Canada-US calling):

- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400

Based on monthly fee, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.

Between Friends

- For calling within Canada (intra- and inter-provincial) and to the US; eligible calls in off-peak periods (Monday – Saturday 6:00 pm – 10:00 or 11:00 pm, all day Sunday, Christmas and New Year’s Day); all other calls at BTS rates
 - \$9.60/month for 30 minutes (equivalent of \$0.32/minute)
 - \$0.26 for each additional minute
- No service charge applied to subscription to the service.

The Between Friends plan rates provided the following discounts off of the BTS rates (actual discounts achieved would depend on the customers’ calling patterns):

- 10% discount off the top end of the Nova Scotia BTS rate schedule in the off-peak period (65% of \$0.55/minute);

- 14% off the top end of the TransCanada BTS schedule in the off-peak period (65% of \$0.57); and
- 22% off the top end of the Canada-US BTS schedule in the off-peak period (65% of \$0.56)

Aliant Telecom – PEI

Supplementary Local Service

- For calling between specific originating and terminating exchanges. All long distance calling between these exchanges eligible:
 - \$2.30/month for 30 minutes (equivalent of \$0.077/minute)
 - \$1.15/month for each additional block of 15 minutes (equivalent of \$0.077/minute)

Teleplus

There were two versions of the plan: Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for Canada-US calling):

- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400

Based on monthly fee, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.

Between Friends

There were two versions of the Between Friends plan: P.E.I. Plan and Canada & US Plan:

P.E.I. Plan:

- For calling within P.E.I.; eligible calls in off-peak periods (Mon – Sat 6:00 pm – 10:00 pm, 8:00 am – 10:00 pm Sun, Christmas and New Year’s Day); all other calls at BTS rates
 - \$6.30/month for 30 minutes (equivalent of \$0.21/minute)
 - \$0.21 for each additional minute
- No service charge applicable for subscription to the service

Canada & US Plan:

- For calling within Canada (outside of P.E.I.) and between Canada and US; eligible calls in off-peak periods (Mon – Sat 6:00 pm – 11:00 pm, 8:00 am – 11:00 pm Sun, Christmas and New Year’s Day); all other calls at BTS rates
 - \$8.00/month for 30 minutes (equivalent of \$0.267/minute)

- \$0.267 for each additional minute
- No service charge applicable for subscription to the service
- P.E.I. Plan rates represented approx. a 13% discount off the top end of P.E.I. BTS rate schedule in the off-peak period (65% of \$0.37/minute)
- Canada & US plan represented a discount of 17% off the top end of the TransCanada BTS schedule in the off-peak period (65% of \$0.48) and discount of 29% off the top end of the P.E.I.-US BTS schedule in the off-peak period (65% of \$0.56)
- Actual discounts achieved would depend on the customers' calling patterns.

Aliant Telecom – Newfoundland

30-Minute Message Toll Package

A block of time plan for calls within Newfoundland within certain distances of the customer's exchange (short haul). Two versions of the plan: 0-16 miles and 16-25 miles (includes communities in 0-16 mile package). All long distance calling within these distances eligible.

- 0-16 Miles Plan:
 - \$2.50/month for 30 minutes (equivalent of \$0.083/minute)
 - \$1.25/month for each additional block of 15 minutes (equivalent of \$0.083/minute)
- 16-12 Miles Plan:
 - \$3.00/month for 30 minutes (equivalent of \$0.10/minute)
 - \$1.50/month for each additional block of 15 minutes (equivalent of \$0.10/minute)

Between Friends

There were two versions of the Between Friends plan: Newfoundland Plan and Canada & US Plan:

Newfoundland Plan:

- For calling within Newfoundland; eligible calls in off-peak periods (Mon – Sat 6:00 pm – 12:00 am, 8:00 am – 12:00 am Sun); all other calls at BTS rates
 - \$9.00/month for 30 minutes (equivalent of \$0.30/minute)
 - \$0.30 for each additional minute

Canada & US Plan:

- For calling within Canada (outside of Newfoundland) and between Canada and US; eligible calls in off-peak periods (Mon – Sat 6:00 pm – 12:00 am, 8:00 am – 12:00 am Sun); all other calls at BTS rates

- \$8.00/month for 30 minutes (equivalent of \$0.267/minute)
- \$0.26 for each additional minute
- Newfoundland Plan rates represented approx. a 11% discount off the top end of the Newfoundland and Labrador BTS rate schedule in the off-peak period (65% of \$0.52/minute)
- Canada & US plan represented a discount of 17% off the top end of the TransCanada BTS schedule in the off-peak period (65% of \$0.48) and discount of 29% off the top end of the Canada-US BTS schedule in the off-peak period (65% of \$0.56)
- Actual discounts achieved would depend on the customers' calling patterns.

Aliant Telecom – New Brunswick

Community Calling Service

This plan was a component of Primary Service that recognized the community of interest between neighbouring exchanges. Exchanges were categorized into two types “A” and “B”:

- Type “A” exchange areas received 15 minute calling allowance; calling in excess of 15 minutes was subject to a 35% discount on BTS rates;
- Type “B” exchange areas eligible for a 35% discount on BTS rates

TELUS – BC (BCTel)

Teleplus

There were two versions of the plan: Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for Canada-US calling):

- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400
- Service charge of \$8.25 applied for subscription to the service.

Based on monthly fee, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.

Between Friends

The Between Friends plan was based on a flat monthly fee for an initial block of time (30 minutes) and a fee for each additional minute. There were two versions of the Between Friends plan: B.C. Plan and Canada & US Plan.

B.C. Plan:

- For calling within B.C.; eligible calls in off-peak (Mon – Friday 5:00 pm – 11:00 pm, 8:00 am – 11 pm on Sat, Sun and Christmas and New Year’s Day); all other calls at BTS rates
 - \$5.50/month for 30 minutes (equivalent of \$0.183/minute)
 - \$0.18 for each additional minute
- Service charge of \$8.25 applied to subscription to the service

Canada & US Plan:

- For calling within Canada (outside of B.C.) and to US; eligible calls in off-peak periods (Mon – Friday 5:00 pm – 11:00 pm, 8:00 am – 11 pm on Sat, Sun and Christmas and New Year’s Day); all other calls at BTS rates
 - \$8.45/month for 30 minutes (equivalent of \$0.282/minute)
 - \$0.28 for each additional minute
- Service charge of \$8.25 applied to subscription to the service
- B.C. Plan rates represented approx. a 13% discount off the top end of the B.C. BTS rate schedule in the off-peak period (65% of \$0.35/minute)
- Canada & US Plan represented a 14% discount off the top end of the Canada BTS schedule in the off-peak period (65% of \$0.50) and discount of 24% off the top end of the BC-US BTS schedule in the off-peak period (65% of \$0.57)
- Actual discounts achieved would depend on the customers’ calling patterns.

TELUS – Alberta (AGT)

Teleplus

There were two versions of the plan: Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for US calling):

- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400
- No service charge applied for subscription to the service.

Based on monthly fee, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.

Between Friends

The Between Friends plan was based on a flat monthly fee for an initial block of time (30 minutes) and a fee for each additional minute. There were two versions of the Between Friends plan: Intra Plan and Universal Plan.

Intra Plan:

- For calling within Alberta.; eligible calls in off-peak; all other calls at BTS rates
 - \$6.00/month for 30 minutes (equivalent of \$0.20/minute)
 - \$0.20 for each additional minute

Universal Plan:

- For calling within Canada (outside of Alberta) and to US; eligible calls in off-peak periods; all other calls at BTS rates
 - \$8.00/month for 30 minutes (equivalent of \$0.267/minute)
 - \$0.26 for each additional minute
- Intra Plan rates represented approx. a 32% discount off the top end of the Alberta BTS rate schedule in the off-peak period (65% of \$0.45/minute)
- Universal Plan represented a 17% discount off the top end of the Canada BTS schedule in the off-peak period (65% of \$0.48) and discount of 29% off the top end of the Alberta-US BTS schedule in the off-peak period (65% of \$0.56)
- Actual discounts achieved would depend on the customers' calling patterns.

Community Calling

- Community Calling service provided for discounted calling between exchanges within 80 km of each other for a monthly subscription fee
- \$2.00/month per exchange route for 30% discount off BTS rates

Select Route Service - 60

- Block of time plan for calls between exchanges within 100 km of each other.
- Provided on a per route basis; all long distance calls on the route eligible; no limit to number of routes subscribed to:
 - \$5.00/month for 60 minutes (equivalent of \$0.833/minute)
 - \$0.15/minute for each additional minute

Select Route Service - Unlimited

- Long distance plan for calls between exchanges within 100 km of each other.
- Provided on a per route basis; all long distance calls on the route eligible; no limit to number of routes subscribed to:
 - \$25.00/month for unlimited long distance usage on route selected

MTS

Teleplus

There were a number of versions of the plan:

- Teleplus-Manitoba;
- Teleplus-Canada
- Teleplus-US;
- Teleplus- Winnipeg/Brandon

Teleplus-Manitoba:

- For calling within Manitoba
- \$2.00/month for 15% discount off BTS rates; max. monthly billing of \$50

Teleplus-Canada/US:

- Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for Canada-US calling)
- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400

Teleplus-Winnipeg/Brandon:

- For long distance calling to exchanges contiguous to either Winnipeg or Brandon
- \$5.00/month for 15% discount off BTS rates; max. monthly billing of \$50
- Teleplus-Manitoba plan was only appropriate for consumers spending over \$13.33/month.
- Teleplus-Canada/US plans, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.
- Teleplus-Winnipeg/Brandon plan was appropriate for customers making over \$10/month of BTS calling to exchanges adjacent to either Winnipeg or Brandon.

Between Friends:

The Between Friends plan was based on a flat monthly fee for an initial block of time (30 minutes) and a fee for each additional minute. There were two versions of the Between Friends plan: Manitoba Plan and Canada & US Plan.

Manitoba Plan:

- For calling within Manitoba; eligible calls in off-peak period; all other calls at BTS rates
 - \$6.95/month for 30 minutes (equivalent of \$0.232/minute)
 - \$0.23 for each additional minute

Canada & US Plan:

- For calling within Canada (outside of Manitoba) and to US; eligible calls in off-peak periods; all other calls at BTS rates
 - \$8.00/month for 30 minutes (equivalent of \$0.267/minute)
 - \$0.26 for each additional minute
- Manitoba Plan represented a discount of approx. 39% discount off the top end of the Manitoba BTS rate schedule in the off-peak period (65% of \$0.58/minute)
- Canada & US Plan represented a discount of 17% off the top end of the Canada BTS schedule in the off-peak period (65% of \$0.48) and discount of 29% off the top end of the US BTS schedule in the off-peak period (65% of \$0.56)
- Actual discounts achieved would depend on the customers' calling patterns

SaskTel

40 Mile/40 Minute:

- Provided 40 minutes of toll savings per month for calls within 40 miles of the customer's exchange.

Teleplus

There were two versions of the plan: Teleplus-Canada (for intra-Canada calling) and Teleplus-US (for Canada-US calling):

- For each version there were two plan levels:
 - Plan A - \$4.00/month for 15% discount off BTS rates; max. monthly billing of \$100;
 - Plan B - \$10.00/month for 15% discount off BTS rates; max. monthly billing of \$400
- Service charge of \$13.00 applied for subscription to the service.

Based on monthly fee, Plan A only appropriate for consumers making over \$26.67/month in BTS calling. Plan B only appropriate for consumer making over \$66.67/month in BTS calling.

Between Friends

There were two versions of the Between Friends plan: Saskatchewan Plan and Canada & US Plan.

Saskatchewan Plan:

- For calling within Manitoba; eligible calls in off-peak period (6:00 pm – 12:00 am Mon- Sat; 8:00 am – 12:00 am Sun, Christmas and New Year's Day); all other calls at BTS rates
 - \$8.00/month for 30 minutes (equivalent of \$0.267/minute)
 - \$0.26 for each additional minute
- Service charge of \$9.00 applied for subscription to service

Canada & US Plan:

- For calling within Canada (outside of Saskatchewan) and to US; eligible calls in off-peak periods; all other calls at BTS rates
 - \$8.00/month for 30 minutes (equivalent of \$0.267/minute)
 - \$0.26 for each additional minute
- Service charge of \$9.00 applied for subscription to service

- Saskatchewan Plan represented approximately a 22% discount off the top end of the Saskatchewan BTS rate schedule in the off-peak period (65% of \$0.51/minute)
- Canada & US Plan represented a discount of 17% off the top end of the Canada BTS schedule in the off-peak period (65% of \$0.48) and discount of 29% off the top end of the US BTS schedule in the off-peak period (65% of \$0.56)
- Actual discounts achieved would depend on the customers' calling patterns

APPENDIX IV

Residential Long Distance Plans - 2002

- \$1.25 *Network Service Charge* applies to all long distance plans unless stated otherwise.
- Note that SaskTel is the only company that does not regularly apply these charges to its long distance plans.

Bell Canada

First Rate:

- \$4.95/month (includes first 60 minutes of long distance calling).
- 10 cents/minute for next 200 minutes to a max of \$20.
- Next 560 minutes are free (up to 800 minutes).
- 10 cents/minute after 800 minutes.
- Rates offered evenings (6pm-6am) and weekends.
- 25 cents/minute to US evenings (6pm-6am) and weekends.
- BTS rates apply for weekday, daytime calls within Canada and the US.
- 22 cents/minute to the UK (discount overseas rates apply to 28 pre-determined destinations).

First Rate 24 Hours:

- \$4.95/month.
- 10 cents/minute within Canada, anytime.
- 20 cents/minute to US, anytime.
- 22 cents/minute to the UK (discount overseas rates apply to 28 pre-determined destinations).

First Rate Overseas:

- \$4.95/month.
- 10 cents/minute within Canada and the US, anytime.
- 14 cents/minute to the UK (extra-discount overseas rates apply), anytime.

First Rate My Province (NOT ADVERTISED ON WEB/PHONE):

- 10 cents/minute for first 200 minutes within Ontario.
- 7 cents/minute after 200 minutes.
- 15 cents/minute to the rest of Canada, the US, anytime.
- 22 cents/minute to the UK, anytime.

Telus (BC)

My Way Anytime:

- \$2.95/month.

- 9 cents/minute to the region you call most (there are 3 regions: BC, rest of Canada, the US), anytime.
- 12 cents/minute to call the other 2 regions, anytime.
- 20 cents/minute to areas served by NorthwesTel, anytime.
- \$4.95 to subscribe to two regions (9 cents/minute to call both).
- \$6.95 to subscribe all three regions.
- \$2 extra per month, receive a flat overseas rate.
- 10 cents/minute to the UK with this flat overseas rate.

Canada @ 5:

- \$22.95/month for 1000 hours of long distance to Canada.
- 10 cents/minute thereafter to Canada.
- 18 cents/minute to the US.
- Rates available evenings (5pm-8am) and weekends (5pm Friday to 8am Monday).
- 24 cents/minute for daytime, weekday calls within Canada.
- 24 cents/minute for daytime, weekday calls to the US.
- 20 cents/minute for all calls to areas served by NorthwesTel.

North America Anytime (NOT ON WEBSITE YET):

- Began July 1, 2002.

Telus World (NOT ADVERTISED):

- \$4.95/month.
- 10 cents/minute to the UK, and discount rate on other overseas calls.
- Available anytime.

New World:

- \$4.95/month
- 14 cents/minute to the UK
- 19 cents/minute to France, and discount rate on other overseas calls
- Available anytime

Flat World:

- 22 cents/minute to the UK, anytime.
- Various discount rates for overseas countries, anytime

Canada Anytime (NOT ADVERTISED):

- \$1.95/month
- 10 cents/minute across Canada.
- 20 cents/minute to the US.
- Does not apply to overseas calling.
- (Can waive the \$1.95 fee if agree to pre-authorized payment of your bill with debit.)

Two West (NOT ADVERTISED):

- 10 cents/minute up to \$34 or 340 minutes, within Alberta and BC, anytime.

- Next 660 minutes are free, up to 1000 total minutes.
- 10 cents/minute to Alberta/BC after 1000 minutes.
- 15 cents/minute to rest of Canada, anytime.
- 22 cents/minute to US, anytime.
- No overseas rates included in plan.

Telus (Alberta)

My Way Anytime:

- \$2.95/month
- 9 cents/minute to region you call most (regions are: Alberta, Canada, US), anytime.
- 12 cents/minute to other regions, anytime.
- 20 cents/minute to areas serviced by NorthwesTel.
- \$4.95/month to subscribe to two regions.
- \$6.95/month to subscribe to all three regions.
- \$2 extra/month, receive flat overseas rate.
- 10 cents/minute to the UK with this flat overseas rate.

Canada @ 5:

- \$22.95/month for 1000 hours of long distance to Canada and the US.
- 10 cents/minute thereafter to Canada.
- 18 cents/minute thereafter to the US.
- Rates available evenings (5pm-8am) and weekends (5pm Friday to 8am Monday).
- 24 cents/minute for daytime, weekday calls within Canada.
- 24 cents/minute for daytime, weekday calls to the US.
- 20 cents/minute for all calls to areas served by NorthwesTel.

Your Way Straight Savings:

- 10 cents/minute evenings (6pm-8am) and weekends (6pm Friday to 8am Monday), within Alberta.
- 16 cents/minute during weekday hours, within Alberta.
- 12 cents/minute evenings and weekends, within Canada.
- 18 cents/minute, weekdays within Canada.
- 20 cents/minute for calls to areas served by NorthwesTel.
- 23 cents/minute to the US in evenings or on weekends.
- 15 cents/minute to the US during weekday hours.
- 22 cents/minute to the UK, all day every day.

New World (NOT ADVERTISED):

- \$4.95/month.
- 14 cents/minute to the UK.
- 19 cents/minute to France, and discount rate on other overseas calls.
- Available anytime.

Telus World (NOT ADVERTISED):

- \$4.95/month.
- 10 cents/minute to the UK, and discount rate on other overseas calls.
- Available anytime.

Two West (NOT ADVERTISED):

- 10 cents/minute up to \$34 or 340 minutes, within Alberta and BC, anytime.
- Next 660 minutes are free, up to 1000 total minutes.
- 10 cents/minute to Alberta/BC after 1000 minutes.
- 15 cents/minute to rest of Canada, anytime.
- 22 cents/minute to US, anytime.
- No overseas rates included in plan.

Canada Anytime (NOT ADVERTISED – they are “phasing this plan out”):

- \$1.95/month
- 10 cents/minute across Canada.
- 20 cents/minute to the US.
- Does not apply to overseas calling.

Aliant (IslandTel)

Simply Unlimited:

- \$26/month.
- Unlimited evenings (Monday – Friday, 6pm – 8am) within Canada.
- Unlimited weekends (6pm Friday to 8am Monday).
- 25 cents/minute during weekday hours.
- 25 cents/minute to the US, anytime.
- 35% off all overseas calls.

Truly ... Yours By the Day:

- 17 cents/minute within Canada (including the NW Territories), anytime.
- 20 cents/minute to the US, anytime.
- 25% off all overseas calls (overseas calls are discounted from the BTS rates, so calls to the UK are 25 cents/minute regularly).
- If customer is already on a long distance plan, then they will automatically receive this plan. Otherwise, they must sign up.

Truly ... Yours North America:

- \$45/month.
- Unlimited evenings (Monday – Friday, 6pm – 8am) to Canada and the US.
- Unlimited weekends (6pm Friday to 8am Monday) to Canada and the US.
- Calling Card or Call Me card calls must originate or terminate in PEI for plan to apply to them.

Truly Yours Overseas Calling Rates:

- 25 cents/minute to the UK.
- Other discounted overseas rates.

Island Ties:

- \$9.95/month.
- Unlimited calling to a 30 mile radius (50 km) from customer's home, anytime.

Aliant (NewTel)

Simply Unlimited:

- \$24/month.
- Anywhere in Canada evenings (6pm-8am) and weekends (6pm Friday to 8am Monday).
- 22 cents/minute to the US, evenings and weekends.
- 25% off daytime, overseas and calling card calls.

Simply All Day:

- 15 cents/minute within Canada, anytime.
- 22 cents/minute to the US, anytime.
- 25% off overseas calls.
- Plan applies to calling card calls as well.

Real Plus Extra:

- 25% off all direct-dialed and calling card calls.
- This is on top of any "time-of-day discounts", should they apply.
- Applies to all calls: Canada/US/Overseas.
- \$1.25 Network Service Charge applies.

Message Toll Package:

- \$2.50/month.
- 30 minutes of calling within 16 mile radius, anytime.
- \$3/month for 30 minutes of calling within a 25 mile radius, anytime.

Aliant (MT&T)

RealTime Saving:

- 13 cents/minute within Nova Scotia, anytime.
- 13 cents/minute in Canada, evenings (6pm-8am) and weekends (6pm Friday to 8am Monday).
- 25% off direct-dialed calls to the US.
- Plan applies to calling cards.

MT&T Freedom Time:

- \$25/month.
- Unlimited evenings (6pm-8am) and weekends (6pm Friday to 8am Monday) within Canada.
- 200 minutes/month within Canada during weekday hours.
- 19 cents/minute on weekdays after 200 minutes.
- Available to Mobility subscribers as well for \$25/month.

Community Unlimited:

- \$11.95/month.
- Unlimited calling to exchanges whose rate centres are within approximately a 60km radius of your home exchange.

Aliant (NBTel)

Community Calling:

- 35% discount to communities within 31 miles of customer's home.
- Discounts are in addition to time-of-day discounts.
- Discounts are applied automatically – there is no requirement to sign up for this plan.
- No \$1.25 charge.

\$2 Savings Event:

- 8 cents/minute within Canada.
- 18 cents/minute to the US.
- Discount rates apply Monday, Wednesday and Saturday from 6pm-8am.
- Pay no more than \$2 a call to anywhere in Canada during savings event hours, no matter how long you talk for.

Your Time:

- 17 cents/minute within Canada, anytime.
- 20 cents/minute to the US, anytime.
- 35% discounts on all overseas calls (on top of BTS discount periods), anytime.
- Calls placed using Calling Card and Family Contact Service Card also receive *Your Time* savings plan rates.

Community Ties:

- \$10/month.
- Unlimited calling to nearby communities, depending on where you live (listed by NBTel).
- Includes communities within your *Community Ties* area, anytime.
- Direct dialed, Calling Card and Family contact service calls within *Community Ties* calling area are eligible.

Simply Unlimited:

- \$25/month to anywhere in Canada, evenings (6pm-8am) and weekends (Friday at 6pm to Monday at 8am).
- 25 cents/minute within Canada for daytime calls.
- 25 cents/minute to the US, anytime.
- 35% off your overseas calls
- Plan cannot be used in conjunction with the *\$2 Savings Event*.
- Must subscribe to long distance and local telephone service at NBTel.
- Calling Card transaction charges apply.

MTS

First Rate 24 Hours:

- 15 cents/minute to Canada and the US, anytime.
- Discount per country overseas rates, anytime.
- \$2.95 extra and customer can combine this deal with the *Enhanced Overseas* plan.
- Applies to direct dialed and Calling Card calls that begin or end in Canada.

First Rate Day or Night:

- \$2.95/month.
- 8 cents/minute to Canada for the US for evening and weekend calls.
- 12 cents/minute to Canada or the US for daytime calls.
- \$2.95 extra and customer can combine this deal with the *Enhanced Overseas* plan.
- Discounted per country rates on overseas calls, anytime.
- Plan applies to direct dialed and calling card calls that begin or end in Canada.

First Rate Freedom US:

- \$39.95/month for 300 minutes to the US, anytime.
- Unlimited calls within Canada, evenings and weekends.
- 15 cents/minute for each call after 300 minutes.
- 15 cents/minute within Canada for daytime calls.
- 15 cents/minute for Calling Card calls to Canada or the US that begin or end in Canada, anytime.
- \$2.95 extra and customer can combine this deal with the *Enhanced Overseas* plan.
- Transaction charge applies for all calling card calls.

First Rate Toll-Free for Home:

- \$2.95/month per toll free number.
- 12 cents/minute for calls received from Canada, anytime.
- 19 cents/minute for calls received from the US, anytime.
- Service allows individuals to call subscriber at no cost to the caller.
- Can also choose to get both *Caller Identifier*, which lets you see the caller's number, and *Toll-Free Number Identifier*, for free if customer subscribes to this plan.

First Rate Unlimited:

- 15 cents/minute any evening and all day Saturday or Sunday within Canada.
- \$17.95 maximum/month for evening and weekend direct dialed calls within Canada.
- Free evening and weekend calls after calls reach a charge of \$17.95.
- 15 cents/minute for calling card calls within Canada on evenings, weekends and statutory holidays.
- 20 cents/minute evenings and weekends for direct dialed and Calling Card calls that begin or end in US.
- Discounted per country rates on overseas calls, anytime.
- \$2.95 extra and customer can combine this deal with the *Enhanced Overseas* plan.

First Rate with Enhanced Overseas for Home:

- \$2.95/month per phone line.
- 24 cents/minute to the UK with *First Rate Basic*.
- 12 cents/minute to the UK with *First Rate Overseas*.
- Extra discounted rates on overseas calling.

SaskTel

**** SaskTel does not charge the \$1.25 Network Service Charge for any of its long distance plans.**

Real Plus Extra Savings Plan:

- 10 cents/minute Monday to Friday, 5pm-8am, and Saturday and Sunday in Canada.
- 23 cents/minute to the UK, and discounted rates on 24 company selected countries.
- 35 cents/minute to the US, 5pm-8am daily.

- 20% off if long distance bill is less than \$50 ONLY on calls made during the day (with BTS rates).
- 30% off if bill is more than \$50 ONLY on calls made during the day (with BTS rates).
- Calls to the US are regular toll rates.
- **Community Savings Option Plan** (it is part of the *Real Plus Extra* plan).
- \$5/month, unlimited calls to the exchange called most in Saskatchewan within 40 miles of caller's exchange.
- Unlimited calls to the exchange called most by subscriber within 40 miles of his/her exchange.

Straight Rate Saskatchewan Savings Plan:

- 10 cents/minute to any location in Saskatchewan, anytime.
- 15 cents/minute to any location in Canada, anytime.
- 20 cents/minute to any location in the US, anytime.
- 28 cents/minute to the UK, anytime.
- Plan applies to direct dialed and Calling Card calls made to or from Canada.
- Calling Card surcharges still apply.
- All *Straight Rate* calls are billed by the second after the first minute.

40 Mile/40 Minute Service:

- No charge for calls to within 40 miles of subscriber's home for first 40 minutes of calls.
- No coverage beyond these restrictions.

APPENDIX V

Long Distance Service Charges

**Bell Canada
Basic Toll Rates
Transaction Charges Per Call**

	1992	2002
Station-to-Station		
Automated:		
Calling Card	\$1.00	\$1.00 *
Credit Card	\$1.00	\$1.50
Collect, third number		\$1.50
Operator-assisted:		
Calling Card	\$1.25	\$2.00
Sent paid, Collect, Zenith, Third Number, Time and/or Charges	\$1.50	\$3.00
Person-to-Person	\$3.75	\$4.25

Notes:

* Does not apply to calls placed using Family Contact Cards

**TELUS - BC
Basic Toll Rates
Transaction Charges Per Call**

	1992	2002
Station-to-Station		
Automated:		
Calling Card	\$0.75	\$0.75
Credit Card		\$1.50
Collect, third number		\$1.50
Operator-assisted:		
Calling Card	\$1.00	\$1.75
Sent paid, Collect, Zenith, Third Number Time and Charges	\$1.50 \$0.70	\$2.50 \$1.00
Person-to-Person	\$3.75	\$4.25

**Aliant - Nova Scotia
Basic Toll Rates
Transaction Charges Per Call**

	1992	2002
Station-to-Station		
Automated:		
Calling Card	\$0.50	\$0.75 *
Credit Card	\$0.50	\$0.75
Collect, third number		\$1.50
Operator-assisted:		
Calling Card	\$1.50	\$1.75
Sent paid, Collect, Third Number, Time and/or Charges	\$1.50	\$2.50
Person-to-Person	\$3.75	\$4.25

Notes:

* Does not apply to calls placed using Call Me card

**MTS
Basic Toll Rates
Transaction Charges Per Call**

	1992		2002
	Manitoba	Cda/US	
Station-to-Station			
Automated:			
Calling Card	\$0.60	\$1.00	\$1.00 *
Credit Card			\$1.40
Collect, third number			\$1.40
Operator-assisted:			
Calling Card	\$0.60	\$1.00	\$2.00
Sent paid, Third Party	\$0.85	\$1.50	\$3.00
Collect	\$0.85	\$1.50	\$2.50
Person-to-Person	\$1.70	\$3.75	\$4.25

Notes:

* Does not apply to calls placed using Call Me card

SaskTel
Basic Toll Rates
Transaction Charges Per Call (in North America)

	1992	2002
Station-to-Station		
Automated:		
Calling Card		\$1.00
Credit Card		
Collect, third number		\$1.50
Operator-assisted:		
Calling Card	\$1.00	\$2.50
Sent paid, Collect, Zenith,		
Third Number	\$1.50	\$2.50
Time and Charges	\$1.50	\$2.50
Person-to-Person	\$3.75	\$4.25

APPENDIX VI

Competitor Long Distance Plans – Sprint Canada & Primus

The following long distance plans were available in June 2002 from Sprint Canada and Primus, two of the larger residential long distance service competitors.

Primus

7 cents 7 days:

- \$0.07/min anytime to anywhere in Canada
- \$0.10/min anytime to the U.S.
- “Competitive International Rates”
- \$0.15/minute for all Globe Card calls within North America
- \$1.95 monthly fee

Dime Anytime:

- \$0.10/min anytime to anywhere in Canada
- \$0.15/min anytime to the U.S.
- “Competitive International Rates”
- Calling card calls at \$0.25/min in Canada and \$0.30 to U.S.
- No monthly fee

DimeTime Max:

- \$0.10/min anytime to anywhere in Canada to max. of \$20 for 800 minutes (\$0.10/min thereafter)
- Available off-peak (6 pm-8 am Mon-Fri and all day on weekends)
- \$0.20/min daytime Canada and anytime to the U.S.
- “Competitive International Rates”
- Calling card calls at \$0.25/min in Canada and \$0.30 to U.S.
- No monthly fee

Talk America:

- \$0.05/min within in Canada and to U.S.
- Available off-peak (6 pm-8 am Mon-Fri and all day on weekends)
- \$0.10/min daytime Canada and U.S.
- “Competitive International Rates”
- Calling card calls at \$0.25/min in Canada and \$0.30 to US
- \$2.95 monthly fee

Your Country:

- Best rate to one country of choice

- \$.07/min to UK (\$.14/min if UK not selected country)
- \$.15/min within Canada and to U.S.
- Available 24/7
- No monthly fee

Small World Small Rate:

- \$.10/min within Canada, to U.S. and to 33 countries
- Available 24/7
- \$4.95 monthly fee

SuperAsia:

- Low rates to key Pacific Rim countries:

China - \$.29/min	Japan - \$.19/min
Hong Kong - \$.09/min	Vietnam - \$.99/min
Taiwan - \$.19/min	South Korea - \$.15/min
Philippines - \$.35/min	Singapore - \$.19/min

- Available 24/7
- No monthly fee

GlobeTalk International:

- “Great per minute rates” to all countries – UK - \$.12/min
- Available 24/7
- \$.099/min within Canada
- Available off-peak (6 pm-8 am Mon-Fri and all day on weekends)
- \$.149/min within Canada during daytime and \$.179 to U.S. anytime
- \$2.95 charge monthly (waived with pre-authorized chequing payment method)

Sprint Canada

9 Cent North American Plan:

- 9 cents/min to anywhere in North America, UK
- Available 24/7
- No monthly charge

Province and Country Plan:

- \$.07/min within Province
- \$.08/min to rest of Canada
- \$.15/minute to U.S.
- Available 24/7
- No monthly charge
- “Competitive International Rates” - \$.12/min to UK

It's Easy In Province Plan:

- Less than 200 minutes - \$0.10/minute within Province
- Greater than 200 minutes - \$0.07/minute within Province
- \$0.15/minute to rest of Canada
- \$0.22/min US
- Available 24/7
- No monthly charge

The MOST Anytime:

- Canada - \$0.10/minute
- US - \$0.20/minute
- UK - \$0.22/minute
- Available 24/7
- \$2.95 monthly fee

Worldwide Savings Plan:

- \$0.07/min to UK
- \$0.15/min to US
- \$0.085/min within Canada

Anytime 500 and 1000 Plans:

- 500 minutes for \$30, or 1000 minutes for \$50 within North America
- \$0.22/minute to UK
- After 500 or 1000 time is up (depending on plan), pay \$.15/minute thereafter

OnePlan:

- \$0.05/minute evenings and weekends in Canada.
- \$0.12/min to US.
- \$0.10/min during the day in Canada (8am-6pm)
- "Great International Rates" - \$.22/min to UK
- \$3.95/month

It's Easy International:

- \$0.12/min to UK
- \$0.15/min to Canada/US
- Available 24/7
- \$2.95 charge monthly

It's Easy – Dime Days, Nickel Nights:

- \$0.05/min weekends and at night

- \$0.10/min during the day
- \$2.95 monthly fee
- \$0.22/min to US and UK, both available 24/7

APPENDIX VII

Residential Service Bundles and Packages - 2002

A. ILEC Bundle Offerings

Bell Canada

Bell Sympatico High Speed and Long Distance

- \$44.95/month includes:
 - 120 minutes of long distance calling in Canada, U.S. and to 62 overseas countries
 - Sympatico High Speed Edition Internet Access
- No restrictions on time of day or day of week for long distance calling
- After 120 minutes long distance rates are \$0.10/min in Canada, \$0.15/min in U.S. and Overseas charged at First Rate Overseas rates
- Includes free installation of Sympatico High Speed service

Bell Sympatico and Long Distance

- \$29.95/month includes:
 - 120 minutes of long distance calling in Canada, U.S. and to 62 overseas countries
 - Bell Sympatico dial-up Internet access service
- No restrictions on time of day or day of week for long distance calling
- After 120 minutes long distance rates are \$0.10/min in Canada, \$0.15/min in U.S. and Overseas charged at First Rate Overseas rates

Flex Bundle

- Bundle package including single line primary exchange service (at tariff rates), up to six optional local calling features including voice mail service (or five features and WireCare or PhoneCare)
- \$24.95/month + primary exchange service at tariff rate

TELUS

No Limits Bundle

- Bundle package including single line primary exchange service (at tariff rates), up to thirteen optional local calling features and/or voice mail service
- Pricing of features bundle depends on whether customer is also a TELUS long distance customer
- Alberta:
 - Primary exchange service at tariff rate + \$22.95/month (\$19.95 if TELUS long distance customer)
 - Feature bundle includes simple voice mail service (enhanced voice mail available for additional \$2.00/month)
- B.C.

- Primary exchange service at tariff rate + \$18.95/month (\$15.95 if TELUS long distance customer)
- Feature bundle excludes voice mail service. Voice mail available for additional \$4.00/month (simple) or \$6.00/month (enhanced)

Value Bundle

- Bundle package including single line primary exchange service (at tariff rates), up to three local optional calling features including simple voice mail service
- Pricing of features bundle depends on whether customer is also a TELUS long distance customer:
 - Primary exchange service at tariff rate + \$15.95/month (\$13.95 if TELUS long distance customer)

MTS

Messaging Bundle

- Bundle package including single line primary exchange service (at tariff rates), up to eight optional local calling features including Call Answer Plus voice mail service
- Pricing of features bundle depends on whether customer is also an MTS long distance customer:
 - Primary exchange service at tariff rate + \$20/month (\$18 if MTS long distance customer)

Mini Calling Feature Bundle

- Bundle package including single line primary exchange service (at tariff rates), up to three optional local calling features including Call Answer Mini voice mail service
- Pricing of features bundle depends on whether customer is also an MTS long distance customer:
 - Primary exchange service at tariff rate + \$12/month (\$10 if MTS long distance customer)

SaskTel

Long Distance and SmartTouch Bundles

- ***Canada Anytime*** - \$68.60/month for primary exchange service, two optional local calling features and unlimited long distance calling within Canada any time of day
- ***Saskatchewan Anytime*** - \$58.60/month for primary exchange service, two optional local calling features and unlimited long distance calling within Saskatchewan any time of day
- ***Canada Evenings and Weekends*** - \$48.60/month for primary exchange service, two optional local calling features and unlimited long distance calling within Canada on weekends and evenings

Long Distance and High Speed Internet Access Bundles

- ***Canada Anytime*** - \$101.60/month for primary exchange service, High Speed Internet and unlimited long distance calling within Canada any time of day

- ***Saskatchewan Anytime*** - \$91.60/month for primary exchange service, High Speed Internet and unlimited long distance calling within Saskatchewan any time of day
- ***Canada Evenings and Weekends*** - \$81.60/month for primary exchange service, High Speed Internet and unlimited long distance calling within Canada on weekends and evenings

Long Distance and Dial Up Internet Access Bundles

- ***Canada Anytime*** - \$86.60/month for primary exchange service, dial up Internet and unlimited long distance calling within Canada any time of day
- ***Saskatchewan Anytime*** - \$76.60/month for primary exchange service, dial up Internet and unlimited long distance calling within Saskatchewan any time of day
- ***Canada Evenings and Weekends*** - \$66.60/month for primary exchange service, dial up Internet and unlimited long distance calling within Canada on weekends and evenings

Aliant – Nova Scotia

PrimePak Entry

- \$33.95/month includes:
 - Primary exchange service
 - One local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.13/min. peak in Canada; US calling at \$0.22/min.

PrimePak Plus

- \$36.95/month includes:
 - Primary exchange service
 - Three local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.13/min. peak in Canada; US calling at \$0.22/min.

PrimePak Select

- \$41.95/month includes:
 - Primary exchange service
 - Any eligible local optional calling feature (up to eleven)
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.13/min. peak in Canada; US calling at \$0.22/min.

Extra Options available with PrimePak Bundles:

- Vista Display phone rental - \$5.95/month
- Additional local optional features for \$4.00/month per feature
- Sympatico Unlimited dial up Internet access - \$22.95/month (\$22.00 with PrimePak Select)
- High Speed Internet access - \$38.95/month

- Unlimited long distance calling – replace 30 minutes incl. in bundle with unlimited evening and weekend calling plus 200 daytime minutes within Canada for \$22.00/month

Aliant – PEI

PrimePak Entry

- \$34.15/month includes:
 - Primary exchange service
 - One local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.20/min. peak in Canada; US calling at \$0.22/min.

PrimePak Plus

- \$37.15/month includes:
 - Primary exchange service
 - Three local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.20/min. peak in Canada; US calling at \$0.22/min.

Prime Pack Select

- \$41.15/month includes:
 - Primary exchange service
 - Any eligible local optional calling feature (up to eight)
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.20/min. peak in Canada; US calling at \$0.22/min.

Extra Options available with PrimePak Bundles:

- Vista Display phone rental - \$5.45/month
- Additional local optional features for \$3.50/month per feature
- Sympatico Unlimited dial up Internet access - \$22.95/month (\$20.00 with PrimePak Select)
- High Speed Internet access - \$39.95/month
- Internet Call Waiting - \$3.00/month
- Unlimited long distance calling – replace 30 minutes incl. in bundle with unlimited evening and weekend calling within Canada for \$22.00/month

Aliant – New Brunswick

PrimePak Entry

- \$31.00/month includes:
 - Primary exchange service
 - One local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.15/min. peak in Canada

PrimePak Plus

- \$34.00/month includes:
 - Primary exchange service
 - Three local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.15/min. peak in Canada

Prime Pack Select

- \$37.00/month includes:
 - Primary exchange service
 - Any eligible local optional calling feature (up to eight)
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.15/min. peak in Canada

Extra Options available with PrimePak Bundles:

- Vista Display phone rental - \$5.45/month
- Additional local optional features for \$2.75/month per feature
- Sympatico Unlimited dial up Internet access - \$22.95/month (\$21.00 with PrimePak Select)
- High Speed Internet access - \$39.95/month
- Internet Call Waiting - \$4.00/month
- Unlimited long distance calling – replace 30 minutes incl. in bundle with unlimited evening and weekend calling plus 100 minutes daytime calling within Canada for \$22.00/month

Aliant – Newfoundland and Labrador

PrimePak Entry

- \$30.95/month includes:
 - Primary exchange service
 - One local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.15/min. peak in Canada

PrimePak Plus

- \$33.95/month includes:
 - Primary exchange service
 - Three local optional calling feature
 - 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.15/min. peak in Canada

Prime Pack Select

- \$36.95/month includes:
 - Primary exchange service
 - Any eligible local optional calling feature (up to seven)

- 30 minutes long distance anywhere in Canada; additional long distance at \$0.10/min. off-peak and \$0.15/min. peak in Canada

Extra Options available with PrimePak Bundles:

- Vista Display phone rental - \$5.95/month
- Additional local optional features for \$2.75/month per feature
- Sympatico dial up Internet access - \$22.95/month (\$21.00 with PrimePak Select) for 120 hours. \$1.50 for each additional hour
- High Speed Internet access - \$34.95/month
- Internet Call Waiting - \$3.00/month
- Unlimited long distance calling – replace 30 minutes incl. in bundle with unlimited evening and weekend calling within Canada for \$20.00/month. Also get 25% off peak calls, overseas and calling card calls.

Residence Service Package

- \$43.95/month includes:
 - Primary exchange service
 - Two local optional calling features
 - 150 minutes long distance anywhere in Canada any time of day; additional long distance at \$0.15/min. in Canada any time of day
 - Additional optional local calling features - \$3.00/month per feature

Competitive Service Provider Bundle Offerings

Eastlink

Watch, Surf & Talk

- \$99.95/month includes:
 - Full-tier or digital cable service and up to three additional outlets
 - Local phone service and up to fifteen optional calling features
 - High speed Internet access
- Excludes digital box purchase or rental, premium cable services or PPV

Watch & Talk

- \$66.95/month includes:
 - Full-tier or digital cable service and up to three additional outlets
 - Local phone service and up to fifteen optional calling features
- Excludes digital box purchase or rental, premium cable services or PPV

Sprint Canada

Home Connections Package #1

- \$41.95/month includes:
 - Local phone service

- Basic voice mail and one additional calling feature
- Long distance calling minutes (100 min. in Canada, 60 min. Europe overseas or 30 min. Asia overseas)

Home Connections Package #2

- \$44.95/month includes:
 - Local phone service
 - Basic voice mail and four additional calling feature
 - Long distance calling minutes (100 min. in Canada, 60 min. Europe overseas or 30 min. Asia overseas)

Home Connections Package #3

- \$48.95/month includes:
 - Local phone service
 - Voice mail plus and ten additional calling feature
 - Long distance calling minutes (100 min. in Canada, 60 min. Europe overseas or 30 min. Asia overseas)