



**PUBLIC INTEREST ADVOCACY CENTRE**

**LE CENTRE POUR LA DEFENSE DE L'INTERET PUBLIC**

ONE Nicholas Street, Suite 1204, Ottawa, Ontario, Canada K1N 7B7

Tel: (613) 562-4002. Fax: (613) 562-0007. e-mail: [piac@piac.ca](mailto:piac@piac.ca). <http://www.piac.ca>

## **Media Release**

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FOR IMMEDIATE RELEASE

### **TELUS \$2.95 Long Distance Access Charge Defeated**

OTTAWA – The Public Interest Advocacy Centre (PIAC) today welcomed the Canadian Radio-television and Telecommunications Commission's (CRTC) decision to reverse a \$2.95 a month "long distance access charge" imposed by TELUS Communications Company (TELUS) on certain of its local telephone customers.

The CRTC's decision requires TELUS to refund to customers all "long distance access" charges it levied on customers since November 2007. However, the refund will only be given to customers who did not make any long distance calls on TELUS's long distance network in any month from November 2007 to today and who had not signed onto a TELUS long distance plan. It is likely customers can expect to see refunds applied against their future bills in upcoming months. Customers no longer with TELUS should be eligible to receive a separate refund and should not have to pay any outstanding amounts related to this charge.

"TELUS overcharged customers," said John Lawford, counsel for PIAC, who brought a complaint about the charge to the CRTC on behalf of consumer groups Consumers' Association of Canada and the National Anti-Poverty Organization. "The CRTC said no to TELUS making up the rules on local telephone rates as they go along."

PIAC notes that customers may be confused about the scope of the rebate. "It was unfortunate that the CRTC didn't outlaw these fees for all customers who don't subscribe to a long distance plan, because under this rule if you do use TELUS's long distance network, even for one call, you get charged this fee," added Lawford. "Now you'll see this fee copied by Bell Canada, Bell Aliant and other large telephone companies."

Lawford noted that the rapid deregulation of telecommunications in Canada appears to be unnoticed by most Canadians: "The CRTC has been told by the government to rush to remove the last of the price and quality rules, like the ones the CRTC relied on today. But people do see a role for government oversight of large telephone, cellphone and Internet service providers. When we leave companies to set prices, they keep going up, like this."

- 30 -

For more information:

See the attached backgrounder and contact:

John Lawford  
Counsel  
Public Interest Advocacy Centre  
ONE Nicholas Street, Suite 1204  
Ottawa, Ontario  
K1N 7B7  
(613) 562-4002 x25  
(613) 562-0007 (Fax)  
jlawford@piac.ca  
<http://www.piac.ca>



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## **Backgrounder**

### **TELUS \$2.95 Long Distance Access Charge**

Since November 2007, TELUS Communications Company (TELUS) has charged its customers who do not subscribe to a TELUS long distance plan a fee of \$2.95 for “access” to the long distance network. This fee is applied whether or not the customer actually makes any long distance calls.

TELUS’s long distance access charge raised the ire of many of its customers. In fact, thousands complained about the charge to the Canadian Radio-television and Telecommunications Commission (CRTC) and the newly created Commissioner for Complaints for Telecommunications Services (CCTS), of which TELUS is a founding member.

In January 2008, the Public Interest Advocacy Centre (PIAC), on behalf of the Consumers’ Association of Canada and the National Anti-Poverty Organization, filed a formal complaint with the CRTC about the charge. PIAC’s complaint followed a similar one by Yak Communications Inc., a TELUS long distance competitor. The CRTC heard both complaints and issued its decision today.

PIAC argued that TELUS’s long distance access charge effectively raised local telephone rates for customers whose local rates were still regulated by the CRTC. Some of the customers with regulated rates are “stand-alone” local service customers, who are guaranteed CRTC-approved local telephone rates by a CRTC decision in 2006. Many such customers are low income, or elderly and on fixed incomes and least able to absorb an unexpected rate increase.

PIAC also argued that for all TELUS customers, even those with deregulated (company-set) rates, the charge was unjustly discriminating against them by requiring those customers who wished to avoid the charge to subscribe to a TELUS long distance plan, or search out a particular type of long distance competitor.

TELUS argued that long distance rates were no longer regulated by the CRTC and the charge did not relate to local service, despite the fact it was levied on local service bills.

The CRTC today decided, however, that for those customers who did not use TELUS’s long distance network, simply calling the charge a “long distance access fee” did not make it so and the charge was an illegal local rate increase.