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May 4, 2022

Mr. Claude Doucet
Secretary General
Canadian Radio-television and
Telecommunications Commission
Ottawa, ON K1A 0N2

Dear Mr. Doucet:

Re: Call for Comments – Proposed amendments to the *Telecommunications Fees Regulations, 2010*, Telecom Notice of Consultation CRTC 2022-32 (the “Notice”) – Reply comments of TELUS

1. TELUS hereby files these reply comments in the above-noted proceeding in accordance with Rule 26 of the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*¹ and the Notice. TELUS is aware of interventions filed on behalf of Bell Canada (“Bell”), Cogeco Communications Inc. (“Cogeco”), and Saskatchewan Telecommunications (“SaskTel”) and responds as follows.²
2. At the outset, there is unanimous support for the proposed amendments to the *Telecommunications Fees Regulations, 2010*³ (the “Regulations”).⁴ Given this unanimous support, the Commission should proceed forthwith to expeditiously implement them.

¹ SOR/2010-277.

² TELUS is also aware of comments filed by Maciej Morycinski, to which TELUS is not responding as they are out of scope.

³ SOR/2010-65.

⁴ TNC 2022-32, Intervention of Bell, para. 1; TNC 2022-32, Comments of SaskTel, paras 10 and 11; TNC 2022-32, Intervention of TELUS, para. 1. Cogeco “...supports the principle behind the CRTC’s proposed amendments...” (Comments of Cogeco, para. 3).

3. Bell and Cogeco propose further amendments to the Commission's telecommunications fees regime. TELUS discusses these proposals, in turn, below.
4. Despite its "support in principle," Cogeco expresses concern that "the Commission's proposal would lead to a significant increase in annual telecommunications fees from Canadian carriers,"⁵ and that "without any changes to current the calculation formula (*sic*), the Commission will be collecting fees from telecommunications carriers far in excess of the costs that would need to be covered."⁶
5. In response, Cogeco's concern should be rejected. As Cogeco itself explains, the formula the CRTC uses to calculate telecommunications fees is performed on a pro-rated basis, ensuring each required telecommunications service provider ("TSP") payor pays its proportionate share of costs.⁷ As such, no concern arises as to the Commission collecting excess fees. Additionally, the CRTC has a true-up mechanism as part of its formula to address such concerns.⁸
6. Cogeco's real concern appears to be that the amount of fees it would pay will increase.⁹ However, this would simply be the result of the change in the definition of contribution-eligible revenues for purposes of the Regulations, to include retail Internet revenues, resulting in certain companies paying a greater proportion of telecommunications fees than is currently the case. The end-result will be a more equitable distribution of fee payments amongst TSPs, consistent with past amendments to update the Regulations.¹⁰
7. The fact that certain companies have not hitherto effectively paid their proportionate share of telecommunications fees leads to Bell's proposal to make the proposed amendments "apply effectively 1 January 2020, the same date that the revised contribution calculation mechanism came into force."¹¹ TELUS concurs

⁵ TNC 2022-32, Comments of Cogeco, para. 4.

⁶ TNC 2022-32, Comments of Cogeco, para. 6.

⁷ TNC 2022-32, Comments of Cogeco, para. 5. See Regulations, section 3.

⁸ Regulations, section 3.

⁹ TNC 2022-32, Comments of Cogeco, para. 4.

¹⁰ *Confirmation of Telecom Decision 2006-71 regarding revisions to or replacement of the Telecommunications Fees Regulations, 1995*, Telecom Decision CRTC 2009-681, para. 9.

¹¹ TNC 2022-32, Intervention of Bell, para. 9-10, 27-38.

with Bell that implementing the proposed amendments effective 1 January 2020 would represent a fairer distribution of the regulatory burden for that time period. In the alternative, TELUS reiterates its proposal that the Commission expeditiously implement its proposed amendments effective for the 2021-2022 fiscal year.

8. TELUS wishes to thank the Commission for the opportunity to file these reply comments.

Yours truly,

{Original signed by Stephen Schmidt}

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AH/cs

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