

Telus loses battle for long-distance fee

Ordered to reimburse customers who didn't make calls on its network

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The federal telecommunications regulator has killed a new long-distance fee at **Telus Corp.**, but that doesn't mean other extra charges will disappear from telecom bills.

In a ruling yesterday, the Canadian Radio-television and Telecommunications Commission said the \$2.95 monthly charge was "inappropriate" and ordered Telus to reimburse some of the 500,000 customers in Alberta and British Columbia forced to pay the fee since November.

Telus says the fee is for the right to gain access to its long-distance service, and reflects considerable investment in that network. But the charge applied to people who didn't even make a long-distance call or used a dial-around service to bypass the Telus network.

The so-called long-distance network access charge is the latest example of extra fees that are creeping into customers' bills across the communications industry. Subscribers don't just pay the listed price for a service - more charges are tacked on for the ability to access the network or make a connection, including for cellphones and TV.

Unlike this case, the CRTC can't intervene in many circumstances because it doesn't regulate the wireless, Internet or TV industries. That leaves pricing in the hands of the communications companies, and industry watchers believe the fees will keep growing.

"That's a general trend overall for companies to tack on extra charges," said **Neeraj Monga**, an analyst at **Veritas Investment Research**. He predicts consumers will see more of these fees as the industry is increasingly deregulated.

In Telus's case, for example, the CRTC said the new long-distance charge was actually a way of raising local phone rates. The CRTC just started deregulating the local market in the second half of last year.

In cities where local phone service is no longer regulated, there are price ceilings in place. And in areas that are still regulated, Telus can only charge CRTC approved rates.

"When applied to customers who did not make any long-distance calls, the monthly fee was equivalent to an unauthorized increase to the residential local service rate," CRTC chairman Konrad von Finckenstein said yesterday. "We will use our powers whenever necessary to uphold the interests of consumers of telecommunications services"

The CRTC will allow Telus, like rival Bell Canada, to keep levying an extra fee for customers who aren't on a plan and make long-distance calls on its network. They won't get the refund. Bell introduced its \$1.25 monthly charge in January.

Telus will have to reimburse those who paid the fee, but didn't make calls on its network. The Burnaby, B.C.-based company is studying its options including an appeal, spokesman Shawn Hall said. "We're obviously very disappointed with the decision."

The company charged customers for a "valued" service, he said. If they didn't want it, they could subscribe to Telus's Call Guardian program, which doesn't let local phone customers make long-distance calls on the Telus network, although they can use a dial-around service.

The new fee didn't go over well with Telus customers - the CRTC received more than 1,100 complaints and comments. As well, long-distance rival Yak Communications (Canada) Corp. and the Public Interest Advocacy Centre filed applications protesting the charge.

"Perhaps they'll think twice before doing it again," said John Lawford, a lawyer for PIAC. But he acknowledged it was a "special situation."

"We had something to hang our hats on here and to challenge them on. It's more difficult when the service is no longer price regulated, and that's the difficulty with wireless."

TELUS CORP. (T)

Close: \$45.70, up 65 cents

Wake-up call

Communications companies don't stick with the listed price and like to add an element of surprise to bills by tacking on extra charges each month. Here are some examples.

	Telus	Bell	Rogers
Wireless:			
System access fee			
(postpaid)	\$6.95	\$8.95	\$6.95
(prepaid)	-----	\$3.95	-----
Local phone:			
Touchtone	*	\$2.80	-----
System access fee	*	-----	\$5.95
Long distance:			
Long distance network connection fee (for those not on a plan)	\$2.95	\$1.25	-----
Network charge (for those on a plan)	\$4.95	\$5.95	-----
Television:			
Digital access fee	*	\$3.00	\$2.99

*Telus did not provide information on possible charges

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SOURCE: COMPANIES