



News Release

For immediate release

Aliant, Bell Canada, SaskTel and TELUS jointly call on federal cabinet to overturn CRTC VoIP decision

OTTAWA – (July 28, 2005) – Aliant, Bell Canada, SaskTel and TELUS (the Companies) today jointly petitioned the federal cabinet to take rapid action to protect consumers and encourage competition by overturning the Canadian Radio-television and Telecommunications Commission's (CRTC) May 12, 2005, voice over Internet Protocol (VoIP) decision. The Companies believe the decision to regulate the marketing and pricing of VoIP services offered only by the established telecommunications companies will result in higher prices and less choice for Canadian consumers. Accordingly, the Companies have asked the cabinet, as a matter of urgency, to eliminate the economic regulation of VoIP services regardless of the service provider.

“The CRTC’s decision clearly does not recognize the realities of this technology or the market,” said Jay Forbes, President and CEO of Aliant. “It makes Canada the only major industrialized country to regulate VoIP. If left unchallenged, it will have significant consequences for consumers in terms of competition, choice, pricing, and the development of innovative new services.”

VoIP is changing the way voice services are delivered, allowing new and foreign competitors to enter the market easily and with relatively little investment. However, based on the CRTC’s decision, only VoIP services offered by established telecommunications companies are subject to economic regulation. All other competitors, including the large cable companies and foreign resellers, are free to offer services and bundles unencumbered by price regulation and marketing restrictions.

“Beyond the obvious consequences for consumers, this decision stands in stark contrast to the government’s own policy to encourage the growth of Canada’s ICT sector and its contribution to Canadian competitiveness,” added Michael Sabia, President and CEO of BCE and CEO of Bell Canada. “It sets back innovation in our sector, hampers productivity and undermines Canada’s hard-won leadership in the communications industry by constraining the very companies best positioned to maintain that leadership. It is simply bad public policy.”

Internet applications such as email, messaging and video and audio content have never been price regulated. The decision is also at odds with the Commission’s longstanding approach to wireless telephony, which is not price regulated. In both cases, decisions by the Commission not to regulate prices led to the development of innovative growth industries. As a result, Canada’s Internet and wireless industries are vibrant and competitive.

“VoIP is the biggest technological change to hit our industry in 20 years, yet the CRTC’s intervention in the VoIP marketplace will not allow it to reach its full potential for consumers,” added Robert Watson, President and CEO of SaskTel. “The CRTC appears to be preoccupied with protecting competitors at the expense of consumers, who are best served by a greater reliance on market forces.”

The Companies acknowledge the CRTC’s role in regulating all VoIP service providers in areas of important social policy, such as the provision of 9-1-1 services, privacy safeguards, and access to services by disabled persons. Indeed the Companies are at the forefront in implementing these directives.

“The CRTC has failed to recognize that with VoIP there are no barriers to entry and no one has market power, including the established telecommunications companies,” concluded Darren Entwistle, President and CEO of TELUS. “Vigorous competition already exists leaving no justification for economic regulation of VoIP services, particularly in favour of some competitors – the cable companies – who clearly do not need a leg-up at the expense of consumers and the development of a vibrant, competitive industry.”

About Aliant

From its home base in Atlantic Canada, Aliant delivers a wide variety of innovative and traditional communications services, including local and long distance telephony, wireless, Internet, e-commerce, interactive multimedia, data and managed network services, to more than two million consumers and over 80,000 enterprises. Aliant complements its industry-leading telecommunications business with strengths in information technology solutions and knowledge-services applications. Aliant’s approximately 8,400 employees build on Aliant’s 100-plus year history by collaborating to deliver the highest quality of customer service, choice and convenience. Aliant has a market capitalization of approximately \$3.5 billion.

About Bell Canada

Bell Canada, Canada’s national leader in communications, provides connectivity to residential and business customers through wired and wireless voice and data communications, local and long distance phone services, high speed and wireless Internet access, IP-broadband services, e-business solutions and satellite television services. Bell Canada is wholly owned by BCE Inc. For more information please visit www.bell.ca .

About SaskTel

SaskTel is the leading full service communications company in Saskatchewan employing over 3,800 people in over 50 Saskatchewan communities. It offers complete wireline, wireless, internet, entertainment and e-business solutions over a state-of-the-art, digital network. SaskTel maintains investments in companies that provide a variety of products and services. Visit SaskTel at www.sasktel.com.

About TELUS

TELUS (TSX: T, T.NV; NYSE: TU) is the largest telecommunications company in Western Canada and the second largest in the country, with \$7.8 billion of annual revenue, 4.8 million network access lines and 4.0 million wireless customers. The company provides customers with a full range of telecommunications products and services including data, voice and wireless services across Canada, utilizing next generation Internet-based technologies. For more information about TELUS, please visit www.telus.com.

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1 866 546-6145

To access the instant replay post media conference, please dial:
416-695-5800 / 1 800 408-3053 – pass code (3159198#). Please note that the instant replay will end on Thursday, August 4, 2005.

The event will also be broadcast on Satellite Anik F2C 3B. Local Ottawa and Toronto media can also pick up the signal at the Toronto TOC on Bell SSO: 40622.

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