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British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Autorité des marches financiers
Nova Scotia Securities Commission
New Brunswick Securities Commission
Office of the Attorney General, Prince Edward Island
Securities Commission of Newfoundland and Labrador
Registrar of Securities, Government of Yukon
Registrar of Securities, Department of Justice, Government of the Northwest Territories
Registrar of Securities, Legal Registries Division, Department of Justice, Government of Nunavut

Ontario Securities Commission (OSC)
20 Queen Street West
Suite 1900, Box 55
Toronto, Ontario M5H 3S8

Attention: John Stevenson, Secretary

Autorité des marches financiers
Tour de la Bourse
800, square Victoria
C.P. 246, 22e étage
Montréal Québec, H4Z 1G3

Attention: Anne-Marie Beaudoin, Directrice du secrétariat

Dear Ladies and Gentlemen:

Re: TELUS Reply to Proposed Repeal and Replacement of Multilateral Instrument 52-109 Certification of Disclosure In Issuers' Annual and Interim Filings - Request for Comments

TELUS (TSX: T, T.A; NYSE: TU) is a leading national telecommunications company in Canada, with $9.1 billion of annual revenue and 11.1 million customer connections including 5.6 million wireless subscribers, 4.4 million wireline network access lines and 1.2 million Internet subscribers. TELUS provides a wide range of communications products and services including data, Internet protocol (IP), voice, entertainment and video. Committed to being Canada's premier corporate citizen, we give where we live.

We will present our comments in two categories; first, those revisions we agree with, and second, those we do not agree with. If required, we would be happy to provide clarification.

I) TELUS agrees with the following revisions and reflect concurrence with recommendations made by TELUS in our NI 52-109 comment letter submitted on June 28, 2007

1. **Harmonization with U.S. internal control requirements with respect to replacing "reportable deficiency" with "material weakness"**

We applaud the CSA's recognition of the need to adopt terminology and meaning consistent with the SEC's requirements in the U.S.. This change increases harmonization and has many benefits as outlined in our original comment letter including the following:

- It will be easier for Canadian issuers to access U.S. capital markets as Sarbanes Oxley (SOX) compliance will not act as a barrier to entry;
- It will reduce aggregate compliance costs for Canadian companies who are already issuers in the Canadian and U.S. capital markets;
- It will increase North American market synergies regarding raising capital; and
- It will increase confidence in Canadian capital markets and thereby benefit both issuers and investors.

2. **Recognition of internal control framework by non-venture Issuers**

We concur with the CSA's revision to require a recognized control framework such as Internal Control – Integrated Framework (COSO) published by The Committee of Sponsoring Organizations of the Treadway Commission, Risk Management and Governance: Guidance on Control (COCO) or Guidance on Internal Control (Turnbull Guidance) for ICFR evaluation.

As outlined in our original comment letter there are several benefits to having issuers follow a unified approach:

- Learnings across companies can be shared and communicated more effectively;
- Enhanced comparability of assessments across issuers;
- Standardization facilitates enhanced economies of scale and scope for the development of requisite expertise to conduct ICFR compliance and assurance activities;
- Improved investor understandability and confidence in the evaluation process and management's certification; and
- Allows more consistent application of professional judgement.

3. **Scope limitation increased to 365 days (from 90 days) for control design assessment for business acquisitions**

We support the CSA's revision of the scope limitation period by increasing it to 365 days rather than the more restrictive 90 days. As stated in our original comment letter, the 90 day period is not a realistic timeframe for mid to large sized issuers to perform an adequate assessment over ICFR for the acquired business during the post merger integration phase.

4. **Permit limitation for design of ICFR within 90 days after an issuer has become a reporting issuer or after becoming a non-venture issuer**

We agree with the CSA's recognition of the fact that 90 days may not be an adequate amount of time in these situations and so allowing new issuers after an Initial Public Offering (IPO) or a Reverse Takeover (RTO) or after becoming a non-venture issuer to certify on a new Form 52-109F1 – IPO/RTO Certificate will help to alleviate that concern. The new Form 52-109F1 – IPO/RTO does not require the CEO and CFO

to certify the establishment and maintenance of disclosure controls and procedures (DC&P) and ICFR and so it allows the issuer more time to reach that stage in its subsequent filings.

5. Allow ICFR design accommodation for venture Issuers

We agree with the CSA's decision to allow an ICFR design accommodation for venture issuers. As stated in our original comment letter, we feel that the cost of compliance with 52-109 should not act as a barrier for smaller private companies wishing to become public. TELUS wishes to continue to see a healthy capital market for smaller organizations.

II) TELUS does not agree with the following revisions or decisions and are contrary to the recommendations in our NI 52-109 comment letter submitted on June 28, 2007

1) TELUS is not supportive of the removal of the requirement for certifying officers to disclose significant deficiencies to the audit committee and external auditor

As stated in our original comment letter, TELUS views the Audit Committee function as having a critical role to play in enabling effective corporate governance, proactive Enterprise Risk Management (ERM), a strong ethical culture and a healthy system of internal controls all of which, we believe, ultimately leads to reliable capital markets. For Audit Committees to effectively carry out their mandate they must be provided with the requisite information to assess the adequacy of the control environment. We feel the Audit Committee's understanding of the company's ICFR is one of the basic elements in their assessment of management. Further, when there is an internal control deficiency of significance, the Audit Committee should be informed of the issue, its implications, the basis for the determination that such "significant deficiency" was not a "material weakness", as well as the nature of management's remediation plans. The Audit Committee must monitor remediation efforts to ensure risks are mitigated to an acceptable level, and if the remediation is not implemented there should be compelling reasons as to why not. Based on this, we strongly feel the CSA should not have removed the requirement that certifying officers must disclose to the Audit Committee all significant deficiencies in the design or operation of ICFR.

In the responses to the comment letters, the CSA states in Appendix C page 77, "*we do not believe there is a need for the term significant deficiency within the Instrument. This does not preclude an audit committee from requesting certifying officers to bring any significant deficiencies to their attention*". We agree that an audit committee can request such information, however, there will certainly be inconsistency between issuers as to which companies' audit committees require significant deficiency disclosure and which ones do not. This will create a difference in an issuer's control culture which shareholders will be totally unaware of and could lead to an undermining of shareholder confidence. Furthermore, without a clear and definable term there could also be a lack of consistency from issuer to issuer as to what is significant.

2) TELUS is not supportive of the absence of a requirement for an external audit opinion

As stated in our original comment letter, the absence of a mandatory audit opinion concerns TELUS, especially given the proposed document is not prescriptive enough on the matter of notifying the Audit Committee and External Auditor on significant deficiencies (discussed above) and increased emphasis on management judgement. Serious weaknesses in a company's ICFR, especially in its tone at the top and financial close and report process, are silent killers that without detection and remediation can lead to eventual ruination of multi-billion dollar companies, resulting in shattered investor confidence. This is not idle speculation but rather a reflection of the experience of past years both in the U.S. (e.g. Enron, Worldcom, etc.) and Canada (e.g. Nortel and Livent).

Many companies base their criticism of an external ICFR audit opinion requirement due to cost. TELUS, however, feels that the benefits of the audit services outweigh the costs of an audit. The incremental costs of a mandatory external audit opinion are best addressed through (i) appropriate guidance on methodology

consistent with the top-down risk-based approach to financial statement materiality as opposed to fully substantive based audit approaches regardless of materiality; and (ii) clearly specifying an established framework for ICFR evaluation so there is a commonality of experience and clarity as the acceptable approach for assurance of ICFR certifications. Since the issuance of the Instrument (52-109) for comment on March 30, 2007, both of these conditions have now turned out to be true. First, the Release of Audit Standard 5 (AS 5) by the PCAOB for Section 404 auditor guidance on May 24, 2007 and the Release by the SEC of Section 404 management guidance on May 23, 2007 have made it abundantly clear that an efficient top-down risk-based approach to ICFR can be conducted. Second, the CSA's requirement in the 52-109 revisions to adopt a recognized internal control framework means that a consistent acceptable approach to achieve ICFR certifications is possible and having an audit requirement in this environment will be cost effective and efficient.

As for the benefit of an external audit opinion, it is widely recognized that the external audit opinion enhances confidence in financial filings and is extremely important not only to the investor but to all stakeholders. TELUS believes that this benefit is substantial and outweighs the costs, especially since the release of the PCAOB and SEC guidance in 2007. Further, by eliminating the audit requirement, there is potential to create new liabilities for issuers and directors. The reality is that an external audit opinion also provides certifying officers with comfort as well as additional assurance in their certification. Both the U.S. and Japan, in their legislations around ICFR, have required an external audit opinion and we feel Canada should also follow this direction.

Additional Comments

In our original comment letter on June 28, 2007, we asked for additional clarification and guidance on certain other matters. Although not addressing all the items we raised, we have the following comments:

1. We are pleased that the CSA adopted a recognized framework to design ICFR which addressed our comment on having detailed guidance on the minimum requirements for the MD&A disclosure of "a description of the process [management] used to evaluate the effectiveness of ICFR".
2. We are pleased that the CSA added guidance to part 8 of the Companion Policy on the use of service organizations which we felt was helpful and needed.
3. We were one of a number of commenters who raised the issue of having more guidance around an adequate assessment of fraud. The CSA commented that they didn't feel further guidance was necessary. TELUS still believes this type of guidance would be helpful to issuers and would promote a more consistent approach which would be beneficial. Therefore, we encourage the CSA to re-examine its position on this matter.
4. In our original comment letter on June 28, 2007, we recommended there be specific guidance requiring the implementation of an ethics hot line that is safe and confidential to use. We see this as an example of a cost effective tool to promote and enforce accountability within an organization. Therefore, we encourage the CSA to consider including this as an important element in potential guidance around fraud raised in our previous point.

We are pleased to have the opportunity to submit our comments on the CSA's revisions to NI 52-109. We are especially pleased with the CSA's approach of accepting some of our recommendations made in the first round of comments on June 28, 2007. We respect the CSA's decisions and the decision making process and see it as a valuable way to collect opinions from many different bodies including issuers, auditors, investors and other interested and affected observers. Our comments herein are reflective of first-hand experience with SOX compliance and the progressive reformation and progression of its related SOX 404 regulation in the past few years. Therefore, we encourage you to give serious consideration to informed viewpoints such as TELUS.

Our TELUS SOX team or I will be happy to discuss any questions or clarification you require.

Sincerely,

Robert G. McFarlane
Executive Vice President &
Chief Financial Officer

cc. -Brian MacNeil, Chairman, TELUS Corporation Audit Committee
-Darren Entwistle, President and CEO, TELUS Corporation
-Nelson Kwan, SVP-Corporate Controller, TELUS Corporation
-Kasey Reese, VP- Risk Management and Chief Auditor, TELUS Corporation
-Kerry Merriman, VP Corporate Accounting & Financial Reporting, TELUS Corporation
-Audrey Ho, VP Legal Services, General Counsel & Corporate Secretary, TELUS Corporation
-Karen Keilty, Deloitte & Touche