Letter of Comment No: 119 File Reference: 1215-001



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July 11, 2006

Mr. Donald Thomas
Project Manager
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

VIA e-Mail, Fax and Courier

Dear Sir:

Re: Accounting for Uncertain Tax Positions Interpretation of FASB Statement No. 109

We have been following the course of the Exposure Draft for the <u>Accounting for Uncertain Tax Positions - Interpretation of FASB Statement No. 109</u> and would like to express our serious concern regarding the FASB decision regarding disclosure of unrecognized tax benefits that was ultimately documented after the Board meeting of May 10, 2006. As a Canadian company with shares listed on a stock exchange in the United States, TELUS Corporation (herein referred to as "TELUS" or the "Company") is required to comply with U.S. GAAP. TELUS' primary concern is as follows:

The disclosure will effectively provide tax authorities with the Company's views on TELUS' filing positions that have a reasonable chance of being successfully challenged. Disclosure of the Company's views as to whether a benefit does not meet the "more likely than not" standard will detract from TELUS' ability to ultimately resolve the issues in the Company's favour and ultimately to the benefit of TELUS' shareholders. It is TELUS' experience that even though an assessment may be made for financial statement purposes that a benefit does not meet the realizable standard, the ultimate determination of such an item may not be in accordance with the Company's assessment. This is particularly true when there are many items in dispute and matters are settled with a tax authority on a "package" basis. Moreover, even though an assessment may be made by a taxpayer that a benefit does not meet the "more likely than not" standard, a taxpayer may still decide to pursue the matter in a vigorous way if there is a high (up to 50%) chance of success, particularly if the assessment as to the benefit not being realizable results from lack of precedent or the novelty of the issue. It is TELUS view that it is more likely that such disputes will need to be taken to higher levels for resolution (beyond audit and appeals avenues within the taxation authority) resulting in higher costs to both the Company and the fisc. This will certainly result in less shareholder value in the long run.

We would also note that the process followed by FASB in determining this disclosure has not allowed for adequate participation by all companies impacted by the Interpretation. As a Canadian issuer we do not have access to FASB deliberations beyond what is in the public domain and we understand that a significant amount of discussion has taken place in respect of the Interpretation that was not documented on the FASB website. As such, we were not able to be as involved in this process as we would have desired.

It is respectfully submitted that further discussion should take place with respect to the disclosure of the tax reserves in the financial statements.

We would be pleased to discuss this further if you would like us to elaborate on our views. Arrangements can be made by contacting Mr. Timothy McGillicuddy at (780)493-3604.

Yours truly,

TELUS Corporation

Robert McFarlane

Executive Vice-President and Chief Financial Officer

cc: Claude Rinfret, Deloitte & Touche, Vancouver Karen Keilty, Deloitte & Touche, Vancouver John Van Ogtrop, Deloitte & Touche, Toronto Timothy McGillicuddy, Vice-President, Taxation, TELUS