



Telecom Order CRTC 2007-56

Ottawa, 21 February 2007

Saskatchewan Telecommunications

Reference: Tariff Notice 127

Microlink service

In this Order, the Commission approves with some modifications Saskatchewan Telecommunications' application to destandardize the one-year, three-year and five-year contract options associated with its Microlink service.

Introduction

1. The Commission received an application by Saskatchewan Telecommunications (SaskTel), dated 24 November 2006, proposing revisions to its General Tariff Basic Services item 110.34 – Microlink service in order to destandardize the one-year, three-year and five-year contract options.
2. SaskTel noted that its Microlink service was a network access service that made use of Integrated Services Digital Network – Basic Rate Interface (ISDN-BRI) technology for the digital transmission of information between SaskTel's ISDN-serving central office and compatible terminal equipment located at a customer's premises. The company also noted that Microlink service was configured to offer customers two B channels, each equipped with a Directory Number, and one D channel.

Background

3. In *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005 (Circular 2005-7), the Commission indicated that in order to properly assess a proposal for the destandardization and/or withdrawal of a tariffed service, the applicant must file an application containing the following information:
 - a) service proposed to be destandardized and/or withdrawn;
 - b) proposed date for destandardization;
 - c) proposed date for ultimate withdrawal of service;
 - d) type of destandardization;
 - e) rationale for the application;

- f) availability of a substitute, with rationale as to why it is reasonable in terms of equivalent functionality, availability in the same geographical area, and cost (including the initial outlay and ongoing costs to the customer);
 - g) the transition plan;
 - h) relevant information concerning existing customers, such as the number of customers affected;
 - i) a copy of the notice to affected customers; and
 - j) any other information the applicant believes is relevant.
4. The Commission further indicated that if the applicant considered that certain criteria did not apply to a particular application, the applicant was expected to provide submissions regarding why it believed those criteria should not apply.
5. The Commission stated in Circular 2005-7 that the applicant must provide notice to each customer affected by its application to destandardize and/or withdraw a particular service and that the notice should be sent to affected customers on the date the application was filed. The Commission specified that the notice must include items a) through g) set out in paragraph 3 above, as well as clear and detailed information regarding how an affected customer could participate in the Commission's process, including the date by which comments must be received by the Commission. The Commission also specified that interested parties should be allowed 45 calendar days to comment on an applicant's destandardization and/or withdrawal application.

SaskTel's application

6. SaskTel submitted that its application was consistent with the criteria established in Circular 2005-7 and provided the following information to support its request:
- a) service proposed to be destandardized and/or withdrawn

SaskTel proposed that General Tariff Basic Services item 110.34 – Microlink service be modified to destandardize the one-year, three-year and five-year contract options associated with the service.
 - b) proposed date for destandardization

SaskTel requested that interim approval of its destandardization application be granted with an effective date of 9 January 2007.
 - c) proposed date for ultimate withdrawal of service

SaskTel submitted that this criterion did not apply since it was not proposing to withdraw its Microlink service.

d) type of destandardization

SaskTel proposed to destandardize the one-year, three-year and five-year contract term options of its Microlink service so that these options would be unavailable for new installations. SaskTel however proposed to honour existing Microlink service contracts until the end of the current term, after which customers would be charged the monthly rental rate.

SaskTel indicated that the non-contracted monthly rental rate option would remain available to new and existing Microlink service customers.

e) rationale for the application

SaskTel submitted that it had concerns regarding its ability to supply and maintain Microlink service in the long term, given the age and viability of the ISDN-BRI technology.

f) availability of a substitute, with rationale as to why it is reasonable in terms of equivalent functionality, availability in the same geographic area, and cost (including the initial outlay and ongoing costs to the customer)

SaskTel submitted that its recommended alternative to contracted Microlink service would be Microlink service delivered on a monthly rental basis. SaskTel submitted that this alternative would ensure that customers received the same service, with a small monthly rate increase depending on their current contract. SaskTel indicated that non-contracted Microlink service was available in the same geographic areas as Microlink service obtained under either a one-year, three-year or five-year contract term option. SaskTel also indicated that other alternatives qualifying as similar services included, but were not restricted to, Multi-Line Access Service, single-line business and residential wireline network access service, Centrex Service, SaskTel Centrex IP [Internet Protocol] Service and High Speed Internet service.

g) the transition plan

SaskTel submitted that customers would be able to maintain their existing Microlink service one-, three- or five-year contract options until the end of their current terms. SaskTel also submitted that customers who wished to terminate their existing Microlink service contracts before the end of the contract term would be allowed to do so without incurring any termination charges. SaskTel further submitted that customers who opted to transition to another similar service would be allowed to do so without paying the service charges associated with the new service.

- h) relevant information concerning existing customers, such as the number of customers affected

SaskTel provided information in confidence to the Commission regarding the number of customers affected by its application.

- i) a copy of the notice to affected customers

SaskTel indicated that it had notified affected customers of its application by way of a letter that was sent concurrently with its application being filed. SaskTel provided a copy of the customer notification letter with its application, providing its customers a comment period of 45 calendar days, as required in Circular 2005-7.

- j) any other information the applicant believes is relevant

No additional information was filed.

- 7. The Commission received no comments regarding this application.

Commission's analysis and determinations

- 8. The Commission finds that SaskTel has complied with the customer notification and evidentiary requirements set out in Circular 2005-7.
- 9. The Commission notes that it disposed of a similar application from Bell Canada to destandardize the one-year, three-year and five-year contract options for Centrex Microlink Access in *Bell Canada – Centrex III Service*, Telecom Order CRTC 2005-24, 14 January 2005 (Order 2005-24). The Commission also notes that as part of its application, Bell Canada had sought to destandardize these Centrex Microlink Access service contract options in preparation for the market evolution towards IP-based services. The Commission further notes that in Order 2005-24, it approved Bell Canada's destandardization application on an interim basis.
- 10. The Commission notes that while the notice to affected customers contains a non-exhaustive list of access services that would be deemed similar services for the purposes of early termination and/or transition, the proposed tariff pages simply refer to "similar services." The Commission considers that the reference in the proposed tariff pages to similar services is vague compared to the information provided in the notice to affected customers.
- 11. The Commission also notes that the notice to affected customers clearly conveys the notion that customers currently committed to a one-year, three-year or five-year contract option could opt to terminate their contract prior to the expiry of its term without incurring any termination charges. In the Commission's view, the language adopted in the proposed tariff pages is more restrictive and implies that the termination charges would only be waived for those customers that transfer their Microlink service to another similar access service. The Commission considers that the proposed tariff pages are not consistent with the information provided in the notice.

12. The Commission therefore considers that modifications are necessary to SaskTel's proposed tariff pages in order to eliminate the vagueness and inconsistency mentioned above, and to grant the company's Microlink service customers the added flexibility regarding early termination that is conveyed to them by the notice.
13. Accordingly, the Commission **approves** SaskTel's application with modifications. The Commission directs SaskTel to issue revised tariff pages within 10 days of the date of this Order and to include the following modifications (in italics):

- General Tariff Basic Services item 110.34.3.11:

Customers can terminate their contract prior to the expiry date of their contract period without incurring any termination charge. Customers can also migrate their Microlink service to another similar public switched telephone network (PSTN) access service prior to the expiry date of their contract period, in which case SaskTel will also waive the Service Connection charges associated with that service. Similar PSTN access services include, but are not limited to, Microlink service received on a monthly rental basis, Multi-Line Access Service, single-line business and residential wireline network access service, Centrex Service, SaskTel Centrex IP Service and High Speed Internet service.

- General Tariff Basic Services item 110.34.4:

Note: Microlink accesses are no longer available on a 1 year, 3 year and 5 year contract period for new customers. The contract rates for 1 year, 3 year or 5 year will continue to apply for existing customers until the expiry date of the current contract term, or customers may *terminate the service* or transition to a similar *PSTN access* service prior to the expiry date of their contract term without incurring any termination charges or *otherwise applicable* Service Connection charges associated with the similar service. *Similar PSTN access services include, but are not limited to, Microlink service received on a monthly rental basis, Multi-Line Access Service, single-line business and residential wireline network access service, Centrex Service, SaskTel Centrex IP Service and High Speed Internet service.*

Secretary General

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