



Telecom Order CRTC 2012-189

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Ottawa, 30 March 2012

Saskatchewan Telecommunications – Withdrawal of Rotary Dial service

File number: Tariff Notice 264

1. The Commission received an application by Saskatchewan Telecommunications (SaskTel), dated 30 November 2011, in which the company proposed to withdraw General Tariff – Basic Services item 110.10 – Network Access Service – Discontinued (Rotary Dial service).
2. SaskTel indicated that it had notified customers affected by the proposed withdrawal by way of a letter issued 30 November 2011. Subsequent to the filing of its application, SaskTel, upon request of the Commission, sent out a revised notification letter, on 22 December 2011, which included additional information on how customers could provide their comments to the Commission electronically.
3. The Commission received 15 comments from residential and business customers regarding SaskTel's application. The public record of this proceeding, which closed on 6 February 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.

Should the Commission allow SaskTel to withdraw its Rotary Dial service?

4. SaskTel proposed to withdraw its Rotary Dial service effective 21 March 2012 and migrate the affected customers to Touch-Tone service. SaskTel noted that it has fewer than 1000 Rotary Dial service customers.
5. SaskTel submitted that Rotary Dial service has been destandardized since 1990 and is no longer sold to SaskTel customers. SaskTel noted that its policy has been to migrate a customer to Touch-Tone service when the customer requests network changes to their network access line; the customer's Rotary Dial set requires repair; or the customer requests installation, moves, or rearrangements on the same or different premises.
6. SaskTel indicated that it wanted to withdraw the service to simplify its portfolio in order to move forward with new products and services.

7. SaskTel proposed to provide customers with a \$50 credit on their bill, to cover the difference in the monthly rate between Rotary Dial service and Touch-Tone service for approximately a year. SaskTel indicated in its notification letter to residential customers that there would be an increase of \$2.04 to \$2.74 a year for Touch-Tone service and it indicated in its letter to business customers that there would be an increase of \$3.50 to \$4.50 a year.
8. Of the interveners, 14 opposed SaskTel's proposal, generally submitting that they did not want to pay for a service they neither needed nor wanted.
9. In response, SaskTel noted that after submitting its application to withdraw Rotary Dial service, it had received approval from the Commission in Telecom Order 2012-63 to increase the monthly rates for Rotary Dial service and Touch-Tone service in high cost serving areas (HCSAs) effective 1 April 2012. SaskTel further noted that this rate increase was approved pursuant to the price constraints established in Telecom Regulatory Policy 2011-291. SaskTel submitted that the withdrawal of Rotary Dial service, in and of itself, will not change the overall financial impact for residential Rotary Dial customers in HCSAs as all customers in HCSAs will be moving to a monthly rate of \$30 by 1 June 2014 pursuant to the above-noted policy.

Commission's analysis and determinations

10. The Commission has stated in numerous orders that, as a general policy directive, it considers it appropriate for local exchange carriers to move towards standardizing Touch-Tone service and incorporating it into basic service for all customers.
11. The Commission notes that
 - a. Touch-Tone service is required to access local service features and network based voicemail services;
 - b. Customers are able to retain and use their Rotary Dial sets on a Touch-Tone service;
 - c. The migration process to Touch-Tone service will be done at SaskTel's switch and not at the customer premises; and,
 - d. SaskTel has noted that it is the company's policy to install a telephone jack at no charge for each hardwired set the customer replaces with a SaskTel rental Touch-Tone set or to install one jack at no charge if the customer does not want to rent a Touch-Tone set from SaskTel.
12. The Commission considers that the \$50 credit proposed by SaskTel is a reasonable amount to help to mitigate the financial impact of migrating to Touch-Tone service.

13. The Commission considers that SaskTel has met the requirements for withdrawal consistent with Telecom Information Bulletin 2010-455. The Commission considers that the notification sent to customers who subscribe to Rotary Dial service constitutes appropriate notice of the company's intention to withdraw the service.
14. Accordingly, the Commission considers that SaskTel's proposal to withdraw Rotary Dial service is acceptable.
15. The Commission notes that in Telecom Regulatory Policy 2011-291, it established annual price constraints on increases to monthly rates for stand-alone residential primary exchange services (PES) in forborne areas and for residential PES rates in HCSAs. Specifically, any increase is subject to an annual price constraint equal to one-third of the difference between the rate in effect as of 12 May 2011 and a \$30 price ceiling. After 1 June 2014, the rate may be increased annually by the rate of inflation.
16. In light of the above, the Commission **approves** SaskTel's application effective the date of this order with the condition that the increase in the monthly rate for both residential customers with stand-alone PES in forborne areas and residential customers in HCSAs who are migrated to Touch-Tone service is within the price constraints established in Telecom Regulatory Policy 2011-291.

Secretary General

Related documents

- *Saskatchewan Telecommunications – Increases to Network Access Service rates in high-cost serving areas*, Telecom Order CRTC 2012-63, 30 January 2012
- *Obligation to serve and other matters*, Telecom Regulatory Policy CRTC 2011-291, 3 May 2011, as amended by Telecom Regulatory Policy CRTC 2011-291-1, 12 May 2011
- *Approval processes for tariff applications and intercarrier agreements*, Telecom Information Bulletin CRTC 2010-455, 5 July 2010