



Telecom Order CRTC 2007-364

Ottawa, 28 September 2007

Northwestel Inc.

Reference: Tariff Notice 848

Manual Mobile Service

1. The Commission received an application by Northwestel Inc. (Northwestel), dated 21 June 2007, in which the company proposed revisions to Mobile Telephone Service Tariff item 201 – Manual Mobile Service (MMS). Specifically, the company proposed to discontinue providing MMS in the following seven sites in northern British Columbia, Yukon, and the Northwest Territories: Cold Fish Lake, Fox Pass, Caribou Hide, Little Klappen, Terminus Mountain, Dezadeash, and Hay River. Northwestel also proposed some minor housekeeping changes to its tariff pages in order to update the list of sites to accurately reflect where MMS remained available.
2. Northwestel noted that MMS provides (a) connection to the public switched telephone network through a Mobile Operator and (b) two-way communication through a shared VHF [very high frequency] radio narrowband frequency. The company added that MMS provides both fixed and mobile access for radio units installed in customer premises (fixed) and customer vehicles (mobile).
3. In support of its request that MMS be discontinued at the seven sites noted above, Northwestel submitted that they were the least used sites and had the highest costs to maintain. Further, Northwestel submitted that the infrastructure and technology used to deliver MMS were obsolete, and that equipment and replacement parts were no longer produced.¹ Northwestel argued that, in the event of a major service interruption, it might not be able to restore MMS in a timely fashion, thereby affecting the service's reliability. Northwestel indicated that it would use parts of the dismantled sites to maintain MMS in the near term in other locations.
4. Northwestel submitted that superior and affordable substitutes for MMS were readily available through cellular or satellite telephone services, noting that cellular service was available in the Hay River area. Northwestel also submitted that the costs to a customer for obtaining satellite telephone service and Northwestel's MMS are very similar. Northwestel also added that satellite telephone service provided the added value of optional call management services, such as voice mail and call forwarding, which are not available from MMS.

¹ Northwestel, citing Order 2000-256, and Telecom Orders 2003-159 and 2007-50, noted that most Canadian telecommunications companies had already removed MMS in light of significantly reduced demand and the challenges associated with maintaining a service based on obsolete technology.

5. Northwestel noted that it had sent a letter to its MMS customers² on 21 June 2007 to inform them of the company's intention to withdraw MMS and of the deadline by which comments could be submitted to the Commission, the availability of substitute services, and a contact list for alternative service providers.
6. In that same letter, Northwestel notified its MMS customers that in order to lessen the impact on them of the proposed changes, the company would be willing to provide one of the following options to each qualified customer should its proposal be accepted by the Commission:
 - a reimbursement to all Hay River customers of up to \$100 towards the purchase of a cellular phone handset; and
 - a reimbursement to all "fixed" MMS customers of up to \$2,000 towards the purchase of a satellite phone.

Further, the company proposed to reimburse customers who had purchased a new MMS radio telephone set between 20 June 2006 and 20 June 2007.³

7. Northwestel requested an approval date of 27 August 2007, and an effective date of 13 December 2007. Northwestel submitted that this would give the company nearly four months to notify the affected customers and grant them sufficient time to finalize alternative service arrangements. The company's MMS customers were notified of these proposed dates in Northwestel's 21 June 2007 letter noted above.
8. The Commission received comments from Ron and Sandra Anderson, and Max Trennert in July 2007. The record of this proceeding closed with Northwestel's reply comments to these subscribers, dated 6 and 17 August 2007, respectively.

Commission's analysis and determinations

9. In Telecom Circular 2005-7, the Commission established the criteria upon which an application for the destandardization and/or withdrawal of a tariffed service would be assessed.
10. The Commission notes that the two subscribers who commented expressed concerns about Northwestel's proposal to discontinue providing MMS, and about the unavailability of cellular service in the areas where they resided. In addition, Mr. Trennert indicated that he owned a satellite phone, but that his service had been unreliable.
11. The Commission also notes that, in its reply comments, Northwestel informed both of these customers that MMS would continue to be available in the areas where they resided. Further, Mr. Trennert was informed by Northwestel that there were other satellite service providers available to him.

² A subsequent letter was sent to the company's MMS customers on 30 July 2007.

³ Subject to proof of purchase.

12. The Commission considers that the decline in demand and revenue associated with the company's MMS, the obsolete technology, the absence of a reliable source for MMS parts and maintenance, and the availability of more cost-effective and functionally capable alternatives – such as cellular and satellite telephone services – justify approving Northwestel's application to withdraw this service at the proposed sites.
13. In light of the above, the Commission is satisfied that Northwestel has fulfilled the customer notification and evidentiary requirements set out in Telecom Circular 2005-7.
14. However, the Commission considers that a three-month period between the approval date and the effective date would be a reasonable amount of time for the company to notify its affected customers, while allowing those customers sufficient time to finalize alternative service arrangements.
15. Accordingly, the Commission **approves** Northwestel's application, effective on 28 December 2007.

Secretary General

Related documents

- *TELUS Communications Company – Alberta Manual 150 Mobile Telephone Service*, Telecom Order CRTC 2007-50, 16 February 2007
- *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005
- *Aliant Telecom Inc. – Withdrawal of public mobile telephone service in Newfoundland*, Telecom Order CRTC 2003-159, 22 April 2003
- *Withdrawal of Remote Radio Service in Ontario*, Order CRTC 2000-256, 5 April 2000

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