



Telecom Notice of Consultation CRTC 2015-66

PDF version

Ottawa, 26 February 2015

File number: 8638-C12-201501833

Call for comments

Deadline for submission of interventions: 30 March 2015

[\[Submit an intervention or view related documents\]](#)

Results of the fact-finding process on the role of payphones in the Canadian communications system – Follow-up process concerning the public notification policy for the removal of the last payphone in a community

The Commission has published today the results of its fact-finding process (the [Report](#)), as well as a third-party study on the role of payphones in emergency preparedness and alternatives to payphone service (the [RedMobile study](#)). In light of the results of the fact-finding process, the Commission calls for comments on improving the public notification policy for the removal of the last payphone in a community set out in Telecom Decision [2004-47](#).

Background

1. In Telecom Notice of Consultation [2013-337](#), the Commission initiated a fact-finding process to understand the role of payphones in the Canadian communications system. The purpose of this process was to collect information on the extent to which Canadians rely on payphones, and the effects, if any, that further payphone removals and possible rate increases may have on Canadians.
2. The launch of the fact-finding process was triggered by Telecom Decision [2013-336](#), in which the Commission denied an application by Bell Aliant Regional Communications, Limited Partnership; Bell Canada; and Télébec, Limited Partnership to increase the price ceiling for local payphone rates. In that decision, the Commission noted that there have been substantial changes in the telecommunications industry since the Commission last reviewed access to payphone service a decade ago in Telecom Decision [2004-47](#).
3. Moreover, the Commission noted that while payphones were removed from service during the past few years in response to declines in revenues and demand, the record of the proceeding leading to Telecom Decision 2013-336 did not indicate the extent to which the widespread availability of advanced technology and services had affected

the demand for payphone service, particularly among persons who earn lower incomes and/or those living in rural or remote communities.

4. The Commission also considered that it was not clear whether its policy on the removal of the last payphone in a community continued to ensure access to payphones to meet the requirements of Canadians.¹ As such, the Commission issued Telecom Notice of Consultation [2013-338](#) on the same day it initiated its fact-finding process, calling for comments on the issue of the removal of the last payphone in a community.
5. Subsequently, in Telecom Regulatory Policy [2013-708](#), the Commission determined that it would prohibit all incumbent local exchange carriers (ILECs), on an interim basis, from removing the last payphone in a community pending the conclusion of its fact-finding process.

Results of the fact-finding process

6. The results of the fact-finding process, including the scope of the process, stakeholder views, relevant regulatory frameworks, and key data are available in a report, published today on the Commission's website, entitled [*Results of the fact-finding process on the role of payphones in the Canadian communications system*](#).
7. Also published today on the Commission's website is a third-party study by RedMobile Consulting entitled [*Evaluation of payphone alternatives and payphones in emergency preparedness*](#) (the RedMobile study).

Commission's analysis

8. Based on its assessment of the results of the fact-finding process, the Commission considers that while payphone service is not relied upon to the same extent as it was in prior years, it continues to fulfill a specific role that has social benefits and that serves the public interest.
9. The Commission recognizes that
 - Canadians' usage of payphones continues to decline annually;
 - ILECs continue to maintain payphones with little to no usage;
 - although payphone removals are expected to increase in coming years in response to declining revenues, tens of thousands of payphones are forecast to remain financially viable for the foreseeable future at current rates;

¹ In Telecom Decision [2004-47](#), the Commission, among other things, established a public notification process for when the last payphone in a community is scheduled for removal. For details on this policy, see the Appendix to this notice of consultation.

- all payphones require contractual agreements between ILECs and location providers. Location providers include municipalities, private businesses (e.g. hotels, gas stations, shopping malls, and entertainment venues), and public sector sites (e.g. government buildings, hospitals, transit stations, and airports);
 - the vast majority of payphone removals are initiated by location providers and not ILECs. However, location providers have invested in alternatives to payphone service that include semi-public payphone service (i.e. the location provider pays a monthly fee to maintain the payphone terminal), public courtesy phones (i.e. a regular business telephone line with toll denial that is accessible to the public), and, in some instances, competitive payphone service; and
 - ILECs need to respond to the requirements of location providers.
10. The Commission also recognizes that each payphone removal presents a unique situation that, according to the ILECs, is evaluated on a case-by-case basis and takes into consideration multiple factors. In light of the results of the fact-finding process, the Commission considers that location providers, through their local knowledge, are best able to assess the telephony needs of their clients, patrons, and community members, and are therefore, in conjunction with ILECs and local governments, best positioned to determine where and how payphone service should be made available.
 11. However, based on a review of the submissions filed in relation to the fact-finding proceeding, it appears to the Commission that its public notification policy for the removal of the last payphone in a community, set out in Telecom Decision [2004-47](#), could be improved. To that end, the Commission, in this notice, calls for comments on three proposed modifications, each discussed below.
 12. First, as part of the proceeding that resulted in the moratorium on the removal of the last payphone in a community, it was noted by some consumer groups that the current definition of a community, as it applies to the notification requirement, is not clear to Canadians. In this regard, the Commission notes that, in Telecom Decision [2004-47](#), it recognized the difficulty in precisely describing what constitutes a community. The wire centre definition of a community was adopted because, at the time, it represented the lowest level of disaggregation at which ILECs were able to measure payphone quantities without implementing costly tracking procedures.
 13. Based on the Commission's review of the interventions received in the proceedings initiated by the two notices referenced in paragraphs 1 and 4 above, Canadians appear to interpret the last payphone in a community policy to apply to neighbourhoods, towns, municipalities, etc. and not to areas associated to wire centres. The Commission notes that the geographic span of an area served by a wire centre is often larger in rural areas than in urban centres. In some cases, a rural wire centre may encompass multiple municipalities or First Nations reserves. As such, the Commission proposes modifying the definition of a community to include municipalities and First Nations reserves, and invites comments on the issue. This would ensure that the notification requirement is triggered for the last payphone in a

municipality, the last payphone in a First Nations reserve, and the last payphone in an area served by a wire centre. The Commission is proposing that the notification requirement be triggered for the removal of the last payphone in each of these areas to address the differing circumstances in urban and rural locations.

14. Second, the record of the fact-finding proceeding indicated public interest concerns regarding the removal of payphones in locations with sporadic mobile wireless coverage. The Commission recognizes that a number of factors contribute to sporadic mobile wireless service (e.g. the strength of the wireless signal, proximity to highway corridors, type of mobile device, and type of network) and that mobile wireless coverage is evolving and improving daily. The Commission considers that triggering the notification requirement for the removal of any payphone in locations that do not have access to mobile wireless service by any carrier would enable affected communities to benefit from public notification in instances where Canadians have limited telephony options. The Commission therefore invites comments on amending the notification requirement to ensure that it is also triggered for the removal of any payphone in a location, determined by street address, that does not have access to mobile wireless service by any carrier.
15. Third, the Commission acknowledges that during the two proceedings referenced in paragraphs 1 and 4 above, a number of parties proposed that the public notification requirement should apply to all ILECs to ensure that communities in serving areas throughout Canada receive notification on the removal of the last payphone in their communities. The Commission therefore invites comments on whether it would be appropriate to apply the notification requirement (for the removal of the last payphone in a community and for the removal of any payphone in a location that does not have access to mobile wireless service by any carrier) to all ILECs [the large ILECs, small ILECs, and Northwestel Inc. (Northwestel)].
16. By modifying the existing framework in the manner proposed above, the Commission considers that Canadians in urban and rural communities would have the opportunity to voice their concerns about the removal of certain payphones to their local governments, while local governments would be empowered to respond to the needs of their community members.

Call for comments

17. The Commission hereby invites comments on the following proposed modifications to the existing policy for the removal of certain payphones set out in Telecom Decision [2004-47](#):
 - modify the definition of a “community” to include, in addition to the last payphone in an area served by a wire centre, the last payphone in a municipality and the last payphone in a First Nations reserve;

- require that the notification requirement also be triggered for the removal of any payphone that is in a location, determined by street address, that does not have access to mobile wireless service by any carrier; and
 - require that the notification requirement (triggered by the removal of the last payphone in a community and by the removal of any payphone in a location that does not have access to mobile wireless service) apply to all ILECs.
18. Upon conclusion of this consultation, the Commission will lift the moratorium on the removal of the last payphone in a community set out in Telecom Regulatory Policy [2013-708](#).

Procedure

19. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding. The Rules of Procedure set out, among other things, the rules for the content, format, filing, and service of interventions, replies, and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings, where applicable. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and their accompanying documents, which can be found on the Commission's website at www.crtc.gc.ca, under "Statutes and Regulations." The *Guidelines on the CRTC Rules of Practice and Procedure*, as set out in Broadcasting and Telecom Information Bulletin 2010-959, provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
20. All ILECs (including small ILECs and Northwestel) are made parties to this proceeding and may file interventions with the Commission by **30 March 2015**.
21. Interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issues by **30 March 2015**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
22. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position. Information on how to file this type of submission, known as a joint supporting intervention, as well as a [template](#) for the accompanying cover letter to be filed by parties, can be found in Telecom Information Bulletin 2011-693.
23. All parties may file final submissions with the Commission on any matter within the scope of this proceeding by **9 April 2015**. Final submissions are not to exceed five pages.
24. The Commission encourages interested persons and parties to monitor the record of this proceeding, available on the Commission's website, for additional information that they may find useful when preparing their submissions.

25. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line ***End of document*** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
26. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the
[\[Intervention/comment/answer form\]](#)

or

by mail to
CRTC, Ottawa, Ontario K1A 0N2

or

by fax to
819-994-0218

27. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that service/filing of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed. The Commission advises parties who file and serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.
28. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
29. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.
30. The Commission expects to publish a decision on the issues raised in this notice within four months of the close of record.

Important notice

31. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, facsimile, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file

and will be posted on the Commission's website. This includes all personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, etc.

32. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
33. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
34. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

Availability of documents

35. Electronic versions of the interventions and other documents referred to in this notice are available on the Commission's website at www.crtc.gc.ca by using the file number provided at the beginning of this notice or by visiting the "Participate" section of the Commission's website, selecting "Submit Ideas and Comments," then selecting "our open processes." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
36. Documents are also available from Commission offices, upon request, during normal business hours.

Commission offices

Toll-free telephone: 1-877-249-2782
Toll-free TDD: 1-877-909-2782

Les Terrasses de la Chaudière
Central Building
1 Promenade du Portage, Room 206
Gatineau, Quebec J8X 4B1
Tel.: 819-997-2429
Fax: 819-994-0218

Regional offices

Nova Scotia

Metropolitan Place
99 Wyse Road, Suite 1410
Dartmouth, Nova Scotia B3A 4S5
Tel.: 902-426-7997
Fax: 902-426-2721

Quebec

505 De Maisonneuve Boulevard West, Suite 205
Montréal, Quebec H3A 3C2
Tel.: 514-283-6607

Ontario

55 St. Clair Avenue East, Suite 624
Toronto, Ontario M4T 1M2
Tel.: 416-952-9096

Manitoba

360 Main Street, Suite 970
Winnipeg, Manitoba R3C 3Z3
Tel.: 204-983-6306
Fax: 204-983-6317

Saskatchewan

1975 Scarth Street, Suite 403
Regina, Saskatchewan S4P 2H1
Tel.: 306-780-3422
Fax: 306-780-3319

Alberta

220 – 4th Avenue Southeast, Suite 574
Calgary, Alberta T2G 4X3
Tel.: 403-292-6660
Fax: 403-292-6686

British Columbia

858 Beatty Street, Suite 290
Vancouver, British Columbia V6B 1C1
Tel.: 604-666-2111
Fax: 604-666-8322

Secretary General

Related documents

- *Removal of the last payphone in a community*, Telecom Regulatory Policy CRTC [2013-708](#), 17 December 2013
- *Removal of the last payphone in a community*, Telecom Notice of Consultation CRTC [2013-338](#), 16 July 2013, as amended by Telecom Notice of Consultation CRTC [2013-338-1](#), 2 August 2013
- *Fact-finding process on the role of payphones in the Canadian communications system*, Telecom Notice of Consultation CRTC [2013-337](#), 16 July 2013, as amended by Telecom Notice of Consultation CRTC [2013-337-1](#), 11 September 2013
- *Bell Aliant Regional Communications, Limited Partnership; Bell Canada; and Télébec, Limited Partnership – Application to increase the price ceiling for local payphone calls*, Telecom Decision CRTC [2013-336](#), 16 July 2013
- *Filing of joint supporting interventions*, Telecom Information Bulletin CRTC [2011-693](#), 8 November 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC [2010-959](#), 23 December 2010
- *Access to pay telephone service*, Telecom Decision CRTC [2004-47](#), 15 July 2004

Appendix

Current public notification process for when the last payphone in a community is scheduled for removal

In Telecom Decision [2004-47](#), the Commission, among other things, established a public notification process for when the last payphone in a community is scheduled for removal. The public notification process requires

- a 60-day written notification to the location provider and to the local government;
- a notice posted on the payphone scheduled for removal at least 60 days prior to removal; and
 - The notice must clearly indicate the pending removal in large enough format to attract users' attention and must include the date of removal, the ILEC's name, address, and toll-free number, as well as directions to, and the location of, the nearest payphone.
- a notice placed in the local newspaper at least 60 days prior to removal.

At that time, the Commission recognized the difficulty in precisely describing what constitutes a community when applying the above-mentioned notification requirement. The Commission noted that the ILECs have established geographic administrative areas within their territories, which are used to define local exchanges. Within an exchange, there are one or more wire centres. The Commission considered that, as a minimum rule, the ILECs must undertake public notification in all cases where the last payphone in the area served by a wire centre is to be removed.

The notification process currently applies only to Bell Aliant Regional Communications, Limited Partnership; Bell Canada; MTS Inc.; Saskatchewan Telecommunications; Télébec, Limited Partnership; and TELUS Communications Company.