



Telecom Order CRTC 2007-50

Ottawa, 16 February 2007

TELUS Communications Company

Reference: Tariff Notice 573

Alberta Manual 150 Mobile Telephone Service

In this Order, the Commission approves TELUS Communications Company's proposal to withdraw Manual 150 Mobile Telephone Service from its incumbent serving territory in Alberta.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 17 October 2006, proposing revisions to former TELUS Communications Inc.'s (TCI) General Tariff item 270 – Alberta Manual 150 Mobile Telephone Service (MMS) in order to withdraw this service from TCC's incumbent serving territory in Alberta.
2. TCC indicated that MMS was a public radio telephony service that provided basic simplex communication by means of Narrow Band Frequency Modulation on VHF radio frequencies. TCC also indicated that MMS provided both fixed and mobile access to customers of the service, depending on the radio set used by the customer, as well as access to and from the public switched telephone network by means of mobile operators.

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 - a) service proposed to be destandardized and/or withdrawn;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 in Circular 2005-7 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 had to 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) as 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 have been 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.

TCC's application

6. TCC 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

TCC proposed to withdraw former TCI General Tariff item 270
– Alberta Manual 150 Mobile Telephone Service.
 - b) proposed date for destandardization

TCC submitted that its application was for the withdrawal of a tariffed service rather than for a service destandardization. TCC further submitted that it was not proposing to destandardize the service prior to withdrawing it since MMS was only available in two areas in Alberta, it had received no new demands for MMS in more than three years, and MMS availability was threatened by a lack of equipment and facilities.
 - c) proposed date for ultimate withdrawal of service

TCC requested an effective withdrawal date of 1 February 2007 if its application was approved by 15 January 2007. If approval was not granted before 15 January 2007, TCC requested a minimum of two weeks

between the approval date and the effective withdrawal date in order for the company to notify the affected customers and grant them sufficient time to finalize alternative service arrangements.

d) type of destandardization

The company submitted that this criterion was not relevant.

e) rationale for the application

TCC indicated that it currently operated only two mobile towers in its incumbent serving territory in Alberta that were associated with MMS. The company also indicated that each tower provided approximately a 15 kilometre radius coverage for MMS.

TCC submitted that the infrastructure and technology used to deliver this service were obsolete, and that equipment and replacement parts were no longer produced. TCC indicated that the equipment needed to provide MMS was no longer supported by the original vendor or any other commercial source. The company stated that repairs and upgrades to the affected system were only possible with parts that had been recycled from the company's internal inventory or from equipment recovered from former MMS customers.

TCC submitted that no new requests for MMS had been received in the three years preceding its application. TCC stated that demand and revenue associated with this service had been steadily declining over the past decade to such a point that MMS was no longer economically sustainable for the company without a substantial rate increase for the remaining customers. Data on demand and revenue associated with MMS were provided to the Commission in confidence.

TCC indicated that all remaining customers were commercial businesses and that the majority of them did not actively use MMS, but rather retained it as backup for other telecommunications services.

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)

TCC submitted that superior and affordable substitutes for MMS were readily available through cellular or satellite telephone services. TCC also submitted that cellular telephone service in particular was an affordable alternative given the variety of sales promotions and service plans being offered, and given what MMS customers might have to pay if TCC were to increase the price of this service in order to cover the costs associated with its delivery.

In terms of functionality, TCC submitted that both cellular and satellite telephone services constituted far superior service alternatives. TCC highlighted that MMS did not support modern calling features such as call display, that only one customer could speak at a time given that MMS was transmitted in simplex mode, and that all MMS calls had to go through a TCC mobile service operator. TCC indicated that the operator then placed all calls to, from, and between MMS customers. TCC added that MMS did not have any data or Internet capabilities.

g) the transition plan

TCC submitted that it had contacted MMS customers prior to filing its application to inform them of the company's intention to withdraw MMS. TCC also submitted that, concurrent with the filing of its application, it had provided those customers with information regarding available substitute services as well as a contact list for alternative service providers. TCC further submitted that it would grant its MMS customers a two-week period following approval of its application in order to allow them sufficient time to finalize alternative service arrangements.

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

TCC provided information in confidence to the Commission regarding the number of customers and revenues associated with MMS.

i) a copy of the notice to affected customers

TCC indicated that it had notified affected customers of its intention to withdraw MMS by way of a letter that was sent concurrently with its application being filed. TCC 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 TCC has fulfilled the customer notification and evidentiary requirements set out in Circular 2005-7.

9. The Commission considers that the decline in demand and revenue associated with MMS, its obsolescent 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 TCC's application to withdraw this service.
10. The Commission considers that a three-week period between the approval date and the effective date would be reasonable for TCC to notify its affected customers, while allowing those customers sufficient time to finalize alternative service arrangements.
11. Accordingly, the Commission **approves** TCC's application, effective three weeks from the date of this Order.

Secretary General

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