



## Telecom Order CRTC 2008-292

Ottawa, 17 October 2008

### Saskatchewan Telecommunications – Withdrawal of Northern Radio Telephone Service

Reference: Tariff Notices 182 and 182A

1. The Commission received an application by Saskatchewan Telecommunications (SaskTel), dated 25 July 2008, and amended on 31 July 2008, in which the company proposed revisions to its General Tariff item 400.20, Northern Radio Telephone Service (NRTS). Specifically, SaskTel proposed to withdraw this service effective 10 October 2008. SaskTel noted that this date corresponded with the termination date of its contract with the Saskatchewan Ministry of the Environment, which had operated NRTS on behalf of the company for many years.
2. NRTS is a radiotelephone service offered in areas where the cost of providing, maintaining, or extending landline service is prohibitive.
3. The Commission received comments from Paull River Wilderness Camp (PRWC) and a petition from Mr. Ron Warner both opposing SaskTel's proposal to withdraw NRTS, and reply comments from SaskTel.
4. The public record of this proceeding, which closed on 25 September 2008, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."

#### SaskTel's application

5. SaskTel noted that although this service provides access to the public switched telephone network (PSTN), it is used primarily as a radio service among the end-users for communication within their own community of interest.
6. In support of its application, SaskTel noted that the switch that was used to provide access to the PSTN was unreliable. Further, SaskTel indicated that the switch is no longer manufactured or supported by the supplier. SaskTel proposed to withdraw NRTS and migrate existing customers to satellite telephone service for access to the PSTN, while retaining the high frequency (HF) radio component of the service for community of interest communications.
7. Further, SaskTel proposed to provide a credit of up to \$2,000 to each NRTS customer to purchase a satellite phone and associated equipment and pay the initial connection charge associated with each of these satellite telephones.<sup>1</sup> SaskTel submitted that the monthly subscription rate to be borne by the customer was about the same as the NRTS rate.

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<sup>1</sup> In its letter to the Commission dated 15 September 2008, SaskTel indicated that it would advise NRTS customers who had not yet taken advantage of its offer to provide a credit towards the purchase of satellite telephone equipment and service connection charges that it would extend the offer from 10 October to 1 December 2008.

## **Parties' comments**

8. In support of his request that SaskTel's application be denied, Mr. Warner filed a petition signed by almost 1,000 individuals, including some of the current NRTS customers. Noting that many of the customers affected by SaskTel's application live in isolated areas, Mr. Warner voiced his concern that these customers had not been sufficiently notified of the company's plans to withdraw this service, and that such customers should be given a meaningful chance to participate in the process. Mr. Warner also took issue with some of the points raised by the company in its 25 July 2008 submission. In particular, he noted that the system was primarily used for free local calling to the LaRonge area, and that satellite service can be unreliable and expensive.
9. PRWC noted that while it is satisfied with the Xplornet Satellite Internet Service with voice over Internet Protocol (VoIP) it currently uses, it still relies on the NRTS system for backup. PRWC was of the view that it was neither fair nor practical to force the average NRTS customer to switch to a satellite phone, citing cost issues, as well as the lack of portability and reliability. While acknowledging that keeping NRTS operational 24 hours per day was not necessary since it was often not available in the late evenings due to static, PRWC argued that it should not be totally shut down.
10. In response to Mr. Warner's petition, SaskTel submitted that the vast majority of the signatories were not SaskTel's customers, noting that it currently has 74 paying customers subscribing to the entire NRTS system, and that about one-third of those customers either do not reside in the North or are businesses which only use the service periodically. SaskTel concluded that the non-subscribers that were part of Mr. Warner's petition were concerned only because they were not privy to the satellite telephone offers made to NRTS customers and were not aware that the HF radio component of the service would continue to function in the absence of NRTS.
11. In response to concerns about cost, SaskTel submitted that customers could obtain satellite telephone service from Globalstar Inc., from \$19.95 per month, which would provide them with unlimited voice service, including roaming throughout the United States and the Caribbean. SaskTel submitted that this service would provide customers with greater functionality at less cost than the current NRTS tariff and that, consequently, SaskTel was providing a benefit rather than a hardship to its NRTS customers.
12. In responding to PRWC's comments that NRTS was often unavailable in the evening hours due to static, SaskTel submitted that NRTS was not adequate for an emergency contact system. In this regard, SaskTel noted that PRWC itself relied on the more sophisticated satellite Internet and VoIP system provided by Barrett Xplore Inc. SaskTel indicated that this system can be obtained for \$49.99 per month plus \$0.49 per minute of long distance anywhere in North America.

## **Commission's analysis and determinations**

13. The Commission recognizes that SaskTel's ability to provide NRTS is precarious as switch equipment breaks down and new parts cannot be obtained because the equipment is no longer manufactured or supported by the supplier. The Commission considers that SaskTel can no

longer ensure the continuation of adequate service due to the unavailability of spare equipment, and notes SaskTel's submission that satellite services are a dependable alternative to connect with medical or rescue personnel or to directly contact family members in case of an emergency.

14. With regard to the petition filed by Mr. Warner, the Commission notes that the vast majority of signatories do not subscribe to NRTS. The Commission notes SaskTel's commitment that the HF radio component of NRTS would continue to operate in northern Saskatchewan and would provide ongoing community connections among friends and family. The Commission also notes that NRTS customers could retain their HF radios and that HF radios can be purchased anywhere.
15. The Commission notes that Telecom Decision 2008-22<sup>2</sup> set out revised procedures for the disposition of applications dealing with the destandardization and/or withdrawal of tariffed services. In that Decision, the Commission eliminated the requirements to generally provide an analysis of available substitutes and a transition plan. However, as NRTS is now providing local telephone service where the costs associated with providing landline primary exchange service were judged to be prohibitive, the Commission considers that identifying substitutes and providing a transition plan are important and consistent with the policy objectives set out in paragraphs 7(a), (b), and (h) of the *Telecommunications Act*.<sup>3</sup>
16. The Commission notes that the monthly rates for replacement satellite telephone service in this case can be higher or lower than the rate for NRTS and that the service available at the higher rate can provide NRTS customers with features and capabilities which are not available with NRTS. The Commission further notes that SaskTel proposed to assist its NRTS customers in migrating to these services by covering the initial conversion costs they would have to incur.
17. Accordingly, the Commission considers that SaskTel has identified reasonable alternatives and a satisfactory transition plan for NRTS customers, and has met the criteria set out in Telecom Decision 2008-22 for withdrawing a tariffed service.
18. In light of the above, the Commission **approves** SaskTel's proposal to withdraw NRTS, effective the date of the Order.

Secretary General

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<sup>2</sup> In Telecom Decision 2008-22, the Commission revised the procedures set out in Telecom Circular 2005-7 for the disposition of applications dealing with the destandardization and/or withdrawal of tariffed services.

<sup>3</sup> The cited objectives of the *Telecommunications Act* are:

(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions;

(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;

(h) to respond to the economic and social requirements of users of telecommunications services.

## Related documents

- *Mandatory customer contract renewal notification and requirements for service destandardization/withdrawal*, Telecom Decision CRTC 2008-22, 6 March 2008
- *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*