



Telecom Order CRTC 2010-377

PDF version

Ottawa, 14 June 2010

TELUS Communications Company – Withdrawal of marine radiotelephone service

File number: TCBC Tariff Notice 4334

1. The Commission received an application by TELUS Communications Company (TCC), dated 30 October 2009, in which the company proposed to withdraw item 238 – V.H.F. Marine Public Radiotelephone Stations (marine radiotelephone service¹) from its General Tariff in British Columbia, effective 1 March 2010.
2. TCC submitted that its application had been filed in accordance with the procedures set out in *Mandatory customer contract renewal notification and requirements for service destandardization/withdrawal*, Telecom Decision CRTC 2008-22, 6 March 2008 (Telecom Decision 2008-22) for the destandardization and/or withdrawal of tariffed services.
3. In support of its application, TCC submitted that
 - the use of marine radiotelephone service is low² and, in some cases, is only occasional;
 - the high costs associated with operating and maintaining the service make it non-compensatory;
 - the obsolete manufacturer-discontinued technology and associated manual service processes used to provide this service are increasingly more difficult and costly to maintain;
 - the availability of viable service alternatives, particularly mobile satellite and cellular service, has continued to expand and improve;³ and
 - marine radiotelephone service is classified as a business service and is not a substitute for emergency communications provided by the Canadian Coast Guard.

¹ Marine radiotelephone service is a business service that permits a connection to the public switched telephone network from a marine VHF radio.

² TCC noted that since 2003, the subscriber base for this service in British Columbia has decreased from approximately 1,100 to 385 customers.

³ The company's application included a map outlining its cellular service coverage in British Columbia.

4. TCC's application included a copy of a letter that it sent to its current marine radiotelephone service subscribers, in which it (a) informed them of its application to withdraw this service and (b) provided them with a list of cellular and satellite service options that could be used as substitutes for the service.
5. The Commission received 12 comments from businesses and individuals regarding TCC's application. The public record of this proceeding 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 TCC to withdraw its marine radiotelephone service in British Columbia?

6. In general, interveners commented that cellular service is not available in many northern or remote areas, and that satellite service is unreliable and prohibitively expensive. Further, interveners submitted that it is not always possible to reach the Coast Guard or other users of marine VHF radio, and that marine radiotelephone service, as such, serves an important public safety function. Intervenors argued that TCC should be required to provide an affordable alternative service and proposed that TCC be required to expand cellular coverage before removing this service. One intervener proposed that TCC cover the upfront \$850 cost of subscribing to satellite service.
7. TCC submitted that it had recently expanded cellular coverage in Haida Gwaii (Queen Charlotte Islands) and was continuing to expand its cellular coverage where the investment can be justified. It also submitted that satellite service, while it might not be available at all times along the west coast of British Columbia, continues to be developed and enhanced. TCC further submitted that the somewhat higher rates for satellite service are reasonable in view of the additional features and capabilities it can provide.
8. TCC submitted that the Coast Guard should revisit its emergency services in areas where parties to the proceeding had identified that there is limited access and that it should augment its service as necessary.
9. TCC estimated that the cost to replace the current radio and related power equipment could exceed \$1 million. In TCC's view, a Commission direction to the company to provide this service, when it is demonstrably uneconomic to do so, would violate the Policy Direction's requirements.⁴
10. In Telecom Decision 2008-22, the Commission noted that services that are the subject of destandardization and/or withdrawal applications may rely on technology no longer supported by the manufacturer, or may be subject to increased costs that render a service uneconomic. The Commission considered that in such cases, there may not always be substitutes available that exactly match the functionality and price of the services in question.

⁴ See *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006.

11. The Commission notes TCC's submission that the small subscriber base using marine radiotelephone service continues to decline, and that the costs to replace the technology and to maintain and operate this manual service cannot be economically justified.
12. The Commission considers that in the region currently served by marine radiotelephone service, cellular and satellite services increasingly constitute viable and reliable service alternatives.
13. Regarding the public safety concerns raised by the interveners, the Commission notes that TCC submitted that the removal of marine radiotelephone service will not affect the ability of mariners to communicate with the Canadian Coast Guard or other mariners over VHF radio during emergencies.
14. However, the Commission also notes the concerns raised by certain interveners that in some remote inlet locations, VHF radio contact with the Canadian Coast Guard and other ships is not always possible and marine radiotelephone service is relied upon in such instances. In order to address these concerns, the Canadian Coast Guard was requested to comment on the radio coverage of its own land stations in those areas currently served by TCC's marine radiotelephone service.
15. In response, the Canadian Coast Guard provided a listing of its land stations alongside a list of respective TCC radio stations. The list of corresponding sites is available on the public record of this proceeding. The Commission notes that according to the Canadian Coast Guard's submission, in most cases it shares the same antenna towers and/or provides essentially the same sea coverage as TCC's marine radiotelephone service.
16. The Commission notes, further, that the Canadian Coast Guard is mandated to provide emergency communications for mariners in the coastal regions around British Columbia. The Commission considers that there is no need for TCC's marine radiotelephone service to be maintained solely in order to duplicate that role.
17. Regarding an intervener's proposal that TCC cover the upfront cost of subscribing to satellite service, the Commission notes that marine radiotelephone service is classified as a business service and that it generally has not directed companies to subsidize such migration for business service subscribers. The Commission considers that, in the circumstances, it would not be appropriate to require TCC to subsidize the cost of any new equipment customers would have to acquire in order to migrate to an alternative service.
18. In light of the above, the Commission considers that TCC has satisfied the requirements for the disposition of withdrawal applications as set out in the Appendix to Telecom Decision 2008-22, and that TCC's proposal to withdraw its marine radiotelephone service is acceptable in the circumstances.

19. Accordingly, the Commission **approves** TCC's application to withdraw its marine radiotelephone service, effective 60 days from the date that TCC notifies subscribers that it has received approval to withdraw the service.

Secretary General