



Telecom Order CRTC 2012-249

PDF version

Ottawa, 26 April 2012

Northwestel Inc. – Withdrawal of Manual Mobile Service

File numbers: Tariff Notices 878 and 878A

1. In an application dated 2 December 2011, and amended 20 February 2012, Northwestel Inc. (Northwestel) proposed to withdraw Manual Mobile Service (MMS) from 23 sites in British Columbia, the Northwest Territories, and the Yukon Territory, effective 1 June 2012.¹ MMS provides two-way voice communication through a shared very high frequency (VHF) radio narrowband frequency. The service provides access for radio units installed in customer premises (fixed) and in customer vehicles (mobile).
2. Northwestel also proposed to grandfather certain equipment and maintenance items for its remaining MMS locations, and to make several housekeeping changes to its MMS tariffs.
3. The company submitted that
 - MMS technology and network equipment have been manufacturer discontinued for more than 15 years and replacement parts are no longer produced;
 - it is becoming increasingly difficult to repair and maintain the service due to the obsolescence of MMS technology;
 - most Canadian telecommunications companies have already removed MMS due to the significant declining demand for the service and the challenges associated with maintaining a service based on obsolete technology;
 - use of this service is extremely low at these sites and costs to maintain the service in these locations far outweigh revenues; and
 - it had experienced significant declines in the use of MMS over the past 10 years.
4. Northwestel submitted that there are reasonable communication alternatives to MMS, including satellite phone service, which is available to customers throughout its operating area, close to the price of MMS, and offers optional call management services not available with MMS. It submitted that cellular services are also available at a number of the sites.

¹ See Appendix for a list of the proposed sites.

5. Northwestel indicated that to help mitigate the cost of moving to an alternative service, it planned to offer existing fixed MMS customers at the affected sites one of the following:
 - i. Construction contribution of up to \$2,000 for phone access service that meets the Commission's Basic Service Objective;
 - ii. Reimbursement of cellular handset cost (up to \$500); or
 - iii. Reimbursement of satellite phone handset cost (up to \$2,000).
6. It also proposed to fully reimburse fixed MMS customers affected by the closure of the sites who had purchased a new MMS radio telephone set between 1 December 2010 and 1 December 2011.²
7. The Commission received comments from the Regional District of Kitimat-Stikine (Kitimat-Stikine) regarding this application. The public record of this proceeding, which closed on 15 March 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.
8. Kitimat-Stikine submitted that Northwestel's withdrawal of MMS would affect at least four communities in its district – including Bob Quinn, Dease Lake, Iskut, and Telegraph Creek – as well as vehicles travelling on the Highway 37 North corridor. It noted that cellular service was not yet available at these sites and submitted that alternatives such as satellite phone are costly and difficult to obtain. It also highlighted the importance of telecommunications services for contacting emergency services, particularly on open stretches of the highway corridor.
9. In reply, Northwestel submitted that the four sites in question are expensive to maintain and have very little customer traffic. Regarding the question of public safety, the company submitted that the majority of travelers do not carry a VHF radio in their vehicles and modern technology alternatives are available that deliver greater reliability, coverage, and service features – such as satellite phones, OnStar service, and Spot satellite messenger services.

Commission's analysis and determinations

10. The Commission considers that Northwestel's proposal to withdraw MMS service from 23 sites complies with the requirements set out in *Mandatory customer contract renewal notification and requirements for service destandardization/withdrawal*, Telecom Decision CRTC 2008-22, 6 March 2008, in which the Commission revised its procedures for dealing with applications to destandardize and/or withdraw tariffed services. The Commission notes that the company sent a customer notice to all current MMS customers, advising them of the details of the application to withdraw MMS and informing them about how they could participate in the process.

² Subject to proof of purchase.

11. The Commission further notes that Northwestel has suggested alternative services that are close to the price of MMS and provide similar functionality. In particular, the Commission notes that Northwestel has suggested specific alternatives that offer greater reliability, coverage, and service features to travelers.
12. Accordingly, the Commission considers that Northwestel's proposal to withdraw MMS from the 23 sites is acceptable. The Commission also considers that the company's proposed housekeeping changes are acceptable.
13. Regarding Northwestel's proposal to grandfather, or destandardize, elements of the tariff, the Commission notes that Northwestel has not met the criteria for destandardization applications because it has not notified its customers about these proposed changes. The Commission therefore considers that it would be appropriate to deny this element of Northwestel's application.
14. In light of the above, the Commission (a) **approves** Northwestel's request to withdraw service from the 23 proposed sites, (b) **approves** the proposed housekeeping changes, and (c) **denies** Northwestel's proposal to destandardize certain equipment and maintenance items.

Secretary General

Appendix

List of sites from which Northwestel proposed to withdraw Manual Mobile Service

British Columbia

Bob Quinn
Dease Lake
Iskut
Muncho Lake
Mould Creek
Meehaus
Telegraph Hill
Townsend

Northwest Territories

Birch Lake
Chick Lake
Enterprise
Fort Simpson
Norman Wells
Tuktoyuktuk

Yukon Territory

Eagle Plains
Elsa
Faro
Haines Junction
Pringle
Shilsky
Swift River
Tagish
Teslin