



## Telecom Notice of Consultation CRTC 2013-337

PDF version

Ottawa, 16 July 2013

### Call for comments

### Fact-finding process on the role of payphones in the Canadian communications system

File number: 8650-C12-201310060

*With this notice, the Commission initiates a proceeding to collect information on the current role that payphones play in the Canadian communications system, including 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.*

### Background

1. Payphone service provides Canadians with access to public telephones for the purpose of making local and long distance calls, and is offered at various indoor and outdoor locations throughout Canada. Payphone service is offered at the discretion of the payphone provider, in that it is the provider who decides the location and number of payphones available in any area. Payphones accept various means of payment including coins, credit cards, calling cards, or prepaid phone cards. Some payphone calls, such as 9-1-1 and calls to toll-free numbers, are provided at no charge to the user.
2. In Telecom Decision 98-8, the Commission established a regulatory framework that allowed for competition in the local payphone market in order to stimulate service innovation and increase customer choice. Prior to the introduction of this framework, payphone service was only provided by incumbent local exchange carriers (ILECs) within their respective operating territories. At that time, payphone service was considered to be a valuable complement to basic service, and the Commission encouraged the ILECs to ensure its widespread availability and accessibility at affordable rates.
3. In 1998, when the competition framework was introduced, the Commission considered that ILECs would remain dominant in the local payphone market for the foreseeable future. Today, ILECs continue to be the primary providers of payphone service across Canada and, as a result, the Commission continues to regulate the ILECs' local payphone rates under a price cap regime.<sup>1</sup> Currently, ILECs have the

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<sup>1</sup> Price cap regulation generally places upward constraints on prices that a company can charge its customers.

flexibility to charge up to a maximum rate of \$0.50 for a local cash call, and up to a maximum rate of \$1.00 for a local non-cash call.<sup>2</sup>

4. The Commission last reviewed the accessibility of payphones to Canadians in Telecom Decision 2004-47. The Commission concluded at the time that although demand for payphone service was declining, it was still an important public service that wireless services had not yet rendered obsolete. In that decision, the Commission, among other things, also established a notification process for when the last payphone in a community is scheduled for removal.<sup>3</sup> This notification process was imposed only on certain ILECs.<sup>4</sup>
5. In Telecom Decision 2013-336, issued today, the Commission denied an application by Bell Aliant Regional Communications, Limited Partnership; Bell Canada; and Télébec, Limited Partnership (collectively, Bell Canada et al.) to increase the price ceiling for local payphone rates. 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 that proceeding 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 low income and those living in rural and remote communities. The Commission considered that additional data was required to assess the extent to which Canadians now rely on payphones. The Commission also considered that it was not clear whether its policy on the removal of the last payphone in a community<sup>5</sup> continued to ensure access to payphones to meet the requirements of Canadians. Accordingly, the Commission announced that it would initiate two follow-up processes to
  - a) consider the appropriateness of prohibiting, on an interim basis, the removal of the last payphone in a community;<sup>6</sup> and
  - b) collect information on the current role that payphones play in the Canadian communications system, including 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.

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<sup>2</sup> Non-cash calls include calls using calling cards or commercial credit cards.

<sup>3</sup> The notification process requires (i) a 60-day written notification to the location provider and to the local government, (ii) a notice posted on the payphone scheduled for removal at least 60 days prior to removal, and (iii) a notice placed in the local newspaper at least 60 days prior to removal.

<sup>4</sup> The notification process currently applies to Bell Aliant Regional Communications, Limited Partnership; Bell Canada; MTS Inc.; Saskatchewan Telecommunications; Télébec, Limited Partnership; and TELUS Communications Company.

<sup>5</sup> See Telecom Decision 2004-47.

<sup>6</sup> See Telecom Notice of Consultation 2013-338.

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6. With this notice, the Commission initiates a fact-finding process, as set out below, to clarify the current role of payphones in the Canadian communications system. As part of this process, the Commission has requested, via separate letters issued today, information from the ILECs (see Appendix A) and the Public Interest Advocacy Centre (PIAC).
7. In Telecom Decision 2004-47, the Commission made a series of determinations about the use and role of payphones. Since that time, there has been substantial change in the telecommunications market, particularly in the growth of wireless services. Almost 80 percent of Canadians have adopted wireless technology; however, there are factors such as socio-economic status and geography which may limit the availability of wireless services. Therefore, the Commission considers it important to examine the conditions surrounding the use of payphones by Canadians today.
8. Accordingly, the Commission invites all parties to provide data and evidence, including social, economic, and geographical factors, on the following:
  - a) the extent to which Canadians use and rely on payphones;
  - b) the purposes for which Canadians use payphones (e.g. basic, complementary, convenience, and emergency);
  - c) the demographic profile of Canadians who rely on payphones;
  - d) the availability of payphones (including payphones equipped with teletypewriter capabilities)<sup>7</sup> to meet Canadians' needs;
  - e) the impact of payphone removals on Canadians;
  - f) the impact of past or potential payphone rate increases on Canadians' usage of payphone service; and
  - g) the barriers that Canadians may experience in accessing payphone service.
9. The Commission also invites parties to provide comments and evidence on whether there are other technologies and services that are substitutes for payphone service, and, if so, the extent to which they meet the needs of Canadians who use payphones.

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<sup>7</sup> Teletypewriter (TTY) relay service is an operator-assisted text-to-voice and voice-to-text relay service for persons who are deaf, hard of hearing, or have a speech disability.

## Procedure

10. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding.<sup>8</sup> For help understanding the Rules of Procedure, see the *Guidelines on the CRTC Rules of Practice and Procedure*.
11. The ILECs listed in Appendix A of this notice are made parties to this proceeding.
12. Concurrent with the release of this notice, the Commission, by way of separate letters, issued interrogatories to the ILECs listed in Appendix A of this notice and to PIAC. The responses to these interrogatories must be filed with the Commission by **10 September 2013**.
13. Requests for public disclosure of information filed pursuant to paragraph 12 that has been designated confidential, setting out in each case the reasons for disclosure, must be filed with the Commission and served on the relevant party or parties by **20 September 2013**.
14. Responses to these requests must be filed with the Commission and served on the party or parties making the request by **27 September 2013**.
15. Determinations regarding requests for public disclosure will be issued as soon as possible. Any information to be provided pursuant to such determinations must be filed with the Commission and served on the party or parties making the request by **11 October 2013**.
16. Parties to this proceeding and interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issues by **22 October 2013**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
17. The Commission will post the interventions on its website shortly after they are filed. All documents required to be served on a party or parties to the proceeding must be served using the contact information contained in the interventions.
18. The Commission and parties may request information, in the form of interrogatories, from any party to this proceeding relating to its intervention filed pursuant to paragraph 16 of this notice. In accordance with section 73 of the Rules of Procedure, the requesting party must file its request for information with the Commission, and

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<sup>8</sup> The Rules of Procedure set out, among other things, the rules for the filing, content, format, and service of interventions and interrogatories; the procedure for filing confidential information and requesting its disclosure; and the conduct of the public hearing, where applicable. Accordingly, the procedure set out in this notice must be read in conjunction with the Rules of Procedure and their accompanying documents, which can be found on the Commission's website under "CRTC Rules of Practice and Procedure."

serve the request on the party to whom it is addressed, on or before **19 November 2013**.

19. Responses to requests for information are to be filed with the Commission, and served on the requesting party or parties as applicable, by **17 December 2013**.
20. Requests by parties for further responses to their requests for information, specifying in each case why a further response is both relevant and necessary, and requests for public disclosure of information that has been designated confidential, setting out in each case the reasons for disclosure, must be filed with the Commission and served on the relevant party or parties by **14 January 2014**.
21. Responses to these requests must be filed with the Commission and served on the party or parties making the request by **21 January 2014**.
22. Determinations regarding requests for further responses and requests for public disclosure will be issued as soon as possible. Any information to be provided pursuant to such determinations must be filed with the Commission and served on the party or parties making the request by **4 February 2014**.
23. All parties may file final comments with the Commission, serving copies on all other parties, by **18 February 2014**.
24. The Commission expects to publish its findings on the data collected in response to this notice within four months of the close of record.
25. 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.
26. Parties are reminded that, in accordance with the Rules of Procedure, if a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date. A document must be filed with the Commission by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. 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. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline.
27. Submissions longer than five pages should include a summary, and each paragraph of all submissions should be numbered. In addition, 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.
28. The Commission encourages interested persons and parties to monitor the record of this proceeding and/or the Commission's website for additional information that they may find useful when preparing their submissions.

29. 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

### **Important notice**

30. All information provided as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, email, or through the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This includes personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, and any other personal information provided.
31. The personal information provided 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.
32. 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.
33. The information provided 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 link directly to the information provided as part of this public process.

### **Availability of documents**

34. Electronic versions of the documents referred to in this notice are available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) by using the file number provided at the beginning of this notice or by visiting the "Public Proceedings" section of the Commission's website. The documents can be accessed by selecting "View all proceedings open for comment," then clicking on the "View entire record" link

associated with this particular notice. All interventions are also available on the Commission's website, at the same location, by clicking on the "Interventions" link associated with this particular notice.

35. Documents are also available and may be examined during normal business hours at the Commission offices directly involved with these applications or, upon request, within two business days at all other Commission offices.

### **Location of Commission offices**

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

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

Central Building  
Les Terrasses de la Chaudière  
1 Promenade du Portage, Room 206  
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### ***Regional offices***

Metropolitan Place  
99 Wyse Road  
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858 Beatty Street  
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V6B 1C1  
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Fax: 604-666-8322

Secretary General

**Related documents**

- *Removal of the last payphone in a community*, Telecom Notice of Consultation CRTC 2013-338, 16 July 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
- *Access to pay telephone service*, Telecom Decision CRTC 2004-47, 15 July 2004
- *Local pay telephone competition*, Telecom Decision CRTC 98-8, 30 June 1998

## Appendix A

### ILECs made party to the proceeding

Amtelecom Limited Partnership  
Bell Aliant Regional Communications, Limited Partnership  
Bell Canada  
Brooke Telecom Co-operative Ltd.  
Bruce Telecom  
CityWest Telephone Corporation  
Cochrane Telecom Services  
CoopTel  
Dryden Municipal Telephone System  
Execulink Telecom Inc.  
Gosfield North Communications Co-operative Limited  
Hay Communications Co-operative Limited  
Huron Telecommunications Co-operative Limited  
KMTS  
La Cie de Téléphone de Courcelles Inc.  
La Compagnie de Téléphone de Lambton Inc.  
La Compagnie de Téléphone de St-Victor  
La Compagnie de Téléphone Upton Inc.  
Lansdowne Rural Telephone Co. Ltd.  
Le Téléphone de St-Éphrem inc.  
Mornington Communications Co-operative Limited  
MTS Inc.  
Nexicom Telecommunications Inc.  
Nexicom Telephones Inc.  
North Frontenac Telephone Corporation Ltd.  
NorthernTel, Limited Partnership  
Northwestel Inc.  
NRTC Communications  
Ontera  
People's Tel Limited Partnership

Quadro Communications Co-operative Inc.  
Roxborough Telephone Company Limited  
Saskatchewan Telecommunications  
Sogetel inc.  
TBayTel  
Télébec, Limited Partnership  
Téléphone Guèvremont inc.  
Téléphone Milot inc.  
TELUS Communications Company  
Tuckersmith Communications Co-operative Limited  
Wightman Telecom Ltd.  
WTC Communications