



## Telecom Order CRTC 2015-336

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Ottawa, 24 July 2015

*File number: Tariff Notice 926*

### Northwestel Inc. – Withdrawal of Manual Mobile Service

#### Application

1. The Commission received an application from Northwestel Inc. (Northwestel), dated 30 March 2015, in which the company proposed to withdraw its Manual Mobile Service (MMS) from the remaining six mobile service areas where MMS still operates. This service enables customers to make telephone calls from fixed or mobile radio units via an operator.
2. Northwestel also proposed to remove references to MMS from its General Tariff. Further, as a housekeeping change, the company proposed to remove references to Cellular 400, which was replaced under the company's service improvement plan from 2001 to 2006.
3. Northwestel requested an approval date of 15 August 2015 and an effective date of 31 October 2015, submitting that this would give affected customers sufficient time to switch to alternative services.
4. Northwestel submitted that its proposal was the fourth and final phase of its program to turn down and dismantle MMS sites. The company submitted that the equipment used to provide MMS was discontinued by the manufacturer nearly 20 years ago, and replacement parts are no longer produced. Consequently, it has become increasingly difficult for the company to carry out the repairs required to maintain the service. Northwestel noted that it was using parts from previously dismantled sites to maintain service at the remaining six mobile service areas. The company also submitted that its customers' use of MMS has declined significantly over the last 10 years.
5. Northwestel submitted that there are reasonable alternatives to MMS based on more advanced technology, such as satellite phone service, available to customers throughout the company's operating territory. The company also noted that the newer technologies do not require calls to be processed by a live operator and are priced at a similar level to MMS. In addition, cellular service is available in two of the six mobile service areas.
6. Northwestel indicated that, to help mitigate the cost to customers of moving to an alternative service, it planned to offer fixed MMS customers at the affected mobile service areas one of the following:

- a construction contribution of up to \$2,000 for the provision of phone access service that meets the Commission's basic service objective;
  - reimbursement of cellular handset costs (up to \$500); or
  - reimbursement of satellite phone handset costs (up to \$1,000).
7. In addition, Northwestel proposed to fully reimburse customers affected by the service withdrawal for the purchase of a new MMS radio telephone set, if that purchase was made between 1 February 2014 and 30 March 2015.
  8. The company stated that it was notifying all affected customers of its proposal by letter, and that it would also notify customers if its proposal is approved. Northwestel also indicated that its customer service representatives would contact customers who are affected by the proposal.
  9. The Commission received an intervention regarding Northwestel's application from an individual. The public record of this proceeding, which closed on 14 May 2015, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) or by using the file number provided above.

**Should the Commission approve Northwestel's application to withdraw MMS at the remaining six mobile service areas?**

10. The intervener expressed concerns about the effect of the withdrawal of MMS on health, safety, and the environment. He submitted that satellite phones are not as reliable as MMS. He also submitted that cellular service is very poor in the affected areas and that the majority of these areas have no coverage, even for customers with boosters mounted in their vehicles. The intervener indicated that due to poor weather, people had been stranded without any means of communication north of Wrigley, Northwest Territories, after the MMS site in the area had been shut down. Finally, he submitted that environmental spills could not be reported in other remote areas because there were no communications services available.
11. Northwestel replied that it understood the customer's concerns about having communications services available for emergency situations, but submitted that it had become too difficult for it to repair and maintain MMS equipment given that the technology and network equipment is obsolete. The company also submitted that usage of the service was low, indicating that in the 11 months before the site north of Wrigley was turned down in November 2014, MMS had been used for only 61 minutes at that location. Northwestel argued that it is more efficient to provision satellite phones, which it considers an efficient and reliable alternative for low-volume usage.

**Commission's analysis and determinations**

12. Northwestel's withdrawal request is reasonable given the cost of maintaining the service in question, the levels of customer usage, and the obsolescence of the service,

including quality and functionality issues. Northwestel has also identified a substitute service (i.e. satellite phone service) that (i) offers increased capabilities for a similar price, and (ii) is available in the areas where Northwestel has proposed to remove MMS.

13. Further, Northwestel's application meets the requirements set out in Telecom Information Bulletin 2010-455, in which the Commission set out its procedures for dealing with applications to destandardize and/or withdraw tariffed services.<sup>1</sup> In particular, Northwestel has informed affected customers of the proposed withdrawal, including how they may file comments with the Commission, and has provided affected customers with a sufficient rationale for the withdrawal.
14. In light of the above, the Commission **approves** Northwestel's application, effective 31 October 2015.

Secretary General

### **Related documents**

- *Approval processes for tariff applications and intercarrier agreements*, Telecom Information Bulletin CRTC 2010-455, 5 July 2010
- *Mandatory customer contract renewal notification and requirements for service destandardization/withdrawal*, Telecom Decision CRTC 2008-22, 6 March 2008

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<sup>1</sup> This bulletin summarizes the Commission's related determinations set out in Telecom Decision 2008-22 and is incorporated by reference in section 59 of the *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure*.