



Telecom Order CRTC 2023-131

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Ottawa, 8 May 2023

Public record: Tariff Notice 526

Télébec, Limited Partnership – Withdrawal of Basic Services Provided Outside the Company’s Serving Area

Summary

The Commission **approves with changes** Télébec, Limited Partnership’s application to withdraw its Basic Services Provided Outside the Company’s Serving Area that use radiotelephone technology.

Application

1. The Commission received an application from Télébec, Limited Partnership (Télébec), dated 21 October 2022, in which the company proposed changes to its General Tariff CRTC 25140 item 2.1.8 – Basic Services Provided Outside the Company’s Serving Area. Specifically, the company proposed to withdraw its Basic Services Provided Outside the Company’s Serving Area that use radiotelephone technology (radiotelephone services).¹
2. Radiotelephone services use radio equipment located at a customer’s premises to communicate with the public switched telephone network through a company’s radio base station. These services have typically been used by customers in remote locations outside of a company’s normal serving area. Télébec launched its radiotelephone services in the 1980s.
3. Télébec submitted that the demand for its radiotelephone services has been extremely low for many years, and it currently has a small number of radiotelephone customers. The lower demand for these services may be partially due to the growth in cellular telephone coverage and the availability of enhanced satellite services in some areas served by radiotelephone.
4. Télébec noted that the Commission had previously approved the company’s request to destandardize its radiotelephone services in Telecom Order 2011-247. In that

¹ Télébec provides its Basic Services Provided Outside the Company’s Serving Area through cable only, radiotelephone only, or a combination of the two technologies. Clients who receive these services through cable only are not affected by this application for withdrawal.

destandardization application, the company submitted that much of the equipment needed for radiotelephone services had been discontinued and there were no spare parts available. In the current application, Télébec submitted that it is becoming even more difficult and costly to obtain spare parts for radiotelephone services, that the parts are often unavailable in a timely manner, and that sometimes they are not available at all. This has contributed to increasing costs for Télébec, and any offsetting revenues have remained low due to the low demand for the service.

5. Télébec further submitted that repairing an individual radio for radiotelephone services typically costs \$1,000 and repairs can only be completed by an external contractor that shuts down for several months of the year, causing delays. Additionally, regular maintenance of these radios is expensive and requires legacy analog equipment. Télébec therefore submitted that radiotelephone services have become so unreliable that they are unsuitable for continued customer use.
6. In its application, Télébec proposed to implement a transition plan for migrating current customers of its radiotelephone services that is consistent with the transition plan approved by the Commission in Telecom Order 2016-239 for TELUS Communications Inc. (TCI) for similar services.² Télébec proposed to provide current customers of these services with one of the following one-time payments:
 - Up to \$1,200 per radio channel, based on valid receipts, to cover any equipment, including the handset, and related expenses that may provide or improve a satellite signal if the residential customer is migrating to a satellite service; or
 - Up to \$1,000 per radio channel, based on valid receipts, to cover any equipment, including the handset, and related expenses that may provide or improve a cellular signal if the residential customer is migrating to a cellular service.

Télébec submitted that its business customers would be entitled to claim these expenses as business expenditures for tax purposes.

7. In response to Commission staff's 20 January 2023 request for information, Télébec reviewed its chosen amounts for the one-time payments to reimburse customers based on the cost of alternative equipment.
8. Based on a review of these costs, Télébec submitted it would be agreeable to increasing its proposed maximum one-time payment of \$1,200 per radio channel for customers migrating to a satellite service to \$1,440, which would provide reasonable compensation to residential customers who migrate to a satellite service. However,

² At the time of Telecom Order 2016-239, TCI was operating as TELUS Communications Company (TCC). However, effective 1 October 2017, TCC's assets were legally transferred to TCI and TCC ceased to exist. For ease of reference, "TCI" is used in this order.

with respect to residential customers migrating to cellular service, the company submitted that a variety of new cellular handsets are widely available at a retail price of roughly \$1,000 or less, so the proposed one-time payment would be reasonable and appropriate.

9. Télébec requested an effective date of 30 December 2022.
10. The Commission received 32 interventions opposing Télébec's application.

Interventions

11. All of the interveners expressed concerns that customers would have five weeks to switch from radiotelephone services to alternative solutions. Many interveners requested that the Commission delay approval of Télébec's application until 30 November 2023 to allow customers to implement alternative solutions, highlighting that the Coopérative de solidarité de télécommunications d'Antoine-Labelle plans to offer fibre Internet and voice over Internet Protocol (VoIP) telephone services within a year. Furthermore, interveners submitted that delaying approval of Télébec's application would be consistent with Canadian telecommunications policy, as it would increase the efficiency of telecommunications service within the region.
12. Many interveners submitted that maintaining a variety of telecommunications providers is important for public safety. One intervener submitted that they could anticipate major health and safety risks if radiotelephone services are withdrawn, particularly if the decision to withdraw these services is made quickly and without input from multiple actors.
13. More specifically, interveners submitted that cellular services are not available through the entire region, and satellite services are not stable enough to ensure access to emergency services. Many interveners submitted that customers and employees of remote lodges, as well as people who ride snowmobiles and all-terrain vehicles, often rely on radiotelephone services in case of an emergency. They therefore submitted that it is essential to maintain basic radiotelephone services until a suitable alternative is in place.

Reply

14. Télébec noted in its reply that the number of customers for its radiotelephone services had already decreased since its original application. The company also submitted that only two of the interveners to its application matched its customer records; the other interveners are not radiotelephone customers and are therefore not impacted by Télébec's request to withdraw these services.
15. Télébec noted that customers had already been alerted to reliability and long-term viability concerns in 2011 when the company issued customer notices for its application to destandardize its radiotelephone services (which was approved by the Commission in Telecom Order 2011-247). Télébec therefore submitted that

customers have been aware that these services could be withdrawn for years, and therefore have had ample time to find and implement alternative solutions.

16. With respect to interventions requesting that the Commission delay approval of Télébec's application until 30 November 2023, Télébec submitted that continuing to provide its radiotelephone services until this date would unnecessarily delay the availability of significantly more reliable services for its customers, which would be contrary to the public interest and the policy objective set out in paragraph 7(b) of the *Telecommunications Act*.³
17. Télébec submitted that the Commission previously approved applications from TCI in Telecom Orders 2008-206 and 2016-239, and Saskatchewan Telecommunications (SaskTel) in Telecom Order 2008-292 to withdraw similar services for similar reasons as Télébec, without extending the proposed withdrawal dates. Télébec indicated that there is no valid reason to delay the withdrawal of its radiotelephone services, particularly given that other service providers have not been required to delay withdrawal of these services in the past.
18. Télébec submitted that statements concerning the relative reliability of satellite services compared to its end-of-life radiotelephone services are not correct. In Telecom Order 2016-239, the Commission indicated that TCI's radiotelephone services were unreliable and could put customers at risk if they did not transition to alternative satellite or cellular services, which provide more reliable access to emergency services.
19. Télébec submitted that it is in the same situation as TCI regarding radiotelephone services and it would be inappropriate to continue providing these services given concerns with its reliability and the long restoration times in cases of service failure, especially since satellite or cellular services can provide significantly more reliable access to emergency services.

Commission's analysis

20. Telecom Information Bulletin 2010-455-1 sets out the requirements for the destandardization and withdrawal of tariffed services. In accordance with these requirements, Télébec has informed affected customers of its proposal to withdraw its radiotelephone services and has provided the rationale for its proposal.
21. With respect to interveners' requests to delay approval of Télébec's application until 30 November 2023, the Commission is of the view that this is not necessary. Télébec's radiotelephone services were destandardized more than a decade ago in

³ The cited policy objective is: 7(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.

Telecom Order 2011-247, and customers would therefore have been aware that these services would eventually be withdrawn.

22. Delaying approval of Télébec's request in order to wait for Coopérative de solidarité de télécommunications d'Antoine-Labelle to implement its planned fibre Internet and VoIP services would not be appropriate, given that there are concerns with the radiotelephone service and that alternative reliable telecommunications solutions are available to radiotelephone customers.
23. Specifically, due to the advanced age of radiotelephone services, there are many difficulties associated with maintaining, repairing, and obtaining spare parts, which renders these services highly unreliable. The Commission considers that if a customer's radio breaks down and spare parts or a contractor are unavailable, the customer could be without access to emergency services for months. As noted by Télébec, the Commission previously approved similar applications to withdraw radiotelephone services for TCI in Telecom Orders 2008-206 and 2016-239, and SaskTel in Telecom Order 2008-292. The Commission considers that Télébec's few remaining radiotelephone customers would be better served by an alternative solution that is more reliable and able to be serviced in a timely manner.
24. Intervenors raised concerns regarding accessing emergency services via satellite services and indicated that people in remote locations or those who ride snowmobiles and all-terrain vehicles often rely on radiotelephone services in case of an emergency. The Commission considers that satellite services would provide more reliable access to emergency services than radiotelephone services. Satellite services can provide customers with capabilities that radiotelephone services cannot, such as Internet access and various optional features. In the context of outdoor activities, a portable satellite handset would be a viable alternative to a radiotelephone handset. Furthermore, technologies are being implemented that allow customers to contact emergency services via satellite using a cellphone. For these reasons, the Commission considers that satellite services are an acceptable alternative for radiotelephone customers.
25. With respect to the transition plan, the Commission is of the view that Télébec's proposed one-time payment amount of up to \$1,200 for customers migrating to satellite services should be increased to \$1,440. Accordingly, the Commission considers that payment amounts of up to \$1,000 per radio channel for residential customers migrating to a cellular service and up to \$1,440 per radio channel for customers migrating to a satellite service reflect the current retail costs of these services and would provide reasonable compensation to customers.

Conclusion

26. In light of all of the above, the Commission **approves** Télébec's application, effective **8 May 2023**, with the following change:

- In Télébec's customer transition plan, the maximum one-time payment amount for residential customers migrating to a satellite service is to be increased from \$1,200 to \$1,440 per radio channel.

Secretary General

Related documents

- *TELUS Communications Company – Withdrawal of radiotelephone services in British Columbia*, Telecom Order CRTC 2016-239, 23 June 2016
- *Approval processes for tariff applications and intercarrier agreements*, Telecom Information Bulletin CRTC 2010-455-1, 19 February 2016
- *Télébec, Limited Partnership – Destandardization of Basic Services Provided Outside the Company's Serving Area*, Telecom Order CRTC 2011-247, 14 April 2011
- *Saskatchewan Telecommunications - Withdrawal of Northern Radio Telephone Service*, Telecom Order CRTC 2008-292, 17 October 2008
- *TELUS Communications Company – Withdrawal of Exchange Area Radiotelephone Service*, Telecom Order CRTC 2008-206, 25 July 2008