



## Telecom Order CRTC 2006-114

Ottawa, 17 May 2006

### Northwestel Inc.

Reference: Tariff Notice 828

### Manual Mobile Service

*In this Order, the Commission **approves** Northwestel Inc.'s proposal to withdraw Manual Mobile Service in Grassy, Travaillant, Little Chicago and Payne.*

1. The Commission received an application by Northwestel Inc. (Northwestel), dated 10 January 2006, proposing revisions to its Mobile Telephone Service Tariff, item 201, Manual Mobile Service (MMS), in order to withdraw MMS from four sites in the Northwest Territories, namely Grassy, Travaillant, Little Chicago and Payne.
2. MMS is furnished between a wireline telephone and a radio-telephone station through one or more radio base stations, or between two radio-telephone stations, with the connection provided by an operator.
3. Northwestel indicated that, on the date it filed its application, it had notified by letter all affected customers of this tariff proposal and it had provided those customers with a detailed list of alternate service providers along with contact and pricing information. Northwestel provided a copy of the notification letter to the Commission. Northwestel requested that it be permitted a period of four months following a decision to inform customers, and to allow these customers adequate time for transition to an alternate service.
4. Northwestel provided a demand and cost analysis to support the removal of MMS at these sites.
5. No comments were received with regard to this application.

### The application

6. Northwestel proposed to withdraw MMS from these locations due to the declining subscriber base and very low usage of the service. Northwestel submitted that the usage generated by its MMS subscribers from these sites was negligible and could not recover the costs of providing the service.
7. Northwestel submitted that removing MMS from these sites would affect fewer than 12 “non-fixed” subscribers. Northwestel further submitted that only one “fixed” subscriber had used these sites in 2005 to make a total of three calls and that this subscriber's primary network access service was provided by a landline in another location. Northwestel indicated that there were, on average, three calls per month being placed from these sites and that it was highly improbable that these numbers would increase, as the number of MMS customers overall and the revenues had declined at a considerable rate over the last few years.

8. Northwestel submitted that, due to the obsolescence of the MMS technology and manufacturer-discontinued parts, in the event of a service interruption, it might not be able to restore service in a timely fashion, thereby impacting the reliability of the service.
9. Northwestel noted that affected customers have the alternative of satellite service available to them. Northwestel provided a comparison between the estimated monthly costs of its MMS and satellite services. Northwestel assumed that a typical customer would make three calls per month of an average duration of five minutes, which equals 15 minutes per month. Northwestel estimated that this level of traffic would cost \$48.11/month for MMS and \$55.95/month for Globalstar satellite service.
10. Based on the foregoing, Northwestel submitted that satellite service was not significantly more expensive than MMS and provided the added option of call management services, which are not supported by MMS. Northwestel further noted that, due to technological and market advances in satellite services, the initial start-up and recurring charges have been decreasing at a steady pace, making these services more financially accessible than in the past.
11. Finally, Northwestel indicated that, in order to mitigate negative impact to customers, it would reimburse any affected subscriber who purchased a MMS radio in the last 12 months, for the full purchase price of the equipment.

#### **Regulatory framework**

12. In *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005 (Circular 2005-7), the Commission indicated that, in order for it to properly assess a proposal for the withdrawal of a service, the application must contain the following information:
  - a) service proposed to be destandardized and/or withdrawn;  
...
  - c) proposed date for ultimate withdrawal of service;  
...
  - e) rationale for the application;
  - f) availability of a substitute, with rationale as to why it is reasonable in terms of equivalent functionality, availability in the same geographical area, and cost (including the initial outlay and ongoing costs to the customer);
  - g) the transition plan;
  - h) relevant information concerning existing customers such as the number of customers affected;
  - i) a copy of the notice to affected customers; and
  - j) any other information the applicant believes is relevant.

### Commission's analysis and determination

13. The Commission notes that it has disposed of a similar application in *Northwestel Inc. – Manual Mobile Service in Fort Smith*, Telecom Order CRTC 2005-345, 6 October 2005 (Order 2005-345), wherein the Commission approved the withdrawal of MMS from Fort Smith. The Commission notes that it had then found Northwestel's transition plan to be deficient, as Northwestel had not provided all the required information to affected customers in its notification letter. The Commission had accordingly directed Northwestel to provide additional information to affected customers regarding the alternatives available to them, specifically the contact information of suitable alternate service providers as well as the potential costs of the services provided by those companies. The Commission had also directed Northwestel to reimburse affected customers for the full purchase price of an MMS radio-telephone set purchased up to 12 months prior to the date of Northwestel's application.
14. With reference to the items listed in paragraph 12, the Commission finds that Northwestel has adequately addressed the requirements of Circular 2005-7. The Commission also finds that Northwestel's proposal is consistent with the Commission's directives set out in Order 2005-345.
15. In light of the above, the Commission **approves** Northwestel's application, effective four months from the date of this Order, to allow affected customers sufficient time for transition to an alternate service. The Commission directs Northwestel to advise the Commission when it has migrated all the remaining customers and no longer provides MMS from the Grassy, Travaillant, Little Chicago and Payne sites.

Secretary General

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*