Canadian Radio-television and Telecommunications Commission
Conseil de la radiodiffusion et des télécommunications canadiennes

Telecom Decision CRTC 2007-129

Ottawa, 14 December 2007

Forbearance with respect to certain inter-carrier agreements filed pursuant to section 29 of the *Telecommunications Act*

Reference: 8657-C12-200503947

In this Decision, the Commission forbears, to the extent specified, from its powers and duties under section 29 of the Telecommunications Act *with respect to certain inter-carrier agreements. In particular, master agreements for local interconnection (MALIs) and agreements for interconnection between local exchange carriers and interexchange carriers (LEC-IXC agreements), that are identical to Commission-approved models, as well as transiting agreements where all the services being used are provided pursuant to tariffs, are no longer required to be filed for Commission approval. LECs will be required to provide basic information regarding these agreements to the Commission. While LECs must file Carrier Services Group agreements, other transiting agreements, Schedule C to MALIs, and non-standard LEC-IXC agreements and MALIs within seven business days of their execution, these agreements are deemed to be approved upon filing with the Commission reserving the power to amend, disallow or suspend them back to the date of deemed approval, if necessary.*

Introduction

1. The Commission initiated this proceeding by letter to interested parties, dated 6 April 2005, to consider whether there should be partial or complete forbearance from the requirement to file and seek approval for four types of agreements pursuant to section 29 of the *Telecommunications Act* (the Act). Section 29 of the Act requires telecommunications carriers that enter into certain inter-carrier agreements to file the agreements and obtain the Commission's prior approval. The four types of agreements that are the subject of this proceeding are:

    - Carrier Services Group (CSG) agreements respecting interconnection between incumbent local exchange carriers (ILECs) and local exchange carriers (LECs),
    - agreements for interconnection between local exchange carriers (LECs) and interexchange carriers (IXCs) (LEC-IXC agreements),[1]
    - local transiting agreements between telecommunications carriers (transiting agreements), and

[1] The Commission notes that LEC-IXC agreements were called CLEC-IXC agreements until 8 December 2005. From that date, all LECs (ILECs and competitive local exchange carriers (CLECs)) were able to make use of the LEC-IXC agreement as the standard interexchange interconnection agreement.

- master agreements for local interconnection (MALIs)

(collectively, the section 29 agreements). A description of the section 29 agreements is provided in the Appendix to this Decision.

2. The Commission received comments and reply comments from Aliant Telecom Inc. (now known as Bell Aliant Regional Communications, Limited Partnership) and Bell Canada (collectively, Bell Canada et al.); Canadian Alliance of Publicly-Owned Telecommunications Systems on behalf of Bruce Municipal Telephone System, CityTel (now known as CityWest Telephone Corporation), Dryden Municipal Telephone System, Kenora Municipal Telephone System, and TBayTel (collectively, CAPTS); MTS Allstream Inc. (MTS Allstream); Rogers Communications Inc. (Rogers); Quebecor Media Inc. on behalf of itself and Vidéotron Ltd. and Videotron Telecom Ltd.; Saskatchewan Telecommunications (SaskTel); TELUS Communications Inc. (now known as TELUS Communications Company) (TCC); Télébec, Société en commandite and NorthernTel Limited Partnership (collectively, Télébec/NorthernTel); and Xit telecom inc., on behalf of itself and Telecommunications Xittel inc., and 9141-9077 Quebec inc. (Xittel).

3. On 10 July 2007, the Commission sent a letter requesting that parties who provided comments with respect to this proceeding address the application of the Governor in Council's *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006 (the Policy Direction) to the issues in this proceeding. The record of this proceeding closed with the submissions filed by Bell Canada et al., TBayTel, MTS Allstream, RCI and Xittel dated 18 July 2007. The public record of this proceeding is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings."

Issues

4. The Commission has identified the following issues to be addressed in its determinations:

   I. Does section 29 of the Act apply to CSG, LEC-IXC, and transiting agreements?

   II. Should the Commission forbear from exercising some or all of its section 29 powers and duties and if so, conditionally or unconditionally, with respect to

      (a) Standard-form LEC-IXC agreements and MALIs (exclusive of Schedule C); and

      (b) CSG and transiting agreements, Schedule C of MALIs, and non-standard LEC-IXC agreements and MALIs?

I. Does section 29 of the Act apply to CSG, LEC-IXC, and transiting agreements?

Position of TCC

5. TCC stated that both CSG and LEC-IXC agreements are subject to section 25 of the Act, and should not be subject to section 29. According to TCC, the CSG agreements are executed as a condition of tariff and, as such, must receive approval under section 25. TCC also submitted that the CSG agreements do not deal with the material aspects of interconnection, e.g., the location and size of the interconnections, the routing of traffic over the various interconnecting circuits or the financial and operational responsibility for the various components of the interconnection. TCC stated that LEC-IXC agreements were almost identical to the CSG agreements, except that they were in support of the CLEC's tariff for trunk-side interconnection with IXCs. Finally, TCC stated that transiting agreements generally do not relate to interconnection of the parties' telecommunications facilities nor to the management or operation of any facilities, and do not apportion rates or revenues between the carriers.

Commission's analysis and determination

6. Section 25 of the Act states that no Canadian carrier shall provide a telecommunications service except in accordance with a tariff filed with and approved by the Commission that specifies the rate or the maximum or minimum rate, or both, to be charged for the service.

7. Section 29 of the Act states the following:

> 29. No Canadian carrier shall, without the prior approval of the Commission, give effect to any agreement or arrangement, whether oral or written, with another telecommunications common carrier respecting
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> (a) the interchange of telecommunications by means of their telecommunications facilities;
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> (b) the management or operation of either or both of their facilities or any other facilities with which either or both are connected; or
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> (c) the apportionment of rates or revenues between the carriers.

8. The Commission is of the view that the scope of section 29 is sufficiently broad to apply to CSG, LEC-IXC, and transiting agreements.

9. As noted in the Appendix to this Decision, CSG agreements set out terms and conditions to meet an interconnector's service requirements, including the role and responsibilities of a LEC's CSG. As such, CSG agreements relate to the interchange of telecommunications by means of the carriers' telecommunications facilities, as contemplated under paragraph 29(a) of the Act. The Commission considers that CSG agreements also relate to the management or operation of the facilities of the LECs to which they are connected, as contemplated under paragraph 29(b) of the Act.

10. As noted in the Appendix to this Decision, agreements for LEC-IXC interconnection cover the terms, conditions, and processes by which a telecommunications carrier will provide facilities and services to the IXC in accordance with the CLEC's Access Services Tariff for interconnection with IXCs. Accordingly, the Commission considers that LEC-IXC agreements relate to the interchange of telecommunications by means of the carriers' telecommunications facilities, as contemplated under paragraph 29(a) of the Act.

11. Transiting agreements provide for traffic to transit from one LEC to a second LEC by using a third LEC's facilities. As such, whether or not they provide for compensation, transiting agreements relate to the interchange of telecommunications by means of the carriers' telecommunications facilities, as contemplated under paragraph 29(a) of the Act. The Commission further considers that these same arrangements also relate to the management or operation of the facilities of the LECs to which they are connected, as contemplated under paragraph 29(b).

12. Accordingly, the Commission considers that CSG, LEC-IXC, and all transiting agreements fall within the scope of section 29 of the Act and it is appropriate, therefore, to consider whether to grant forbearance from the powers and duties set out therein with respect to these agreements, and also with respect to MALI agreements.

II. Should the Commission forbear from exercising some or all of its section 29 powers and duties and if so, conditionally or unconditionally?

13. While parties to this proceeding supported granting some relief from the requirement to obtain Commission approval pursuant to section 29 of the Act for the section 29 agreements because this would reduce the regulatory burden placed on the Canadian telecommunications industry as well as on the Commission, some were of the view that this relief should be subject to conditions. Bell Canada et al. supported full, unconditional forbearance from filing the agreements for Commission approval. According to Bell Canada et al., filing of the section 29 agreements had become a routine process that elicited little or no discussion.

14. The principal concern of the Commission when considering forbearance is the need to ensure that forbearance from the requirement to file section 29 agreements would not result in unjust discrimination or undue preference between carriers.

15. The Commission has approved standard-form agreements for LEC-IXC agreements and MALIs (with the exception of Schedule C). CSG agreements, transiting agreements, and Schedule C to MALIs do not have Commission-approved standard forms.

16. The Commission will consider below the section 29 agreements in two categories: (a) agreements that are identical to a Commission-approved model and (b) those that are not.

(a) Standard-form LEC-IXC agreements and MALIs (except Schedule C)

Position of parties

17. RCI and MTS Allstream submitted that although they supported the Commission's efforts to streamline its processes and reduce the regulatory burden placed on the Canadian telecommunications industry when and where appropriate, it was premature to forbear from approving the agreements in question without conditions.

18. RCI and MTS Allstream submitted that many of the intercarrier agreements that existed today were developed through protracted CRTC Interconnection Steering Committee discussions. They expressed their concern that unless the Commission imposed the requirement that all parties utilize the CRTC-approved agreements as a condition of forbearance, future interconnection-related negotiations could be severely impeded by parties wishing to amend the language in these agreements to serve their own needs. RCI submitted that the Commission should not permit any carrier to reopen the terms, conditions, or language of the Commission-approved model agreements. MTS Allstream submitted that the condition for forbearance should be that each filed agreement conforms, in all material respects, to a Commission-approved model agreement.

19. Some parties submitted that any forbearance from the obligations of section 29 of the Act should be conditional on the requirement to file periodic reports with the Commission indicating the agreements entered into and the parties concerned. Parties supporting some reporting requirements as a condition of forbearance were CAPTS, MTS Allstream, RCI and SaskTel. Télébec/NorthernTel supported reporting requirements on an annual basis. Bell Canada et al. and TCC were opposed to any periodic reporting requirement.

20. In general, the parties making comments on the application of the Policy Direction submitted that it supported their position in this proceeding.

Commission's analysis and determinations

21. Subsections 34(1) and (3) of the Act state the following:

> 34. (1) The Commission may make a determination to refrain, in whole or in part and conditionally or unconditionally, from the exercise of any power or the performance of any duty under sections 24, 25, 27, 29 and 31 in relation to a telecommunications service or class of services provided by a Canadian carrier, where the Commission finds as a question of fact that to refrain would be consistent with the Canadian telecommunications policy objectives.
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> […]
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> 34. (3) The Commission shall not make a determination to refrain under this section in relation to a telecommunications service or class of services if the Commission finds as a question of fact that to refrain would be likely to impair unduly the establishment or continuance of a competitive market for that service or class of services.

22. The Policy Direction applies to the disposition of this proceeding. In the Commission's view, the directives of the Policy Direction that are pertinent to this proceeding are as follows:

> […]
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> 1(*a*)…the Commission should (i) rely on market forces to the maximum extent feasible as the means of achieving the telecommunications policy objectives; and (ii) when relying on regulation, use measures that are efficient and proportionate to their purpose and that interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives;
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> 1(*b*) the Commission, when relying on regulation, should use measures that satisfy the following criteria, namely, those that (i) specify the telecommunications policy objective that is advanced by those measures and demonstrate their compliance with this Order; (ii) if they are of an economic nature, neither deter economically efficient competitive entry into the market nor promote economically inefficient entry; …(iv) if they relate to network interconnection arrangements or regimes for access to networks, buildings, in-building wiring or support structures, ensure the technological and competitive neutrality of those arrangements or regimes, to the greatest extent possible, to enable competition from new technologies and not to artificially favour either Canadian carriers or resellers.

23. As noted above, the Commission has approved standard forms for LEC-IXC agreements and MALIs (with the exception of Schedule C). The Commission is of the view that agreements that use Commission-approved models protect parties from any undue preference or unjust discrimination.

24. The Commission is of the view that removing the requirement to file and obtain approval of Commission-approved standard-form LEC-IXC agreements and MALIs would both increase efficiency and reduce the length of time it takes for new competitors to enter the telecommunications market.

25. The Commission notes that CAPTS, RCI, SaskTel, and Télébec/NorthernTel supported a requirement to file reports with the Commission on the agreements entered into by LECs. For the sake of transparency and open competition, the Commission is of the view that the Commission, the public, and the telecommunications industry, must have access to non-confidential information about the marketplace in a timely manner. As forbearance would remove the obligation on LECs to publicly file standard-form agreements for approval, a streamlined process to track when and between whom these agreements were executed would still be necessary.

26. In Telecom Decision 97-8, the Commission set out requirements to which a prospective CLEC must adhere. In subparagraph 295(3) of that Decision, the Commission directed prospective CLECs to file their proposed interconnection agreements for Commission approval prior to being permitted to enter the market.

27. The Commission considers that it would be less onerous for a prospective CLEC entering into a new standard-form LEC-IXC agreement or MALI to simply include the following information in its written attestation to the Commission that it has met all of the requirements of Telecom Decision 97-8:

> The name of the parties and the date of execution of any Commission-approved standard form LEC-IXC agreement or MALI.

28. The Commission further considers that it would not be onerous for existing LECs entering into a standard-form LEC-IXC agreement or MALI to report the following information to the Commission on a quarterly basis:

> The name of the parties and the date of execution of any Commission-approved standard form LEC-IXC agreement or MALI .

29. In regard to subsection 34(1) of the Act, the Commission considers that no longer requiring the filing and Commission approval of standard-form LEC-IXC agreements and MALIs, coupled with an obligation to provide basic information in a timely fashion, would enhance the efficiency and competitiveness of Canadian telecommunications and foster increased reliance on market forces, as contemplated by the policy objectives set out at paragraphs 7(*c*) and (*f*) of the Act. With respect to subsection 34(3) of the Act, the Commission considers that such changes would not impair unduly the establishment or continuance of a competitive market.

30. In regard to subparagraph 1(*a*)(i) of the Policy Direction, the Commission is of the view that in forbearing from the filing and approval requirements of section 29 of the Act with respect to standard-form LEC-IXC agreements and MALIs, while imposing a minimal reporting requirement, it would be relying on market forces to the maximum extent possible. Similarly, with respect to subparagraph 1(*a*)(ii) of the Policy Direction, the Commission considers that the minimal reporting requirement described above would be efficient and proportionate to its purpose and interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives referred to in the previous paragraph. In regard to subparagraph 1(*b*)(i) of the Policy Direction, the Commission considers that the policy objectives referred to in the previous paragraph would be advanced by this reporting requirement. In regard to subparagraph 1(*b*)(ii) of the Policy Direction, the Commission considers that the reporting requirement would neither deter economically efficient competitive entry into the market nor promote economically inefficient entry. In regard to subparagraph 1(*b*)(iv) of the Policy Direction, the Commission considers that this reporting requirement would ensure technological and competitive neutrality.

31. Accordingly, the Commission determines that it is appropriate that LECs no longer be required to file and obtain Commission approval of LEC-IXC agreements or MALIs as long as the agreements are identical to a Commission-approved model. The Commission determines that LECs must provide the information **set out in paragraph 29** on a quarterly basis within fourteen days of the close of the quarter in question. The first such report is to be filed by **14 January 2008** and to cover the period of 1 October 2007 to 31 December 2007.

32. The Commission further determines that, to the extent that a prospective CLEC's proposed LEC-IXC agreement or MALI is identical to a Commission-approved model, the prospective CLEC is not required to file the proposed agreement for Commission approval as required in subparagraph 295(3) of Telecom Decision 97-8. The prospective CLEC must, however, provide the information **set out in paragraph 28** when it submits its attestation for registration.

(b) CSG and transiting agreements, Schedule C of MALIs, and non-standard LEC-IXC agreements and MALIs

Position of parties

33. According to Bell Canada et al., filing of the section 29 agreements had become a routine process that elicited little or no discussion. Bell Canada et al. further submitted that this was true not only for agreements that followed standard formats approved by the Commission, but also for non-standard agreements negotiated on a case-by-case basis. Bell Canada et al. submitted that agreements negotiated on a bilateral basis were negotiated to the mutual benefit of both parties. In their view, the availability of Commission-sponsored dispute resolution to address disputes made the filing of these agreements redundant and unnecessary.

34. TCC submitted that should the Commission remain of the view that CSG and LEC-IXC agreements were subject to section 29, it should forbear from the requirement to file these agreements under the condition that Commission-approved model agreements were executed. In TCC's view, the requirement that all LECs execute the same CSG or LEC-IXC agreement left no opportunity for the ILEC to treat LECs differently with respect to the issues governed by these agreements.

35. MTS Allstream submitted that agreements that materially varied from the Commission-approved model agreements should be filed for approval to ensure that these agreements did not confer an advantage to one or both of the parties involved. MTS Allstream noted that there was no standard form for transiting agreements, and proposed that the Commission specify standardized wording[2] for Schedule C to a model MALI for transiting services.

Commission's analysis and determinations

36. As noted above, there are no Commission-approved standard transiting agreements, CSG agreements, and Schedule C to MALIs. The Commission notes TCC's suggestion that the Commission approve model CSG agreements. The Commission considers, however, that a standard model would not be practical for transiting agreements, CSG agreements, and Schedule C to MALIs as the arrangements contemplated by them may be different each time they are executed.

37. The Commission notes that it has rarely found it necessary to require amendments to be made to transiting agreements, CSG agreements, or Schedule C to MALIs. Bilateral negotiations between parties have tended to result in executed agreements that were not unduly preferential or unjustly discriminatory.

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[2] MTS Allstream proposed: "Parties shall employ the ILEC's tariffed transiting services until they mutually agree otherwise."

38. However, this may not always be the case. The Commission considers that unjust discrimination and undue preference could result if it did not retain any regulatory powers with respect to section 29 agreements for which there are no Commission-approved models or that depart from such a model.

39. In light of the above, the Commission considers that it may be appropriate to forbear from the section 29 requirement for *ex ante* approval of CSG and transiting agreements, Schedule C to MALIs, and non-standard-form LEC-IXC agreements and MALIs.

40. The Commission further considers, however, that it would not be appropriate to relieve parties from the obligation to file with the Commission CSG and transiting agreements, Schedule C to MALIs, and non-standard-form LEC-IXC agreements and MALIs, and amendments thereto, in order to address concerns regarding undue preference and unjust discrimination.

41. The Commission is of the view that replacing *ex ante* approval with deemed approval upon filing, allowing the Commission to intervene afterwards if necessary to protect against undue preference and unjust discrimination, would be sufficient to address these concerns.

42. The Commission considers, however, that a filing requirement and deemed approval would not be necessary in the case of transiting agreements, where all the services being used are provided pursuant to the tariffs of the LEC in question. As with agreements that conform to a Commission-approved model, the Commission would only need to be informed of when and with whom they were executed.

43. In regard to subsection 34(1) of the Act, the Commission is of the view that:

    (1) the replacement of *ex ante* approval with filing and deemed approval, allowing the Commission to intervene afterwards if necessary, in the case of CSG agreements, transiting agreements where not all the services being used are provided pursuant to the tariffs of the LEC in question, Schedule C to MALIs, and non-standard LEC-IXC agreements and MALIs; and

    (2) the replacement of filing and *ex ante* approval with a requirement to provide information to the Commission in the case of transiting agreements where all the services being used are provided pursuant to the tariffs of the LEC in question,

    would enhance the efficiency and competitiveness of Canadian telecommunications and foster increased reliance on market forces, as contemplated in paragraphs 7(*c*) and (*f*) of the Act. With respect to subsection 34(3) of the Act, the Commission considers that these regulatory changes would not impair unduly the establishment or continuance of a competitive market.

44. In regard to subparagraph 1(*a*)(i) of the Policy Direction, the Commission is of the view that, while in forbearing from the *ex ante* approval requirement of section 29 of the Act with respect to non-standard LEC-IXC agreements and MALIs, CSG agreements, transiting agreements, and Schedule C to MALIs, it would be relying on market forces to the maximum extent possible, it cannot rely solely on market forces to protect against unjust discrimination and

undue preference with respect to such agreements. With respect to subparagraph 1(*a*)(ii) of the Policy Direction, the Commission considers that the filing requirement, deemed approval and the ability to amend, disallow or suspend an agreement back to the date of filing – which would not apply to transiting agreements where not all the services being used are provided pursuant to the tariffs of the LEC in question – would be efficient and proportionate to their purpose and interfere with the operation of competitive market forces to the minimum extent necessary to meet the policy objectives referred to in the previous paragraph. In regard to subparagraph 1(*b*)(i) of the Policy Direction, the Commission considers that the policy objectives referred to in the previous paragraph would be advanced by the regulatory changes set out below. In regard to subparagraph 1(*b*)(ii) of the Policy Direction, the Commission considers that these regulatory changes would neither deter economically efficient competitive entry into the market nor promote economically inefficient entry. In regard to subparagraph 1(*b*)(iv) of the Policy Direction, the Commission considers these regulatory changes would ensure technological and competitive neutrality.

45. Accordingly, the Commission determines that it is appropriate that LECs no longer be required to file and obtain Commission approval of transiting agreements where the services are provided pursuant to the tariffs of the LEC in question. Similar to the requirements for reporting on agreements that follow a Commission-approved model, LECs must report the name of the parties and the date of execution of the transiting agreement to the Commission on a quarterly basis within fourteen days of the close of the quarter in question. The first such report is to be filed by **14 January 2008** and to cover the period of 1 October 2007 to 31 December 2007.

46. The Commission also determines that it is appropriate that LECs no longer be required to obtain *ex ante* approval of other transiting agreements, CSG agreements, Schedule C of MALIs, LEC-IXC agreements, and MALIs that are not identical to a Commission-approved model. The LECs must file such agreements with the Commission within seven business days of their execution. Upon filing, these agreements will be deemed to be approved. Following a review of the agreements, the Commission may amend, suspend or disallow them where necessary back to the date of filing in order to protect against undue preference and unjust discrimination. Where it appears that it may be necessary to exercise this power, the Commission will notify the filing party within 30 days of receipt of the agreement.

47. Finally, the Commission determines that the regime set out in the previous paragraph will apply in the case of amendments to already-executed agreements, whether such agreements are identical to a Commission-approved model or not. The copy of the amended agreement is to clearly indicate where any amendments, deletions or additions to the agreements have been made, with any deletions struck out with a horizontal line and any additions underlined.

Conclusion

48. The Commission determines, effective the date of this Decision, as follows:

    (a) LEC-IXC agreements and MALIs that are identical to Commission-approved models are no longer required to be filed for Commission approval. Prospective CLECs must provide the

Commission with the information set out in paragraph 28 in accordance with that paragraph, and existing LECs must provide the Commission with the information set out in paragraph 29 in accordance with the timelines set out in paragraph 32;

(b) CSG agreements, transiting agreements where not all the services being used are provided pursuant to the tariffs of the LEC in question, Schedule C to MALIs, and non-standard LEC-IXC agreements and MALIs are deemed to be approved upon filing with the Commission within seven business days of their execution, with the Commission reserving the power to amend, suspend or disallow such agreements back to the date of filing, if necessary;

(c) in the case of transiting agreements, where all the services being used are provided pursuant to the tariffs of the LEC in question, LECs are not required to file the agreements for deemed approval. LECs must provide the Commission with the information set out in paragraph 29 in accordance with the timelines set out in paragraph 32; and

(d) in the case of amendments to already-executed agreements, whether such agreements are identical to a Commission-approved model or not, the LECs are to file a copy of the amended agreement within seven business days of execution, in accordance with paragraph 48.

Secretary General

Related documents

- *CRTC Interconnection Steering Committee – Consensus items*, Telecom Decision CRTC 2007-62, 1 August 2007
- *Local Competition*, Telecom Decision CRTC 97-8, 1 May 1997

Appendix

Description of the section 29 agreements

LEC-IXC agreements

Agreements for LEC-IXC interconnection cover the terms, conditions, and processes by which a telecommunications carrier will provide facilities and services to the IXC in accordance with the LEC's Access Services Tariff for interconnection with IXCs. The current model of the LEC-IXC agreement, version 19, was approved by the Commission in Telecom Decision 2007-62 on 1 August 2007. Like all previous versions, this version was established through the CRTC Interconnection Steering Committee (CISC) that involved industry representatives providing input prior to Commission approval.

MALIs

MALIs cover the terms, conditions, processes, and specifications for interconnection of LECs for the interexchange of telecommunications traffic. MALIs include provisions which indicate that where there is a conflict between the applicable tariffs and the agreement, the tariffs shall prevail. The current model, version 29, was approved by the Commission in Telecom Decision 2007-62. Like all previous versions, this version was established through CISC prior to Commission approval. Schedule C to the MALI, which is entitled Interconnection Architecture, is usually filed in confidence as it contains detailed and sensitive information about the two parties' networks and the configuration of the interconnection taking place. While a Commission-approved model exists for MALIs, there is no such model Schedule C.

Transiting agreements

Transiting services are included in the Model CLEC tariff as well as in the ILEC's competitor services tariffs and can be used for switched local traffic, toll traffic, and common channel signalling 7 (CCS7). In addition, LECs are required to enter into agreements for the exchange of telecommunications traffic through transiting, which allows a carrier to exchange traffic with another carrier to which it is not directly interconnected. Where LECs are directly interconnected, the terms of agreement respecting transiting services are set out in Schedule C of the MALI. Transiting agreements may be entered into as an interim measure when a LEC initially enters a market, and subsequently be replaced by agreements to directly interconnect with other LECs when this is justified by larger traffic flows. There is no Commission-approved model transiting agreement.

CSG agreements

CSG agreements, also known as Agreements Specifying the Procedures of the Inter-exchange Carrier Group, set out terms and conditions to meet an interconnector's service requirements, including the role and responsibilities of a LEC's CSG. There is no Commission-approved model CSG agreement applicable to all carriers. While some telecommunications carriers continue to make use of CSGs, the majority presently include CSG function clauses in either MALIs or non-disclosure agreements. As a result, for the last several years, large ILECs have generally stopped filing CSG agreements for Commission approval.