



## Telecom Order CRTC 2007-415

Ottawa, 7 November 2007

### **Bell Canada and Bell Aliant Regional Communications, Limited Partnership**

Reference: Bell Canada Tariff Notice 7017  
Bell Aliant Tariff Notice 72

#### **CLEC Access to OSS Service**

*In this Order, the Commission approves on an interim basis, with some modifications, Bell Aliant Regional Communications, Limited Partnership's and Bell Canada's proposed competitive local exchange carrier access to operational support systems service.*

#### **Introduction**

1. The Commission received applications by Bell Aliant Regional Communications, Limited Partnership (for services provided in Ontario and Quebec) and Bell Canada (collectively, Bell Canada et al.), both dated 2 March 2007, to introduce a service to provide competitive local exchange carriers (CLECs) with access to the customer information contained in the incumbent local exchange carriers' (ILECs) Operational Support Systems (OSS), namely, Access Services Tariff item 106 – CLEC Access to OSS Service.
2. In Telecom Decision 2005-14, the Commission had directed Bell Canada to introduce such a service within one year of that Decision and invited the company to modify its tariffs should such changes be warranted.
3. The Commission received comments from MTS Allstream Inc. (MTS Allstream), Rogers Communications Inc. (RCI), and Globility Communications Corporation (Globility), as well as reply comments from Bell Canada et al., dated 12 April 2007. The record of this proceeding closed 31 May 2007 with Bell Canada et al.'s responses to the Commission's interrogatories. The public record of this proceeding is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."

#### **Background**

4. In Telecom Decision 2005-14, the Commission indicated that access to timely and accurate information pertaining to customers provided ILECs with the opportunity to provide better quality of service than CLECs, and therefore provided ILECs with an undue preference relative to their competitors. The Commission also indicated in that Decision that without access to ILEC OSS, CLECs did not have an equal opportunity to compete with ILECs for local exchange service customers, and therefore the development of CLEC access to ILEC OSS service was necessary to eliminate barriers to effective competition in the local exchange service market.

## Issues

5. The Commission has identified the following three issues to be addressed in its determinations:
  - What should the classification of the CLEC Access to OSS Service be?
  - Are the proposed rates for the CLEC Access to OSS Service appropriate?
  - Does this Order comply with the Policy Direction?

### *What should the classification of the CLEC Access to OSS Service be?*

#### Positions of parties

6. Bell Canada et al. submitted that the proposed CLEC Access to OSS Service was an enhanced service and should be classified as a Category II competitor service. Bell Canada et al. also submitted that this service was not required to obtain ILEC customer information, as equivalent services were provided by Canada 411 and Canada Post.
7. RCI and Globility submitted that the proposed CLEC Access to OSS Service was ancillary to the provision of an unbundled loop and should therefore be classified in the same category as unbundled loop services, namely Category I competitor services.
8. In reply, Bell Canada et al. submitted that if competitor access to ILEC databases were ancillary to unbundled local loops, then the number of OSS queries and the number of local service requests submitted by competitors should be almost equivalent, but in fact they were not, or even nearly, equivalent.

#### Commission's analysis and determinations

9. The Commission notes that the ILECs' mechanized CLEC Access to OSS Service provides a CLEC with a variety of information related to an end-customer's local exchange service that the CLEC uses to determine whether it can provision its own service over the loop provided by the ILEC. The Commission considers that some of that information is only available from ILEC databases, either from the mechanized databases used to support the CLEC Access to OSS Service or from a manual equipment record that must be purchased from the ILEC.
10. The Commission notes, however, that it is currently reviewing its regulatory framework for wholesale services and the definition of what constitutes an essential service in the proceeding initiated in Telecom Public Notice 2006-14 (the Essential Services proceeding).
11. In light of the above, the Commission considers it appropriate that the CLEC Access to OSS Service be treated as a Category II competitor service pending its decision in the Essential Services proceeding.

*Are the proposed rates for the CLEC Access to OSS Service appropriate?*

Positions of parties

12. MTS Allstream and Globility submitted that the applications should be denied because the proposed rates for CLEC Access to OSS Service included the costs associated with the development and implementation of the service. MTS Allstream and Globility further submitted that, as such, the proposed rates were not consistent with the Commission's determination in Telecom Decision 2005-14 that "each party will be responsible for its own costs for the development and implementation of CLEC access to ILEC OSS."
13. In their reply, Bell Canada et al. submitted that the efficiencies the Commission expected from the introduction of a mechanized access to ILEC OSS had not been realized. In their response to a Commission interrogatory, Bell Canada et al. also submitted that some of the development costs that were included in their cost study were unique requirements that resulted in unexpected costs relative to those proposed in the proceeding that led to Telecom Decision 2005-14.

Commission's analysis and determination

14. The Commission notes that the CLEC Access to OSS Service proposed by Bell Canada et al. is the outcome of lengthy and complex regulatory proceedings. The tariff proposed by Bell Canada et al. is an initiative of the applicants. The Commission further notes that the rates proposed by Bell Canada et al. must be justified based on the costs incurred by the company and must be consistent with the determinations in Decision 2005-14 as to the nature of the costs that may be recovered.
15. The Commission notes that the costs incurred by Bell Canada in the development of its mechanized system, as submitted in Bell Canada et al.'s economic study, are well below the costs estimated in the original Bell Canada proposal filed with the Commission in the proceeding that led to Telecom Decision 2005-14. The Commission also notes that Bell Canada's proposal in that proceeding embodied a service that was similar in scope and performance standards to those of the system that was subsequently developed.
16. Further, the Commission considers that while the mechanized access to ILEC OSS has not yet reached its full potential, there is a clear trend toward greater reliance by CLECs on the use of mechanized systems and the concomitant reduction in CLEC reliance on manual OSS functions. The Commission expects that the trend towards increased mechanization of these systems will result in additional cost efficiencies.
17. In the Commission's view, the inclusion of development and implementation costs contravenes its determination in Telecom Decision 2005-14 that each party should be responsible for its costs of developing and implementing this functionality.
18. The Commission therefore considers that it was inappropriate for Bell Canada et al. to include development and implementation costs in their cost study for CLEC Access to OSS Service.

19. Accordingly, the Commission has adjusted Bell Canada et al.'s proposed rates for CLEC Access to OSS service to remove the associated development and implementation costs. The resulting amended rates will be as follows:
- monthly subscription rate (with a five-year minimum commitment period): \$530.00; and
  - rate per query: \$0.1321.
20. The Commission finds appropriate that Bell Canada et al.'s proposed service charge per CLEC based on the expenses they have to incur to test the CLEC's access to the service.
21. The Commission notes that the tariff pages for the proposed CLEC Access to OSS Service contain rates that apply to the provision of manual equipment records. In view of Bell Canada et al.'s separate tariff notices<sup>1</sup> that propose new rates associated with the provision of manual equipment records, the Commission directs Bell Canada et al. to remove the rates for manual equipment records from the proposed CLEC Access to OSS Service tariff pages.

***Does this Order Comply with the Policy Direction?***

22. On 14 December 2006, the Governor in Council issued *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534 (the Policy Direction). In the Commission's view, the provisions of the Policy Direction that are pertinent to Bell Canada et al.'s applications are as follows:

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;

1(b) the Commission, when relying on regulation, should use measures that satisfy the following criteria, namely, those that (i) specify the telecommunications policy objectives that are 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; [...] and (iv) if they relate to network 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.

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<sup>1</sup> Bell Canada Tariff Notice 7065 and Bell Aliant Regional Communications, Limited Partnership, Tariff Notice 118, both dated 18 September 2007.

23. The Commission notes that it mandated, in Decision 2005-14, that Bell Canada provide access to its OSS because the industry had been unable to reach a consensus on how to provide such access. In light of the industry's failure to reach a negotiated settlement on access to OSS, the Commission considers that market forces could not have been relied on to ensure CLEC access to the ILECs' OSS. Accordingly, the Commission considers that the establishment of this service is consistent with subparagraph 1(a)(i) of the Policy Direction.
24. The Commission considers that the proposed CLEC Access to OSS Service provides the most efficient and effective means by which CLECs and ILECs can exchange timely and accurate information with respect to ILEC end-customers. The Commission also notes that, in Decision 2005-14, the ILECs that were required to implement this functionality were allowed to use the technology that best fit their circumstances and would be the most cost efficient for them to deliver information to CLECs. In light of the above, the Commission considers that the provision of this functionality represents a regulatory measure that is efficient and proportionate to its purpose and interferes minimally with the operation of market forces, as required by subparagraph 1(a)(ii) of the Policy Direction.
25. In the Commission's view, approving the tariff applications for the proposed CLEC Access to OSS Service, as modified by this Order, would meet the telecommunications policy objectives set out in paragraphs 7(b), 7(c) and 7(f) of the *Telecommunications Act*, which are, respectively, to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications; and to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective.
26. In light of the above, the Commission also considers that the determinations in this Order satisfy subparagraphs 1(b)(ii) and 1(b)(iv) of the Policy Direction in that they are competitively neutral and will neither deter economically efficient entry nor encourage inefficient entry.

### **Conclusion**

27. The Commission **approves on an interim basis** Bell Canada et al.'s applications, pending the outcome of the Essential Services proceeding, with the amended rates set out in paragraph 19 above, effective the date of this Order. The Commission expects that the rates, terms and conditions for this service will not be applied retroactively when disposed of on a final basis.
28. In light of the foregoing, the Commission directs the applicants to issue tariff pages reflecting the determinations in this Order within 10 days of the date of this Order.

Secretary General

## Related Documents

- *Review of regulatory framework for wholesale services and definition of essential service*, Telecom Public Notice CRTC 2006-14, 9 November 2006, as amended by Telecom Public Notices CRTC 2006-14-1, 15 December 2006, 2006-14-2, 15 February 2007, 2006-14-3, 16 March 2007, and 2006-14-4, 20 March 2007
- *Competitive local exchange carrier access to incumbent local exchange carrier operational support systems*, Telecom Decision CRTC 2005-14, 16 March 2005

*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>*