



## Telecom Decision CRTC 2011-416

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Ottawa, 11 July 2011

### **TELUS Communications Company – Application for clarification and expedited relief concerning the manner in which Bell Canada intends to implement Telecom Decision 2010-908**

File number: 8622-T66-201100213

*In this decision, the Commission determines that Bell Canada is not permitted to use call blocking as a method to enforce the requirement set out in Telecom Decision 2010-908 that competitive local exchange carriers (CLECs) route all long distance calls to small incumbent local exchange carriers' (ILECs) customers via toll interconnection trunks, given the public interest concerns associated with Bell Canada's proposed call-blocking approach. The Commission reminds CLECs that, in accordance with Telecom Decision 2010-908, they are nonetheless required to continue to route all long distance calls to small ILECs' customers via toll interconnection trunks, and not over Bell Canada's local transit interconnection service.*

#### **Background**

1. In Telecom Decision 2010-908, the Commission directed competitive local exchange carriers (CLECs) to route all long distance calls to small incumbent local exchange carriers' (ILECs) customers via toll interconnection trunks within 60 days of the date of the decision. After that 60-day period, Bell Canada would have been permitted to block any long distance calls to small ILECs' customers routed via its local transit interconnection service.
2. The Commission received an application by TELUS Communications Company (TCC), dated 7 January 2011, in which the company requested that the Commission issue certain directions to Bell Canada regarding the call-blocking method it would implement pursuant to Telecom Decision 2010-908.
3. In its application, TCC indicated that (a) it had corresponded with Bell Canada regarding the implementation of Telecom Decision 2010-908 and the possible implications related to said implementation, and (b) it was able to confirm through this correspondence that Bell Canada intended to use a call-blocking mechanism that is based on the calling number and terminating number to determine whether a call is a long distance call. TCC expressed concern over Bell Canada's proposed approach to block improperly routed long distance calls and requested expedited relief from the Commission on this matter before Bell Canada could begin blocking calls on 2 February 2011.

4. By letter dated 19 January 2011, a process was established for parties to comment on TCC's application. In a letter dated 1 February 2011, the Commission determined that it would be in the public interest to extend the deadline outlined in Telecom Decision 2010-908 for Bell Canada to begin blocking long distance calls to small ILECs' customers routed via its local interconnection transit service until the Commission made a determination on the matters raised by parties to this proceeding. Accordingly, the Commission directed Bell Canada not to begin blocking such calls until further notice.<sup>1</sup>
5. Submissions were received from Bell Canada, the Canadian Independent Telephone Company Joint Task Force (JTF), Quebecor Media Inc., on behalf of its affiliate Videotron Ltd. (Videotron), Rogers Communications Partnership (Rogers), and TCC. The record of this proceeding, which closed on 18 March 2011, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings" or by using the file number provided above.

**Should Bell Canada be permitted to block calls to enforce the requirement that CLECs route all long distance calls to small ILECs' customers via toll interconnection trunks?**

6. TCC argued that Bell Canada's call-blocking approach is flawed because it relies on the telephone number of the calling party to determine whether a call is local or long distance, as opposed to the geographic location of the caller. In TCC's view, the Commission had previously determined that the geographic points of origination and termination were the relevant factors to consider when determining whether a call was local or long distance,<sup>2</sup> and that Bell Canada should not be permitted to use a call-blocking approach that uses a different standard, which, in this case, is the telephone number of the calling party.
7. TCC submitted that, under Bell Canada's call-blocking approach, certain legitimate local calls, namely certain voice over Internet Protocol (VoIP) and wireless calls,<sup>3</sup> would be improperly blocked because they would be incorrectly identified as being long distance calls. TCC stated that it is not able to separate these calls from the rest of its local traffic. As a result, it would have no choice but to send all of its traffic, including local traffic, over more expensive toll trunks to avoid having its customers' calls blocked. Rogers expressed similar concerns in its submission.

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<sup>1</sup> By Commission staff letter dated 18 February 2011, interrogatories were addressed to a number of parties. Responses to these interrogatories were filed on 11 March 2011, and TCC filed supplemental reply comments on 18 March 2011.

<sup>2</sup> See Telecom Decision 98-2.

<sup>3</sup> In particular, (i) calls that originate and terminate within a small ILEC's serving area and are placed using an access-independent VoIP service where the caller has been assigned a telephone number from a different geographic area (the VoIP calls), (ii) wireless calls that are placed when wireless customers are roaming within a small ILEC's serving area that terminate within the small ILEC's serving area (the wireless calls), or (iii) any other types of local calls that may appear to be long distance by virtue of the calling number.

8. TCC suggested two possible alternatives to call blocking. The first alternative would have Bell Canada conduct periodic reporting and billing exercises to recover lost revenue from any CLECs that had incorrectly routed long distance calls over its local transit service. The second alternative would involve making changes to the small ILEC toll interconnection regime, in particular to the toll interconnection rates.
9. Rogers submitted that the Commission has permitted both wireless carriers and CLECs to establish their own local calling areas, meaning that a local call for one carrier might be defined as a toll call for another carrier. Rogers submitted that it does not use the same local calling areas as Bell Canada for the rest of its network and that it is therefore not practical to use Bell Canada's local calling areas solely for the purpose of routing traffic to small ILECs.
10. Bell Canada argued that the calls TCC referred to are in fact long distance calls that should be routed over toll trunks, not its local transit service, and referred to two Commission decisions to support its position.<sup>4</sup> In Bell Canada's view, blocking calls based on the telephone number of the caller is therefore appropriate.
11. Bell Canada indicated that its operational systems are not able to determine the physical location of callers making calls sent over its local transit service, and that the costs to implement the necessary system changes to deliver this capability would outweigh any benefit of doing so. Bell Canada further remarked that the Commission had previously determined that it was not appropriate to require the industry to implement similar system changes with respect to identifying the physical location of access-independent VoIP callers placing 9-1-1 calls, on the basis that the costs outweighed the benefits.<sup>5</sup>
12. Bell Canada submitted that the volume of calls at issue is insignificant and does not warrant special treatment to ensure that such traffic is not blocked. In Bell Canada's estimation, the VoIP and wireless calls in question comprise less than one percent of all calls transmitted to small ILECs over its local transit service.
13. Bell Canada was not in favour of either of TCC's proposed alternatives to call blocking. With regard to the alternative of periodic monitoring, Bell Canada submitted that it would be unworkable, lead to many disputes, and impose unnecessary costs. With regard to revising the small ILEC toll interconnection rates, Bell Canada submitted that such a fundamental change to the small ILEC toll interconnection regime is beyond the scope of Telecom Decision 2010-908.
14. The JTF strongly supported the determinations made by the Commission in Telecom Decision 2010-908, and supported Bell Canada in this proceeding.

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<sup>4</sup> See Telecom Decisions 2005-28 and 2007-23.

<sup>5</sup> See Telecom Decision 2010-387.

## Commission's analysis and determinations

15. With regard to whether the VoIP and wireless calls in question are local or long distance, the Commission is of the view that the geographic points of origination and termination of a call are the relevant factors to consider. The Commission notes that it made a similar finding in Telecom Decision 98-2 with respect to defining toll traffic for the purpose of calculating contribution.
16. With regard to the decisions cited by Bell Canada, the Commission notes that Telecom Decision 2005-28 established the regulatory framework for VoIP services and that Telecom Decision 2007-23 dealt with obligations for wireless CLECs, particularly with respect to central office codes. The Commission considers that neither of these decisions contemplated the definition of a long distance call.
17. The Commission notes that Bell Canada's call-blocking approach would screen calls based on the telephone number of the caller, which could be assigned to a distant exchange but placed locally using VoIP or wireless services. Further, Bell Canada's operational systems are not able to screen calls based on the geographic location of the exchange from which they are placed. The Commission therefore considers that there is a risk that certain customers using VoIP or wireless services could have their local calls improperly blocked under Bell Canada's call-blocking approach. With regard to Bell Canada's argument that the number of calls at risk of being blocked would not be significant, the Commission considers that even if Bell Canada's one percent estimate is accurate, this could potentially represent hundreds or thousands of blocked calls, and that this outcome would not be in the public interest.
18. Based on the record of the proceeding, the Commission considers that there do not appear to be any cost-effective alternatives to call blocking, technical or otherwise. From a technical perspective, it would be too costly for Bell Canada to change its operational systems. In terms of TCC's proposed alternatives, the Commission considers that TCC's proposal to have Bell Canada conduct periodic monitoring would not be appropriate as it would be onerous, costly, and could lead to further disputes. With regard to TCC's suggestion to revise the toll interconnection rates for small ILECs, the Commission considers that this is a complex issue that is beyond the scope of this proceeding, but notes that the small ILEC toll interconnection regime is currently at issue in the proceeding to review the small ILEC regulatory framework.<sup>6</sup>
19. In light of the above, the Commission determines that Bell Canada is not permitted to block calls to enforce the requirement that CLECs route all long distance calls to small ILECs' customers via toll interconnection trunks.

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<sup>6</sup> See Telecom Notice of Consultation 2011-348-1.

20. The Commission reminds CLECs that, in accordance with Telecom Decision 2010-908, they are nonetheless required to continue to route all long distance calls to small ILECs' customers via toll interconnection trunks, and not over Bell Canada's local transit interconnection service. Bell Canada may file revisions to its transit services tariffs to include specific wording to this effect.

Secretary General

### **Related documents**

- *Review of regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Notice of Consultation CRTC 2011-348, 26 May 2011, as amended by Telecom Notice of Consultation CRTC 2011-348-1, 5 July 2011
- *Quebecor Media Inc. and Rogers Communications Partnership – Use of Bell Canada's local transit service to deliver long-distance calls to small incumbent local exchange carriers' customers*, Telecom Decision CRTC 2010-908, 3 December 2010
- *Viability of proposals for the provision of E9-1-1 service for nomadic and fixed/non-native VoIP subscribers*, Telecom Decision CRTC 2010-387, 17 June 2010
- *Rogers Wireless Partnership Part VII application regarding the requirement for a central office code in each served exchange*, Telecom Decision CRTC 2007-23, 12 April 2007
- *Regulatory framework for voice communication services using Internet Protocol*, Telecom Decision CRTC 2005-28, 12 May 2005, as amended by Telecom Decision CRTC 2005-28-1, 30 June 2005
- *Implementation of price cap regulation and related issues*, Telecom Decision CRTC 98-2, 5 March 1998, as amended by Telecom Decision CRTC 98-2-1, 20 March 1998