



Telecom Order CRTC 2012-369

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Ottawa, 9 July 2012

CoopTel – Access Services Tariff for Local Network Interconnection

File numbers: Tariff Notices 71 and 71A

In this order, the Commission approves, with modifications, CoopTel's application to introduce a new section to its General Tariff for local network interconnection services.

Introduction

1. The Commission received an application by CoopTel, dated 2 February 2012 and amended on 28 February 2012, in which the company proposed revisions to its General Tariff in order to introduce section 4.7 – Access Services Tariff for Local Network Interconnection.
2. CoopTel submitted that by introducing this section, it was complying with a joint request from TELUS Communications Company (TCC) and Cogeco Cable Inc. (Cogeco) to implement local competition in CoopTel's incumbent territory.
3. The Commission received comments from TCC regarding CoopTel's application. The public record of this proceeding, which closed on 19 April 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

Should the Commission approve CoopTel's proposed tariff?

4. The Commission notes that in accordance with the price cap framework for the small incumbent local exchange carriers (ILECs) set out in Telecom Decision 2006-14, rates for competitor access services are generally allowed to increase up to any rate approved by the Commission for the same service. The Commission also notes that CoopTel has used the rates set out in Bell Aliant Regional Communications, Limited Partnership's Access Services Tariff for the same services.
5. The Commission notes that in Telecom Decision 2006-14, it considered that the interconnection framework that exists in the large ILECs' territories should apply in the small ILECs' territories. The Commission has reviewed CoopTel's proposed tariff and considers that it generally complies with Telecom Decision 2006-14 and covers the services requested by TCC and Cogeco. However, the Commission considers that modifications to the proposed tariff are required, as set out below.

a) Signalling System 7 (SS7)¹ transit service charges

6. CoopTel indicated in its proposed tariff that its SS7 signalling would be provided using the network of a third party, and that the competitor should pay for 100 percent of the SS7 transit charges levied by this third party. TCC stated that it has its own signal transfer points (STPs)² and objects to CoopTel's proposed tariff because it would force TCC to pay for CoopTel's STP costs.
7. In reply, CoopTel submitted that it was proposing conditions identical to those imposed on it by TCC where CoopTel is a competitor in TCC's incumbent territory.
8. The Commission notes that, regardless of the option chosen by CoopTel for sending its SS7 signalling messages to the network of another company, CoopTel and TCC are responsible for their own associated charges. Consequently, the Commission considers that TCC is not obliged to pay CoopTel's SS7 signalling charges and that CoopTel's proposed tariff should be modified accordingly. The Commission also considers that the situation in TCC's incumbent territory is beyond the scope of this proceeding.

b) Signalling points of interconnection (SPOIs)³

9. TCC stated that CoopTel did not designate any SPOIs in its proposed tariff and that, in accordance with Commission requirements, a SPOI must be designated in the proposed tariff for each area code in which CoopTel provides services. TCC added that each SPOI must be co-located at a point of interconnection (POI).
10. CoopTel submitted that since it and TCC operate in the same set of area codes, it is not necessary to designate a separate SPOI in CoopTel's incumbent territory.
11. The Commission notes that in Telecom Decision 97-8, it required that each company provide a SPOI in each area code in which it provides services. The Commission therefore considers that it would be appropriate for CoopTel to identify the address information for the designated SPOIs in its proposed tariff, even if CoopTel does not have its own STPs and uses a third party's STPs.
12. Regarding TCC's submission that each SPOI must be co-located at a POI, the Commission notes that in Telecom Order 98-486, it considered that when a competitive local exchange carrier (CLEC) uses a third party's STPs, the SPOIs provided by the third party should be considered as being the CLEC's designated SPOIs for the purposes of Telecom Decision 97-8. The Commission considers that the same principle should apply in the case of a small ILEC using a third party's STPs.

¹ SS7 is required for various essential call processing functions such as setting up and taking down calls, as well as communicating between databases to determine call routing and other functions.

² An STP is the equipment that routes SS7 signalling messages.

³ A SPOI is a place where local service providers interconnect their signaling networks to exchange SS7 signalling messages.

c) POI

13. TCC requested that CoopTel clearly indicate the address information for its POI in its proposed tariff. CoopTel included this information in its reply to TCC, but did not add it to its proposed tariff.
14. The Commission considers that the address information for CoopTel's POI should appear in its proposed tariff.

d) Call routing

15. CoopTel indicated in its proposed tariff that the proposed local interconnection services would be used solely to route calls between CoopTel's subscribers and those of the competitor in CoopTel's incumbent exchanges. TCC submitted that this description is too restrictive and that it should be modified to cover calls coming from the same local calling area as that of the exchange to which they are routed for termination.
16. The Commission notes that local traffic includes local calls coming from and terminating in the same local calling area. The Commission therefore considers that the wording of CoopTel's proposed tariff should be modified to indicate that calls coming from the same local calling area as that of the exchange to which they are routed for termination in CoopTel's incumbent territory must be routed via the company's local interconnection services.

e) Interconnection facilities

17. CoopTel indicated in its proposed tariff that interconnection would be provided using OC-3⁴ network interconnection facilities. TCC indicated that CoopTel's proposed tariff should not restrict interconnection options. In reply, CoopTel submitted that OC-3 is the technical means through which the company provides interconnection.
18. The Commission considers that interconnection options can be negotiated between companies and that it is not appropriate to impose a specific arrangement in the tariff since circumstances may change. The Commission notes that the other ILECs – small and large – do not restrict interconnection options in their tariffs. The Commission therefore considers that CoopTel's proposed tariff should be modified to remove the mention of OC-3 network interconnection facilities.

f) Lease of bill and keep trunks⁵

19. CoopTel indicated in its proposed tariff that it does not lease facilities for bill and keep trunks. TCC submitted that this condition does not comply with the principle that any ILEC service can be re-sold and interconnected with other services. CoopTel argued

⁴ OC-3 is a channel capable of digital transmission at a nominal 155 megabit-per-second rate.

⁵ Bill and keep trunks are used to exchange local traffic between local service providers. With bill and keep, the originating carrier bills its customer for the call and keeps the corresponding revenue. The originating carrier does not compensate the terminating carrier for call termination expenses.

that TCC had not asked to lease facilities and that therefore, CoopTel was not obliged to make them available.

20. The Commission considers that, in accordance with the practices used in the large ILECs' incumbent territories, there should be no tariff restriction preventing CLECs to from leasing interconnection facilities from ILECs instead of building them. The Commission therefore considers that CoopTel's proposed tariff should be modified accordingly.

g) List of exchanges

21. CoopTel mentioned in its proposed tariff that the Lawrenceville exchange is not open to competition since the company did not receive a local competition implementation request for this exchange. TCC argued that submitting a local competition implementation request for this exchange could delay the implementation of competition since CoopTel would first have to modify its tariff.
22. CoopTel argued that its proposed tariff only reflects the current situation and that it would modify its tariff if it receives a local competition implementation request for this exchange.
23. The Commission considers that it is not necessary to modify the wording of CoopTel's proposed tariff regarding the Lawrenceville exchange since a tariff modification would be required in any case if a competitor requests to offer services in that exchange.

Conclusion

24. In light of the above, the Commission **approves** CoopTel's application, effective the date of this order, with the modifications described above and as set out below:
 - remove the second paragraph of tariff item 4.7.4.3 – *Signalisation SS-7*;
 - provide the address information for the designated SPOIs and POI in the tariff;
 - indicate that calls coming from the same local calling area as that of the exchange to which they are routed for termination in CoopTel's incumbent territory must be routed through the company's local interconnection services;
 - remove from the second paragraph of tariff item 4.7.4.1 the requirement to use OC-3 network interconnection facilities; and
 - remove the last sentence of tariff item 4.7.4.1.

25. The Commission directs CoopTel to issue revised tariff pages, within **10 days** of the date of this order.⁶

Secretary General

Related documents

- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006
- *Transiting and points of interconnection*, Telecom Order CRTC 98-486, 19 May 1998
- *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997

⁶ The revised tariff pages can be submitted to the Commission without a description page or an approval request; a tariff application is not required.