



Telecom Decision CRTC 2015-98

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Cochrane Telecom Services – Implementation of local competition for Bragg Communications Incorporated, operating as Eastlink

*The Commission **approves with changes** Cochrane Telecom Services' (Cochrane) implementation plan for local competition, including local number portability, and **directs** Cochrane to (i) ensure that Eastlink may begin operating in Cochrane's territory no later than **180 days** following the date of this decision, and (ii) file all required wholesale service tariffs within **60 days** of the date of this decision. The Commission also **directs** Cochrane, should it seek to recover its implementation costs, to submit its implementation costs to the Commission no later than **90 days** following the date of this decision. The Commission's decision enables customers in the exchange of Cochrane, Ontario, to benefit from local competition by allowing them to choose among the services, options, and prices offered by different service providers.*

Background

1. In Telecom Decision 2006-14, the Commission, among other things, set out the framework for local competition implementation in the territories of the small incumbent local exchange carriers (ILECs). That decision included directives that the small ILECs must follow when submitting their implementation plans.
2. The Commission reviewed this framework and determined, in Telecom Regulatory Policy 2011-291, that local competition should continue to be introduced in the operating territories of all the small ILECs based on the existing framework, subject to the modifications set out in that decision.

Application

3. The Commission received an implementation plan for local competition, including local number portability (LNP) [the implementation plan], dated 30 September 2014, from Cochrane Telecom Services (Cochrane). The plan was submitted in response to a formal signed expression of interest from Bragg Communications Incorporated, operating as Eastlink (Eastlink), which indicated that it wished to interconnect with Cochrane to provide local services as a competitive local exchange carrier in the exchange of Cochrane, Ontario.
4. In its implementation plan, Cochrane identified the services and network components that it planned to make available to Eastlink.

5. On 3 November 2014, Eastlink filed its response with the Commission. Cochrane submitted its final reply on 13 November 2014.
6. The Commission received no interventions regarding Cochrane's proposed implementation plan. The public record of this proceeding, which closed on 13 November 2014, is available on the Commission's website at www.crtc.gc.ca or by using the file numbers provided above.

Issues

7. Cochrane and Eastlink have generally agreed on most elements of the implementation plan, but some timing issues remain.
8. The Commission has examined the following questions in considering whether to approve Cochrane's proposed implementation plan:
 - When should local competition be implemented in Cochrane's operating territory?
 - When should Cochrane file its wholesale service tariff applications with the Commission?
 - When should Cochrane submit its implementation costs to the Commission?

When should local competition be implemented in Cochrane's operating territory?

9. Cochrane indicated that it will be ready to implement local competition in its operating territory 180 days following the date of the Commission's approval of its implementation plan, which is consistent with the timelines that the Commission has approved for other small ILECs in past decisions.
10. Cochrane submitted that a shorter timeline would be difficult to manage since it has no past experience with LNP. While Cochrane has the necessary hardware to implement LNP, it must still join the Canadian LNP Consortium Inc., and it has not made the required contacts with the Consortium.
11. Eastlink noted that in the last 5 small ILECs' operating territories where it had entered as a competitor, the small ILECs were able to implement local competition in less than 90 days.
12. Eastlink submitted that in Cochrane's operating territory, the two key outstanding items for local competition implementation were (i) the confirmation of a meet point and (ii) for Eastlink to familiarize Cochrane with the LNP process. Eastlink indicated that it would continue to work with Cochrane on these items.

13. Eastlink submitted that accordingly, Cochrane should implement local competition in its operating territory no later than 90 days following the date of the Commission's approval of Cochrane's implementation plan.

Commission's analysis and determinations

14. The Commission notes that while some small ILECs may have been able to implement local competition in less than 90 days following the date of the Commission's approval of their implementation plan as indicated by Eastlink, the Commission has historically directed small ILECs to implement local competition no later than 180 days following this approval. The Commission sees no reason to deviate from that approach in this case, especially since this is Cochrane's first time implementing local competition in its operating territory.
15. In light of the above, the Commission **directs** Cochrane to cooperate with Eastlink in the local competition implementation process, as required, to ensure that Eastlink may begin operating in Cochrane's territory no later than **180 days** following the date of this decision.

When should Cochrane file its wholesale service tariff applications with the Commission?

16. Due to its limited resources to develop tariffs, Cochrane proposed to file its wholesale service tariff applications 60 days following the date of the Commission's approval of its implementation plan.
17. Eastlink submitted that there is no reason that Cochrane should require 60 days to prepare its tariff applications, since Cochrane could rely on the wholesale service tariffs of other small ILECs to draft its own tariffs. Eastlink submitted that accordingly, Cochrane should be able to file its wholesale service tariff applications no later than 30 days following the date of the Commission's approval of Cochrane's implementation plan.

Commission's analysis and determinations

18. The Commission notes that it has historically directed small ILECs to file for approval all required wholesale service tariffs within 30 days following the date of the Commission's approval of an implementation plan.
19. The Commission acknowledges that Cochrane has limited resources and that this is Cochrane's first time developing tariffs as part of implementing local competition in its operating territory.
20. The Commission considers that since local competition is to be implemented in Cochrane's operating territory no later than 180 days following the date of this decision, there is no real benefit to having Cochrane file its wholesale service tariffs with the Commission within 30 days of the date of this decision instead of within 60 days as proposed by Cochrane.

21. Accordingly, the Commission **directs** Cochrane to file for Commission approval all required wholesale service tariffs within **60 days** of the date of this decision.

When should Cochrane submit its implementation costs to the Commission?

22. Cochrane submitted that it was not in a position, at this time, to provide an assessment of its implementation costs and the cost recovery method associated with local competition implementation.

Commission's analysis and determinations

23. The Commission notes that Cochrane has put everything in place for competition to be implemented in its operating territory. Once Cochrane is aware of its implementation costs, it will have the option of either absorbing those costs or recovering them through the regulatory mechanisms available pursuant to Telecom Regulatory Policy 2011-291.

24. The Commission considers that by allowing the implementation of local competition in Cochrane's operating territory at this time, instead of waiting for Cochrane to submit its implementation costs, customers in Cochrane's operating territory will start benefiting sooner from local competition.

25. However, Cochrane's decision as to whether to absorb or recover its costs should be made by a specific deadline. Within 90 days following the date of this decision, Cochrane will be halfway into the implementation of local competition. The Commission considers that at that time, Cochrane should be in a position to have an accurate estimate of its implementation costs.

26. In light of the above, the Commission **directs** Cochrane, should it seek to recover its implementation costs, to submit its implementation costs to the Commission no later than **90 days** following the date of this decision.

Conclusions

27. In light of all the above,

- the Commission **approves** Cochrane's implementation plan as modified above;
- the Commission **directs** Cochrane to provide information and assistance to Eastlink, as required, to implement local competition as quickly as possible so that Eastlink may begin operating in Cochrane's territory by no later than **21 September 2015**.
- when implementing all aspects of local competition in the affected exchange, including but not limited to technical and network interconnection, Cochrane is to abide by the industry consensus items outlined in the various CRTC

Interconnection Steering Committee documents related to interconnection, as well as the existing rules as outlined in the various decisions, orders, and letters issued by the Commission pertaining to local competition.

Compliance with the Policy Direction

28. The Commission considers that its approval of Cochrane's implementation plan for local competition, as modified above, allows customers in the affected exchange to benefit from competition in the local services market by enabling them to choose among the services, options, and prices offered by different service providers. As a result, the Commission considers that its determinations in this decision will advance the policy objectives set out in paragraphs 7(b), (f), and (h) of the *Telecommunications Act*.¹
29. The Commission also considers that its conclusions will enable customers in the affected exchange to benefit from local competition within a reasonable period of time while allowing Cochrane to complete the steps required to implement local competition without imposing an overly demanding schedule on the company.
30. In light of the above, the Commission considers that its determinations are consistent with the Policy Direction² requirements that 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 forces to the minimum extent necessary to meet the policy objectives.

Secretary General

Related documents

- *Obligation to serve and other matters*, Telecom Regulatory Policy CRTC 2011-291, 3 May 2011, as amended by Telecom Regulatory Policy CRTC 2011-291-1, 12 May 2011
- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006

¹ These objectives are the following: 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; 7(f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; and 7(h) to respond to the economic and social requirements of users of telecommunications services.

² *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006