



Telecom Decision CRTC 2022-313

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Revisions to Master Agreement for Local Interconnection

Summary

The Commission **approves** the Business Process Working Group (BPWG) consensus report BPRE099A and the updated Master Agreement for Local Interconnection (MALI) as submitted by the CRTC Interconnection Steering Committee BPWG. The Commission resolves the issues identified by the BPWG as follows:

- a) The termination period is to be increased to eight business days.
- b) The notice provisions are to be revised to allow for service of notifications by email where parties mutually agree in advance to its use and on a method for acknowledgment of receipt (by return email, an affidavit, or other method). This agreement may be made for notices generally at the time of signing the agreement or, with respect to specific notices, at any other time while a MALI is in effect. In the absence of an agreement, notices are to be sent by registered mail.
- c) Confidentiality wording is to be added to Schedule A to ensure that employees are bound by confidentiality obligations that are at least at the same degree of care that the receiving party uses for its own highly confidential business-related matter.
- d) As a result of the addition in c) above, Attachment 1 to Schedule A is no longer to be completed by employees and can be deleted from the MALI.
- e) The terms “unbundled network elements” and “unbundled local loops” are to be removed from the MALI.
- f) The MALI is to be amended to state that in the event of a disagreement between the MALI and the Canadian Local Ordering Guideline, the latter shall prevail.

Background

1. In July 2017, the Business Process Working Group (BPWG) initiated Task Identification Form 99 entitled Review of Agreements to review and update, as necessary, competitive local exchange carrier model agreements, such as the Master Agreement for Local Interconnection (MALI).

2. The MALI is a legal agreement between local exchange carriers (LECs) that describes and sets out their interconnection arrangement and operational interactions.

The report

3. The CRTC Interconnection Steering Committee (CISC) forwarded to the Commission, for its approval, BPWG consensus report BPRE099A (the report) for changes to the MALI (MALI v30.1) [the agreement]. The BPWG noted that it made limited changes to the agreement, given that a more extensive review may be required as a result of an expected Internet Protocol (IP) interconnection proceeding. The BPWG submitted the updated MALI to the Commission for its review and determination.
4. In reviewing the MALI, the BPWG indicated that it encountered barriers to completing a thorough review, because the MALI is based on Time Division Multiplexing (TDM) trunking with Common Channel System 7 (CCS7) signaling. The BPWG noted that TDM and CCS7 signaling were the prevalent technologies 25 years ago when the MALI was first drafted; however, the prevalent technology is now IP trunking. The BPWG's understanding is that, at some point, a Commission public consultation or proceeding is needed and expected to consider IP-based network interconnection. The BPWG therefore refrained from proposing MALI updates related to IP-based interconnections.
5. Generally, the updates include minor improvements in punctuation and grammar, the addition of footnotes to provide information and references to the Canadian Local Ordering Guideline (C-LOG), and Customer Transfer Process Maps. Other specific changes are to recitals, interpretation, definitions, regulatory approval, network planning, order completion notification, billing output, and customer transfer procedure.
6. The BPWG also found there were some items that had policy implications. Given that CISC working groups do not work on policy related items, the BPWG noted these items for further direction by the Commission.
7. The BPWG requested that the Commission render a decision on the submitted documents once CISC has approved the report and updated MALI. The BPWG also indicated that it will continue its review of documents, such as the small MALI¹ in conjunction with its ongoing work plans.

Commission's analysis

8. The Commission notes that the MALI is a bilateral agreement between two LECs and sets out, in part, the manner in which the two LECs exchange traffic between their

¹ The small MALI is an abbreviated form of the MALI suitable for Type 2 and Type 4 competitive local exchange carriers.

respective networks, along with specifying other operational matters. By using a template MALI, LECs are able to simplify the completion of their interconnection arrangements and to take advantage of a streamlined regulatory approval process.

9. The BPWG noted that the MALI is based on the use of TDM network technology. However, the default network technology has changed to Internet Protocol/Session Initiation Protocol (IP/SIP)-based networks, and at some point the MALI must be amended to incorporate IP/SIP-technology.
10. The Commission considers the BPWG's assessment to be correct that incorporating IP/SIP technology into the MALI may require a number of changes in the MALI. Since there may be an IP interconnection proceeding, it would not be productive to modify the MALI for IP/SIP technology until after any regulatory requirements for IP interconnection are known.
11. The current updates to the MALI consist of changes to improve clarity, correct grammar, update and add references, and add further information and definitions. The Commission considers that these changes will reduce ambiguities in the MALI and assist parties to the MALI in their interpretation and use of the MALI in managing their inter-carrier relationships. The Commission therefore has no issues with the changes and considers them to be appropriate.
12. The BPWG identified a number of policy-related issues for which it requested Commission direction. The Commission's directions on these issues is provided in the paragraphs below.

Agreement termination

13. The MALI currently allows for it to be terminated 48 hours after written notice has been provided. However, in Telecom Regulatory Policy 2017-235, the Commission provided for a four-business-day period for end-users to be advised of service disruptions. If a LEC depends on a MALI to provide services to its end-users, the 48 hours' notice period makes it impossible for that LEC to provide four days' notice to its end-users.
14. The Commission considers that the time period in the MALI should be modified to align with Telecom Regulatory Policy 2017-235. Also, a time period should be included to allow a LEC to prepare a notice to its end-users. In the Commission's view, 48 hours would be sufficient for a LEC to prepare a notice to its end-users. Therefore, the Commission considers that the advance notice period for termination in the MALI should be increased to eight business days.²

² This time period consists of the current notice period of 48 business hours, plus 48 business hours to prepare a notice to end-users, plus the four-business-day notice period per Telecom Regulatory Policy 2017-235.

Email notice and receipt

15. Currently, all notices related to changes to a MALI are required to be sent to the other party by registered mail. The BPWG would like to add sending notices (or a copy of a notice) by email; however if email is used, some form of receipt would be required. The BPWG also indicated that the use of email is not necessarily as reliable as a registered letter and requested Commission guidance on this point.
16. The Commission notes that in recent years, electronic service has become increasingly accepted, whether in business transactions or in the courts. While registered mail is a reliable form of proving receipt of a document, there are mechanisms by which proof can be obtained for notices sent by email. For example, where proof of receipt of an electronic message is required, companies could respond to a notice with a return email (within a set period, such as 24 hours) acknowledging receipt of a notice or file an electronic affidavit of service that includes return email acknowledging receipt.
17. Ultimately, the Commission considers that email notice could be used for the MALI where both parties agree to its use and the manner in which receipt would be accomplished where needed. This agreement could occur when a MALI is signed or at any time while a MALI is in effect. This flexibility would allow parties to rely on electronic service to send and receive notices in a timelier manner and make the interconnection process more efficient. However, given the concerns of some CISC members, the Commission considers that it would be premature to make such electronic service mandatory. When there is no agreement, the MALI should make it clear that notices would continue to be required to be sent by registered mail.

Confidentiality

18. The BPWG proposed adding wording that employees with access to the other party's confidential information must treat it in the strictest confidentiality. These employees are to ensure that they use at least the same degree of care that the receiving party uses for its own highly confidential business related matters. The BPWG has also proposed the deletion of Attachment 1 in Schedule A of the MALI that required employees and supervisors to sign a form agreeing to confidentiality requirements.
19. The Commission notes that the competitive marketplace has evolved and matured to the point where such strict and explicit confidentiality requirements are no longer necessary. The Commission considers that the revised wording in the MALI is sufficient to ensure parties maintain the necessary confidentiality of information exchanged between the parties and that Attachment 1 in Schedule A can be deleted.

Unbundled network elements and unbundled local loops

20. The BPWG would like to remove “unbundled network elements” and “unbundled local loops” where they appear in the MALI and its schedules.³ Given that these types of facilities have been forborne⁴ because there is deemed to be a competitive or alternative supply for these products, the Commission considers it is no longer necessary to explicitly include rules and requirements associated with local loops (and other network elements) in the MALI.

Order of documents

21. The BPWG considers that a clarification is required to specify the order of priority between the MALI and the C-LOG and has recommended the addition of a sentence on page 3 of Schedule D, as follows: “In the event of a disagreement between this document and the C-LOG, the most current version of the C-LOG shall prevail.”

22. The Commission notes that the C-LOG contains the requirements, processes, and steps related to the transfer of customers between telecommunications service providers. Furthermore, the BPWG updates the C-LOG on a regular basis to incorporate the latest enhancements and issue resolutions as identified by the telecommunications industry and in the C-LOG, and its ongoing updates are approved by the Commission. Given that the C-LOG describes and sets out the most up-to-date interactions between telecommunications service providers and it is approved by the Commission, the C-LOG is a more appropriate document than the MALI, which may not be as current as the C-LOG in terms of industry practices.

Conclusion

23. The Commission **approves** the report and the updated MALI as submitted by the CISC BPWG. The Commission resolves the issues identified by the BPWG as follows:

- a) The termination period is to be increased to eight business days.
- b) The notice provisions are to be revised to allow for service of notifications by email where parties mutually agree in advance to its use and on a method for acknowledgment of receipt (by return email, an affidavit, or other method). This agreement may be made for notices generally at the time of signing the agreement or, with respect to specific notices, at any other time while a MALI is in effect. In the absence of an agreement, notices are to be sent by registered mail.

³ These terms appear in schedules D, E F and G of the MALI.

⁴ For example, see Telecom Regulatory Policy 2015-326; Telecom Decisions 2018-360; 2019-74; and 2020-128.

- c) Confidentiality wording is to be added to Schedule A to ensure that employees are bound by confidentiality obligations that are at least at the same degree of care that the receiving party uses for its own highly confidential business-related matter.
- d) As a result of the addition in c) above, Attachment 1 to Schedule A is no longer to be completed by employees and can be deleted from the MALI.
- e) The terms “unbundled network elements” and “unbundled local loops” are to be removed from the MALI.
- f) The MALI is to be amended to state that in the event of a disagreement between the MALI and the C-LOG, the C-LOG shall prevail.

Policy Directions

24. In accordance with subparagraph 1(b)(i) of the 2006 Policy Direction,⁵ the Commission considers that approval of the report and the agreement will advance the policy objective set out in paragraphs 7(a) and (f) of the *Telecommunications Act*.⁶
25. In accordance with the 2019 Policy Direction,⁷ the Commission considers that this decision can promote competition, affordability, and consumer interests by providing a standardized agreement with consistent terms and conditions between LECs, which provides a uniform and consistent manner in which carriers interconnect and interact with each other in providing their products and services to end-users. Furthermore, a standardized agreement format streamlines and reduces the regulatory burden on carriers.

Secretary General

Related documents

- *Bell Canada – Request for forbearance from the regulation of line-sharing and unbundled local loop connecting links*, Telecom Decision CRTC 2020-128, 22 April 2020

⁵ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁶ The cited policy objectives are 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions, and 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.

⁷ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

- *TELUS Communications Inc. – Application to modify the provision of various wholesale services*, Telecom Decision CRTC 2019-74, 14 March 2019
- *TELUS Communications Inc. – Application for forbearance from the regulation of unbundled local loops*, Telecom Decision CRTC 2018-360, 11 September 2018
- *Disconnection practices between telecommunications service providers*, Telecom Regulatory Policy CRTC 2017-235, 6 July 2017
- *Review of wholesale wireline services and associated policies*, Telecom Regulatory Policy CRTC 2015-326; 22 July 2015, as modified by Telecom Regulatory Policy CRTC 2015-326-1, 9 October 2015