



Telecom Decision CRTC 2022-69

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Groupe Maskatel LP – Implementation of local competition regarding CoopTel in the exchange of Upton, Quebec

The Commission **approves** Groupe Maskatel LP's implementation plan for local competition, including local number portability, for CoopTel, in the exchange of Upton, Quebec. The Commission's decision gives consumers in this exchange a greater choice of telecommunications services.

Application

1. The Commission received an implementation plan for local competition, including local number portability (LNP), dated 14 October 2021, from Groupe Maskatel LP (Maskatel), a small incumbent local exchange carrier (ILEC). In accordance with the framework set out in Telecom Decision 2006-14 and modified in Telecom Regulatory Policies 2011-291 and 2018-213, the implementation plan was submitted in response to a formal signed expression of interest from CoopTel, in which CoopTel stated that it wished to interconnect with Maskatel to provide local exchange services as a competitive local exchange carrier in the exchange of Upton, Quebec.
2. In its implementation plan, Maskatel submitted that due to its network configuration, some services will be offered by Bell Canada. Maskatel added that competing local exchange carriers may be able to leverage their existing relationships with Bell Canada to ensure the continued provision of these services in the affected territories. Maskatel argued that Bell Canada is able to provide these services under the rates and terms specified in its various tariffs and that separate tariffs can be put in place if necessary.
3. Maskatel submitted that the exchange of Upton is served by a Nortel DMS-10 switch and that currently this switch does not support LNP. Maskatel has submitted that it will implement wireline LNP as part of this project. However, Maskatel submitted that it has limited experience in deploying LNP with this type of equipment, so it is required to work with a third-party company with this expertise.
4. Considering the nature and extent of the work required to implement local competition in the above-mentioned territory, specifically LNP, Maskatel has submitted that wireline local competition may begin no later than five months from the date of the Commission's approval of the implementation plan. However, Maskatel submitted that if the Commission's decision were issued on a date that

would, based on the proposed timetable, lead to an implementation date between 15 June 2022 and 15 July 2022, then the implementation date would have to be moved to the end of August for operational reasons. Maskatel argued that its company is relatively small, its staff resources are limited, and the period around 1 July is hectic given that leases end around this time and many people are moving, and given the other work being done on its network during the summer.

5. Maskatel added that it may face unexpected problems during the technical work on the switch given the age of the technology. Maskatel has expressed its willingness to act diligently to meet its deadlines, but technical constraints may arise that could impact the implementation date. Maskatel stated that if such a situation were to arise, it would do everything in its power to minimize such an impact for itself and its competitor.
6. With respect to data exchange, Maskatel has made it clear that requests (orders) exchanged with competing small local exchange carriers (e.g., those described in the Canadian Local Ordering Guidelines) will be transmitted by email.
7. Maskatel submitted that it does not intend to file for cost recovery through an exogenous factor until it has completed its cost analysis.
8. The Commission received an intervention from CoopTel. It confirmed its support for the implementation plan, but stated that it considered the five-month time frame proposed by Maskatel to be very long. CoopTel also raised a question regarding the use of email rather than an AS2 protocol for the ordering process.¹
9. In its reply, Maskatel submitted that for the implementation of local competition in other exchanges, a five-month period was considered reasonable by the Commission in a previous decision. Maskatel also argued that skilled resources to implement portability on DMS-10 switches are scarce. Maskatel added that its internal processes were developed separately from Bell Canada's and therefore there are no synergies that could contribute to a significant reduction in the delay.
10. As for the use of email for data exchange, Maskatel submitted that it chose this mode of communication because it anticipated a low volume of requests. Maskatel added, however, that if the volume were to prove high enough to warrant an AS2 protocol, the company would comply with the process established by the Commission.

Response to request for information

11. On 23 December 2021, Commission staff issued a request for additional information to Maskatel regarding the implementation of local competition and the proposed time frame.

¹ AS2 (Applicability Statement 2) is a technical standard for the secure and reliable transport of data over the Internet. Security is ensured through the use of digital certificates and encryption.

12. In response to the request for information, Maskatel cited the limited availability of human and technical resources to perform the required tasks, resulting in a significant reduction in its ability to quickly implement local competition.
13. Maskatel submitted that a total of 85 days will be required to complete the various tasks. However, since Maskatel calculates this time frame by considering only business days, as well as taking into account its blackout period from 15 June to 15 July 2022,² the total time to complete these tasks is more like 151 days. In addition, Maskatel argued that several parallel activities could be completed at the same time. However, Maskatel submitted that the critical path, which is likely to take 151 days, consists of a series of activities, each dependent on the previous activity, and therefore the time to complete these tasks cannot be reduced.
14. From a technical standpoint, with respect to its DMS-10 switches, Maskatel submitted that the activation and programming of transferability must be done from scratch in the Upton switch since the tables, translations, beams, etc., are specific to that exchange. Also, Maskatel claimed that its DMS-10 switches are not remote units subordinate to another switch; they are stand-alone, independent switches. In addition, these switches do not have SS7³ connections with switches that support LNP.
15. Furthermore, Maskatel argued that certain significant delays are beyond its control, such as obtaining NXX⁴ numbers from the Canadian Numbering Administrator and making changes to the Local Exchange Routing Guide.
16. Maskatel submitted that based on the above and its experience with implementing local competition in similar cases, it believes that 151 days (approximately five months) is a reasonable time frame for implementing local competition in the exchange of Upton.

Commission's analysis and determinations

17. The regulatory framework for the implementation of local competition in the small ILECs' serving territories was established in Telecom Decision 2006-14, with the implementation of LNP being one of the key requirements. In that decision, the Commission directed each small ILEC to file an implementation plan with the Commission within 30 days following a formal signed expression of interest from a carrier requesting to use competitor services within a small ILEC's serving territory. The decision also included directives that the small ILECs must follow when submitting their implementation plans. For example, the Commission indicated that the plan should include certain details, such as when tariffs will be filed, the timing of

² Maskatel proposed this blackout period for operational reasons (see paragraph 4).

³ SS7, or Signaling System 7, is a digital signaling system used by the telephone companies to route telephone calls and to provide other services.

⁴ The NXX code represents the three digits following the area code (AC), e.g. AC-NXX-XXXX.

the implementation of local competitor services, the start-up costs to implement local competition including LNP if appropriate and how these costs will be recovered, and any other implementation issues that may be unique to that small ILEC.

18. The Commission reviewed this framework, and in Telecom Regulatory Policy 2011-291 determined that local competition should continue to be introduced in the serving territories of all the small ILECs based on the existing framework, subject to the modifications set out in that decision.
19. As noted above, Maskatel sought Commission approval for its implementation plan for local competition in the exchange of Upton in response to a request from CoopTel.
20. The Commission finds that the services and network components proposed in Maskatel's implementation plan are similar to those that the Commission has approved in other decisions for small ILECs that have implemented local competition in their serving territories.
21. With respect to the use of email for data exchange, the Commission finds Maskatel's explanation reasonable and notes that Maskatel has stated that it will implement an AS2 protocol if the volume of data exchange proves sufficiently high. In addition, the Commission notes that this solution was proposed by Maskatel in its revised implementation plan for local competition for TELUS Communications Inc. in the exchanges of Saint-Éphrem-de-Beauce and Saint-Victor, and that this revised plan was approved in Telecom Decision 2019-175.
22. With respect to the five-month time frame for implementing local competition in the exchange of Upton, the Commission notes that Maskatel is a small ILEC and therefore has more limited resources, which may in part justify longer time frames. Taking into account the tasks and the time required to complete them, the situation regarding the DMS-10 switches, the human resources available, as well as the delays caused by the blackout, the Commission considers the five-month time frame to be reasonable. In addition, the Commission notes that such a time frame was deemed reasonable in Telecom Decision 2019-175.
23. At this time, Maskatel has stated that it does not intend to file for cost recovery through an exogenous factor until it has completed its cost analysis. Given that Maskatel has proposed to implement local competition and LNP within five months of the date of a Commission decision, the Commission believes that Maskatel should be able to have an accurate estimate of its implementation costs within three months of the date of this decision.
24. The Commission considers that approving Maskatel's implementation plan is reasonable and would increase competition and benefit consumers in the exchange of Upton. Accordingly, the Commission **approves** Maskatel's implementation plan and **directs** the company to (i) file revised tariff pages within 30 days of the date of this decision; (ii) provide information and assistance to CoopTel, as required, to

implement local competition in accordance with the implementation plan; and (iii) submit a proposal to the Commission for recovery of its implementation costs by no later than **17 June 2022**, if it wishes to recover these costs.

Policy Directions

25. The 2019 Policy Direction⁵ provides that when the Commission is exercising its powers and performing its duties under the *Telecommunications Act* (the Act), it should consider how its decisions can promote competition, affordability, consumer interests, and innovation.
26. The Commission considers that the approval of Maskatel's implementation plan for local competition in this decision is consistent with subparagraphs 1(a)(i) and 1(a)(ii) of the 2019 Policy Direction, which state that the Commission shall consider the extent to which its decisions encourage all forms of competition and investment and promote affordability and lower prices, including where telecommunications service providers exercise market power.
27. In particular, the Commission considers that its determination to permit local competition in the exchange of Upton, Quebec will (i) provide customers in that exchange with a greater choice of telecommunications service providers and (ii) help to ensure that consumers have access to high quality telecommunications services resulting from local competition.
28. In light of the above, the Commission considers that its determination will promote competition, affordability, and consumer interests.
29. In addition, consistent with subparagraph 1(b)(i) of the 2006 Policy Direction,⁶ the Commission considers that approval of this application advances the policy objectives set out in paragraphs 7(b), 7(c), 7(f) and 7(h) of the Act.⁷

Secretary General

⁵ *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

⁶ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

⁷ The cited policy objectives are: 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(c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications; 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(h) to respond to the economic and social requirements of users of telecommunications services.

Related documents

- *Groupe Maskatel LP – Implementation of local competition for TELUS Communications Inc. in the exchanges of St-Éphrem and St-Victor, Quebec*, Telecom Decision CRTC 2019-175, 23 May 2019
- *Phase-out of the local service subsidy regime*, Telecom Regulatory Policy CRTC 2018-213, 26 June 2018
- *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