



Telecom Decision CRTC 2024-157

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The Westport Telephone Company, Limited (operating as WTC Communications) – Implementation of local competition for Bell Canada in the exchange of Westport, Ontario

Summary

Canadians need access to reliable, affordable, and high-quality telephone and Internet services for every part of their daily lives. In a competitive telecommunications market, Canadians have more options to choose from for their telephone and Internet services, which means access to a variety of service offerings that meet their needs.

The Commission's framework for local competition aims to support competitive entry into telecommunications markets, without placing a disproportionate burden on small incumbent local exchange carriers (ILECs). When a provider wishes to start offering services in the serving territory of a small ILEC, the small ILEC is required to submit an implementation plan for local competition with the Commission.

In this decision, the Commission approves the implementation plan from Westport Telephone Company, Limited (operating as WTC Communications) for Bell Canada in the exchange of Westport, Ontario. This decision will provide customers in this exchange with a greater choice of telecommunications services.

Background

1. In Telecom Decision 2006-14, the Commission established the regulatory framework for local competition¹ in the serving territories of the small incumbent local exchange carriers (ILECs). That decision included directives that small ILECs must follow when submitting an implementation plan for local competition. An implementation plan generally includes information such as equipment, procedures, timing, costs and

¹ Specifically, this refers to local competition of telephone services offered on the public switched telephone network (PSTN). The PSTN is a worldwide set of interconnected switched voice telephone networks that deliver fixed telephone services to the public.

rates for the introduction of local competition in a serving area. The implementation of local number portability² is one of the key requirements for local competition.

2. In that decision, the Commission considered that small ILECs have limited resources, and competitive entry may not occur in the serving territory of every small ILEC. Accordingly, a small ILEC is only required to file an implementation plan in response to a request from a competitor who intends to start offering services in the small ILEC's serving territory.
3. In Telecom Regulatory Policy 2011-291, the Commission reviewed the framework and determined that local competition should continue to be introduced in the serving territories of the small ILECs, based on the existing framework. However, while the Commission considered that the small ILECs' customers should have the opportunity to benefit from a competitive market, it also considered that the small ILECs should be subject to special considerations, for example regarding cost recovery for local competition implementation.

Application

4. On 2 February 2024, the Commission received an implementation plan for local competition in the exchange of Westport, Ontario from the Westport Telephone Company, Limited (operating as WTC Communications) [WTC Communications]. In accordance with the Commission's framework for local competition in the serving territories of the small ILECs, WTC Communications submitted its implementation plan in response to a letter of intention from Bell Canada dated 30 October 2023. Bell Canada requested local network interconnection with WTC Communications' network to allow for the exchange and termination of local calls. Bell Canada also requested that local number portability be implemented in WTC Communications' serving territory. However, Bell Canada did not indicate any need for co-location or unbundled network elements.
5. In its implementation plan, WTC Communications identified the services and network components that it plans to make available to Bell Canada. WTC Communications indicated that the Westport exchange will serve as its local interconnection region³ since the company's serving territory consists of a single exchange.
6. WTC Communications also indicated that (i) it has a switch capable of local number portability, (ii) it supports industry processes for transferring customers, and (iii) it

² Local number portability enables subscribers to keep the same telephone number when changing service providers.

³ A local interconnection region is a grouping of ILEC exchanges, established by the Commission to reduce competitors' interconnection costs and to facilitate competitive entry.

will adhere to the Canadian Local Ordering Guidelines (C-LOG).⁴ WTC Communications added that it will work with Bell Canada to establish the necessary agreements, including the most recent version of the Master Agreement for Local Interconnection (MALI).⁵

7. WTC Communications proposed to file competitor services tariffs related to local network interconnection in the 60 days following Commission approval of its implementation plan. These tariffs would be conditional upon an agreement between WTC Communications and Bell Canada on the latter's local network interconnection requirements. WTC Communications proposed that Bell Canada could start competing 180 days after the Commission's approval of the implementation plan.
8. WTC Communications submitted that there is no other competitive local exchange carrier operating in its local interconnection region and that it does not already have the necessary processes in place. The proposed timelines will ensure that the company has the required time to successfully implement the project.
9. Regarding the cost recovery method associated with the implementation of local competition and local number portability, WTC Communications indicated that it is currently not able to propose a budgetary assessment.
10. The Commission did not receive any interventions in regard to this application.

Commission's analysis

11. The services and network components proposed in WTC Communications' implementation plan are similar to those that the Commission has approved in previous decisions for small ILECs implementing local competition in their serving territories.
12. Additionally, permitting local competition in the exchange of Westport, Ontario would provide customers in that exchange with a greater choice of telecommunications service providers. This will help ensure that customers have access to high-quality telecommunications services resulting from local competition.
13. The framework for local competition applicable to small ILECs does not set out a specific timeframe for each element of an implementation plan. However, historically, the Commission has generally determined that local competition should be implemented within 180 days of a Commission decision. The Commission notes that WTC Communications is a small ILEC and therefore has more limited resources.

⁴ The C-LOG contains the requirements, processes, and steps related to the transfer of customers between telecommunications service providers.

⁵ The MALI is a legal agreement between local exchange carriers that describes and sets out their interconnection arrangement and operational interactions.

Also, there is no other competitive local exchange carrier currently operating in the company's exchange, so many new processes will have to be established.

14. Accordingly, the Commission considers that the timelines proposed by WTC Communications are reasonable and consistent with the implementation timelines that have been approved for other small ILECs in the past. The Commission also considers it reasonable for the company to file competitor services tariffs within 60 days of the Commission's approval of the implementation plan.
15. WTC Communications indicated that it is not currently able to propose a budgetary assessment of the implementation cost and cost recovery method for the implementation of local competition and local number portability. In Telecom Decision 2022-69, the Commission found that three months was a reasonable timeframe to estimate implementation costs. Given that WTC Communications has proposed to implement local competition and local number portability within 180 days of the date of the Commission's decision, the Commission is of the view that the company should be able to have an accurate estimate of its implementation costs within three months of the date of this decision.

Conclusion

16. In light of all of the above, the Commission **approves** WTC Communications' implementation plan and **directs** the company to
 - file competitor services tariff pages within **60 days** of the date of this decision;
 - provide information and assistance to Bell Canada, as required, to implement local competition in accordance with the implementation plan; and
 - submit a proposal to the Commission for recovery of its implementation costs by no later than **27 January 2025**, if it wishes to recover these costs.

Secretary General

Related documents

- *Groupe Maskatel LP – Implementation of local competition regarding CoopTel in the exchange of Upton, Quebec*, Telecom Decision CRTC 2022-69, 17 March 2022
- *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