



Telecom Order CRTC 2013-287

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Ottawa, 13 June 2013

Cochrane Telecom Services – Revisions to Wireless Access Tariff and Carrier Access Tariff regarding network interconnection

File numbers: Tariff Notices 65 and 66

In this order, the Commission approves, with changes, applications from Cochrane Telecom Services to update its Wireless Access Tariff and Carrier Access Tariff regarding interconnection with other service providers' networks.

Introduction

1. The Commission received two applications from Cochrane Telecom Services (Cochrane), dated 19 November and 6 December 2012, in which the company proposed tariff revisions related to network interconnection arrangements.
2. In its first application, filed as Tariff Notice 65, Cochrane proposed revisions to section 230 – Wireless Access Tariff of its General Tariff to allow wireless carriers to connect their signalling networks to Cochrane's network.
3. In its second application, filed as Tariff Notice 66, Cochrane proposed revisions to section 630 – Carrier Access Tariff of its General Tariff to remove outdated tariff provisions, update terms and conditions, and introduce a new service charge for signalling network interconnection arrangements for long distance service providers.
4. The signalling network interconnection arrangements in both cases would allow the interconnecting carriers to connect either their switches or their signalling transfer points (STPs) to Cochrane's switch.
5. The Commission received interventions regarding both applications from Rogers Communications Partnership (RCP). The public records of these proceedings, which closed on 21 December 2012 (Tariff Notice 65) and 23 January 2013 (Tariff Notice 66), are available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file numbers provided above.

Issues

6. From review of the record of the file, the Commission has identified the following issues to be addressed in this order:
 - I. Is it appropriate for Cochrane to introduce tariff rates for direct network interconnection arrangements?
 - II. Should Cochrane be directed to allow RCP to use a third-party transit arrangement?
 - III. Is it appropriate for Cochrane to rely on approved tariff rates chosen from a variety of other companies rather than using the rates of a single comparable company?
 - IV. Should interconnecting carriers be required to establish signalling links in multiples of two?
- I. Is it appropriate for Cochrane to introduce tariff rates for direct network interconnection arrangements?**
7. In Tariff Notice 65, Cochrane proposed to introduce rates for direct network interconnection arrangements.
8. RCP expressed concern that the proposed tariff would not allow it to interconnect its signalling network to Cochrane's network through a transit arrangement with a third party.
9. RCP submitted that direct network interconnection arrangements, which are required to support the exchange of a caller's name and telephone number information between carriers, can only be made available by carriers that have STPs. Since Cochrane does not have STPs, RCP requested that the Commission direct the company to remove the proposed arrangements from its tariff until it has established STPs. RCP submitted that in the interim, carriers could use transit arrangements with a third party for their signalling interconnection requirements.
10. In response, Cochrane noted that a number of local exchange carriers like itself have not yet provisioned STPs in their networks due to their small scale and scope, and that the Commission has previously approved tariffs for signalling network interconnection arrangements for some of these carriers. Cochrane further noted that the Commission has never mandated small incumbent local exchange carriers (ILECs) to provide signalling interconnection via third-party transit arrangements.

Commission's analysis and determinations

11. The Commission notes that the wireless carrier interconnection regulatory framework¹ is based on the principle that wireless carriers are customers of, not equal carriers with, the ILECs. As a result, a wireless carrier must compensate the ILEC for the cost of network interconnection arrangements through Commission-approved tariffs.
12. Consequently, the Commission finds that Cochrane's proposal to include rates for wireless carrier signalling network interconnection arrangements in its tariff is appropriate.
13. The Commission notes, however, that this does not prevent parties from making alternative arrangements, pursuant to Telecom Regulatory Policy 2012-24. In that policy, the Commission stated that parties could enter into off-tariff network interconnection arrangements without seeking regulatory approval.

II. Should Cochrane be directed to allow RCP to use a third-party transit arrangement?

14. In response to Tariff Notice 66, RCP reiterated its concern regarding transit arrangements with third-party carriers and requested that the Commission require Cochrane to allow RCP to interconnect using transit arrangements. RCP indicated that, in a previous decision related to signalling interconnection between Globalive Wireless Management Corp. (Globalive) and TELUS Communications Company (TCC), the Commission referred to the benefits of permitting transit arrangements.²
15. In response, Cochrane again stated that the Commission has never required small ILECs to use third-party signalling interconnection arrangements. Cochrane submitted that if the Commission decides to overturn this long-standing policy, it should not do so without first giving all potentially affected small ILECs an opportunity to comment on the proposed change.
16. Cochrane also argued that in the above-mentioned Globalive/TCC case, the Commission specifically determined that the use of transit arrangements by Globalive should not result in any additional costs for TCC. Cochrane submitted that it would be inappropriate for the Commission to direct small ILECs to allow the use of other carriers' transit services without first considering whether additional provisions should be made in the small ILECs' tariffs.

¹ The framework was established in Telecom Decisions 84-10 and 84-29, and modified in subsequent Commission decisions.

² See Telecom Decision 2010-129.

Commission's analysis and determinations

17. The Commission considers that Cochrane's tariff, as proposed, does not preclude the possibility of a third-party interconnection arrangement being used as an alternative to direct network interconnection. As noted above, there is no barrier to Cochrane and RCP negotiating such third-party arrangements, and as per Telecom Regulatory Policy 2012-24, such arrangements would not require Commission approval.
18. Accordingly, the Commission determines that there is no basis for directing Cochrane to allow RCP to use a third-party transit arrangement.

III. Is it appropriate for Cochrane to rely on approved tariff rates chosen from a variety of other companies rather than using the rates of a single comparable company?

19. Cochrane stated that it had relied on tariff rates already approved by the Commission for the same arrangements currently provided by other carriers. Cochrane noted that the existing regulatory framework allows small ILECs to increase their rates for certain services up to any already approved rate for the same service, without the need for an economic study. Cochrane submitted that the rates listed in its application clearly meet this requirement.
20. RCP submitted that Cochrane had chosen rates from a variety of other companies rather than using the consistent rates of one company that is comparable to Cochrane. It submitted that Cochrane does not have the right to pick and choose the highest rates from a range of companies but should use the rates of a single comparable company.

Commission's analysis and determinations

21. The Commission notes that in Decision 2001-756, the small ILECs' services were grouped into four separate service baskets, with the fourth basket comprising all exchange services offered by the small ILECs that were not assigned to the first three baskets. Rates for these services would generally be permitted to increase up to any already approved rate for the same service.
22. In Telecom Decision 2006-14, the Commission concluded that rates for services in the fourth basket would continue to be allowed to increase up to any rate approved by the Commission for the same service.
23. The Commission notes that neither Decision 2001-756 nor Telecom Decision 2006-14 required that a small ILEC choose rates from a company that is similar in nature to itself or precluded small ILECs from choosing different companies' approved rates for specific rate elements. The Commission also notes that Telecom Regulatory Policy 2013-160 did not deviate from this position.
24. Accordingly, the Commission determines that Cochrane is not required to use the rates of a single comparable company.

IV. Should interconnecting carriers be required to establish signalling links in multiples of two?

25. Cochrane's tariffs both include a statement that signalling interconnection links are to be provisioned in multiples of two.

26. Cochrane supports the following two signalling interconnection configurations:

- a) interconnecting carrier STP to Cochrane switch; and
- b) interconnecting carrier switch to Cochrane switch.

27. With regard to scenario b) above, Cochrane indicated that its understanding is that good network design and redundancy³ require that switch-to-switch links be made in multiples of two.

Commission's analysis and determinations

28. The Commission considers that, while implementing these types of links in multiples of two provides redundancy, it may not always be feasible to do so, and such implementation could result in increased costs for the interconnecting carrier without any benefit. The Commission therefore considers that it is not reasonable for Cochrane to include language in its tariffs that would result in interconnecting carriers paying for two links where one would suffice. The Commission notes that, even if this language is removed, Cochrane could still provision links for redundancy purposes, at the interconnecting carrier's request.

Conclusion

29. In light of all the above, the Commission **approves** Cochrane's Tariff Notices 65 and 66 on the condition that Cochrane remove, from both tariffs, the requirement that switch-to-switch signalling interconnection links be provisioned in multiples of two. Cochrane is to issue⁴ revised tariff pages reflecting the determinations set out in this order within 10 days of the date of this order.

Secretary General

³ The provision of two links provides for redundancy; if one of the links is broken, signalling could continue to be exchanged through the second link.

⁴ Revised tariff pages can be submitted to the Commission without a description page or a request for approval; a tariff application is not required.

Related documents

- *Regulatory framework for the small incumbent local exchange carriers and related matters*, Telecom Regulatory Policy CRTC 2013-160, 28 March 2013
- *Network interconnection for voice services*, Telecom Regulatory Policy CRTC 2012-24, 19 January 2012
- *Globalive Wireless Management Corp. – Application for CCS7 transiting arrangements*, Telecom Decision CRTC 2010-129, 4 March 2010
- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006
- *Regulatory framework for the small incumbent telephone companies*, Decision CRTC 2001-756, 14 December 2001
- *Cellular Radio Service*, Telecom Decision CRTC 84-29, 19 December 1984
- *Radio Common Carrier Interconnection With Federally Regulated Telephone Companies*, Telecom Decision CRTC 84-10, 22 March 1984