



Telecom Notice of Consultation CRTC 2013-351

PDF version

Ottawa, 26 July 2013

Call for comments

Compensation for traffic termination when traffic volume is unbalanced

File numbers: 8663-C12-201310838

TCI Tariff Notice 649

TCBC Tariff Notice 4362

TCQ Tariff Notice 587

Introduction

1. In Telecom Decision 97-8, the Commission established the framework for local competition and interconnection between local exchange carriers (LECs). As part of this framework, the Commission determined that all LECs are to be equal co-carriers, and that the call traffic exchanged between them would be exchanged over shared-cost facilities.
2. The Commission also established a compensation regime for the exchange of traffic between LECs. Under this regime, when the traffic volume is unbalanced,¹ the LEC that receives more traffic than it generates is compensated for the cost of terminating that traffic. The Commission expected that, over time, there would be a balance in traffic exchanged and that the imbalance payments from this compensation regime would be reduced or eliminated.
3. In Telecom Decision 2010-787, the Commission revised the compensation regime for traffic termination that applies in Bell Aliant Regional Communications, Limited Partnership's and Bell Canada's (collectively, the Bell companies) incumbent local exchange carrier (ILEC) operating territories, in response to an application filed by the Bell companies. The Commission considered that some competitive local exchange carriers (CLECs) provide services that create a significantly different traffic pattern than was originally expected when the interconnection compensation rules were established because they do not permit LECs to reach a balanced or nearly balanced

¹ For the purposes of compensation, traffic is considered to be balanced when the difference in the volume of originating traffic between any two LECs is below a certain threshold – 10 percent in the case of interconnection based on local interconnection region, and 20 percent in the case of interconnection based on exchange.

exchange of traffic. The Commission revised the compensation regime to address this situation.

4. In Telecom Decision 2010-787, the Commission determined that when the volume of traffic exchanged between two LECs is at least 10 million minutes per month and the volume of traffic in one direction is more than 80 percent of the total traffic exchanged for three months or more, the compensation otherwise payable will be cumulatively reduced by
 - 5 percent, for every 2 percent increment, when the volume of traffic in one direction is more than 80 percent to less than or equal to 90 percent, and
 - 10 percent, for every 2 percent increment, when the volume of traffic in one direction is more than 90 percent.
5. In its decision, the Commission indicated that this revised compensation regime should apply symmetrically to traffic flowing both from the Bell companies to CLECs and from CLECs to the Bell companies, and only in the Bell companies' ILEC operating territories.

Applications by TELUS Communications Company

6. On 21 March 2013, the Commission received applications by TELUS Communications Company (TCC), in which the company proposed modifications to its Local Network Interconnection and Component Unbundling tariffs in its ILEC operating territories in Alberta, British Columbia, and Quebec. In its applications, TCC proposed to adopt the same changes to the compensation regime for traffic termination that the Commission set out in Telecom Decision 2010-787 for the Bell companies.
7. As noted above, the changes to the compensation regime set out in Telecom Decision 2010-787 only apply in the Bell companies' ILEC operating territories. The Commission considers that when determining whether the compensation regime that applies to the Bell companies should be extended to TCC, it would be appropriate to examine whether changes should also be made in other ILECs' territories. Other ILECs may be faced with traffic imbalance situations, and the Commission considers that it would be efficient to address the issue for all LECs in one proceeding.

Call for comments

8. The Commission calls for comments on the following questions:
 - a) Would it be appropriate to extend the regime that applies in the Bell companies' ILEC operating territories to other ILECs' operating territories? Why or why not?
 - b) Should any modifications be made to that regime, if it is extended to other ILECs' operating territories, to take into account variations with respect to

traffic volumes across various carrier networks – for example, by modifying the 10 million minute per month threshold?

9. Parties should provide supporting rationale and data in their responses to these questions, such as (i) historical monthly traffic volume exchanged between LECs, (ii) the frequency that imbalance occurs, and (iii) the financial impact of these imbalances. Parties should also explain how any proposed changes could affect consumers.
10. The Commission makes the records of the following TCC applications part of this proceeding: TCI Tariff Notice (TN) 649, TCBC TN 4362, and TCQ TN 587.

Procedure

11. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding.²
12. All LECs are made parties to this proceeding.
13. Parties to this proceeding and interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issue, by **26 August 2013**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
14. The Commission will post interventions on its website shortly after they are filed. All documents required to be served on a party or parties to the proceeding must be served using the contact information contained in the interventions.
15. All parties may file replies to interventions with the Commission, serving copies on all other parties, by **4 September 2013**.
16. The Commission expects to publish a decision on the issues raised in this notice within four months of the close of record.
17. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding.
18. Parties are reminded that, in accordance with the Rules of Procedure, if a document is to be filed or served by a specific date, the document must be actually received, not merely sent, by that date. A document must be filed with the Commission by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record. Parties are responsible for ensuring the

² The Rules of Procedure set out, among other things, the rules for the filing, content, format, and service of interventions and interrogatories; the procedure for filing confidential information and requesting its disclosure; and the conduct of the public hearing, where applicable. Accordingly, the procedure set out in this notice must be read in conjunction with the Rules of Procedure and their accompanying documents, which can be found on the Commission's website under "CRTC Rules of Practice and Procedure."

timely delivery of their submissions and will not be notified if their submissions are received after the deadline.

19. Submissions longer than five pages should include a summary and each paragraph of all submissions should be numbered. In addition, the line ***End of document*** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
20. The Commission encourages interested persons and parties to monitor the record of this proceeding and/or the Commission's website for additional information that they may find useful when preparing their submissions.
21. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

by completing the

[Intervention/comment/answer form]

or

by mail to

CRTC, Ottawa, Ontario K1A 0N2

or

by fax to

819-994-0218

Important notice

22. All information provided as part of this public process, except information granted confidentiality, whether sent by postal mail, facsimile, email, or through the Commission's website at www.crtc.gc.ca, becomes part of a publicly accessible file and will be posted on the Commission's website. This includes personal information, such as full names, email addresses, postal/street addresses, telephone and facsimile numbers, and any other personal information provided.
23. The personal information provided will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.
24. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
25. The information provided to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or

a third-party search engine will not link directly to the information provided as part of this public process.

Availability of documents

26. Electronic versions of the documents referred to in this notice are available on the Commission's website at www.crtc.gc.ca by using the file numbers provided at the beginning of this notice or by visiting the "Public Proceedings" section of the Commission's website. The documents can be accessed by selecting "View all proceedings open for comment," then clicking on the "View entire record" link associated with this particular notice. All interventions are also available on the Commission's website, at the same location, by clicking on the "Interventions" link associated with this particular notice.
27. Documents are also available and may be examined during normal business hours at the Commission offices directly involved with these applications or, upon request, within two business days at all other Commission offices.

Location of Commission offices

Toll-free telephone: 1-877-249-2782

Toll-free TDD: 1-877-909-2782

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Les Terrasses de la Chaudière
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Secretary General

Related documents

- *Bell Aliant Regional Communications, Limited Partnership and Bell Canada – Proposed revision to the treatment of imbalance traffic compensation*, Telecom Decision CRTC 2010-787, 25 October 2010, as amended by Telecom Decision CRTC 2010-787-1, 16 August 2011
- *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997