



Telecom Decision CRTC 2023-104

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Reference: 8621-C12-01/08

Ottawa, 17 April 2023

Updates to the Competitive Local Exchange Carrier Model Tariff

Summary

The Commission **approves** updates to the competitive local exchange carrier (CLEC) model tariffs and CLEC User's Guide and requests that the CRTC Interconnection Steering Committee Business Process Working Group continue and finalize its review and updates to these documents.

Background

1. In order for competitive local exchange carriers (CLECs) to enter the local telephony market, they must maintain Commission-approved tariffs for the general terms and conditions associated with many of the services they provide to other telecommunications service providers (TSPs) such as (i) access and interconnection arrangements with other types of carriers (i.e. other CLECs, mobile and wireless carriers, inter-exchange carriers and voice over Internet Protocol [VoIP] providers); and (ii) other interconnection services, including call routing with location routing number absent, port-out cancellations, 9-1-1 emergency response services and local service request rejection charges.
2. Initially, each CLEC developed its own version of its Competitor Access Tariff. However, this approach was administratively complex and time consuming because it required each company's tariff to be carefully reviewed by the Commission before being approved. The Commission therefore requested that the CRTC Interconnection Steering Committee (CISC) develop a model tariff that could be approved by the Commission and then be used by all CLECs in order to streamline the tariff approval process.
3. CISC completed the first CLEC model tariff in mid-2001; since then, the model tariff has been revised and updated approximately 34 times.
4. Two different versions of the CLEC model tariff have been developed in consideration of the different types of CLECs. Type I CLECs must meet all requirements to enter the market, and they use the full CLEC model tariff. Because Type III and Type IV CLECs have a reduced set of requirements, their Competitor Access Tariffs can be shorter and less complicated, and they therefore can use an abbreviated version of the CLEC model tariff. Type II CLECs do not have a model

tariff, since there is no demonstrated need for such a tariff and, if there is a need, the tariff could be derived from the full CLEC model tariff.

5. While CLECs can propose rates for their interconnection services, these rates must be justified by costing support. As a result, CLECs generally propose to charge the same rates as the incumbent local exchange carrier (ILEC) who operates in the same serving territory as a CLEC (e.g. Bell Canada's rates in Ontario and Quebec). Accordingly, the CLEC model tariff includes cross-references to rates associated with ILEC services.
6. CLECs are required to file tariff applications for their Competitor Access Tariffs and any updates to these tariffs with the Commission for approval. If the tariffs and updates deviate from the model tariffs, the CLEC must provide supporting rationale and justification with its filing.
7. In order to assist new entrants into the competitive local exchange service market, a CLEC User's Guide was developed with information and instructions on how a CLEC should prepare its Competitor Access Tariff.

CISC Business Process Working Group reports

8. In a Secretary General [letter](#) dated 10 January 2020, the Commission requested that the CISC Business Process Working Group (BPWG) review drafts of updated versions of the two CLEC model tariffs (the full CLEC model tariff and the abbreviated model tariff) and the CLEC User's Guide. The Commission also requested that the BPWG file a report with the Commission by 15 April 2020 which was to include specific wording changes in the updated documents.
9. Under Task Identification Form (TIF) 103, the BPWG initiated the review of the draft CLEC model tariffs and CLEC User's Guide, with the intent of improving the clarity of these documents, ensuring that they reflect current industry practices and ensuring that references to other local exchange carriers' tariff items are up to date and correct.
10. The BPWG requested a deadline extension in order to complete its review of the documents and provide recommended changes. In a Secretary General [letter](#) dated 21 April 2020, the Commission extended the BPWG's filing date to 15 October 2020. However, the COVID-19 pandemic impacted progress on the BPWG's review.
11. The BPWG filed its first TIF Report [BPRE103a](#) on 15 October 2020 for Commission information only. The BPWG completed its review with its second TIF Report [BPRE103b](#) dated 28 October 2021, which was forwarded to the Commission by the CISC steering committee on 3 December 2021.
12. In TIF Report BPRE103a, the BPWG indicated that, among other things, updates to the model tariffs and the CLEC User's Guide were made to eliminate unused terms, add new terms (such as "local interconnection regions"), clarify wording and reduce ambiguity, and refer to more recent Commission decisions.

13. The BPWG also highlighted that there are two circumstances in the CLEC User's Guide related to how CLECs may use the lowest rate in their tariffs. The first is where the ILEC in a relevant serving territory does not have an established rate, and the second is where a CLEC wishes to use a common rate across its serving territory. The BPWG indicated that in earlier versions of the CLEC model tariffs and CLEC User's Guide, the Commission had approved the practice of CLECs using the lowest rate in their tariffs in specific circumstances. However, since this practice is not well known, the BPWG requested that the Commission confirm whether it is still acceptable.
14. The BPWG clarified that it did not include several items in its review because it considered those items to be out of the scope of the updates to the CLEC model tariffs and CLEC User's Guide:
 - Optional Local Service Request (LSR) Expedite Charge: in Telecom Orders 2018-451 and 2020-224 the Commission approved on a final basis, with changes, applications from Sogetel inc. and *9315-1884 Quebec Inc.* (respectively) to apply charges to local exchange carriers (LECs), Internet service providers (ISPs) and wireless service providers (WSPs) that request accelerated processing of their LSRs. No changes to the CLEC model tariffs are required for regular LSRs.
 - WSP line-side tariff: the BPWG noted that this is seldom used, if at all, by new WSPs.
 - Session Initiated Protocol (SIP) trunking technology: the BPWG noted that although this technology is likely the choice for new CLECs, it does not support Equal Access Feature Group D.
15. In its recommendation, the BPWG indicated that it would continue to work on its review of the documents, with the intention of completing the review by 15 February 2021.
16. The BPWG's second report, TIF Report BPRE103b, included revised versions of the updated CLEC model tariffs and CLEC User's Guide with the BPWG's proposed changes, including specific wording changes and updated links to other carriers' related tariffs. The BPWG noted that the new versions of the documents in this report are supplementary to the documents included in TIF Report BPRE103a and that the updates throughout the documents in this report are a continuation of the changes made in TIF Report BPRE103a.
17. The BPWG indicated that the documents in TIF Report BPRE103b are being filed for Commission consideration, however there are a number of items that still require review and further changes.
18. The following tariff-related documents were included with TIF Report BPRE103b:

- [Type I CLEC model tariff](#) (Version 36)
- [Type III/IV model tariff](#) (Version 2)
- [CLEC Users Guide](#) (Version 6)

Commission's analysis

19. The Type I CLEC model tariff was last updated in February 2011. Since then, many Commission decisions and orders have been published that would have an impact of the content of the CLEC model tariffs and CLEC User's Guide, and as a result the Commission undertook a review and update of these documents to reflect such changes.
20. Once the Commission's review and update was completed, the documents were forwarded to the BPWG for its review and for it to provide further updates and improvements. One of the major initiatives of the BPWG was to check and update all the ILEC tariff cross references in the tables of the CLEC model tariffs.
21. The documents included in both TIF reports are marked up to indicate all the changes proposed by the BPWG, which are extensive. The major changes were to add clarity, remove items or wording that are no longer required and update all the references to ILEC tariffs. The issues that the BPWG identified in TIF Report BPRE103a are integrated into the documents attached to TIF Report BPRE103b.
22. The result is a set of template documents that will help telecommunications competitors across Canada (particularly new entrants to the market) to meet their regulatory requirements.
23. With respect to the circumstances outlined in TIF Report BPRE103a, the Commission confirms that it is an acceptable practice for CLECs to use the lowest ILEC rate in their tariffs where (i) the ILEC in a relevant serving territory does not have an established rate, and (ii) a CLEC wishes to use a common rate across its serving territory.
24. The BPWG highlighted three items that it did not include as part of its review since they were out of scope. The Commission considers that the expedited LSR charge in the CLEC model tariffs does not need to be updated because it is an optional charge, and CLECs may follow the usual tariff process if they wish to add another service or rate to their Competitor Access Tariff. The BPWG indicated that the WSP line-side tariff did not fall under review as it is seldom used by new WSPs; this item was therefore left in the CLEC model tariffs and could be removed at any time at the Commission's discretion. No changes were made to the model tariffs to incorporate SIP trunking since such changes could be incorporated in the future once SIP interconnection arrangements are better understood. The Commission notes that, at present, SIP trunking interconnection between carriers is accomplished by bilaterally negotiated agreements as outlined in Telecom Regulatory Policy 2012-24.

25. The BPWG indicated in TIF Report BPRE103b that there are still some outstanding changes that could be made for further improvements. The remaining changes are limited in scope and the BPWG should be able to complete these changes within three months following this decision. The Commission considers that it would be appropriate to approve the CLEC model tariffs in their present form and give the BPWG an opportunity to develop finalized versions of the CLEC model tariffs and CLEC User's Guide to be filed with the Commission for approval. With the completion of these remaining changes, CLECs would be able to file revised up-to-date tariffs.
26. Once the CLEC model tariffs and CLEC User's Guide are completed and up to date, there will be an ongoing need to update these documents as the local competition environment and regulatory requirements evolve. Since the local competition market is fairly stable, the Commission considers that a yearly review would be sufficient to update the CLEC model tariffs and CLEC User's Guide.

Conclusion

27. The Commission **approves** TIF report BPRE103b, including the following tariff-related documents that were included with the report:
- Type I CLEC model tariff (Version 36)
 - Type III/IV model tariff (Version 2)
 - CLEC User's Guide (Version 6)
28. The Commission requests that the BPWG continue and finalize its review and updates to the two CLEC model tariffs and the CLEC User's Guide and file final versions of these documents with the Commission for approval by **17 July 2023**. Once approved, the BPWG is requested to review and update the CLEC model tariffs and CLEC User's Guide on a yearly basis and file a TIF report including any required changes and updates to these documents with the Commission for approval.

Secretary General

Related documents

- *9315-1884 Québec inc. – Service charges for local service requests*, Telecom Order CRTC 2020-224, 15 July 2020
- *Sogetel inc. – Introduction of two competitor services charges*, Telecom Order CRTC 2018-451, 4 December 2018
- *Network interconnection for voice services*, Telecom Regulatory Policy CRTC 2012-24, 19 January 2012