



Telecom Circular CRTC 2006-11

Ottawa, 7 December 2006

Service standards for the disposition of telecommunications applications

Introduction

1. The purpose of this Circular is to provide notification of the Commission's service standards for the processing time to issue determinations on various types of telecommunications applications.
2. In this Circular, the Commission re-introduces service standards for applications regarding intercarrier agreements, international telecommunications services licences, and applications received pursuant to Part VII of the *CRTC Telecommunications Rules of Procedure* (Part VII applications).
3. In *Introduction of a streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-6, 25 April 2005 (Circular 2005-6), and in *Finalization of the streamlined process for retail tariff filings*, Telecom Circular CRTC 2005-9, 1 November 2005 (Circular 2005-9), the Commission put in place expedited processes and service standards for the disposition of retail tariff applications. In Circular 2005-6, the Commission also re-introduced service standards for the disposition of all tariff applications. Further, in *New procedures for disposition of applications dealing with the destandardization and/or withdrawal of tariffed services*, Telecom Circular CRTC 2005-7, 30 May 2005 (Circular 2005-7), the Commission introduced expedited processes and service standards for the disposition of applications regarding the destandardization and/or withdrawal of tariffed services.

Background

4. In order to help monitor its efficiency in disposing of applications, and in response to requests from stakeholders for more reliable response times by the Commission to telecommunications applications, the Commission put in place internal service standards, effective 1 April 2002. In recent years, given the volume and complexity of telecommunications applications and issues, the Commission has found it increasingly difficult to meet certain of the standards, particularly those for Part VII applications.
5. The Commission has taken initiatives to improve its efficiency and to streamline its procedures. For example, the Commission introduced the use of mediation, dispute resolution and expedited hearing processes for the timely resolution of issues, where appropriate. As noted above, the Commission has also put in place expedited processes for retail tariff applications and applications regarding the destandardization and/or withdrawal of services. The Commission has also forborne from regulating where market forces could be relied on to protect the interests of users. In addition, the Commission established the CRTC Interconnection Steering Committee to encourage industry consultation and the resolution of technical and operational issues.

6. The Commission has also consulted with stakeholders through surveys and meetings, inviting comment from incumbent carriers, competitive service providers, resellers, and consumer groups on their concerns, and suggestions for process improvements and service standards for the processing of applications.

Assessment and revisions of current standards

Applications for approval of tariffs and intercarrier agreements

7. As noted above, the Commission has put in place streamlined processing procedures for retail tariff applications. The service standards for retail tariff applications, which represent a large proportion of tariff filings, have been consistently met since their introduction.
8. The Commission now processes applications for approval of intercarrier agreements in the same manner as tariff applications. From the date of this Circular, there will be common service standards for approval of intercarrier agreements and all tariff applications.
9. Based on an assessment of the disposition of all tariff and intercarrier agreement applications, and on comments received from stakeholders, the Commission considers that the internal service standards previously adopted for all tariff applications remain appropriate. From the date of this Circular, the Commission establishes the standards for all tariff applications and intercarrier agreement applications as follows:
 - 85 percent of determinations to be issued on an interim or final basis within two months of receipt of a complete application, and
 - 95 percent of determinations to be issued on an interim or final basis within four months.
10. The service standards for the destandardization and/or withdrawal of tariffs and for the streamlined processing of retail tariffs finalized in Circulars 2005-7 and 2005-9 remain in effect:
 - 95 percent of determinations on retail tariff applications to be issued on a final basis within 12 months.
11. The Commission notes that tariff applications filed by competitive local exchange carriers (CLECs) are approved on an interim basis to allow for retroactive adjustments to conform to changes to the incumbent local exchange carriers' (ILECs') tariffs for interconnection approved by the Commission. In *Local competition*, Telecom Decision CRTC 97-8, 1 May 1997, the Commission considered that it was in the public interest to require CLECs to provide interconnection for wireless service providers and equal access for all interexchange service providers, at terms and conditions equivalent to those contained in the ILECs' tariffs. The Commission notes that since the CLECs' tariffs are updated only after the ILECs' tariffs have been revised, the CLECs' tariffs always remain interim.
12. The Commission issued *Review of regulatory framework for wholesale services and definition of essential service*, Telecom Public Notice CRTC 2006-14, 9 November 2006 (Public Notice 2006-14). In this Public Notice, the Commission initiated a proceeding to consider a revised definition of essential service, and the classifications and pricing principles

for essential and non-essential services made available by incumbent telephone companies, cable carriers and CLECs to other competitors at regulated rates. In light of Public Notice 2006-14, the Commission expects that a large number of ILEC and CLEC tariffs will be impacted. Once all the issues arising from the proceeding initiated by Public Notice 2006-14 have been resolved, the Commission will establish a service standard for making ILEC wholesale tariff notice applications final.

Applications for international telecommunications services licences

13. In *Basic international telecommunications services (BITS) licensing regime – Amendments*, Telecom Circular CRTC 2005-8, 23 June 2005, the Commission amended the conditions of licence of Class A and Class B BITS providers and changed the application procedures.
14. The Commission has consistently met the internal standard for processing international licence applications and considers that it remains appropriate. Accordingly, the Commission adopts the following service standard for international telecommunications services licences:
 - 90 percent of determinations to be issued within one month of receipt of a complete application.

Part VII applications

15. The Commission notes that meeting the internal standards established for the disposition of Part VII applications has been challenging due to the sometimes wide-ranging and complex issues raised, the volume of applications received, and the competing priorities for limited resources. In addition, several measurement factors contributed to the difficulty in meeting the standards.
16. In this regard, the Commission has treated proceedings that it initiated through public notices, or as follow-up proceedings, as though they were initiated by Part VII applications. The Commission now sets out in all public notices that launch proceedings the timeframe within which it expects to release its determination. In addition, Part VII applications that are rolled into Commission proceedings are subject to the expected timeframes for the proceedings dealing with them. Therefore, from the date of this Circular, Commission-initiated proceedings and Part VII applications rolled into these proceedings will not be included in the service standard reporting for Part VII applications. The Commission will inform applicants, either in a public notice or by letter, when an application will be dealt with as part of a Commission-initiated proceeding.
17. There are instances when unforeseen events affect Part VII applications under consideration by the Commission. Examples include mergers and acquisitions, and policy changes that materially affect the application. In such cases, the application could be closed with reasons, suspended until withdrawn or suspended until re-opened once the record is clarified.
18. For the Commission's internal service standards, the time period for Part VII applications took into account the period from the close-of-record of the application to the decision date. When no comments were received on an application, the service standard took into account the period from the filing date of the application to the decision date. Since the Commission cannot consider final disposition of the application until it is certain that the record is complete,

the Commission determines that when no comments are received on an application, the service standard interval will be measured from the end of the comment period (the close-of-record) to the decision date.

19. The Commission notes that, starting 1 April 2007, the service standard for Part VII applications will be assessed based on the applications whose record has closed during the most recent one-year measurement period prior to the reporting date. For example, if the standard measures completion within four months of the close-of-record, then the measurement of the service standard will be based on those applications whose record closed between 4 and 16 months prior to the service standard reporting date to allow for all such applications to be assessed at the reporting date.
20. The Commission notes that it faces difficult challenges given the volume and complexity of Part VII and other applications and issues, with a constraint on resources. The Commission is therefore adopting service standards for Part VII applications that it considers to be realistically achievable given its current resources and volume of applications.
21. The Commission notes that Part VII applications vary widely in scope and complexity and considers that a single standard for all Part VII applications would not provide the most meaningful information to applicants and interested parties about expectations for a completion date.
22. Accordingly, the Commission will categorize Part VII applications into two types: Type 1 applications that generally do not involve multiple parties or raise significant policy issues, and Type 2 applications that do involve multiple parties and/or raise significant policy issues. Type 1 applications would typically require shorter processing times than Type 2 applications.
23. Based on the foregoing and on its assessment of the expected number of applications, competing priorities and the expected level of resources available to the Commission, the Commission adopts the following service standards for Part VII applications:
 - Type 1 Part VII applications:
 - 90 percent of determinations to be issued on an interim or final basis within four months of the close-of-record.
 - Type 2 Part VII applications:
 - 85 percent of determinations to be issued on an interim or final basis within eight months of the close-of-record.
24. The Commission will inform applicants by letter, within 10 days of the end of the comment period for an application, whether the application is considered to be a Type 1 or Type 2 application, and the applicable service standard.

Publication of results

25. Service standard results for all types of telecommunications applications will be evaluated on an annual basis and will be posted on the Commission's website, following the 31 March fiscal year-end. The Commission expects to post results for retail tariff streamlined processing and for all tariff and intercarrier agreement applications on a quarterly basis for information purposes. Given that the Commission is currently in the latter part of its current fiscal year and that the service standards are to be evaluated on an annual basis, the Commission will begin measuring the service standards 1 April 2007.

Secretary General

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