



## Telecom Decision CRTC 2008-122

Ottawa, 18 December 2008

### Regulatory Policy

#### Regulatory framework for the implementation of wireless number portability within the serving territories of the small incumbent local exchange carriers

Reference: 8620-C12-200808603 and 8620-O2-200717499

*In this Decision, the Commission establishes a framework for the implementation of wireless number portability in the serving territories of the small incumbent local exchange carriers.*

### Introduction

1. In Telecom Public Notice 2008-11, the Commission initiated a public proceeding to determine the appropriate framework for implementing wireless number portability (WNP) within the small incumbent local exchange carriers' (SILECs) serving territories.<sup>1</sup>
2. The Commission had previously established a framework for WNP implementation in incumbent local exchange carriers' (ILECs) serving territories in Telecom Decision 2005-72; however, that framework does not apply to SILECs. All SILECs that filed submissions in this proceeding supported, in principle, establishing a framework for implementing WNP in their serving territories but requested that any such framework take into account the unique circumstances and environments of the SILECs.
3. The Commission received comments from the Canadian Independent Telephone Company Joint Task Force (CITC-JTF) on behalf of the SILECs;<sup>2</sup> Kenora Municipal Telephone System (KMTS); NorthernTel, Limited Partnership (NorthernTel); Rogers Wireless Partnership (Rogers Wireless); Shaw Communications Inc. (Shaw); and TELUS Communications Company (TCC).
4. The public record of this proceeding, which closed on 2 September 2008, is available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) under "Public Proceedings."
5. In order to determine the appropriate framework for implementing WNP within the serving territories of the SILECs, the Commission considers that it must address the following issues:
  - I. Can WNP be implemented independent of local competition and local number portability (LNP)?
  - II. Should the current WNP framework apply to the SILECs?

<sup>1</sup> Telecom Public Notice 2008-11 responded to a 30 November 2007 application by members of the Ontario Telecommunications Association, la Société d'administration des tarifs d'accès des télécommunicateurs, and Bruce Telecom.

<sup>2</sup> The appendix to this Decision identifies which SILECs are represented by the CITC-JTF.

III. Should WNP be implemented on a request-driven basis, consistent with the approach for local competition and LNP set out in Telecom Decision 2006-14?

IV. What additional interconnection arrangements/agreements are required?

V. How should the SILECs recover their costs for implementing WNP?

### **I. Can WNP be implemented independent of local competition and LNP?**

6. The CITC-JTF submitted that WNP should not precede local competition and LNP due to the inefficiencies associated with incurring WNP costs solely for the purpose of porting numbers between wireline and wireless carriers (intermodal porting). It submitted that almost all wireless customers who work or reside in the SILECs' wireline serving territories use telephone numbers that are sourced from wireless carriers, who in turn have either acquired full central office (CO) codes or have bulk-ported blocks of numbers from an ILEC.<sup>3</sup> The CITC-JTF also submitted that there is nothing to prevent wireless customers from porting their numbers to other wireless carriers and that the porting of telephone numbers between wireless carriers already occurs in most SILECs' serving territories.
7. The CITC-JTF noted that in the proceeding leading to Telecom Decision 2006-28, the ILECs had submitted that the volume of intermodal porting was expected to be small, with over 90 percent of the total porting volume likely to be between wireless carriers.<sup>4</sup> In the CITC-JTF's view, given that wireless customers in some SILEC territories can port their telephone numbers to other wireless carriers, there is no reason to implement WNP prior to local competition and LNP if the number of intermodal ports is expected to be small. It submitted that the majority of SILECs that do not have wireless operations would not benefit from wireless-to-wireless porting and that the benefits of wireless-to-wireline intermodal porting would be inconsequential.
8. The CITC-JTF also submitted that once local competition and LNP were in place and all of the requisite functions were completed, additional work would still remain to implement WNP. It submitted, however, that the costs for implementing WNP when LNP was already in place were substantially lower than when implementing WNP alone.
9. NorthernTel submitted that while it is not subject to Telecom Decision 2005-72, it had investigated implementing WNP either separately or concurrently with its mandated LNP implementation. It submitted that because it was found to be most cost effective to implement the necessary technology and processes related to WNP at the same time as LNP, it had decided to implement them together. NorthernTel submitted that it had no comments on the technical aspects of this exercise but that it had concerns about the cost of implementing WNP.
10. The Commission notes that wireless customers who work or reside in the SILECs' wireline serving territories and who use telephone numbers associated with an exchange in the neighbouring ILEC's serving territory can have their telephone numbers ported to another wireless carrier, provided WNP has been implemented in the ILEC's exchange. However, the

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<sup>3</sup> The CITC-JTF stated that, currently, Amtelecom Limited Partnership, People's Tel Limited Partnership, Bruce Telecom, and CityWest Telephone Corporation are the only SILECs from whom the wireless carriers lease local numbers.

<sup>4</sup> The ILECs referenced the WNP report prepared for the Canadian Wireless Telecommunications Association by PricewaterhouseCoopers LLP, dated 9 September 2005.

Commission notes that wireless-to-wireless porting of a customer's wireless telephone number associated with an exchange in a SILEC's territory is not possible until WNP has been implemented in the relevant SILEC exchange associated with the wireless numbers.

11. The Commission considers that there is no technical impediment to implementing WNP before implementing local competition and LNP because the functionality and processes to do so exist even if there is no competitive local exchange carrier (CLEC) present in a serving area. The Commission notes that the technical aspects of implementing LNP and WNP are the same in the telecommunications carriers' networks because the processes and procedures for transferring numbers between these carriers are the same for all geographic numbers that are part of the North American Numbering Plan. The Commission also notes that a carrier's ability to handle traffic to and from ported numbers is increasingly becoming a basic requirement for traffic routing.
12. The Commission notes that the business processes for transferring customers are different for LNP and WNP, with simpler business processes for WNP. As a result, it should be easier for the SILECs to implement WNP than to implement LNP in conjunction with local competition.
13. The Commission notes the CITC-JTF's concerns about the costs of implementing WNP for intermodal porting in advance of implementing local competition and LNP. The intent of implementing WNP is to enhance wireless competition and end-user choice. The Commission notes that there are different means for implementing WNP with varying cost implications and expects that the SILECs would select the most cost-effective way to implement WNP. However, as set out below, the Commission will consider the proposed costs of implementing WNP in a SILEC's operating territory on a case-by-case basis.
14. In light of the above, the Commission concludes that WNP can be implemented independent of local competition and LNP in the SILECs' territories.

## **II. Should the current WNP framework apply to the SILECs?**

15. The CITC-JTF supported the orderly roll-out of WNP in the SILECs' serving territories. It submitted, however, that certain modifications to the WNP framework established for ILECs would be necessary, particularly to the service interval for intermodal porting and to CRTC Interconnection Steering Committee (CISC) WNP processes and procedures.
16. The CITC-JTF submitted that because the SILECs have limited human resources and are constrained by manual operational support systems, it would not be possible for many of them to accommodate the two-business-day service interval established by the Commission for the ILECs for intermodal WNP requests. It proposed that the required service interval to complete an intermodal WNP port be no less than three business days.
17. The CITC-JTF noted that it had reviewed the Commission's determinations and some of the related CISC reports that make up the current WNP framework applicable to ILECs.<sup>5</sup> It submitted that some of the Commission-approved CISC reports might have to be modified to take into account the size and available resources of the SILECs. It also submitted that any

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<sup>5</sup> The CITC-JTF referred to the following reports: *Request-Driven Process for Implementing Number Portability in the ILECs' territory where LNP and WNP have not been implemented* (NTRE040) and *Request Driven Roll-out Schedule/Criteria* (NTRE042), which were approved in Telecom Decision 2007-122.

new CISC processes and procedures that might be required specifically for the SILECs would have to be developed over time as the SILECs gained experience and became familiar with WNP, as has been the case for the ILECs.

18. Rogers Wireless, Shaw, and TCC shared the view that all aspects of the current WNP framework and all the processes and timelines to implement WNP through the CISC working groups<sup>6</sup> for the ILECs are appropriate for the implementation of WNP in the SILECs' territories. TCC submitted that adopting the Commission's WNP framework and the CISC working groups' consensus reports would ensure continued consistency with established industry processes and avoid having different standards for implementing WNP among carriers.
19. The Commission notes that the WNP framework for the serving territories of the ILECs is set out in Telecom Decisions 2005-72 and 2006-28 and in various other Commission decisions, including those approving related CISC reports, all of which can be found on the Commission's website.
20. The Commission notes that the current local exchange carrier (LEC)-to-LEC service interval<sup>7</sup> developed by the industry through CISC and approved by the Commission is two business days. The Commission also notes that in Telecom Decision 2005-72, it considered that although parties may, by mutual agreement, establish other intervals, two business days is appropriate for simple intermodal porting.<sup>8</sup>
21. The Commission notes that in Telecom Decision 2006-14, it took into account the SILECs' resources when it established the framework for implementing local competition and LNP. In approving specific implementation plans, the Commission also reaffirmed the application of all of its decisions related to local competition. These decisions include Commission-approved CISC processes and procedures setting out the two-business-day service interval for LNP, with a provision that the interval may be modified by mutual agreement.
22. The Commission does not consider that WNP intermodal porting should take longer than other porting activities.
23. Accordingly, the Commission concludes that the two-business-day service interval for simple intermodal porting for WNP is appropriate for the SILECs. The Commission notes that, as is the case in the serving territory of the ILECs, this interval may be modified by mutual agreement between the SILEC and the wireless carrier.
24. The Commission considers that applying the WNP framework for the ILECs in the SILECs' serving territories to the greatest extent possible would provide the industry with a symmetric and consistent WNP framework. Further, the Commission considers that the SILECs could benefit from the current WNP framework. In this regard, the Commission notes that various

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<sup>6</sup> CISC Business Process Working Group and CISC Network Working Group

<sup>7</sup> A service interval to port a telephone number includes the time required for exchanging customer information, confirming the porting due date and time, and completing the number port.

<sup>8</sup> In Telecom Decision 2005-72, the Commission determined that the appropriate service interval for simple intermodal porting, including simple porting involving wireless resellers or mobile virtual network operator, is to be the same as the LEC-to-LEC service interval for stand-alone porting, which is currently two business days. This interval could also be modified by mutual agreement.

CISC working groups have developed processes and documentation that could assist the SILECs in implementing WNP and may reduce their implementation costs. The Commission notes that these Commission-approved processes and procedures have been researched and tested and are currently being used by the industry.

25. The Commission recognizes, however, that some of the current Commission-approved CISC WNP processes and procedures may have to be modified to take into account any particular circumstances of the SILECs and to allow them time to gain experience and become familiar with WNP.
26. In light of the above, the Commission concludes that the current WNP framework applicable to the ILECs will apply to the SILECs. As described in greater detail below, the Commission also concludes that SILECs should be given the opportunity to propose adaptations to the Commission-approved CISC processes and procedures to reflect their own particular circumstances.

### **III. Should WNP be implemented on a request-driven basis, consistent with the approach for local competition and LNP set out in Telecom Decision 2006-14?**

27. The CITC-JTF submitted that WNP implementation should not be universally imposed on the SILECs, but should be dealt with on a request-driven basis. It proposed that WNP implementation be consistent with the regulatory framework established in Telecom Decision 2006-14, which requires SILECs to file an implementation plan for local competition and LNP after a bona fide request has been received from a CLEC.
28. However, the CITC-JTF proposed that SILECs be permitted to file that implementation plan 90 days after receiving a bona fide request from a wireless carrier. It argued that the 30-day window established in Telecom Decision 2006-14 is not feasible, even for those larger SILECs that have already implemented local competition and LNP.
29. As noted above, the current WNP framework will apply to the SILECs. However, the Commission considers that given the SILECs' limited resources, it would be inappropriate to require any SILEC to implement WNP if there is no demand and, thus, a request for WNP will be required in all cases.
30. The Commission also considers that under the WNP framework set out in this Decision, while a SILEC will be required to implement the porting-out process, it may choose whether to implement the porting-in process, consistent with the approach for LNP in Telecom Decision 2006-14.
31. The Commission notes that in Telecom Decision 2006-14, the SILECs were directed to file an implementation plan for local competition and LNP within 30 days of a formal signed expression of interest from a LEC or carrier requesting to use competitor services. The Commission considers that it should not take longer to prepare an implementation plan for WNP than for local competition and LNP. In light of the foregoing, the Commission considers that SILECs should file an implementation plan for WNP within 30 days of receiving a formal signed expression of interest from a wireless carrier, consistent with Telecom Decision 2006-14. However, the Commission notes that a SILEC can request, with supporting rationale, an extension for filing an implementation plan.

32. In light of the above, the Commission concludes that the current WNP framework should be implemented in the SILECs' serving territories on a request-driven basis, consistent with the request-driven approach established in Telecom Decision 2006-14 for local competition and LNP. The Commission also concludes that SILECs should file their proposed implementation plans within 30 days of receiving a formal signed expression of interest from a wireless carrier. With this framework, the SILECs must implement the porting-out process, but can choose to implement the porting-in process.
33. In addition, the Commission considers that it is appropriate for wireless carriers to file their formal signed expressions of interest with the Commission at the same time as they present them to the SILECs. The Commission considers that this requirement will facilitate the process to implement WNP for both wireless carriers and the SILECs.

#### **IV. What additional interconnection arrangements/agreements are required?**

34. The CITC-JTF requested that the Commission determine that for purposes of WNP implementation in SILEC territories, wireless carriers should have a point of interconnection (POI) within each SILEC's serving territory for intermodal porting. It submitted that to facilitate this interconnection, SILECs would file wireless interconnection tariffs for approval by the Commission. The CITC-JTF noted that most SILECs do not have certain capabilities in their networks in order to provide complete interconnecting arrangements and have to rely on the facilities and services of another carrier for full functionality. It noted, therefore, that wireless carriers may need to obtain some functions from another carrier in order for the interconnection arrangement to be fully functional.
35. The CITC-JTF submitted that the SILECs are prepared to consider alternative interconnection arrangements on a bilateral basis with the wireless carriers.
36. The CITC-JTF noted that in Telecom Decision 2006-28, the Commission determined that ILEC local calling areas (LCAs) would define the groups of exchanges in which to route WNP traffic between wireless carriers and LECs. It expressed concern, however, about using the ILEC LCA interconnection regime because it did not know how current routing arrangements would handle ported traffic originating within the SILECs' exchanges. It was of the view that the SILECs' current interconnection arrangements with the ILECs would, in all likelihood, prohibit the use of existing trunks for anything but traffic between the SILEC and the adjacent ILEC.
37. Rogers and TCC shared the view that no additional interconnection arrangements and/or traffic exchange agreements were required for WNP to be implemented in the SILECs' exchanges. TCC noted that, in some cases, establishing alternate POIs might be beneficial but submitted, however, that these arrangements should not be mandated by a Commission order because establishing a POI is not necessary in every case. In TCC's view, any establishment of new POIs would be best left to a bilateral negotiation process.
38. The Commission notes that in implementing WNP in the ILECs' territories, WNP was added to the pre-existing interconnection regimes, which were based on a minimum of one POI and one CO code per ILEC LCA. The Commission also notes that with one exception, all SILECs are contained within a defined ILEC LCA.<sup>9</sup>

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<sup>9</sup> The CITC-JTF submitted that the one exception relates to Ontera exchanges in Moosonee and Moose Factory in remote Northern Ontario.

39. The Commission notes that the SILECs are in a similar position to the ILECs before the implementation of WNP in the ILECs' territories. At that time, the ILECs routed traffic to the wireless carriers' POIs based on a minimum of one POI per LCA over their pre-existing interconnection arrangements with the wireless carriers. The Commission notes that the SILECs are currently routing traffic to wireless ported telephone numbers in ILECs' exchanges over existing interconnection arrangements. Therefore, the Commission considers that the existing interconnection arrangements will be sufficient for the implementation of WNP in the SILECs' territories. However, the Commission notes that parties have the option to negotiate mutually beneficial alternative interconnection arrangements.
40. In light of the above, the Commission concludes that the existing interconnection arrangements are appropriate for the implementation of WNP. The Commission notes that the existing agreements between SILECs and other carriers may need to be modified to include ported traffic resulting from the implementation of WNP. The Commission considers that those changes are best handled by a bilateral negotiation process between a SILEC and another carrier.

#### **V. How should the SILECs recover their costs for implementing WNP?**

41. The CITC-JTF submitted that SILEC WNP implementation costs could be high in terms of both one-time and recurring costs, with little additional benefit to either wireless service providers or subscribers. It also submitted that it could be onerous to recover these costs by applying an exogenous factor, especially for the smaller SILECs who have very limited network access services (NAS) bases upon which to spread the recovery of these costs. The CITC-JTF argued that to suggest that all costs could be recovered by a SILEC through an exogenous adjustment ignored the reality of the small NAS bases of SILECs and the resulting potential for increases in residential and business rates.
42. The CITC-JTF proposed that recovering the implementation costs of WNP for those SILECs that have not yet implemented LNP should be addressed by other means, such as through a contribution by the requesting wireless carriers or through a one-time service improvement entitlement from the national subsidy pool.
43. KMTS and NorthernTel submitted that the Commission must take into account the size of the SILECs when establishing a cost-recovery mechanism. NorthernTel also submitted that costs of implementing WNP in the SILECs' territories should be borne by the competitive wireless carriers.
44. The Commission notes the SILECs' concerns regarding the costs to implement WNP and the recovery of those costs. Consistent with Telecom Decision 2006-14, the Commission determines that the recovery of costs related to WNP should be dealt with on a case-by-case basis as part of each SILEC's proposed WNP implementation plan.

#### **Conclusion**

45. The Commission directs each SILEC to file a proposed implementation plan with the Commission within 30 days of receiving a formal signed expression of interest from a wireless carrier requesting WNP within the SILEC's territory. The Commission will consider requests for extensions for filing implementation plans on a case-by-case basis.

46. All SILECs are to include the following details in their WNP proposed implementation plans:
- a. when tariffs will be filed, if required, and the nature and cost basis of those tariffs;
  - b. how customer transfer procedures will be managed;
  - c. the timing of the implementation of WNP;
  - d. the start-up costs to implement WNP and how those costs will be recovered;
  - e. any proposal to deviate from the Commission-approved CISC processes and/or procedures, and supporting justification;
  - f. how carrier service group functionality will be provided;
  - g. whether porting-in will be implemented; and
  - h. any other implementation issues that may be unique to that SILEC.
47. The Commission considers that SILECs' proposed implementation plans should be guided by Telecom Decisions 2005-72 and 2006-28, and Commission-approved CISC processes and procedures.
48. In addition, the Commission directs wireless carriers to file their formal signed expressions of interest with the Commission at the same time that they are served on the SILECs. Wireless carriers may file their formal signed expressions of interest with the Commission in confidence. However, once the Commission has received a proposed implementation plan, the associated expression of interest will be placed on the public record.
49. The Commission considers, as stated in Telecom Public Notice 2008-11, that implementing WNP in the serving territories of the SILECs would enhance wireless competition and end-user choice. The Commission also considers that establishing a framework for implementing WNP in the SILECs' serving territories as set out above is consistent with the Governor in Council's *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006, and advances the following objectives set out in section 7 of the *Telecommunications Act*:
- (b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada;
  - (f) to foster increased reliance on market forces for the provision of telecommunications services and to ensure that regulation, where required, is efficient and effective; and
  - (h) to respond to the economic and social requirements of users of telecommunications services.

## **Related documents**

- *Regulatory framework for the implementation of wireless number portability within the serving territories of the small incumbent local exchange carriers*, Telecom Public Notice CRTC 2008-11, 19 June 2008
- *Processes and implementation time frames for making an exchange ready for number portability*, Telecom Decision CRTC 2007-122, 4 December 2007
- *Regulatory issues related to the implementation of wireless number portability – Follow-up to Public Notice 2006-3*, Telecom Decision CRTC 2006-28, 18 May 2006
- *Revised regulatory framework for the small incumbent local exchange carriers*, Telecom Decision CRTC 2006-14, 29 March 2006
- *Implementation of wireless number portability*, Telecom Decision CRTC 2005-72, 20 December 2005

*This document is available in alternative format upon request, and may also be examined in PDF format or in HTML at the following Internet site: <http://www.crtc.gc.ca>*

**List of SILECs subject to Telecom Public Notice 2008-11**

**British Columbia**

CityWest Telephone Corporation

**Ontario**

Amtelecom Limited Partnership  
Brooke Telecom Co-operative Ltd.  
Bruce Telecom  
Cochrane Telecom Services  
Dryden Municipal Telephone System  
Execulink Telecom Inc.  
Gosfield North Communications Co-operative Limited  
Hay Communications Co-operative Limited  
Huron Telecommunications Co-operative Limited  
Kenora Municipal Telephone System\*  
Lansdowne Rural Telephone Co. Ltd.  
Mornington Communications Co-operative Limited  
Nexicom Telecommunications Inc.  
Nexicom Telephones Inc.  
North Frontenac Telephone Corporation Ltd.  
NorthernTel, Limited Partnership\*  
NRTC Communications  
Ontera  
People's Tel Limited Partnership  
Quadro Communications Co-operative Inc.  
Roxborough Telephone Company Limited  
TBayTel\*  
Tuckersmith Communications Co-operative Limited  
Wightman Telecom Ltd.  
WTC Communications

**Quebec**

CoopTel  
La Cie de Téléphone de Courcelles Inc.  
La Compagnie de Téléphone de Lambton Inc.  
La Compagnie de Téléphone de St-Victor  
La Compagnie de Téléphone Upton Inc.  
La Compagnie de Téléphone de Warwick  
Le Téléphone de St-Éphrem inc.  
Sogetel inc.  
Téléphone Guèvremont inc.  
Téléphone Milot inc.

\*All SILECs were represented by the CITC-JTF except those marked with an asterisk.