



## Telecom Order CRTC 2019-370

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Ottawa, 8 November 2019

*Public record: Tariff Notice 117*

### **Independent Telecommunications Providers Association – Ratification of toll trunk rates and proposed updates to toll trunk ranges**

#### **Application**

1. The Commission received an application from the Independent Telecommunications Providers Association (ITPA), dated 28 June 2018, in which the ITPA proposed revisions to Item 235.2.1 of the Ontario Independent Services Tariff (the Tariff) to ratify toll trunk rates and update the toll trunk ranges<sup>1</sup> of five of its member companies to reflect revised trunking configurations: Gosfield North Communication Co-operative Limited (Gosfield North), Hay Communications Co-operative Limited (Hay Communications), Lansdowne Rural Telephone Company Ltd. (Lansdowne), Nexicom Telecommunications, and Nexicom Telephones (collectively, the five small incumbent local exchange carriers) [ILECs]).
2. The ITPA submitted that each of the five small ILECs implemented revised trunking configurations, on the following dates:
  - Gosfield North: 1 May 2015;
  - Hay Communications: 14 December 2013;
  - Lansdowne: 1 May 2015;
  - Nexicom Telecommunications: 29 April 2015; and
  - Nexicom Telephones: 29 April 2015.
3. The ITPA requested rate ratification retroactive to the date these network changes were implemented, pursuant to subsection 25(4) of the *Telecommunications Act* (the Act). The ITPA submitted that the present circumstances of the five small ILECs qualify as circumstances that warrant ratification as contemplated in the Act.

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<sup>1</sup> “Trunk” is a term used to describe facilities that interconnect switches. Toll trunks are classified by number into ranges (1 to 3 trunks, 4 to 7 trunks, 8 to 30 trunks, or 31 or more trunks).

4. The ITPA submitted that, in March 2013, its member companies began developing company-specific direct connect<sup>2</sup> (DC) rates. Those rates were approved on a final basis in *Various companies – Final rates for direct connect services*, Telecom Order CRTC 2017-282, 10 August 2017, and made effective as of 28 March 2013.
5. Following the issuance of Telecom Order 2017-282, the ITPA entered into discussions with Bell Canada regarding reimbursement arising from the difference between the old and new DC rates.
6. During the transition to company-specific DC rates and discussions regarding reimbursement, the five small ILECs and Bell Canada maintained the existing toll trunk ranges. The ITPA submitted that the five small ILECs and Bell Canada have revisited toll trunk counts and are making adjustments as required now that the complex issues surrounding setting company-specific DC rates have been addressed and the reimbursement discussions have concluded. The ITPA added that the Commission's ratification of toll trunk rates for the network changes would facilitate the adjustment process.
7. The Commission received no comments on the application.

### **Commission's analysis and determinations**

8. Pursuant to subsection 25(4) of the Act, the Commission may ratify the charging of a rate by a Canadian carrier otherwise than in accordance with a tariff approved by the Commission if the Commission is satisfied that the rate was charged because of an error or other circumstance that warrants the ratification.
9. At the time the five small ILECs revised their trunking configurations, they were involved in a process to set cost-based, company-specific DC rates. This was a lengthy and complex process which, in the Commission's view, resulted in a delay in filing revised trunking configurations and toll trunk rates. The Commission considers that this circumstance warrants ratification of the revisions to the toll trunk ranges, in order to ensure that they reflect the revised trunking configurations. The Commission notes that no party objected to the ITPA's request for ratification.
10. The Commission notes that, according to the 2019 Policy Direction,<sup>3</sup> the Commission should consider how its decisions can promote competition, affordability, consumer interests, and innovation. The Commission considers that the approval of the ITPA's application would be consistent with the 2019 Policy Direction, as it would promote competition and consumer interests by (i) allowing company tariffs to be updated to

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<sup>2</sup> The DC rate and the rates for toll trunks are the two tariffed components of the small ILECs' toll interconnection regimes that enable long-distance service providers to connect to an ILEC and its end customers.

<sup>3</sup> *Order issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interest and Innovation*, SOR/2019-227, 17 June 2019

reflect toll trunking rates for each of the trunking configurations and (ii) helping to ensure that consumers continue to have access to high-quality telecommunications services in the regions of Canada where the five small ILECs operate, at rates previously approved as just and reasonable.

11. The Commission therefore **approves** the ITPA's application and ratifies trunking rates, pursuant to paragraph 25(4)(a) of the Act, as follows:

- Gosfield North, from 1 May 2015 to the date of this order;
- Hay Communications, from 14 December 2013 to the date of this order;
- Lansdowne, from 1 May 2015 to the date of this order;
- Nexicom Telecommunications, from 29 April 2015 to the date of this order; and
- Nexicom Telephones, from 29 April 2015 to the date of this order.

12. The Commission also **approves** the proposed updates to the toll trunk ranges for the five small ILECs, effective the date of this order.

Secretary General