



## Telecom Decision CRTC 2003-76

Ottawa, 7 November 2003

### **Rogers Wireless Inc. vs. TELUS Communications Inc.** **– Toll termination arrangements**

Reference: 8622-R11-200303603

*In this decision, the Commission **finds** that TELUS Communications Inc.'s (TCI) toll termination trunk arrangements are not in breach of its tariffs, in contravention of section 25 of the Telecommunications Act, and Rogers Wireless Inc. is not entitled to any accounting or rebate in respect of the monies paid to TCI for one-way trunks.*

*The Commission **directs** TCI to issue revised tariff pages for its Alberta tariff to identify explicit rate elements and corresponding facilities for one-way toll termination trunk service.*

*The Commission further **directs** TCI to show cause, within 20 days of the date of this decision, why a tariff should not be filed for an additional optional trunk service reflecting a third option which would preserve existing options that would allow wireless service providers (WSPs) to combine toll terminating traffic with local traffic on local trunks between the WSP's point of interconnection and TCI's local switches. The Commission further **directs** TCI to file within 20 days of the date of this decision a proposed tariff for this service.*

1. The Commission received an application under Part VII of the *CRTC Telecommunications Rules of Procedure*, dated 18 March 2003, from Rogers Wireless Inc. (RWI) pertaining to the terms and conditions for terminating TELUS Communications Inc.'s (TCI) toll traffic on RWI's network.
2. The Commission received comments from TCI and Microcell Telecommunications Inc. (Microcell) dated 17 April 2003 and reply comments from RWI dated 28 April 2003.

### **Background**

3. In order to complete telephone calls originating from and terminating to wireless telephone subscribers, wireless service providers (WSPs) must connect to other carriers for both local and long distance calls. When cellular service was first introduced in Canada in the mid 1980's, WSPs interconnected with local exchange carriers (LECs) using only line-side connections. More recently, WSPs have also obtained trunk connections. By contrast to line-side access, trunk-side access is used only to interconnect carriers and offers common channel signalling #7 (CCS7) capabilities. Trunks may either be one-way or two-way. One-way trunks permit one of the interconnecting carriers to terminate calls on the other carrier's network, whereas two-way trunks allow interconnecting carriers to both originate and terminate calls on each other's networks.

## The application

4. RWI stated that it had interconnection arrangements with TCI on trunk-side trunk groups in Alberta and British Columbia (B.C.). RWI indicated that these were two-way trunking arrangements used to terminate its local traffic on TCI's network, and to terminate TCI's local traffic on RWI's network. RWI submitted that TCI did not use these trunk groups to terminate TCI long distance traffic on RWI's network, although these trunk groups were capable of being used for this purpose. RWI stated that TCI had insisted on using separate one-way trunks from TCI's toll switches to RWI's points of interconnection (POI) to terminate TCI's long distance traffic on RWI's wireless network. RWI submitted that it would be more efficient and cost-effective to use a single group of two-way trunks for this purpose.
5. RWI stated that all the other incumbent local exchange carriers (ILECs) in Canada used two-way trunk groups to terminate both their local and long distance traffic on WSPs' networks.
6. RWI argued that it had been unable to determine the volume of traffic that was offered by TCI's network to the one-way toll termination trunks, and as a result, it was unable to determine when traffic was blocked during peak periods. RWI stated that its use of two-way trunks provided the ability to detect traffic congestion and to automatically re-direct traffic, rather than having to purchase TCI's traffic report or to rely on customer complaints. RWI stated that if it could use two-way trunks to receive toll traffic, it could save approximately \$6,000 per month in interconnection charges, and \$2,400 per month for TCI's traffic statistic report, and either reduce or eliminate customer complaints arising from the blockage of toll traffic coming from TCI.
7. RWI submitted that TCI's insistence that RWI use the current arrangement was contrary to the Commission's determination made in *Providing trunk-side access and common channel signalling #7 to wireless service providers*, Order CRTC 2000-395, 12 May 2000 (Order 2000-395), and was therefore in breach of a term or condition established by the Commission for the provision of this service by TCI. RWI stated that at paragraph 27 of Order 2000-395, the Commission determined that the use of one-way trunks to terminate TCI's toll traffic on WSPs' networks was an optional arrangement that WSPs may use at their discretion.
8. RWI noted that the definition of trunk-side termination in TCI's general tariff for the serving territory of Alberta (Alberta tariff), item 555.2 stated "the exchange of all traffic within TCI's local calling area where TCI provides WSP Network Access Service". RWI submitted that this definition was broad enough to include both TCI's local and long distance traffic.
9. RWI further submitted that TCI had breached the terms of its tariff, in contravention of subsection 25(1) of the *Telecommunications Act* (the Act) by insisting that TCI's toll traffic terminate on RWI's network via one-way toll trunks, which, in its view, the Commission ruled in Order 2000-395 was optional for WSPs. RWI also submitted that by forcing RWI to pay for direct toll termination facilities<sup>1</sup> TCI had charged RWI a rate in circumstances that the Commission had not approved, thereby breaching subsection 25(1) of the Act. RWI stated that

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<sup>1</sup> Direct toll termination is an arrangement used to deliver toll traffic on one-way trunks that connect TCI's toll switches to RWI's network.

the rates TCI had charged RWI for toll traffic termination were not specified in TCI's Alberta tariff. Rather, the tariff specified that TCI will provide toll traffic termination for WSPs through the use of direct trunk(s) from the company's toll switch to the WSPs' switch. RWI submitted that this implied that TCI would supply the facilities it used to terminate its own toll traffic using this routing.

*Requested relief*

10. RWI requested the Commission issue orders:
  - i) enforcing the conditions of service for the provision of WSPs' network access service, established by Order 2000-395;
  - ii) directing TCI to terminate RWI's toll traffic destined for RWI's network, via the two-way trunks that currently carried local traffic between RWI's POI and TCI's local switch; and
  - iii) directing TCI to account for and rebate all monies charged to RWI since 12 May 2000 for toll termination facilities, in contravention of its tariff and conditions of service established in Order 2000-395.
11. RWI requested that as an alternative to the relief requested at paragraph (ii) above, if TCI wished to continue to utilize the one-way trunk arrangement for its toll traffic termination, the Commission direct TCI to pay the cost of these one-way trunks necessary to deliver its toll traffic. RWI also requested that the Commission direct TCI to provide monthly traffic statistics to RWI at TCI's expense, in order to allow RWI to anticipate the need for additional trunks on the one-way trunk groups.

**Positions of parties**

*TCI's comments*

12. TCI submitted that the Commission should deny RWI's application.
13. TCI argued that RWI's interpretation of paragraph 27 of Order 2000-395 was incorrect. TCI submitted that Order 2000-395 considered only those connection arrangements that were set out in interim tariffs, which in its case, did not contemplate termination of toll traffic on trunks from TCI's end-office. TCI stated that under its current tariff, there were two options available to RWI to receive toll traffic as contemplated in Order 2000-395. First, trunk-side from TCI's toll tandem switch, or second, line-side from TCI's end-office.
14. TCI submitted that RWI's argument that other ILECs provide the interconnection arrangements it is seeking did not justify the relief requested by RWI. TCI submitted that WSPs had not been given the same interconnection options as competitive local exchange carriers (CLECs). TCI further submitted that in Order 2000-395, the notion of a homogeneous interconnection regime with regard to WSPs was rejected by the Commission.

15. In response to RWI's assertion that TCI should supply the facilities it uses to terminate its own toll traffic because there is no rate specified in the Alberta tariff for this service, TCI stated that the Alberta tariff, item 555.3, WSP Network Access Service, indicated that as a customer of TCI, a WSP must pay all charges incurred for services provided through any connections furnished to the WSP. TCI further stated that applicable rates for trunk-side interconnection were set out in Alberta tariff item 555.4, Digital Service Channel Rates.
16. In regard to RWI's contention that TCI contravened subsection 25(1) of the Act and RWI should therefore be accorded compensation, TCI stated that the terms and conditions as well as the rates for the services in question were set out in both TCI's Alberta and B.C. tariffs. TCI submitted that there had been no contravention of section 25 of the Act and therefore, RWI's request for a rebate should be denied.
17. TCI indicated that it could not provide meaningful comment on the potential savings estimated by RWI. In its view, the basis that RWI utilized to arrive at the \$6,000 monthly amount for interconnection was not placed on the record of this proceeding. TCI stated that it would like to ensure that all relevant charges had been included in RWI's estimate.

*Microcell's comments*

18. Microcell stated that it fully supported RWI's application. It further stated that it shared RWI's interpretation of paragraph 27 of Order 2000-395. Microcell submitted that the trunk groups in question were only in place to impose inefficiencies and extra costs on WSPs and were inconsistent with the standard WSP interconnection architecture that had been adopted by all other ILECs in Canada.
19. Microcell indicated that in the parts of TCI's territory where Microcell was registered as a CLEC, TCI allowed it to connect as requested by RWI, but in the parts of TCI's territory where it operated as a WSP, it was forced by TCI to connect by direct trunks to the toll switch.

*RWI's reply comments*

20. RWI stated that the record of the proceeding that culminated in Order 2000-395 was silent on the use of line-side interconnection trunks for delivery of terminating toll traffic. RWI submitted that it was clear that the Commission could not have envisioned the line-side option as alleged by TCI. RWI further submitted that it was obvious that the Commission understood that the alternative would be to terminate TCI's toll traffic via two-way trunk-side trunk groups connecting TCI's end-offices to RWI's switches. RWI reiterated that it was this option that was offered by all ILECs other than TCI. RWI submitted that this is corroborated by the fact that, in the context of determining that the toll arrangement would be an optional arrangement that the WSPs might use at their discretion, the Commission stated at paragraph 26 of Order 2000-395 that Clearnet assumed that this was a mandatory separation of the toll traffic and objected to this requirement. RWI noted that the Commission stated at paragraph 27 of the Order that Clearnet's assumption was incorrect and that this was an optional arrangement. RWI submitted that it was clear from the context of the Commission's determination that WSPs would not be required to separate toll traffic from local traffic. Rather, WSPs would have the option of doing so at their discretion. RWI further submitted that TCI's assertion that the only other option

available to WSPs was to deliver toll traffic via line-side trunks contradicted Order 2000-395. RWI submitted that this alternative would still require WSPs to separate toll traffic from local traffic, and that they route toll traffic via a trunk group other than a trunk-side trunk group used to route local traffic.

21. RWI stated that it believed that the Commission was aware that line-side interconnection was an inferior form of interconnection, in that certain call management services, such as calling line identification, could not be provided.
22. RWI submitted that TCI's position was inconsistent with the Commission's interconnection policy established in *Radio Common Carrier Interconnection With Federally Regulated Telephone Companies*, Telecom Decision CRTC 84-10, 22 March 1984 (Decision 84-10). RWI indicated that in Decision 84-10, the Commission considered that restrictions on the ability of competitive mobile systems to choose the most cost-effective routing of intersystem traffic are inappropriate.
23. In response to TCI's claim that its application of charges for toll traffic termination does not violate its own wireless tariffs, RWI noted that TCI failed to demonstrate that the Alberta tariff contained a toll traffic termination rate for WSP Network Access Service.

### **Commission analysis and determination**

24. The Commission notes that two main issues have been raised in this proceeding. The first issue is whether TCI's provision of toll termination arrangements for RWI contravenes Order 2000-395, and the second issue is whether TCI has breached the terms of its applicable tariffs, in contravention of subsection 25(1) of the Act.
25. In regard to the first issue, RWI argued that TCI's insistence that RWI use one-way trunks to terminate TCI's toll traffic on WSPs' networks was contrary to the Commission's determination in Order 2000-395. TCI, on the other hand, argued that the order contemplated two options for toll traffic termination: trunk-side from TCI's toll switch, or line-side from TCI's end-office.
26. The Commission notes that prior to Order 2000-395, in Telecom Order CRTC 97-77, 17 January 1997 (Order 97-77), it established the interim trunk-side interconnection regime and CCS7 to WSPs for the interconnection of the public mobile radio service of a WSP with TCI's network. Parties had submitted that the toll traffic termination arrangement stipulated in the tariff proposed by BC TEL (now part of TCI) should be eliminated. BC TEL had responded that the toll traffic termination tariff was the only way that it could terminate toll traffic to a WSP's switch on a trunk-side basis. In this regard, the Commission noted in Order 97-77 that line-side connections remained available to WSPs for originating and terminating toll traffic and considered that the toll traffic termination tariff was an option for those WSPs who wished to avail themselves of CCS7 capabilities for incoming toll traffic. The Commission approved, on an interim basis, local trunk-side interconnection such that one point of connection would allow for connection of the total local calling area.

27. In Order 2000-395, the Commission approved the interim toll termination arrangements on a final basis. The Commission notes that paragraphs 25 to 27 read as follows:

Toll traffic termination

25. This service has been available in the BC TEL and TCI tariffs since the introduction of the interim trunk-side interconnection regime in these companies and is proposed to continue to be part of the final regime. The service provides direct trunks from the telephone company's toll switch to deliver toll traffic to the WSP.

26. Clearnet assumed that this is a mandatory separation of the toll traffic and objected to this requirement.

27. The Commission notes that Clearnet's assumption is incorrect. This is an optional arrangement that the WSPs may use at their discretion and accordingly the Commission approves this item on a final basis.

28. In the Commission's view, Orders 97-77 and 2000-395 contemplated a second option for toll termination arrangements for those WSPs who wish to avail themselves of CCS7 capabilities for incoming toll traffic. As noted above, line-side connections were already available to WSPs for originating and terminating toll traffic. The Commission considers that the trunk-side arrangement approved in Order 2000-395 was the optional arrangement for WSPs referred to in paragraph 27 of the Order.
29. In light of the above, the Commission **finds** that TCI has correctly interpreted paragraph 27 of Order 2000-395. Accordingly, WSPs have the option of originating and terminating TCI's toll traffic either over line-side connections between TCI's and the WSPs' local switches, or terminating TCI's toll traffic over one-way trunks from TCI's tandem toll switches to a WSP's switches.
30. In light of the Commission's determination that TCI correctly interpreted Order 2000-395, it remains to be determined whether, as suggested by RWI, TCI had breached the terms of its tariff, in contravention of subsection 25(1) of the Act, by insisting that RWI accept TCI's toll traffic over one-way trunks. RWI submitted that charges for separate toll traffic termination were not set out in TCI's Alberta tariff and that TCI cannot therefore insist on separating toll traffic from local traffic and choosing to deliver it to RWI via one-way trunks.
31. The Commission notes the following definitions of toll traffic termination and trunk termination in TCI's B.C. tariff:

Toll Traffic Termination provides trunks from the Company's toll switch to the WSP's switch for the Company's and Alternate Providers of Long Distance Services toll traffic terminating on the WSP's network and defined by a WSP CO Code.

Trunk Termination provides for the exchange of all local traffic within the Company's Exchange Area and Extended Services Areas where the WSP POI is located.

32. The Commission notes that the TCI B.C. tariff describes "toll traffic termination" as a separate service from "trunk termination", and that corresponding rates for these two service arrangements are found under separate sections of the tariff. The Commission considers that the service descriptions and service rates in TCI's B.C. tariff are consistent with TCI's service offering for originating and terminating TCI's toll traffic either over line-side connections between TCI's and the WSP's local switches, or terminating TCI's toll traffic over one-way trunks from TCI's tandem toll switches to a WSP's switches.

33. The Commission notes the following description of toll traffic termination and trunk-side termination in TCI's Alberta tariff:

TCI will provide Toll Traffic Termination for WSPs through the use of direct trunk(s) from the Company's toll switch to the WSP's switch for toll traffic of the Company and of the Alternate Providers of Long Distance Services that terminates on the WSP's network.

Trunk Side Termination provides for the exchange of all traffic within TCI's Local Calling Area where TCI provides WSP – Network Access Service.

34. The Commission considers that both the TCI B.C. and TCI Alberta tariffs describe the same services. The only difference between the two situations is that in the case of the TCI B.C. tariff, there is specific language that identifies the corresponding rate elements for toll traffic termination trunk service, whereas in the case of the Alberta tariff the rate elements for toll traffic termination trunk service do not appear to be explicit. In the Commission's view, the wording in the TCI Alberta tariff may lead to inconsistent interpretation of applicable charges. Notwithstanding this, the Commission considers that there is no substantive difference in the effect of the wording of the TCI B.C. and the TCI Alberta tariffs in regard to providing the toll termination trunk arrangements stipulated in Order 2000-395.

35. In light of the above, the Commission **finds** that TCI's toll termination trunk arrangements are not in breach of its tariffs, in contravention of section 25 of the Act, and RWI is not entitled to any accounting or rebate in respect of the monies paid to TCI for one-way trunks.

36. The Commission is of the view that notwithstanding the fact that TCI's provision of toll termination services to WSPs is consistent with the service definition and the current practice for toll traffic termination under the B.C. tariff, the wording of the TCI Alberta tariff should be more precise with respect to the facilities and corresponding rate elements for one-way toll termination trunk service. Accordingly, the Commission **directs** TCI to issue forthwith revised tariff pages for its TCI Alberta tariff to identify explicit rate elements and corresponding facilities for the one-way toll termination trunk service.

37. While the Commission finds the current toll terminating arrangements of TCI to be consistent with past determinations and TCI's tariffs, the Commission notes that the arrangements requested by RWI are currently offered to WSP's by ILECs in other parts of the country, and that TCI offers two-way trunks to wireless CLECs in its operating territory.

38. In the Commission's view, although two interconnection options are available to WSPs for termination of toll traffic, there is limited choice available to WSPs. For example, line-side connections do not provide CCS7 capabilities, therefore, certain call management services, such as calling identification, cannot be provided by this means. The Commission is of the view that CCS7 capabilities provide value to customers and allow service providers to better manage their networks. In the Commission's view, trunk-side connections that make CCS7 capabilities available are superior to line-side connections. The Commission further notes that a two-way trunk-side connection to the local switch which carries both local and toll traffic over the same facilities may be more cost effective than a one-way trunk-side connection. The Commission notes that unlike a one-way trunk-side connection, congestion can be eliminated with two-way trunks by re-directing traffic to an alternate trunk group until additional trunks can be added to the two-way trunk group.
39. The Commission considers that, as stated in Decision 84-10 and noted by RWI, WSPs should have the option to choose the most cost-effective interconnection solutions. The Commission considers that increasing the range of interconnection options available to WSPs seeking CCS7 functionality, and promoting opportunities for network efficiency, would be in the public interest, and in keeping with Decision 84-10. The Commission therefore **directs** TCI to show cause, within 20 days of the date of this decision, why a tariff should not be filed for an additional optional trunk service reflecting a third option which would preserve the existing options that would allow WSPs to combine toll terminating traffic with local traffic on local trunks between the WSP's POI and TCI's local switches. The Commission further **directs** TCI to file, within 20 days of the date of this decision, a proposed tariff for this service. Interested parties may file reply comments with the Commission, serving a copy on TCI, within 30 days of the date of this decision.

Secretary General

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