



## Telecom Notice of Consultation CRTC 2022-32

PDF version

Ottawa, 16 February 2022

*Public record: 1011-NOC2022-0032*

### **Call for comments – Proposed amendments to the *Telecommunications Fees Regulations, 2010***

**Deadline for submission of interventions: 19 April 2022**

[\[Submit an intervention or view related documents\]](#)

The Commission invites interested persons to comment on proposed amendments to the *Telecommunications Fees Regulations, 2010*. These proposed amendments would change the definition of “contribution-eligible revenue” to align the telecommunications fees calculation with the calculation used for the telecommunications contribution regime, thereby streamlining annual reporting for telecommunications service providers. The amendments would also update the definition of “related” to align with recognized accounting standards.

#### **Introduction**

1. The Commission’s regulatory costs attributable to the Commission’s responsibilities under the *Telecommunications Act* are paid for by telecommunications service providers, in accordance with regulations approved by Treasury Board.
2. Under the current *Telecommunications Fees Regulations* (Fees Regulations), telecommunications service providers that are required to pay under the contribution regime are also required to pay telecommunications fees (telecom fees) for the recovery of costs attributable to the Commission’s responsibilities under the *Telecommunications Act*. The amount that each telecommunications service provider owes is prorated based on its share of the total contribution-eligible revenues of all telecommunications service providers that have to pay telecom fees.
3. In Telecom Decision 2020-395, the Commission noted its intention to consider whether changes should be made to the Fees Regulations, so that the calculation of contribution-eligible revenue used for telecom fees aligns with the formula used for the contribution regime, through which telecommunications service providers calculate their contributions to the National Contribution Fund.
4. Telecommunications service providers are entitled to make certain deductions from their reported total operating revenues when calculating contribution-eligible revenues, as outlined in Telecom Circular 2007-15. At present, the formula for the

calculation of telecom fees payable provided in the Fees Regulations references the definition of contribution-eligible revenues set out in Telecom Circular 2007-15.

5. The contribution regime calculation was updated in Telecom Information Bulletin 2019-396. In that proceeding, the Commission adjusted the contribution calculation so that retail Internet revenues and retail paging revenues<sup>1</sup> are no longer deductible when determining contribution-eligible revenues.
6. The amendment to the Fees Regulations proposed in this notice would replace the current reference to Telecom Circular 2007-15 with a reference to Telecom Information Bulletin 2019-396. This would align the telecom fees calculation, as it relates to contribution-eligible revenues, with the contribution calculation, so that retail Internet service revenues and retail paging revenues would no longer be deductible when determining contribution-eligible revenues in the telecom fees calculation. This alignment would simplify reporting for telecommunications service providers.
7. In addition, the amendments proposed in this notice include a proposal to replace the current definition of the term “related” in section 1 of the Fees Regulations. This term is defined in the Fees Regulations in order to ensure that related telecommunications service providers are considered to be related from an accounting perspective in the calculation of fees. The current definition of “related” references section 3840 of the outdated *Canadian Institute of Chartered Accountants Handbook*; this notice proposes an amendment to replace this reference with one to International Accounting Standard 24 in the *CPA Canada Handbook – Accounting*, which is the successor to the *Canadian Institute of Chartered Accountants Handbook*.
8. International Accounting Standard 24 is currently used for the contribution regime, following Telecom Decision 2018-60, and was adopted in Telecom Information Bulletin 2019-396. This would provide for the consistent treatment of related entities under both the contribution regime and the telecom fees regime.

### **Call for comments**

9. Subsection 69(1) of the *Telecommunications Act* requires that a reasonable opportunity be given to interested persons to make representations regarding any proposed amendments to regulations prescribing fees. The purpose of this notice is to provide such an opportunity, in conjunction with the simultaneous publication of the proposed regulatory amendments in the *Canada Gazette, Part I*.
10. The proposed amendments to the Fees Regulations are appended to this notice. The Commission invites parties to comment on the proposed amendments set out in the appendix to this notice.

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<sup>1</sup> The majority of retail paging revenues are texting revenues, as defined in Telecom Order CRTC 2001-220.

## Procedure

11. The *Canadian Radio-television and Telecommunications Commission Rules of Practice and Procedure* (the Rules of Procedure) apply to this proceeding. The Rules of Procedure set out, among other things, the rules for the content, format, filing, and service of interventions, answers, replies, and requests for information; the procedure for filing confidential information and requesting its disclosure; and the conduct of public hearings. Accordingly, the procedure set out below must be read in conjunction with the Rules of Procedure and related documents, which can be found on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), under "[Statutes and regulations](#)." The guidelines set out in Broadcasting and Telecom Information Bulletin 2010-959 provide information to help interested persons and parties understand the Rules of Procedure so that they can more effectively participate in Commission proceedings.
12. Interested persons who wish to become parties to this proceeding may file an intervention with the Commission regarding the above-noted issues by **19 April 2022**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
13. Parties are permitted to coordinate, organize, and file, in a single submission, interventions by other interested persons who share their position. Information on how to file this type of submission, known as a joint supporting intervention, as well as a [template](#) for the accompanying cover letter to be filed by parties, can be found in Telecom Information Bulletin 2011-693.
14. All documents required to be served on parties to the proceeding must be served using the contact information contained in the interventions.
15. All parties may file replies to interventions with the Commission by **4 May 2022**.
16. The Commission encourages interested persons and parties to monitor the record of this proceeding, available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), for additional information that they may find useful when preparing their submissions.
17. Submissions longer than five pages should include a summary. Each paragraph of all submissions should be numbered, and the line **\*\*\*End of document\*\*\*** should follow the last paragraph. This will help the Commission verify that the document has not been damaged during electronic transmission.
18. Pursuant to Broadcasting and Telecom Information Bulletin 2015-242, the Commission expects incorporated entities and associations, and encourages all Canadians, to file submissions for Commission proceedings in accessible formats (for example, text-based file formats that enable text to be enlarged or modified, or read by screen readers). To provide assistance in this regard, the Commission has posted on its website [guidelines](#) for preparing documents in accessible formats.

19. Submissions must be filed by sending them to the Secretary General of the Commission using **only one** of the following means:

**by completing the**  
[\[Intervention form\]](#)

or

**by mail to**  
CRTC, Ottawa, Ontario K1A 0N2

or

**by fax to**  
819-994-0218

20. Parties who send documents electronically must ensure that they will be able to prove, upon Commission request, that filing, or where required, service of a particular document was completed. Accordingly, parties must keep proof of the sending and receipt of each document for 180 days after the date on which the document is filed or served. The Commission advises parties who file or serve documents by electronic means to exercise caution when using email for the service of documents, as it may be difficult to establish that service has occurred.
21. In accordance with the Rules of Procedure, a document must be received by the Commission and all relevant parties by 5 p.m. Vancouver time (8 p.m. Ottawa time) on the date it is due. Parties are responsible for ensuring the timely delivery of their submissions and will not be notified if their submissions are received after the deadline. Late submissions, including those due to postal delays, will not be considered by the Commission and will not be made part of the public record.
22. The Commission will not formally acknowledge submissions. It will, however, fully consider all submissions, which will form part of the public record of the proceeding, provided that the procedure for filing set out above has been followed.

### **Important notice**

23. All information that parties provide as part of this public process, except information designated confidential, whether sent by postal mail, fax, email, or through the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca), becomes part of a publicly accessible file and will be posted on the Commission's website. This includes all personal information, such as full names, email addresses, postal/street addresses, and telephone and fax numbers.
24. The personal information that parties provide will be used and may be disclosed for the purpose for which the information was obtained or compiled by the Commission, or for a use consistent with that purpose.

25. Documents received electronically or otherwise will be posted on the Commission's website in their entirety exactly as received, including any personal information contained therein, in the official language and format in which they are received. Documents not received electronically will be available in PDF format.
26. The information that parties provide to the Commission as part of this public process is entered into an unsearchable database dedicated to this specific public process. This database is accessible only from the web page of this particular public process. As a result, a general search of the Commission's website with the help of either its search engine or a third-party search engine will not provide access to the information that was provided as part of this public process.

### **Availability of documents**

27. Electronic versions of the interventions and other documents referred to in this notice are available on the Commission's website at [www.crtc.gc.ca](http://www.crtc.gc.ca) by using the public record number provided at the beginning of this notice or by visiting the "Consultations and hearings – Have your say!" section, then selecting "Public proceedings (consultations)." Documents can then be accessed by clicking on the links in the "Subject" and "Related Documents" columns associated with this particular notice.
28. Documents are also available at the following address, upon request, during normal business hours.

Les Terrasses de la Chaudière  
Central Building  
1 Promenade du Portage  
Gatineau, Quebec  
J8X 4B1  
Tel.: 819-997-2429  
Fax: 819-994-0218  
  
Toll-free telephone: 1-877-249-2782  
Toll-free TTY: 1-877-909-2782

Secretary General

### **Related documents**

- *Final 2020 revenue-percent charge and related matters*, Telecom Decision CRTC 2020-395, 7 December 2020
- *The Canadian revenue-based contribution regime, effective 1 January 2020*, Telecom Information Bulletin CRTC 2019-396, 4 December 2019
- *Canadian Telecommunications Contribution Consortium Inc. – Application to revise the Procedures for the Operation of the National Contribution Fund, effective 15 February 2018*, Telecom Decision CRTC 2018-60, 14 February 2018

- *Filing submissions for Commission proceedings in accessible formats*, Broadcasting and Telecom Information Bulletin CRTC 2015-242, 8 June 2015
- *Filing of joint supporting interventions*, Telecom Information Bulletin CRTC 2011-693, 8 November 2011
- *Guidelines on the CRTC Rules of Practice and Procedure*, Broadcasting and Telecom Information Bulletin CRTC 2010-959, 23 December 2010
- *The Canadian revenue-based contribution regime*, Telecom Circular CRTC 2007-15, 8 June 2007
- *Industry Consensus Reports submitted by the Contribution Collection Mechanism (CCM) Implementation Working Groups*, Order CRTC 2001-220, 15 March 2001

## Appendix to Telecom Notice of Consultation CRTC 2022-32

### Proposal for amendments to the *Telecommunications Fees Regulations, 2010*

The definitions *contribution-eligible revenues* and *related* in section 1 of the *Telecommunications Fees Regulations, 2010*, SOR/2010-65, to be replaced by the following:

***contribution-eligible revenues*** means revenues calculated in accordance with the formula set out in Part A of the Appendix to the Telecom Information Bulletin CRTC 2019-396, entitled *The Canadian revenue-based contribution regime, effective 1 January 2020* and published on December 4, 2019 (*revenus admissibles à la contribution*)

***related*** with respect to telecommunications service providers, has the same meaning as *related party* within the International Accounting Standard 24 in the *CPA Canada Handbook – Accounting*, as amended from time to time. (*apparentés*)