



Telecom Decision CRTC 2024-166

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Canadian Telecommunications Contribution Consortium Inc. – Application for approval of the renewal of the National Contribution Fund administrator

Summary

The National Contribution Fund (NCF) is a contribution regime that was established by the Commission to support Canadians' access to basic telecommunications services. The NCF collects funds from telecommunications service providers and supports various initiatives, including the Broadband Fund and Video Relay Service. It is critical to ensuring that all Canadians have access to reliable, affordable, and high-quality telecommunications services. The operations of the NCF are overseen by the Canadian Telecommunications Contribution Consortium Inc. (CTCC).

In this decision, the Commission designates Welch Fund Administration Services Inc. (Welch) as the central fund administrator of the NCF and approves the related amending agreement between Welch and the CTCC.

Background

1. In Decision 2000-745, the Commission introduced a national revenue-based contribution regime and related subsidy fund, which is known as the National Contribution Fund (NCF). The NCF collects funds from telecommunications service providers (TSPs) to support continued access by Canadians to basic telecommunications services, as described under subsection 46.5(1) of the *Telecommunications Act* (the Act). Collected amounts are used to provide funding for the Broadband Fund and Video Relay Service (VRS), which are vital to ensuring that Canadians have access to reliable, affordable, and high-quality telecommunications services.
2. The Canadian Telecommunications Contribution Consortium Inc. (CTCC) oversees the operation of the NCF. The CTCC is responsible for contracting the central fund administrator of the NCF, and it serves as a telecommunications industry intermediary between the Commission and the central fund administrator.
3. The central fund administrator is a third-party administrator that performs the accounting function for the NCF. Under subsection 46.5(2) of the Act, the

Commission must designate a person to administer the NCF because the Commission cannot do so internally. The central fund administrator is responsible for

- implementing Commission-approved decisions regarding operating procedures and the contribution pay-in rate for the NCF;
 - maintaining the system used by TSPs to report contribution-eligible revenue;
 - calculating monthly contribution payments and monthly subsidy entitlements;
 - collecting contribution funds from TSPs; and
 - distributing funding for the current funding regimes (i.e., VRS and the Broadband Fund).
4. In Telecom Decision 2020-350, the Commission approved the designation of Welch Fund Administration Services Inc. (Welch) as the central fund administrator of the NCF for a three-year period, starting 1 January 2021. In that decision, the Commission also approved the amending agreement between Welch and the CTCC. This agreement established the necessary procedures for the operation of the NCF.
 5. Welch has been the central fund administrator of the NCF since 2003. The Commission originally approved Welch as central fund administrator in Telecom Decision 2002-59 for a three-year period. Welch's continued designation and related amending agreements were approved in subsequent Commission decisions.

Application

6. On 20 December 2023, the Commission received an application from the CTCC requesting that the Commission approve (i) the continued designation of Welch as the central fund administrator of the NCF for an additional three-year term, and (ii) the related amending agreement between the CTCC and Welch, effective 1 January 2024.
7. The CTCC provided copies of the amending agreement and an acknowledgement and consent from Welch. Abridged versions of these documents were filed on the public record for comment, following a Commission staff request for information to the CTCC.
8. The Commission did not receive any interventions related to the CTCC's application.

Commission's analysis

9. The Commission has reviewed the amending agreement between the CTCC and Welch and the acknowledgement and consent by Welch. The Commission finds that the terms and conditions relating to the way Welch will administer the funds are reasonable and are in accordance with Decision 2000-745 and Telecom Regulatory Policies 2014-187 and 2018-377 (the policies that established VRS and the

Broadband Fund, respectively). Parties are reminded that any future amendments to the relevant agreements remain subject to the approval of the Commission.

10. The Commission notes that certain terms and provisions in the amending agreement between the CTCC and Welch require updating. For instance, some sections of the agreement refer to outdated modes of communication and outdated technology. The agreement should be revised in order to refer to modern modes of communication, technology, and the changing telecommunications environment.

Conclusion

11. In light of all of the above, the Commission designates Welch as the administrator of the NCF for a three-year term, starting 1 January 2024, and approves the related amending agreement between the CTCC and Welch, effective 1 January 2024.
12. The Commission expects the CTCC and Welch to file an updated agreement with the Commission for review within one year of the date of this decision.

Secretary General

Related documents

- *Canadian Telecommunications Contribution Consortium Inc. – Application for approval of the renewal of the National Contribution Fund administrator*, Telecom Decision CRTC 2020-350, 8 October 2020
- *Development of the Commission’s Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Video relay service*, Telecom Regulatory Policy CRTC 2014-187, 22 April 2014
- *National contribution fund - designation of administrator*, Telecom Decision CRTC 2002-59, 24 September 2002
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000