



Telecom Decision CRTC 2024-281

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Canadian Administrator of VRS (CAV), Inc. – Application requesting video relay service funding for 2025

Summary

Video relay service (VRS) is a basic telecommunications service that enables Sign language users and voice telephone users to communicate with each other. It provides users with more personal freedom and independence to communicate in real time with family and friends. It also helps facilitate making everyday calls and has a positive impact in the areas of employment, education, healthcare, and social connectedness.

The Commission approves the application submitted by the Canadian Administrator of VRS (CAV), Inc. for \$33,642,030 in funding from the National Contribution Fund for 2025. This funding will ensure that Canadian Sign language users who rely on VRS can continue to use the service in 2025, and that the service evolves to meet users' changing needs.

The Commission's continued support for VRS builds on its work on accessibility and advances the principles of the *Accessible Canada Act* by eliminating barriers to participation in Canadian society.

Regulatory framework

1. Video relay service (VRS) enables people who use Sign language to conduct telephone calls and communicate with voice telephone users in Sign language. VRS connects a Sign language user with another party via an operator who can interpret between sign language and spoken language.
2. In exercising its powers and performing its duties under the *Telecommunications Act* (the Act), the Commission must implement the Canadian telecommunications policy objectives set out in section 7 of the Act in accordance with the 2023 Policy Direction.¹ One of those policy objectives, set out in paragraph 2(d), is to enhance and protect the rights of consumers in their relationships with telecommunications service providers, including rights related to accessibility. The Commission prioritizes measures that

¹ *Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy*, SOR/2023-23, 10 February 2023

promote accessibility, address the social and economic needs of all Canadians, and empower Canadians to participate fully in society.

3. In Telecom Regulatory Policy 2014-187 (the VRS Policy), in which the Commission created the regulatory framework for VRS in Canada, the Commission decided that:
 - VRS must be offered in Canada in American Sign Language and Langue des signes québécoise;
 - telecommunications service providers (TSPs) would fund VRS nationally through the National Contribution Fund (NCF);
 - annual funding for VRS would be capped at \$30 million;
 - VRS would be implemented and overseen by an independent VRS administrator; and
 - the VRS administrator must meet the minimum requirements set out by the Commission for funds to be released from the NCF.
4. In Telecom Regulatory Policy 2014-659, the Commission approved the structure and mandate of the VRS administrator, the Canadian Administrator of VRS (CAV), Inc. (CAV). That mandate is to provide VRS to individuals who are Deaf, hard of hearing or who have a speech disability who use Sign language to communicate and to promote public awareness and education about the VRS service. In that regulatory policy, the Commission approved the CAV funding process, by which an annual budget would be approved by the Commission before expenditures are incurred, and amounts would be disbursed from the NCF in equal monthly instalments.

Application

5. On 31 July 2024, the CAV submitted an application requesting \$33,642,030 in funds from the NCF to operate VRS in Canada in 2025. The CAV acknowledged that the requested amount exceeds the funding cap of \$30 million established in the VRS Policy.
6. The CAV submitted that the exception to the funding cap is appropriate given the circumstances in which it provides vital services to its users, adding that Canada continues to experience inflation rates not seen in decades. It stated that the rates for video interpreters, which were renegotiated and took effect in May 2023, included substantial price increases reflecting both the ongoing inflationary environment and the fact that demand for interpreters currently exceeds supply. It added that it expects all its other costs to continue to rise. Therefore, it submitted that the amount requested is what is required to operate the service.
7. Furthermore, the CAV stated that it witnessed unprecedented growth in the context of the COVID-19 pandemic. The CAV added that this increased usage appears now to be

permanent. Usage levels have been maintained from 2021 to 2024 and are projected to be at the same level in 2025.

8. In addition, the CAV noted that its funding request reflects its focus on customer experience. The CAV specified that it has undertaken several initiatives to ensure that it is delivering on its mandate, while continually enhancing the quality of VRS in Canada to best meet the needs of its users. These initiatives aim to enhance VRS platform stability and resiliency, develop the CAV's communication materials and platforms, and improve customer support.
9. The CAV also requested that detailed figures for professional services and operational costs be designated as confidential, submitting that such disclosure would result in material financial loss, prejudice its position, and affect contractual negotiations with third parties.

Interventions

10. The Commission received interventions from the Canada Deaf Grassroots Movement (CDGM) supporting the CAV's application. No service providers or contributors to the NCF intervened.

Commission's analysis

11. The VRS Policy requires the CAV to file an application for annual funding with the Commission that demonstrates that all the VRS requirements have either been met or will be met. The Commission considers that the CAV's application demonstrates that the CAV continues to meet all the requirements set out in the VRS Policy, except the funding cap.

The \$30-million funding cap

12. Although the Commission, as an administrative tribunal, is not bound by its policies and precedents, it must ensure predictability and not act arbitrarily. If the Commission decides to make an exception to the VRS Policy, it should be justified and reasonable in the circumstances.
13. In Telecom Decision 2023-421 (the 2024 CAV Funding Decision), the Commission approved the first exception to the \$30 million cap because it was clear that the CAV's costs had increased over eight years of operation and that its expenditures for 2024 were projected to exceed the cap established in 2014.
14. The Commission considers that these circumstances have not changed since the 2024 CAV Funding Decision. The CAV only started approaching the cap in 2020 when usage levels increased significantly in the context of the COVID-19 pandemic. The usage levels since then have remained stable. Moreover, the Commission considers that the CAV continues to be an accountable steward of VRS in Canada. It has consistently

asked only for the funding that is necessary and sufficient to ensure the service continues to meet the needs of its users.

15. Consistent with its determinations in the 2024 CAV Funding Decision, the Commission considers that factors beyond the control of the CAV have led to the increase in its costs, namely the COVID-19 pandemic, the inflationary environment, and the shortage of video interpreters. Without the total amount of funding requested, the CAV would likely not be able to maintain its current level of service quality.
16. Finally, no party raised any objection to the amount of funding that the CAV requested, even though it exceeds the cap. The CDGM supported the amount proposed by the CAV.
17. In light of the above, the Commission considers that an exception to requirement 9 of the VRS Policy regarding the \$30-million funding cap is justified and reasonable in the circumstances of this case. The Commission will be able to make more comprehensive decisions regarding the future approach to the CAV's funding as part of the review of VRS.²

Request for confidentiality

18. The Commission approves the CAV's request to designate as confidential the detailed line breakdown of certain costs. This is in accordance with subsection 39(1) of the Act. Moreover, the direct harm to the CAV in revealing such information outweighs the public interest in its disclosure since it could affect the CAV's future negotiations with third parties and result in higher costs for the CAV.

Conclusion

19. In light of all of the above, the Commission approves, effective 1 January 2025, the CAV's application seeking \$33,642,030 in funding from the NCF for expenditures expected to be incurred in 2025.
20. The Commission directs the Central Fund Administrator of the NCF to remit the approved amount of \$33,642,030 to the CAV in 12 equal monthly instalments, beginning on 1 January 2025.

Secretary General

² In March 2021, the Commission issued Telecom Notice of Consultation 2021-102 to examine, among other things, whether the funding model (including the cap) remains appropriate.

Related documents

- *Call for comments – Review of video relay service*, Telecom Notice of Consultation CRTC 2021-102, 11 March 2021; as amended by Telecom Notices of Consultation CRTC 2021-102-1, 26 April 2021; 2021-102-2, 30 June 2021; 2021-102-3, 14 March 2022; and 2021-102-4, 19 September 2023
- *Structure and mandate of the video relay service administrator*, Telecom Regulatory Policy CRTC 2014-659, 18 December 2014
- *Video relay service*, Telecom Regulatory Policy CRTC 2014-187, 22 April 2014