



Telecom Decision CRTC 2011-384

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Ottawa, 20 June 2011

TELUS Communications Company – Request for a further drawdown from its deferral account for accessibility initiatives

File number: 8678-T66-201105859

In this decision, the Commission approves a drawdown by TCC of an additional \$1.2 million from the unallocated portion of its deferral account set aside for future accessibility initiatives to support a six-month extension of its Video Relay Service trial.

Introduction

1. The Commission received an application by TELUS Communications Company (TCC), dated 1 March 2011, requesting that the Commission approve (a) an extension of its Video Relay Service (VRS) trial from 12 to 18 months (i.e. until 15 January 2012) and (b) an additional drawdown of \$1.2 million from the company's deferral account¹ to pay for this extension.²
2. TCC filed economic studies in support of its request for the additional drawdown.
3. The Commission received 337 comments on the application from TCC's customers participating in the trial and from persons or groups representing the interests of people with hearing disabilities. All the comments supported extending the duration of the trial. The public record of this proceeding, which closed on 19 May 2011, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.
4. The Commission has identified the following issue to be addressed in this decision:
 - I. Should TCC be permitted to draw down from its deferral account an additional amount associated with the extension of its VRS trial?

Background

5. In Telecom Decision 2006-9, the Commission concluded that proposals that focus on improving accessibility to telecommunications services for persons with disabilities would be an appropriate use of the funds remaining in the incumbent local exchange

¹ TCC has one deferral account for its operating territories in Alberta and British Columbia, and one for its operating territory in Quebec. For convenience, these deferral accounts are referenced as one account in this decision.

² The Commission approved initial funding for trials related to Internet Protocol Relay Service and VRS in Telecom Decision 2008-1.

carriers' (ILECs) deferral accounts. The Commission directed TCC, among other ILECs, to allocate a minimum of five percent of the accumulated balance in its deferral account to fund programs to improve accessibility to telecommunications services for persons with disabilities.

6. In Telecom Decision 2008-1, the Commission, among other things, determined that TCC's proposal to introduce trials for Internet Protocol (IP) Relay Service and VRS constituted appropriate initiatives to improve accessibility to telecommunications services for persons with disabilities. In its submissions to that proceeding, TCC estimated that the costs associated with the trials for IP Relay Service and VRS were \$1.5 million³ and \$1.65 million, respectively.
7. In Telecom Decision 2008-1, the Commission also permitted the ILECs to set aside any unallocated portion of their accessibility funds for future accessibility initiatives (the unallocated accessibility funds).
8. In Telecom Decision 2010-679, the Commission allowed TCC to draw down \$1.1 million from the unallocated accessibility funds in its deferral account for the implementation of IP Relay Service and \$380,000 for the expansion of its VRS trial. TCC last estimated the cost of its VRS trial at \$2.03 million (in 2010), compared to its initial estimate of \$1.65 million.
9. Following that decision, TCC had \$2.423 million remaining in its unallocated accessibility funds. If the additional \$1.2 million drawdown is approved, the total cost of TCC's VRS trial will be \$3.23 million, and TCC will have \$1.223 million remaining in its unallocated accessibility funds to use on future accessibility initiatives.

I. Should TCC be permitted to draw down from its deferral account an additional amount associated with the extension of its VRS trial?

10. TCC submitted that the purpose of its VRS trial is to provide accurate market information for the Commission to decide whether VRS should be implemented in Canada, and if so, in what manner and whether regulatory intervention would be required for cost recovery.
11. TCC also submitted that extending the VRS trial would result in accurate and relevant information about the trial users' calling patterns, the related operating costs, and the number of interpreters and Internet bandwidth required, which would benefit TCC, other telecommunications service providers, persons with hearing and/or speech disabilities, and any parties that could potentially be involved in or affected by the provision of VRS in Canada. TCC further submitted that the extended trial period would enable it to provide the Commission with data that better reflect the reality of the market because trial users would have more time to familiarize themselves with

³ The initial estimate of \$1.5 million was filed in September 2006 as a follow-up to Telecom Decision 2006-9.

the service and the VRS technology and would therefore have more opportunities to effectively integrate the service into their regular ways of communicating.

12. TCC indicated that it is currently consulting and collaborating with groups in Alberta and British Columbia representing persons who are deaf or hard of hearing, and that these groups support the company's VRS trial extension request.
13. TCC submitted that, if the Commission approves its proposal, it will file a report with the Commission 12 months into its VRS trial, in July 2011, and a final report following the VRS trial's completion in January 2012.

Commission's analysis and determinations

14. The Commission notes that it has previously determined,
 - in Telecom Decision 2008-1, that TCC is to continue spending its remaining unallocated accessibility funds on accessibility initiatives that will benefit TCC's customers with disabilities in its ILEC serving territory;
 - in Broadcasting and Telecom Regulatory Policy 2009-430, that it is necessary to acquire further information on the cost, user market size, and projected use of VRS; and
 - in Broadcasting and Telecom Regulatory Policy 2009-430, that the data collected from TCC's VRS trial will be vital in determining whether the Commission should initiate a follow-up proceeding to consider if VRS should be implemented in Canada.
15. The Commission considers that the purpose of the VRS trial is to provide accurate market information for the Commission to consider whether or not a follow-up proceeding on VRS is warranted, and that the extension would contribute to a better understanding of the cost of VRS.
16. The Commission remains of the view that VRS would provide a significant benefit to persons with hearing and speech disabilities who communicate via sign language. However, based on the record of this proceeding, it has concerns about the significant cost of the service and potential cost recovery if the service were implemented.
17. The Commission considers that TCC's trial data provided to date supports the Commission's preliminary view, set out in Broadcasting and Telecom Regulatory Policy 2009-430, that the cost of providing VRS in Canada would be high, considering the need for highly skilled interpreters.
18. The Commission also considers that, while TCC's deferral account funds are sufficient to pay for the extension of this trial, no source of funding has been identified for the ongoing future provision of the service.

19. The Commission has reviewed TCC's revised cost estimates associated with the extended VRS trial and finds them to be reasonable.
20. In light of all the above, the Commission **approves** an additional drawdown of \$1.2 million from the Alberta and British Columbia portion of TCC's unallocated accessibility funds for the purpose of extending the duration of the company's VRS trial in order to better assess the cost of VRS.
21. The Commission directs TCC to include the following information in its final report to the Commission on its VRS trial:
 - the data previously requested by the Commission⁴ for the additional six-month period;
 - TCC's views on all the potential mechanisms or approaches⁵ involved in providing VRS that the company considers would appropriately manage the associated cost while maintaining service quality, and the advantages and disadvantages of each; and
 - TCC's views on whether VRS should be implemented in Canada and, if so, in what manner and whether regulatory intervention would be required for cost recovery.

Secretary General

Related documents

- *TELUS Communications Company – Request for an additional drawdown from its deferral account for accessibility initiatives*, Telecom Decision CRTC 2010-679, 10 September 2010
- *Accessibility of telecommunications and broadcasting services*, Broadcasting and Telecom Regulatory Policy CRTC 2009-430, 21 July 2009, as amended by Broadcasting and Telecom Regulatory Policy CRTC 2009-430-1, 17 December 2009
- *Use of deferral account funds to improve access to telecommunications services for persons with disabilities and to expand broadband services to rural and remote communities*, Telecom Decision CRTC 2008-1, 17 January 2008
- *Disposition of funds in the deferral accounts*, Telecom Decision CRTC 2006-9, 16 February 2006

⁴ See the Commission letter sent by email on 21 July 2009 with the subject line "Accessibility of Telecommunications and Broadcasting Services, Regulatory Policy CRTC 2009-430". The letter is available on the Commission's website at www.crtc.gc.ca.

⁵ For example, TCC's view on the impact of limiting hours of operation to hours of peak use.