



Telecom Notice of Consultation CRTC 2022-65

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Ottawa, 8 March 2022

Public record: 1011-NOC2022-0065

Call for comments – Funding next-generation 9-1-1 access services through the National Contribution Fund

Deadline for submission of interventions: 7 April 2022

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

Recent tariff filings have highlighted important cost-related disparities in the implementation of next-generation 9-1-1 (NG9-1-1) in different areas of Canada and with different service providers. Under the current mechanism for funding 9-1-1 access services¹ these disparities would lead to certain customers paying significantly more for the same service. The Commission is mindful that Canadians, including vulnerable and low-income Canadians as well as Canadians living in rural areas, should not have to face significantly higher costs to access 9-1-1 services.

The Commission hereby calls for comments on whether the provision of NG9-1-1 access services by telecommunications service providers (TSPs) should be funded, in whole or in part, through the National Contribution Fund.

The Commission states the preliminary view that the provision of NG9-1-1 access services by TSPs should be funded, in whole or in part, through the National Contribution Fund.

Background

1. In Telecom Regulatory Policy 2017-182, the Commission set out its determinations on the implementation and provision of next-generation 9-1-1 (NG9-1-1) networks and services in Canada. As part of that decision, the Commission determined, among other things, that NG9-1-1 Voice should be the first NG9-1-1 service to be supported on the NG9-1-1 networks and provided to Canadians. The Commission directed all incumbent local exchange carriers (ILECs) to establish their NG9-1-1 networks and to be ready to provide NG9-1-1 Voice wherever public safety answering points (PSAPs) have been established in a particular region. The Commission

¹ In this Notice of Consultation, 9-1-1 or NG9-1-1 access services refers to the services provided by telecommunications service providers and their operation of related networks that allow Canadians to connect to public safety answering points (PSAPs) by dialing 9-1-1 during an emergency. It does not include the cost of establishing and operating PSAPs, which are the responsibility of provincial, territorial, or municipal authorities.

also directed all telecommunications service providers (TSPs)² to make the necessary changes to support NG9-1-1 Voice throughout their operating territories.

2. In Telecom Regulatory Policy 2017-182, the Commission established strategic policy objectives³ and indicated that the transition of existing 9-1-1 voice services to NG9-1-1 Voice should take place in an efficient and timely manner that minimizes costs to Canadians and takes into account the needs of PSAPs and of the general public.
3. After a suspension of deadlines as a result of the COVID-19 pandemic, in Telecom Decision 2021-199 the Commission set a new deadline of 1 March 2022 for the establishment of NG9-1-1 networks and the introduction of NG9-1-1 Voice.⁴ The Commission further directed all ILECs, as the NG9-1-1 network providers, to file proposed NG9-1-1 wholesale and retail tariffs no later than 1 November 2021.⁵

NG9-1-1 tariffs

4. As of 1 November 2021, the Commission had received tariff notices from most ILECs, pursuant to the Commission's direction in Telecom Decision 2021-199. The ILECs that filed tariffs include Bell Canada,⁶ Saskatchewan Telecommunications, and TELUS Communications Inc. (the large ILECs), as well as 23 other smaller independent telephone companies operating in Ontario and Quebec (the small

² For the purpose of this Notice of Consultation, TSPs are restricted to originating network providers of local voice telephony services, including traditional wireline, wireless, and local voice over Internet Protocol telephony networks. In the future, they could be expanded to include other types of providers as new NG9-1-1 services are introduced.

³ These policy objectives are the following: increasing the safety of Canadians by giving them the best access to emergency services through world-class telecommunications networks; providing high-quality information, services, and support to PSAPs, which ultimately enables emergency responders to effectively assist Canadians; introducing NG9-1-1 solutions that are cost-effective, innovative, and transparent; during the transition to NG9-1-1, maintaining the existing high-quality, reliable 9-1-1 networks; ensuring an effective and timely transition to NG9-1-1; and using standards-based solutions that allow for flexibility and strive for national consistency.

⁴ Specifically, the Commission directed all ILECs, as the NG9-1-1 network providers to, by 1 March 2022, establish their NG9-1-1 networks, complete all NG9-1-1 production onboarding activities, and be ready to provide NG9-1-1 Voice, wherever PSAPs have been established in a particular region. The Commission also directed TSPs to (i) make the necessary changes to support NG9-1-1 Voice in their originating networks that are technically capable of supporting NG9-1-1 Voice, including completing all NG9-1-1 production onboarding activities and testing activities, by 1 March 2022; and (ii) begin providing, by 1 March 2022, NG9-1-1 Voice to their customers served by networks that are technically capable of supporting NG9-1-1 Voice, wherever PSAPs have been established in a particular region.

⁵ These tariffs were to include proposed rates supported by cost studies reflecting the incremental costs of adding new NG9-1-1 networks, services, or functionalities.

⁶ Bell Canada filed on behalf of itself and Bell Aliant, a division of Bell Canada; Bell MTS, a division of Bell Canada; DMTS, a division of Bell Canada; Groupe Maskatel LP, which includes Téléphone de Saint-Victor; Téléphone Upton and Téléphone de Saint-Éphrem; KMTS, a division of Bell Canada; NorthernTel, Limited Partnership; Ontera, a division of NorthernTel; and Télébec, Société en commandite.

ILECs). Appendix 1 provides a list of the small ILEC tariff notices and the associated links to the applications on the Commission's website.

5. The NG9-1-1 tariff proposals and accompanying submissions revealed a large disparity between the large and small ILECs in terms of the proposed rates. Such disparity reflects differences in costs associated with providing NG9-1-1 services and in customer bases from which to recover those costs. In particular, while the interim rates, based on submitted cost studies, for the large ILECs ranged from \$0.0951 to \$0.22, certain small ILECs, which have much fewer subscribers, proposed cost-based rates that ranged from \$0.45 to \$2.93 per month for retail and wholesale wireline and wireless network access subscribers, or from \$0.68 to \$10.55 per month for retail and wholesale wireline only network access subscribers.^{7,8}
6. While service providers should be able to recover costs for transitioning to NG9-1-1, Canadians, including vulnerable and low-income Canadians as well as Canadians living in rural areas, should not have to face significantly higher costs to access 9-1-1 services based solely on the geographic area they live in or their service provider.
7. In Telecom Order 2022-45, the Commission approved, for 20 small ILECs that are members of the Independent Telecommunications Providers Association (ITPA), an interim retail and wholesale rate of \$0.45 per network access subscriber per month for both wireline and wireless network access services. The Commission indicated that upon preliminary analysis of the tariff applications, the wide range of proposed tariffs filed by those small ILECs would pose a significant burden on Canadians who live in small ILEC territories with a low subscriber base.⁹
8. In Telecom Orders 2022-44, 2022-45, and 2022-46, the Commission further indicated its intent to launch a proceeding to consider funding NG9-1-1 through the National Contribution Fund (NCF).

NCF

9. The NCF is a national revenue-based contribution collection mechanism introduced in Decision 2000-745 and designed to support continued access by Canadians to basic telecommunications services, as envisaged in section 46.5 of the *Telecommunications Act* (the Act). All TSPs, or groups of related TSPs, with \$10 million or more in Canadian telecommunications service revenues are required

⁷ Amtelecom Limited Partnership and People's Tel Limited Partnership, both carrying on business as Eastlink, did not file cost studies in support of their NG9-1-1 rate, but proposed to adopt their currently approved 9-1-1 rate of \$0.24 as a proxy for the NG9-1-1 service.

⁸ The first set of proposed rates is informed, in part, by estimated demand that includes all wireless subscribers with billing addresses located within the incumbent operating territory of the relevant small ILEC and associated costs, whereas the second set of proposed rates excludes all wireless driven costs and demand.

⁹ In Telecom Orders 2022-46 and 2022-44, the Commission also approved on an interim basis the following rates: \$0.24 for Amtelecom and People's Tel and \$0.4508 for TBayTel.

to pay into the NCF. In Telecom Decision 2021-384, the Commission set an interim 2022 revenue-percent charge of 0.46% to collect a total of \$181 million, which is composed of \$1 million for the administrative costs of operating the NCF, \$30 million for the funding of Video Relay Service, and \$150 million for the funding of the Broadband Fund.

Funding NG9-1-1 access services costs through the NCF

10. Access to 9-1-1 services is a public good telecommunications service available in Canada since the 1970s and is of the utmost importance in protecting human life and property. The access to 9-1-1 services provided by TSPs plays a pivotal role in fulfilling the policy objectives set out in the Act, namely those set out in paragraphs 7(a), (b), and (h).¹⁰ The provision of 9-1-1 services is mandated wherever a PSAP has been established.
11. Given the nature of 9-1-1 access services and the role they play in furthering the implementation of various Canadian telecommunications policy objectives, the Commission considers that 9-1-1 access services are properly understood as basic telecommunications services for the purposes of section 46.5 of the Act.
12. Under the present mechanism for funding 9-1-1 access services, TSPs incur costs which are ultimately being recovered from end-users through tariffed rates or other billed charges. As NG9-1-1 is becoming the new standard nationwide for Canadians to request and obtain ambulance, police, and firefighting assistance, new costs are being incurred to establish and modify networks and provide relevant services.
13. While in Telecom Regulatory Policy 2017-182 the Commission determined that NG9-1-1 funding would operate through the ILECs' tariffs and that tariff rates would be established based on each NG9-1-1 network provider's cost plus an approved markup, new information, including recent proposed tariff filings, leads the Commission to believe that continuing with the current regime for funding 9-1-1 will result in certain subscribers being charged significantly higher monthly rates than others for essentially identical NG9-1-1 access services. Moreover, as more NG9-1-1 services are implemented in the coming years, this concern is likely to increase.
14. In light of the above, the Commission is of the preliminary view that the provision of NG9-1-1 access services by TSPs should be funded, in whole or in part, through the NCF.
15. While the costing information submitted as part of the previously mentioned tariff notices is still under review, it is estimated that funding NG9-1-1 could add

¹⁰ The cited policy objectives are 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions, 7(b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada, and 7(h) to respond to the economic and social requirements of users of telecommunications services.

approximately \$55 million annually to the NCF for the next five years to cover the costs associated with the NG9-1-1 networks of the large and small ILECs.

Call for comments

16. The Commission invites parties to comment on the matter of funding NG9-1-1 access services costs through the NCF, as well as the specific questions identified below.

17. When commenting, parties should include all necessary rationale and supporting evidence. The Commission will review the matters raised in this proceeding in light of the policy objectives set out in section 7 of the Act and will take into consideration the 2006 Policy Direction¹¹ and the 2019 Policy Direction¹² (collectively, the Policy Directions). Parties should take the policy objectives and Policy Directions into account and address their relevant aspects, as applicable.

18. The Commission invites parties and interested persons to consider and comment on the following questions:

Q1. Would it be appropriate to recover some or all of the NG9-1-1 access service costs through a subsidy mechanism? If so, which costs (e.g., costs associated with NG9-1-1 networks,¹³ NG9-1-1 related costs associated with the operation of originating networks,¹⁴ costs associated with implementation of NG9-1-1 versus ongoing costs)?

Q2. If only a portion of the NG9-1-1 related costs is to be recovered through a subsidy mechanism, how would the remaining costs be recovered (e.g., subscriber charge through tariffs or otherwise)?

Q3. Who should be eligible for disbursements from the subsidy fund for NG9-1-1 access service costs (e.g., only NG9-1-1 network providers, a subset of NG9-1-1 network providers, or other TSPs? If a subset of NG9-1-1 network providers or other TSPs, which ones and for which costs)? How should disbursements be determined and made (e.g., one-time payment to cover all relevant costs over a fixed period of time or other method)?

¹¹ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

¹² *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

¹³ For the purpose of this Notice of Consultation, the Commission defines the boundaries of the NG9-1-1 network as beginning at and including the points of interconnection between the originating networks and the NG9-1-1 networks, and ending at the demarcation points between the NG9-1-1 networks and the PSAPs.

¹⁴ Originating networks, in the context of the provision of 9-1-1 access services, refer to traditional wireline, wireless, and local voice over Internet Protocol telephony networks over which calls initiated by the end-user are transported to the points of interconnection with the 9-1-1 network.

Q4. Is there any reason that the Central Fund Administrator (CFA),¹⁵ supervised by the Canadian Telecommunications Contribution Consortium Inc. (CTCC),¹⁶ should not be responsible for administering any subsidy created for NG9-1-1 access services within the NCF?

- i. Would any changes be required to the governing agreements of the CFA or the CTCC in the event that NG9-1-1 access services costs were to be subsidized through the NCF?

Q5. If a new fund other than the NCF were to be established for NG9-1-1 access services costs,

- i. who would be required to contribute, how would the funds be collected, and on what basis would contribution liability be determined; and
- ii. who would administer the new fund and what oversight mechanisms would need to be established?

Q6. Should there be a sunset date or review date for any subsidy related to NG9-1-1 access services?

Q7. If contribution or subsidy is not an appropriate mechanism to deal with any concerns arising from divergent costs related to NG9-1-1 and differences in the size of customer bases from which to recover such costs, what other approach should the Commission consider to address these concerns?

ITPA application

19. The 2 March 2021 application by the ITPA regarding the development of retail and wholesale NG9-1-1 rates in the geographic areas covered by small ILECs' local exchanges is hereby being put on hold pending the Commission's determinations in this proceeding.¹⁷ A decision in this proceeding may impact the resolution of the ITPA application.

Procedure

20. 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

¹⁵ The CFA is responsible for maintaining the system used by TSPs to report contribution-eligible revenue, calculating monthly contribution payments, collecting contribution, and making payments to funding recipients.

¹⁶ The CTCC is responsible for establishing the procedures necessary for the operation of the NCF and contracting with a company to act as the CFA.

¹⁷ See the [ITPA's application](#).

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, 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.

21. The CTCC and all ILECs and competitive local exchange carriers are made parties to this proceeding and may file interventions with the Commission by **7 April 2022**.
22. Interested persons who wish to become parties to this proceeding must file an intervention with the Commission regarding the above-noted issues by **7 April 2022**. The intervention must be filed in accordance with section 26 of the Rules of Procedure.
23. 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.
24. All documents required to be served on parties to the proceeding must be served using the contact information contained in the interventions.
25. All parties may file replies to interventions with the Commission by **22 April 2022**.
26. 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, for additional information that they may find useful when preparing their submissions.
27. 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.
28. 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.
29. 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

30. 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.
31. 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.
32. 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

33. 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, 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.
34. 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.
35. 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.
36. 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

37. 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 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.
38. 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

- Telecom Order CRTC 2022-46, 23 February 2022
- Telecom Order CRTC 2022-45, 23 February 2022
- Telecom Order CRTC 2022-44, 23 February 2022
- *Final 2021 revenue-percent charge and related matters*, Telecom Decision CRTC 2021-384, 17 November 2021
- *Establishment of new deadlines for Canada's transition to next-generation 9-1-1*, Telecom Decision CRTC 2021-199, 14 June 2021
- *Next-generation 9-1-1 – Modernizing 9-1-1 networks to meet the public safety needs of Canadians*, Telecom Regulatory Policy CRTC 2017-182, 1 June 2017; as amended by Telecom Regulatory Policy CRTC 2017-182-1, 28 January 2019
- *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
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000

Appendix 1 to Telecom Notice of Consultation 2022-65

Relevant small ILEC tariff notices

Company name	Tariff notice number
9315-1884 Québec inc.	14, 14/A
Amtelecom Limited Partnership	84, 84/A
Brooke Telecom Co-operative Ltd.	22, 22/A, 22/B
Bruce Telecom Ontario Inc.	161, 161/A, 161/B
Cochrane Telecom Services	79, 79/A
CoopTel, coop de télécommunication	88, 88/A, 88/B
Execulink Telecom Inc.	79, 79/A
Gosfield North Communication Co-operative Limited	22, 22/A
Hay Communications Cooperative Limited	33, 33/A
Huron Telecommunications Co-operative Limited	40, 40/A
Lansdowne Rural Telephone Company Ltd.	18, 18/A
Mornington Communications Co-operative Limited	70, 70/A
Nexicom Telecommunications, a Division of Nexicom Inc.	52, 52/A
Nexicom Telephones, a Division of Nexicom Inc	44, 44/A
North Frontenac Telephone Corporation Ltd.	35, 35/A
North Renfrew Telephone Company Limited	44, 44/A
People's Tel Limited Partnership	93, 93/A
Quadro Communication Co-operative Inc.	37, 37/A, 37/B
TBayTel	174, 174/A
The Westport Telephone Company, Limited	46, 46/A
Tuckersmith Communications Co-operative Limited	34, 34/A
Sogetel inc.	189, 189/A
Wightman Telecom Ltd.	33, 33/A