



## Telecom Decision CRTC 2023-421

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Ottawa, 20 December 2023

*Public record: 8665-C209-202304814*

### **Canadian Administrator of VRS (CAV), Inc. – Application requesting video relay service funding for 2024**

#### **Summary**

The Commission **approves** the application submitted by the Canadian Administrator of VRS (CAV), Inc. (CAV) for \$33,793,452 in funding from the National Contribution Fund (NCF) for 2024. This amount is to be disbursed from the NCF to the CAV in 12 equal monthly instalments, beginning in January 2024. Access to this funding will enable the CAV to continue to offer video relay service (VRS) in Canada to the benefit of all Canadians, as envisioned by the Commission in Telecom Regulatory Policy 2014-187.

#### **Regulatory framework**

1. Video relay service (VRS) enables people who use sign language to conduct telephone calls and communicate with voice telephone users using 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.<sup>1</sup> One of those policy objectives, set out at 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 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 the establishment of VRS in Canada, the Commission decided that

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

- 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 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 this decision, the Commission approved the CAV funding process, whereby 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.
5. In March 2021, the Commission issued Telecom Notice of Consultation 2021-102 (the Review of VRS) to examine whether
- VRS addresses the needs of Canadians with hearing or speech disabilities;
  - aspects of the regulatory framework or the service require modifications; and
  - the CAV's governance structure and funding model (including the cap) remain appropriate.
6. At the time of publication of this decision, the Review of VRS is ongoing.

## **Application**

7. On 31 July 2023, the CAV submitted an application requesting \$33,793,452 in funds from the NCF to operate VRS in Canada in 2024. The CAV acknowledged that the requested amount exceeds the funding cap of \$30 million established in requirement 9 of Appendix B of the VRS Policy. A summary of the projected budget breakdown is set out in the appendix to this decision.
8. The CAV stated that the current inflationary environment and the fact that demand for video interpreters currently exceeds supply, which places upward pressure on the price of these services, have resulted in substantial price increases. Therefore, the amount requested is required to operate the service.

9. Further, the CAV stated that it witnessed unprecedented growth in the context of the COVID-19 pandemic and that this increase in usage appears to be permanent. Usage was the same in 2021 and 2022 and is projected to stay at that same level for 2023 and 2024. That level is 70% above that of 2019.
10. In addition, the CAV noted that its budget request reflects its focus on customer experience. The CAV specified that it has undertaken several initiatives to ensure that it is not only delivering on its mandate but also continually enhancing the quality of VRS in Canada to best meet the needs of its users. This includes continuing to provide VRS 24 hours a day, 7 days a week (24/7) even though the VRS Policy requires only a minimum of 72 hours of operation per week, 7 days a week. The CAV submitted that 24/7 service places VRS users on equal footing with voice telephony users.
11. The CAV also requested that detailed figures for professional services and operations costs be designated as confidential, stating that such disclosure would result in material financial loss, prejudice its position and affect contractual negotiations with third parties.

## **Interventions**

12. The Commission received interventions from the Canada Deaf Grassroots Movement (CDGM) and the Deaf and Hard of Hearing Coalition (DHH Coalition). No service providers or contributors to the NCF intervened. The Commission also received a reply from the CAV.
13. The CDGM supported the CAV's application, including exceeding the \$30 million funding cap. The DHH Coalition argued that the amount requested by the CAV (\$33,793,452) is insufficient and should be increased and that the funding cap should be removed altogether.

## **Commission's analysis**

14. Requirement 10 of Appendix B of the VRS Policy requires the CAV to file an application for annual funding with the Commission that demonstrates that all the VRS requirements have 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 Appendix B of the VRS Policy, except requirement 9 regarding the funding cap.

## **The \$30-million funding cap**

15. 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.

16. Each of the CAV's budget requests following the launch of VRS in 2016 has been under the \$30 million cap. The CAV nearly reached the cap starting in 2020 when VRS usage levels increased significantly in the context of the COVID-19 pandemic. The usage levels since then have remained stable.
17. The Commission considers that the CAV has been an accountable steward of VRS in Canada and has consistently asked only for the funding that is necessary and sufficient to ensure the service remains operational. The CAV should not be held responsible for the factors that have led to the increase in its costs, namely the COVID-19 pandemic, the inflationary environment, and the shortage of video interpreters. The Commission notes that without the total amount of funding requested, the CAV would likely not be able to maintain its current level of service quality.
18. Finally, no party raised any objection to the amount of funding that the CAV requested, even though it exceeds the cap. Both interveners supported the amount proposed by the CAV, and the DHH Coalition went further by saying that the amount was insufficient and should be increased.
19. In light of the above, the Commission considers that an exception to requirement 9 of the VRS Policy regarding the \$30-million budget cap is justified and reasonable in the circumstances. This applies only to the current application. The Commission will be able to make more comprehensive decisions as to the future approach to the CAV funding as part of the Review of VRS.

### **Request for confidentiality**

20. The Commission approves the CAV's request to designate as confidential the detailed line breakdown of certain costs. The Commission considers that this is in accordance with subsection 39(1) of the Act and that 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**

21. In light of all of the above, the Commission **approves**, effective 1 January 2024, the CAV's application seeking \$33,793,452 in funding from the NCF for expenditures expected to be incurred in 2024.
22. The Commission **directs** the Central Fund Administrator of the NCF to remit the approved amount of \$33,793,452 to the CAV in 12 equal monthly instalments, beginning on 1 January 2024.

Secretary General

## 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

## Appendix to Telecom Decision CRTC 2023-421

### The CAV's expenditure requirements for 2024

Expense category	2024 budget	% of total
Operations	\$29,108,019	87%
Wages	\$1,866,547	6%
Professional services	\$1,714,890	5%
Administration	\$542,214	2%
Board	\$200,000	<1%
Marketing – education and outreach	\$180,000	<1%
<b>Total</b>	<b>\$33,611,670</b>	<b>100%</b>

### Summary of the CAV's budget request for 2024

Item	Amount
Estimated expenditures for 2024	\$33,611,670
Subtract projected deferred contributions ending balance	-\$2,818,217
Funding request before reserves	\$30,793,452
Add balance sheet reserve of \$1 million	\$1,000,000
Add contingency of \$2 million	\$2,000,000
<b>Total 2024 budget request</b>	<b>\$33,793,452</b>