



Telecom Decision CRTC 2012-248

PDF version

Ottawa, 26 April 2012

Shaw Communications Inc. – Application to revise the reporting requirement for Canadian Numbering Administration funding

File number: 8698-S9-201200336

Introduction

1. The Commission received an application from Shaw Communications Inc. (Shaw), dated 13 January 2012, requesting that the Commission modify the filing requirements applicable to telecommunications revenue reporting for the purpose of determining annual funding for the operation of numbering administration in Canada. Specifically, Shaw requested that the Commission eliminate the requirement for telecommunications carriers with \$5 million or more of annual telecommunications revenues to file comfort letters¹ in support of their telecommunications revenue reports. Shaw submitted that a written attestation from a company's Chief Financial Officer as to the accuracy of the reported telecommunications revenues would be a more appropriate means of providing assurance as to the accuracy of that company's stated revenue.
2. The Commission received comments regarding Shaw's application from Bell Aliant Regional Communications, Limited Partnership and Bell Canada; Bragg Communications Inc., operating as EastLink; Canadian Numbering Administration Consortium Inc. (CNAC); Cogeco Cable Inc.; MTS Inc. and Allstream Inc., collectively referred to as MTS Allstream; the Ontario Telecommunications Association, and TELUS Communications Company. All parties supported Shaw's application.
3. The public record of this proceeding, which closed on 15 February 2012, is available on the Commission's website at www.crtc.gc.ca under "Public Proceedings" or by using the file number provided above.

¹ A "comfort letter" is a letter from an external auditor or accountant which verifies the correctness of a company's eligible telecommunications revenues being reported for the purpose of determining that company's contribution for the funding related to the operation of numbering administration. In preparing the comfort letter, the auditor or accountant is not expected to perform the same level of analysis and/or checks that would be performed in preparing audited financial statements.

Background

4. CNAC, operating under the regulatory oversight of the Commission, supervises the administrative aspects of numbering resource assignments in Canada, and is responsible for, among other things, the selection and funding of the Canadian Numbering Administrator (CNA).² CNAC's costs, and in turn the CNA's costs, are funded by telecommunications carriers that obtain numbering resources directly from the CNA.
5. Telecommunications carriers that contribute to CNAC's funding are required to submit to the CNAC Billing and Collection Agent³ an annual report of eligible telecommunications revenues, along with an officer's certificate attesting to the accuracy of the stated revenues. In addition, each year, contributing telecommunications carriers with \$5 million or more of annual telecommunications revenues must provide a comfort letter attesting to the accuracy of a company's eligible telecommunications revenues stated in reports filed with the Billing and Collection Agent. This information is used by the Billing and Collection Agent to determine each company's annual funding requirement for the operation of numbering administration in Canada.
6. The requirement for a comfort letter was established in a Commission letter dated 29 October 1998 that approved CNAC's funding mechanism.

Commission's analysis and determinations

7. The Commission notes that numbering administration is structured in a manner similar to the National Contribution Fund administration, which also involves an industry consortium and a Billing and Collection Agent.⁴ The Commission further notes that in place of a comfort letter, the reporting requirements for the purposes of the National Contribution Fund allow for an affidavit signed by two officers of a company to attest to the accuracy of the information filed, where one of the officers is the company's Chief Financial Officer.
8. The Commission considers that the affidavit as described above would be adequate to ensure the accuracy of the information provided to the CNAC Billing and Collection Agent, and would be consistent with the Policy Direction⁵ and the Commission's effort to streamline its processes and reduce regulatory cost. Accordingly, the Commission considers that it would be appropriate to rely on such an affidavit, in place of the existing requirement for a comfort letter, for the determination of the funding requirements for the operation of numbering administration in Canada.

² Science Applications International Corporation Canada has been contracted by CNAC to function as the Canadian Numbering Administrator in Canada.

³ CNAC has selected Welch & Company, LLP as its Billing and Collection Agent.

⁴ The National Contribution Fund Billing and Collection Agent is also Welch & Company, LLP.

⁵ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, P.C. 2006-1534, 14 December 2006

9. In light of the above, the Commission **approves** Shaw's request to eliminate the obligation of telecommunications carriers with \$5 million or more of annual telecommunications revenues to file a comfort letter when reporting revenue for the purpose of numbering administration funding in Canada. In its place, the Commission **determines** that an affidavit signed by a company's Chief Financial Officer and another officer of the company is required to be filed.

Secretary General