



Telecom Decision CRTC 2020-350

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Ottawa, 8 October 2020

Public record: 8695-C211-202004240

Canadian Telecommunications Contribution Consortium Inc. – Application for approval of the renewal of the National Contribution Fund administrator

Background

1. In Decision 2000-745, the Commission introduced a national revenue-based contribution regime and related subsidy fund, which is known as the National Contribution Fund (NCF), whereby money collected from telecommunications companies is used to subsidize residential local telephone service. In Telecom Regulatory Policy 2014-187, the Commission determined that a national video relay service would be implemented in Canada with funding being provided through the NCF.
2. In Telecom Regulatory Policy 2016-496, the Commission established the universal service objective, which sets out that Canadians have access to voice and broadband Internet access services on both fixed and mobile wireless networks. To help provide Canadians with access to those services, the Commission determined that it would establish a funding mechanism, known as the Broadband Fund. In Telecom Regulatory Policy 2018-377, the Commission determined that the Broadband Fund would be introduced within the NCF.
3. Pursuant to subsection 46.5(2) of the *Telecommunications Act*, the Commission must designate a person to administer the fund. In Telecom Decision 2017-370, the Commission approved the designation of Welch Fund Administration Services Inc. (Welch) as the administrator of the NCF for a three-year period, starting 1 January 2018. The Commission also approved the amending agreement between Welch and the Canadian Telecommunications Contribution Consortium Inc. (CTCC),¹ which is responsible for establishing the procedures necessary for the operation of the NCF.

Application

4. The Commission received an application from the CTCC, dated 16 July 2020, in which the CTCC requested that the Commission approve (i) the continued designation

¹ The original agreement was approved, effective 1 January 2003, in Telecom Decision 2002-59 for a three-year period. The Commission has approved, in subsequent decisions, the continued designation of Welch as the administrator of the NCF and the related amending agreements between the CTCC and Welch.

of Welch as the administrator of the NCF for an additional three-year term, and (ii) the related amending agreement between the CTCC and Welch, effective 1 January 2021.

5. The CTCC provided, on a confidential basis, copies of the amending agreement and an acknowledgement and consent by Welch LLP. The CTCC noted that the fees payable to Welch in the renewal term under the amending agreement are modestly higher than the fees payable to Welch in the previous amending agreement without any changes in the services to be provided.

Commission's analysis and determinations

6. The Commission has reviewed the amending agreement between the CTCC and Welch and the acknowledgement and consent by Welch LLP. The Commission finds that the terms and conditions relating to the manner in which Welch will administer the fund are reasonable and are in accordance with Decision 2000-745 and Telecom Regulatory Policies 2014-187 and 2018-377. Parties are reminded that any future amendments to the relevant agreements remain subject to the approval of the Commission.
7. Accordingly, the Commission designates Welch as the administrator of the NCF for a three-year term, starting 1 January 2021, and **approves** the related amending agreement between the CTCC and Welch, effective 1 January 2021.

Secretary General

Related documents

- *Development of the Commission's Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018
- *Canadian Telecommunications Contribution Consortium Inc. – Request for designation of the administrator for the National Contribution Fund*, Telecom Decision CRTC 2017-370, 19 October 2017
- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Video relay service*, Telecom Regulatory Policy CRTC 2014-187, 22 April 2014
- *National contribution fund – designation of administrator*, Telecom Decision CRTC 2002-59, 24 September 2002
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000