



## Telecom Decision CRTC 2025-236

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Gatineau, 10 September 2025

*Public record: 8698-C101-202402155*

### **Canadian Numbering Administration Consortium, Inc. (CNAC) – Application requesting approval for a change to the funding model used by CNAC for numbering administration purposes**

#### **Summary**

Telephone numbers are a finite resource and a key component of our modern communications system. Numbers are held by a central administrator and are made available to service providers on an as-needed basis.

Numbering administration is overseen in Canada by the Canadian Numbering Administration Consortium, Inc. (CNAC). CNAC's operations are funded from the revenues earned by the companies that receive telephone numbers and other numbering resources. Until this decision, companies paid fees towards CNAC funding that were based on their share of overall Canadian telecommunications revenue.

The Commission asked CNAC to consider possible changes to its funding model to help preserve numbering resources. In this decision, the Commission approves CNAC's recommendation to change the CNAC funding model in a way that encourages the preservation of numbering resources by basing CNAC fees on the amount of numbering resources companies use (the Resources Assigned funding model), rather than the revenue they earn (the Revenue Share funding model). This will give companies an incentive to request only the numbering resources they need. The Commission also considers that the new funding model will be more equitable and transparent because contributions to numbering administration costs will be directly tied to resource usage, based on information that is readily available.

Accordingly, the Commission directs CNAC to implement the Resources Assigned funding model as part of its 2026 annual funding requirement exercise, basing fees on resource assignment data from 1 January 2025 to 31 December 2025.

Through this decision, the Commission is continuing to ensure that Canada's inventory of telephone numbers is managed responsibly to the benefit of all Canadians.

Dissenting opinions by Commissioner Ellen C. Desmond, K.C. and Commissioner Bram Abramson are attached to this decision.

## Background

1. The Commission administers Canadian telephone numbers and other numbering resources pursuant to section 46.1 of the *Telecommunications Act* (the Act).
2. As provided by the Act, the Commission has delegated numbering administration to the Canadian Numbering Administration Consortium, Inc. (CNAC).<sup>1</sup> CNAC works under the regulatory oversight of the Commission.
3. CNAC's primary role is to select and fund a neutral administrator to act as Canadian Numbering Administrator (CNA) for the Canadian telecommunications industry. CNAC also pays the Canadian share of the costs of administering the North American Numbering Plan.<sup>2</sup>
4. CNAC's activities are funded through contributions from "eligible entities" that request and have been assigned Canadian numbering resources. These eligible entities include incumbent local exchange carriers (ILECs), competitive local exchange carriers (CLECs), independent telephone companies, Canadian international carriers, interexchange carriers, and wireless service providers (WSPs).
5. Currently, contributions are based on each eligible entity's revenue from certain telecommunications services. Each year, by 1 April, eligible entities must report their relevant revenue from the previous year on revenue reporting worksheets. Fees are calculated to be revenue neutral, such that no profit is earned by CNAC.

## Preservation of numbering resources

6. Telephone numbers are a finite resource and a key building block at the heart of our modern communications system. The demand for telephone numbers has grown steadily in recent years, driven by the increased use of cellphones and the rise of many new services, including Voice over Internet Protocol (VoIP) and Internet of Things devices such as connected vehicles, smart appliances, and home security systems. These services and devices rely on telephone numbers to operate within carrier networks and to support billing and service systems. As a result, measures to preserve numbers are important.
7. In March 2023, the Commission issued Telecom Notice of Consultation 2023-92 to address telephone number exhaust and to seek comments on a measure called thousand-block pooling. This approach involves assigning numbers in blocks of 1,000 instead of 10,000, helping to reduce the number of unused and unassigned numbers.

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<sup>1</sup> [Commission letter](#) dated 29 October 1998.

<sup>2</sup> The North American Numbering Plan is a telephone numbering system that assigns unique 10-digit numbers, including a 3-digit area code and a 7-digit local number, to facilitate call routing across participating countries like the United States, Canada, and several Caribbean nations.

The Commission also invited comments on other measures it could take to promote number preservation.

8. Some interveners in that proceeding suggested that, to promote number preservation, the method for recovering the costs of numbering administration could be changed from a model based on revenue to a model based on number use.
9. In response to the notice of consultation, the Commission issued Telecom Regulatory Policy 2024-26, in which it applied thousand-block pooling and other measures designed to help preserve telephone numbers. The Commission also directed CNAC to file an application recommending changes to the current funding model for numbering administration, or options for such changes.

## **Application**

10. On 5 April 2024, CNAC filed an application requesting approval to change the funding model used to calculate the fees charged to eligible entities for recovering the annual costs of administering numbering resources. CNAC proposed replacing the existing Revenue Share model with a Resources Assigned model.
11. Under the current Revenue Share funding model, each eligible entity's contribution is based on their share of the industry's gross Canadian telecommunications service revenues, subject to an annual minimum fee and a baseline fee.<sup>3</sup>
12. Under the Resources Assigned funding model, the annual funding requirement would continue to be based on CNAC's budget for the upcoming year (from 1 July to 30 June), structured to result in a zero surplus.<sup>4</sup> However, instead of being based on eligible entities' revenue, fees would be based on the numbering resources assigned to them within the preceding year (from 1 January to 31 December). There would be a set fee for all resources except central office (CO) codes,<sup>5</sup> for which the fee would fluctuate depending on the funding requirement and the number of CO codes assigned. There would also be an annual minimum fee.
13. Set fees would include:

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<sup>3</sup> Eligible entities whose annual gross revenue is less than \$5 million pay a percentage of the funding costs plus a baseline fee of \$50, for a minimum annual fee of \$100. Eligible entities whose annual gross revenue is above \$5 million pay a percentage of the funding costs plus a baseline fee of \$1,250, for a minimum annual fee of \$2,500.

<sup>4</sup> CNAC's revenue-neutral budget would include accounting for any previous year's deficit or surplus, or for any tax recovery efforts necessary to recover taxes paid for any previous year.

<sup>5</sup> A CO code is the first three digits of a seven-digit local telephone number. It helps route calls to the correct local area within a region.

- \$7,500 per international mobile subscription identity (IMSI)<sup>6</sup> mobile network code;
  - \$200 per other resource, such as 900-NXX blocks,<sup>7</sup> and 600-NXX and 6YY non-geographic codes;<sup>8</sup> and
  - an annual fee of \$200.
14. For CO codes, the fee would depend on three factors: (i) the CNAC funding requirement for a given year, (ii) the amount raised by the set fees, and (iii) the number of CO codes that were assigned in the previous year. The fee per CO code would be calculated to make up the shortfall between the funding requirement and the amount raised by the set fees. The fee per CO code would be arrived at by dividing the amount of the shortfall by the number of CO codes assigned.
15. Eligible entities would continue to be subject to other administrative fees such as late fees, payment plan fees, suspension fees, and interest, as required.
16. All eligible entities that currently receive numbering resources from the CNA would be required to pay fees for CNAC funding. Entities that are newly entitled to obtain numbering resources directly from the CNA would be required to pay CNAC fees following receipt of numbering resources.
17. In its application, CNAC cited several issues with the Revenue Share funding model which CNAC submits could be resolved by the Resources Assigned model:
- Incentive for Numbering Resource Conservation: The Revenue Share model does not incentivize conservation, as contributions are unrelated to the quantity of numbering resources held. In contrast, the Resources Assigned model introduces a direct conservation incentive by charging entities based on the quantity of numbering resources they are assigned. This approach encourages timely return of unused resources and discourages unnecessary requests.
  - Transparency and Verifiability: The Revenue Share model lacks transparency, as revenue data is submitted in confidence and eligible entities cannot independently verify how their contribution was calculated or how it compares to others. Under the Resources Assigned model, fee calculations

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<sup>6</sup> Each IMSI uniquely identifies the wireless subscription, the home network of the wireless subscription, and the home country of the home network. The IMSI is not intended to be used for dialing purposes.

<sup>7</sup> A 900 service enables customers to connect to telephone numbers that start with 1-900 for pay-per-call services.

<sup>8</sup> Non-geographic numbers are those that are not tied to a specific geographical region. They are sometimes used in caller-pays cellular services and machine-to-machine communications.

would be based on a clear and objective formula using publicly available information, enabling entities to validate their share of the annual funding requirement.

- Fairness and Equity: The Revenue Share model may lead to imbalances between contributions and resource usage—some entities with extensive holdings pay relatively little, while others contribute more despite using fewer resources. The Resources Assigned model ensures fairness by applying a uniform fee per unit of resource, aligning funding obligations with actual resource usage regardless of how the resources are monetized.
- Administrative Efficiency: The Revenue Share model imposes a significant administrative burden. CNAC must collect and assess complex revenue data, and eligible entities must submit affidavits, explain year-over-year variances, and distinguish between revenue types. The Resources Assigned model streamlines administration by relying on data already maintained by the CNA, eliminating the need for revenue disclosures and reducing the workload for both CNAC and industry participants.
- Adaptability to Industry Changes: The Revenue Share model is constrained by potentially outdated and ambiguous definitions of telecommunications revenue, which are subject to interpretation and may not capture all relevant services (e.g., mobile wireless<sup>9</sup> or wholesaling). The Resources Assigned model is better suited to evolving industry conditions, including the implementation of thousand-block pooling and the emergence of new numbering services. It allows for flexible pricing based on block size<sup>10</sup> and service type.

18. CNAC also named two other consequences of the proposed model:

- Some eligible entities would see their fees increase if their revenue share is less than their share of assigned numbering resources.
- The impact of this funding model on numbering resource preservation may vary, as the fee per CO code would decrease with higher assignment volumes. Since CNAC must maintain a revenue-neutral budget, it cannot

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<sup>9</sup> In Telecom Decision 2025-83, the Commission determined that, as currently defined in CNAC's Unanimous Shareholder Agreement, telecommunications services do not include the provision of mobile wireless data and that revenues earned from these services should be excluded when calculating contributions to CNAC funding.

<sup>10</sup> With thousand-block pooling, if an eligible entity does not require all of the 10,000 telephone numbers contained within a CO code, they would pay one tenth of the CO code fee multiplied by the number of thousand blocks assigned.

raise fees to encourage resource preservation. However, the effect could be offset if a significant number of unused resources were returned to the CNA.

19. To allow eligible entities to more easily transition from the current Revenue Share funding model, CNAC proposed that the new Resources Assigned funding model be phased in over a five-year period. During this transition, eligible entities would pay fees based concurrently on both funding models. The portion based on the Resources Assigned funding model would increase until it became the sole method for calculating fees in the fifth year.
20. CNAC indicated that the CNAC board of shareholder<sup>11</sup> representatives unanimously approved the proposal of the Resources Assigned funding model.
21. CNAC also evaluated several alternative funding models but did not recommend them, citing minimal benefits for eligible entities and limited impact on numbering resource preservation.

### **Positions of parties**

22. The Commission received interventions from Bell Canada; Iristel Inc., on behalf of itself and its affiliate Ice Wireless Inc. (Iristel); Quebecor Media Inc., on behalf of its affiliates Freedom Mobile Inc. and Videotron Ltd. (Quebecor); Rogers Communications Canada Inc., on behalf of itself and its affiliate Fido Solutions Inc. (Rogers); and TELUS Communications Inc. (TELUS).
23. Most parties supported CNAC's proposal. Bell Canada, Quebecor, Rogers, and TELUS echoed CNAC's concerns regarding the shortcomings of the Revenue Share funding model. They agreed that the Resources Assigned funding model would address those issues and cited various benefits of the Resources Assigned funding model:
  - It would encourage more responsible use of numbering resources, because eligible entities would have an incentive to request only resources they intend to use.
  - It would not rely on definitions that are subject to interpretation; instead, it would be based on a straightforward and unambiguous formula.

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<sup>11</sup> Any eligible entity required to fund the costs of numbering administration in Canada may voluntarily choose to become a shareholder of CNAC. The current CNAC board of shareholder representatives is composed of Amtelecom Group Inc.; Bell Canada; Exatel Inc.; Execulink Telecom Inc.; Fido Solutions Inc.; Hay Communications Co-operative Limited; ISP Telecom Inc.; Nexicom Telecommunications, a division of Nexicom Inc.; Quadro Communications Co-operative Inc.; The Westport Telephone Company, Limited; Rogers Communications Canada Inc.; Saskatchewan Telecommunications; TELUS Communications Inc.; Videotron Ltd.; and Wightman Telephone Ltd.

- It would correct the current inequity in the allocation of the annual fees, because fees would be based on the amount of resources actually used.
  - It would increase transparency, because the data used to calculate fees would be available to all eligible entities.
24. TELUS, in its role as a CNAC shareholder, confirmed that the Resources Assigned funding model was unanimously approved by the CNAC board of shareholder representatives. TELUS noted that industry participants had the opportunity to join CNAC's board of shareholders and comment on or object to the proposed model. TELUS was of the view that the unanimous consent of CNAC shareholders should therefore be taken as the unanimous consent of all payors.
25. Iristel, however, did not support CNAC's proposal. It submitted that the Revenue Share funding model is fair, because it takes into account the fact that the same numbering resources can generate different amounts of revenue.
26. Iristel submitted that the Resources Assigned funding model would disproportionately shift the cost of funding CNAC from large incumbent providers, which account for the overwhelming majority of telecommunications revenues, to smaller wholesale providers, and would put smaller providers at a competitive disadvantage.
27. Iristel further submitted that CNAC's assertion that the Resources Assigned funding model would slow the consumption of numbering resources is not a certainty. In Iristel's view, assigning a fee to numbering resources is unlikely to reduce consumption as a slight increase in fee would not deter eligible entities with financial means from purchasing large amounts of numbering resources.

### **Implementation of the Resources Assigned funding model**

28. With regards to timing for the implementation of the Resources Assigned funding model, TELUS and Rogers supported CNAC's proposal that it be implemented over a five-year period, indicating that a phased-in approach would help eligible entities acclimatize to the new funding model. TELUS also submitted that the proposed transition period would assist smaller carriers in dealing with budget fluctuations related to CNAC funding. TELUS added that the transition period would give carriers five years to find efficiencies in their use of numbering resources and adjust their business models to the new funding model.
29. Despite its overall opposition to changing the CNAC funding model, Iristel agreed that, should the Commission approve the Resources Assigned funding model, its implementation should occur gradually over a period of five years.
30. However, Bell Canada and Quebecor submitted that the new model should be implemented as quickly as possible, without a transition period. Bell Canada submitted that CNAC and eligible entities would be subject to undue administrative burden from having to maintain and file data for two sets of funding models.

Quebecor submitted that a gradual approach would delay the benefits associated with the new model while prolonging the distortions associated with the current model.

### **Commission's analysis**

31. The Commission notes that most interveners supported CNAC's proposal to replace the Revenue Share funding model with the Resources Assigned funding model. Furthermore, the Commission considers that the unanimous agreement regarding the proposal among members of the CNAC board of shareholder representatives, on which large, medium, and smaller ILECs, WSPs, CLECs, and resellers are represented, indicates that the telecommunications industry overall is ready to switch to the Resources Assigned funding model.

### **Numbering resource management**

32. The Commission considers that, unlike the Revenue Share funding model, the Resources Assigned funding model would encourage the responsible use of numbering resources because it places a cost on the use of those resources. Eligible entities would be given an incentive to request only the numbering resources they actually require.
33. The Commission notes its determinations in Telecom Regulatory Policy 2024-26 regarding thousand-block pooling, as well as an interim measure it imposed via Secretary General [letter](#) limiting the assignment of CO codes and requiring carriers to seek Commission approval if they want additional CO codes to preserve numbering resources. The Commission is of the view that implementation of the Resources Assigned funding model would complement the Commission's objectives in that regard.
34. Regarding Iristel's concern that eligible entities with financial means could purchase large quantities of numbering resources and thus contribute to resource exhaust, the Commission notes that, as acknowledged by Iristel, there is no evidence of this practice. Furthermore, confidential data shows that larger providers do not generally consume a disproportionate quantity of numbering resources. The Commission thus considers Iristel's concerns in this regard to be unjustified.
35. In light of the above, the Commission considers that the Resources Assigned funding model aligns with the Commission's numbering resource preservation efforts and CNAC's responsibility for numbering resource administration.
36. Regarding interveners' comments about simplicity of administration and transparency, the Commission considers that these factors provide additional reasons to switch to the Resources Assigned funding model, even if they do not have a direct impact on the preservation of numbering resources.

## **Equity**

37. The Commission notes that, under the existing Revenue Share funding model, an eligible entity that had been assigned only a few numbering resources within a reporting year might pay more towards CNAC funding than an eligible entity that had lower revenue but had been assigned many times more resources within the same time frame.
38. The Commission considers that the Resources Assigned funding model would lead to more equitable contributions to CNAC funding. Eligible entities that are assigned more numbering resources would pay more than those that are assigned less. Replacing the Revenue Share funding model would eliminate the phenomenon of eligible entities with higher revenues but with fewer assigned resources effectively subsidizing those with lower revenue that use more numbering resources.

## **Impact on smaller carriers**

39. Iristel submitted that, under the Resources Assigned funding model, CNAC funding would be disproportionately shifted to smaller carriers. The Commission acknowledges Iristel's concerns and considers it important that any reform to the funding model supports a diversity of players. In this regard, the Commission recognizes the need to avoid placing undue burden on smaller carriers, particularly those operating under different business models.
40. The Commission notes that data submitted in confidence by CNAC shows that some large providers have contributed disproportionately less relative to the quantity of numbering resources assigned to them. Under the Resources Assigned funding model, their share of CNAC funding would increase. In contrast, some smaller providers have been contributing more than their proportional share and would see a decrease in their funding obligations under the new model.
41. In this regard, the Commission notes that, under the Resources Assigned funding model, eligible entities would only pay for the numbering resources they are allocated. Therefore, even though the CO code fee might vary from year to year, contributions paid by eligible entities towards CNAC funding would be directly proportionate to their use of numbering resources, which the Commission deems reasonable.

## **CO code fee**

42. Because CO codes would cost less when more CO codes are assigned, eligible entities could request large quantities of CO codes with the hope of decreasing the value of each CO code.
43. However, there are other factors that lessen this concern. First, eligible entities are not privy to the numbering resource requests or assignments of other eligible entities. Second, contributions will always remain directly proportional to the number of resources an eligible entity is assigned. Therefore, while an eligible entity requesting

a large quantity of resources might have some influence on the CO code fee, the effect would be minimal if other eligible entities do not follow suit. Furthermore, it is not clear how an eligible entity would benefit from this strategy, because, in most cases, the cost of additional CO codes would outweigh any discount obtained.

44. An alternative would be to establish a set fee for CO codes at a level that would create a clear incentive for responsible use. This would also introduce additional clarity and predictability. However, establishing a fee at a level high enough to provide a true incentive could result in numbering resources becoming too expensive for small carriers, thus removing the equity benefits of the Resources Assigned funding model.
45. Furthermore, establishing a set fee for CO codes, instead of adjusting CO code fees to cover the part of CNAC's annual funding requirement not covered by the set fees, could result in CNAC generating a surplus, contrary to its revenue-neutral budget model.
46. Given the above, as well as the lack of record on this subject, the Commission is satisfied that the benefits to eligible entities resulting from the proposed approach to CO code pricing outweigh the risk of potential misuse of the CO code fee structure. This is bolstered by the need to maintain CNAC's revenue-neutral budget model.

#### **Implementation of the Resources Assigned funding model**

47. The Commission notes that, although there was no consensus among interveners regarding the proposed transitional period for implementing the Resources Assigned funding model, CNAC acknowledged that, if the Commission determined a transition period is not warranted, the new funding model could be implemented without delay.
48. The Commission is of the view that a transitional period during which both models are used, i.e., using data about both revenue and assignment of resources to calculate CNAC fees, would be unnecessarily complex. Furthermore, it would perpetuate the issues parties have noted with the current model. The Commission considers that a direct switch from the current model to the proposed model (i) would be easy to implement and (ii) would allow eligible entities to benefit from the increased transparency and equity afforded by the new model sooner.
49. However, some eligible entities may require additional time to adjust to the Resources Assigned funding model and prepare for changes to their fees. Considering this, the Commission is of the view that the Resources Assigned funding model should be implemented in time for the calculation of CNAC's 2026 budget, such that it would be based on resource assignment data from 1 January 2025 to 31 December 2025. This would allow sufficient time for the Commission to issue notice to affected parties and would provide a full year of resource assignment data for eligible entities to prepare for changes to fees.

## Conclusion

50. The Commission considers that the Resources Assigned funding model aligns with the Commission's numbering resource preservation efforts and with CNAC's responsibilities for numbering resource administration. The Commission also considers that the Resources Assigned funding model would benefit eligible entities by making the calculation of the fees they pay for CNAC funding more equitable and more transparent.
51. Accordingly, the Commission approves replacing the current Revenue Share funding model with the proposed Resources Assigned funding model for the calculation of eligible entities' contributions to CNAC funding.
52. Given the ongoing issues with the Revenue Share funding model, the Resources Assigned funding model should be implemented without the proposed five-year transition period. Instead, it should be implemented with a delay sufficient to allow eligible entities to plan for any impacts that might result from the change to the new model.
53. Accordingly, the Commission directs the Canadian Numbering Administration Consortium Inc. to implement the Resources Assigned funding model as part of its 2026 annual funding requirement exercise. Contributions from eligible entities for CNAC's 2026 budget will therefore be based on resource assignment data from 1 January 2025 to 31 December 2025.

Secretary General

## Related documents

- *Bell Canada – Request for clarity on the terms used to calculate annual funding for the Canadian Numbering Administration Consortium, Inc.*, Telecom Decision CRTC 2025-83, 31 March 2025
- *CISC Canadian Steering Committee on Numbering – Consensus reports CNRE141A and CNRE143A*, Telecom Decision CRTC 2024-266, 1 November 2024
- *Implementing thousand-block pooling*, Telecom Regulatory Policy CRTC 2024-26, 5 February 2024
- *Call for comments – Implementing thousand-block pooling*, Telecom Notice of Consultation CRTC 2023-92, 23 March 2023, as amended by Telecom Notices of Consultation CRTC 2023-92-1, 27 March 2023, and 2023-92-2, 18 April 2023

# Dissenting opinion of Commissioner Ellen C. Desmond, K.C.

## Background

1. At the heart of our communications system are telephone numbers. Due to the emergence of many new services (such as the Internet of Things applications) and the continued increase in cellphone use, more numbers are needed to serve Canadians. Given that numbers within our North American Numbering Plan are a finite resource, the Commission must now consider solutions to preserve the remaining inventory and avoid number exhaust.
2. On 5 February 2024, and as a result of Telecom Notice of Consultation 2023-92 (NoC), the Commission issued Telecom Regulatory Policy 2024-26 (Policy), putting in place a range of measures to ensure that Canada's remaining inventory is managed responsibly.
3. In addition, and in response to submissions made in the NoC, the Commission directed the Canadian Numbering Administration Consortium, Inc. (CNAC) to file an application to address the current funding model for number administration. Historically, companies have paid fees towards CNAC's funding based on their share of overall Canadian telecommunications revenue (the Revenue Share funding model). The Commission asked CNAC to consider possible changes to this model that may, in turn, help preserve resources.
4. The Commission stated, in part, at paragraph 37 of this Policy:

In light of the above, the Commission directs [...] CNAC to file a Part 1 application, by 5 April 2024, broadly serving its application on all LECs and wireless carriers registered with the Commission, and recommending (as appropriate) changes to the funding model for numbering administration, or options for such changes. CNAC should include the pros and cons of each option and the anticipated impacts on carriers and on number preservation.

## The CNAC proposal

5. CNAC did file its application, as directed. The CNAC proposal, an abridged copy of which is on the public record in this matter, sets out the issues with the current Revenue Share funding model, recommends a new approach based on how resources are assigned (Resources Assigned funding model), details how fees would be calculated, and provides a timeline for implementation.
6. CNAC states as follows at paragraph 7 of its application:

In 2023, CNAC appointed an ad hoc committee made up of several CNAC board members representing large, medium, and smaller TSPs [telecommunications service providers] (the "CNAC Funding Review Committee") for the purpose of examining the current CNAC funding mechanism to determine if changes to the same were necessary or desirable. Following its review, the committee

recommended that the CNAC funding mechanism be changed from the current model, which is based on the respective revenue share of the TSPs, to a resource assigned model. This proposal was unanimously approved by the CNAC board of shareholder representatives at a meeting held on 29 November 2023.

7. It is noteworthy that the Funding Review Committee, specifically appointed to examine this issue, was comprised of various service providers, both large and small. The Committee then made a recommendation to the CNAC board of shareholder representatives, and this recommendation received unanimous support, prior to CNAC's filing with the Commission.

### **New proposed Resources Assigned funding model**

8. Parties to this proceeding have now had the opportunity to comment on the CNAC proposal, and again, it has received broad support. TELUS Communications Inc., in its submission, notes that the unanimous consent of CNAC shareholders should be taken as the unanimous consent of all payors.
9. The majority, in its decision, particularly at paragraph 31, places emphasis on this unanimity of views. They state, in part, as follows:

[...] the Commission considers that the unanimous agreement regarding the proposal among members of the CNAC board of shareholder representatives, on which large, medium, and smaller ILECs, WSPs, CLECs, and resellers are represented, indicates that the telecommunications industry overall is ready to switch to the Resources Assigned funding model.

10. Clearly the CNAC proposal to move to a Resources Assigned funding model has extensive support. It will encourage more responsible use of numbering resources and is intended to correct any inequity in the allocation of fees. I agree with the majority that this new approach should be adopted.

### **Implementation of the Resources Assigned funding model**

11. The majority has also concluded that this new model should be put in place without a transition period. In their view, a direct switch to the Resources Assigned funding model will be easier to implement and it is important that entities benefit from equity and transparency sooner. The majority has decided that the new model should be implemented in time for the calculation of CNAC's 2026 budget.
12. With the greatest respect to my colleagues, I do not agree with the timeline and approach to implementation that they have adopted. While moving with expediency may provide the anticipated benefits more quickly, parties need time to adapt to and implement the new model.
13. CNAC specifically states at paragraph 34 of its application:

In order to allow Eligible Entities to more easily transition from the current Revenue Share Funding Model to the proposed Resources Assigned Funding Model, CNAC proposes that the new funding model be phased in over four years with exclusive use of the new funding model to commence in year five. During the transition period, a hybrid formula will be used that calculates the CNAC annual fee using both the Revenue Share Funding Model and the Resources Assigned Funding Model [...].

14. Various parties to this proceeding also supported the phased-in approach, indicating that a transition period would assist smaller carriers that must deal with budget fluctuations. It would likewise allow carriers the opportunity to adjust their business models. CNAC's application also sets out that, with this phased-in approach, the new model could be implemented without delay.<sup>1</sup>
15. The fact that a consensus was achieved on the CNAC-recommended timeline and implementation plan should be also carefully considered. As noted above, this recommendation reflects the views of CNAC members and accounts for TSPs of all sizes.
16. In my view, the implementation and transition period, carefully detailed in the CNAC submission, should be adopted. It provides parties with more time to adapt and has the support of many TSPs that will ultimately be required to implement the new model.

## **Conclusion**

17. I support the adoption of the proposed Resources Assigned funding model.
18. This new model should be phased in, as set out in the CNAC application, and put in place without delay.

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<sup>1</sup> See paragraph 83 of the CNAC application.

## Dissenting opinion of Commissioner Bram Abramson

1. Asked whether the revenue-based cost recovery model for Canada’s North American Numbering Plan (NANP)<sup>1</sup> resources (Revenue Share model) could instead be tied to usage to promote preservation, the Canadian Numbering Administration Consortium Inc. (CNAC) responded with an answer and a proposal.
2. The answer was yes. The proposal was a “Resources Assigned” model consisting of a nominal annual base fee (\$200), plus annual pay-per-use rates that are:
  - fixed for mobile network codes (MNCs: \$7,500 each);<sup>2</sup>
  - fixed for non-geographic codes (6YY-NXX, 900-NXX: \$200 each); but
  - float annually according to numbering administration costs for the NPA-NXX 10,000-number blocks (NXX blocks) and NPA-NXX-X thousand blocks (thousand blocks) which, nested under area codes (NPAs) and tied to specific Central Offices (COs), make up the most commonly-assigned numbering resources. These CO codes (NXXs and thousand blocks) would be charged uniformly per number, recalculated each year.
3. The previous Revenue Share approach was business-model-neutral. It tied cost recovery to carriers’ total revenues from number-dependent services. So services that earned more per telephone number (typically retail business and residential services) meant higher payments. Services earning less (like wholesale enablement services) meant lesser payments. For conservation, the system relied on mechanisms like:
  - requirements to show genuine need. Additional CO codes require certifying that existing resources could not reasonably meet 12-month needs, or that a unique purpose otherwise justified additional allocation;<sup>3</sup> and

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<sup>1</sup> See, generally, footnote **Error! Bookmark not defined.** in the majority decision. The International Telecommunications Union’s TEL branch, known widely as the ITU-T, administers the global E.164 numbering plan, named for the recommendation number that documents its functioning. The E.164 plan delegates the +1 zone to the U.S. Federal Communications Commission (FCC), which contracts out NANP administration functions to SomosGov Inc.; the FCC, acting through SomosGov Inc., sub-delegates NANP resources to Canada.

<sup>2</sup> The majority refers to these as International Mobile Subscriber Identity (IMSI) codes. But the fee is obviously intended to be on a per-MNC basis—not per IMSI code, which is unique to each Subscriber Identity Module.

<sup>3</sup> [Central Office Code \(NXX\) Assignment Guideline](#), Version 12.0, approved in Telecom Decision 2024-266, section 4.2, and [Part 1 Form](#), sections 1.6 and 1.7.

- natural disincentives arising from the costs of deploying new CO codes, especially in new exchanges requiring interconnection, trunking, administrative set-up, and sometimes new collocations.
4. The Revenue Share model was administered in a way that imposed significant administrative burden on carriers, who had to complete complex revenue worksheets separate from the Canadian Radio-television and Telecommunications Commission's (CRTC) existing revenue reporting process. Ironically, CNAC's proposed five-year transition would have resolved this flaw—not by scrapping the revenue-based model, but by designating cells in carriers' existing annual CRTC returns on which to rely. Duplicative and parallel reporting obligations whose duplication was not worth the extra effort could finally have been eliminated.
  5. The fix has come too late. The Revenue Share model is being replaced altogether, and quickly. CNAC's proposed five-year transition plan has also been rejected, for reasons that remain unclear to me. On this, I agree with the dissenting opinion of my colleague, Commissioner Desmond.
  6. Why? CNAC, and the Telecommunications Committee majority,<sup>4</sup> argue most centrally that the Resources Assigned model is more “equitable”, by which they mean that it imposes uniform costs per unit of resource. But this reasoning is entirely circular. If one defines equity as cost-per-resource, then a metric built around that definition will, by design, appear equitable.
  7. The shift to a Resources Assigned model replaces a revenue-based cost recovery approach that was tied to the economic value parties derive from numbering resources. Its replacement is instead focused on the volume of resources consumed. Each model reflects a different vision of fairness. The real question proceeds outward from definitions to focus, instead, on their evaluation and alignment with Canada's telecommunications policy objectives. Does the newer model produce better outcomes, as measured against that policy?
  8. It is not clear that it does.
  9. The shift creates winners and losers. The losers are carrier groups whose business models lean heavily on wholesale services: they will now pay more. The winners are the major carrier groups whose models are more focused on retail telecom services, and have the greatest number-dependent revenues. They will now pay much less.

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<sup>4</sup> On behalf of the Commission: *Telecommunications Committee*, By-Law No. 10, paragraph (e) (“Any act or thing done by the Telecommunications Committee shall be deemed to be an act or thing done by the members”), adopted pursuant to *Canadian Radio-television and Telecommunications Commission Act*, R.S.C. 1985, c. C-22 (CRTC Act), subsection 12(3)—as distinguished from a panel struck under subsection 6(2) of the CRTC Act: *Shoan v. Canada (Attorney General)*, 2016 FCA 261, para 6.

10. Market-based competition, including that enabled by wholesale services, is a foundational policy principle. The Revenue Share model respected that principle: it did not penalize thinner-margin wholesale activity that unlocks broader market participation. By contrast, the Resources Assigned model effectively penalizes carriers for supporting downstream competition. Instead it shifts its policy focus from competition to conservation.
11. The question the Telecommunications Committee ought therefore to have posed, in my respectful view, is thus whether the proposed model's conservation gains outweigh its competition sacrifices. All the more so given the change's effect of transferring costs from wholesale competitors to major incumbent retail groups. Had that conservation-versus-competition frame structured our analysis, as in my respectful view it should have, the response would have been no, for two reasons.
12. First, the new Resources Assigned model's conservation potential is speculative. As CNAC itself "explains in its Application, it is unclear what impact, if any, CNAC's proposed model will have in terms of number conservation."<sup>5</sup> Existing rules already require proof of need for additional blocks. A more effective approach might have been to strengthen enforcement, especially by incenting wholesale providers to better track downstream usage, on pain of pausing further allocations and even reclaiming underused blocks.
13. Second, consideration of alternative models that might have better married business model neutrality with conservation incentives was not in evidence. The initial CO code assigned to a new exchange is already costly. Why not apply incremental per-block charges only to subsequent codes, or adopt an escalating fee per additional CO code per exchange, rather than a flat fee regardless of whether the CO codes are concentrated in particular exchanges or spread across them?
14. And if the true issue is a free-rider dilemma, as CNAC implied in its reply filing,<sup>6</sup> then would the better approach not have been to pinpoint the relevant revenue cells in carriers' Data Collection System (DCS) filings; expand the pool of cost-payers to include resellers that file DCS returns; or both?
15. Some cost recovery model is needed. CNAC deserves credit for its thoughtful work responding to our own direction to explore a conservation-oriented alternative. I agree with parties who noted that the sums involved are unlikely, on their own, to create the deciding incentive structures. Still, a decision was before us: replace the old Revenue Share model with the new Resources Assigned one, or not? Given the speculative benefits, disincentive structure for wholesale competition, and unexplored middle

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<sup>5</sup> TELUS intervention, 29 May 2024, paragraph 18.

<sup>6</sup> CNAC reply, 10 June 2024, paragraphs 8-10.

ground, better to have focused on reforming the existing model through stronger enforcement and simpler administration.