



Telecom Decision CRTC 2025-83

PDF version

Reference: Part 1 application posted on 2 February 2024

Gatineau, 31 March 2025

Public record: 8633-B2-202400323

Bell Canada – Request for clarity on the terms used to calculate annual funding for the Canadian Numbering Administration Consortium, Inc.

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.

This decision clarifies how to determine the amount of money each company is required to pay to support CNAC's operations. In particular, it focuses on whether revenues earned from wireless data and texting services should be included when determining contributions to CNAC.

CNAC's relevant governing document is called its Unanimous Shareholders Agreement. That document states that CNAC contribution amounts are based on services that use numbering resources and are provided over the publicly switched telephone network (PSTN), which is the traditional voice telephone system.

Although wireless data and text services use numbering resources, they are not provided over the PSTN. The Commission therefore determines that revenues earned from these services should be excluded when calculating contributions to CNAC funding.

As a result of this decision, the Commission is directing companies to file updated 2023 revenue reporting worksheets for the 2022 revenue year, so that their contributions to CNAC can be calculated appropriately.

Background

Funding mechanism of the Canadian Numbering Administration Consortium, Inc.

1. The Commission helps administer 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).¹ CNAC works under the regulatory oversight of the Commission.
3. CNAC's activities are funded through contributions from entities that request and have been assigned Canadian numbering resources. These groups are referred to as "eligible persons" in CNAC's Unanimous Shareholders' Agreement (CNAC USA). Eligible persons include incumbent local exchange carriers, competitive local exchange carriers, independent telephone companies, Canadian international carriers, interexchange carriers, and wireless service providers (WSPs).
4. Contributions are based on each eligible person's revenue from different telecommunications services. Each year, by April 1, eligible persons must report their relevant revenue of the previous year on revenue reporting worksheets.

Initial staff interpretation of the definition of telecommunications services in the CNAC USA²

5. In spring 2023, when Bell Canada submitted its 2022 revenue report to CNAC, it excluded the revenue from Bell Mobility Inc.'s (Bell Mobility) wireless data services. Bell Canada based that decision on its interpretation of the definition of telecommunications services in the CNAC USA.
6. After discussions with Bell Canada, CNAC informed the Commission that some large WSPs consider wireless data services to be an Internet service, not a telecommunications service. Those WSPs submitted that revenue from wireless data services should not count towards revenue calculations for wireless telephony services. Because of this issue, CNAC asked Commission staff for guidance on whether revenue from wireless data services should be included in calculating contributions for CNAC funding.

¹ [Commission Letter](#) dated 29 October 1998

² Note that throughout this decision the terms "telecommunications services" and "telecommunications services revenue" are used with reference to their definitions in the CNAC USA and/or CNAC's revenue reporting worksheets. A broader interpretation of those terms outside of that context is not intended.

7. In a [letter](#) to CNAC dated 11 July 2023, Commission staff affirmed that wireless data services should count towards the calculations of contributions towards CNAC's funding:

[...] [W]ireless data services, which use numbering resources, fall within the scope of "wireless telephony services" and are therefore telecommunications services. As such, data services provided over a mobile wireless network should be factored into total telecommunications services revenue for the purpose of calculating contributions to Canadian Numbering Administration.

8. Commission staff based its interpretation on a 1998 Commission [letter](#) addressed to CNAC, which stated that, pursuant to the CNAC USA, telecommunications services are defined as

[...] services which are provided over the public switched telephone network (PSTN) by Eligible Persons and which utilize numbering resources including, for greater certainty and without limitation, local exchange services, long distance services, wireless telephony services, and international long distance services; but shall exclude enhanced services (e.g. call answer, speed dialing, three-way calling), the sale or lease of terminal equipment (e.g. telephone sets, PBX's, key systems, answer-record machines, computers), the sale or lease of private lines, other private lines, and private network services, internet services, and paging services.

9. CNAC shared staff's letter with Bell Canada and instructed it to refile its 2023 revenue reporting worksheets for the 2022 revenue year with calculations in accordance with this interpretation on or before 31 January 2024.

Application

10. On 30 January 2024, Bell Canada, on behalf of itself and its affiliates, filed an application with the Commission seeking clarification on how contributions towards CNAC's annual funding should be calculated.
11. Bell Canada noted that in March 2023, it resubmitted Bell Mobility's 2021 revenue calculations due to a major shift to bundled, data-focused wireless rate plans. Bell Canada stated that the previous rate plans used to calculate the fair market valuations of its revenue were from 2019 and were outdated. Bell Canada updated the revenue calculations using its 2022 rate plans for wireless voice, data, and text. In so doing, Bell Canada explained that its data services revenues should not be used in CNAC's funding calculations.
12. Bell Canada submitted that wireless data services are not telecommunications services for CNAC funding calculations. Bell Canada also submitted that CNAC's and Commission staff's interpretation:

- a) did not apply the plain and ordinary meaning of the words “provided over the PSTN” as they appear in the definition of telecommunications services and ignored the definition’s PSTN requirement;
- b) elevated the phrase “wireless telephony service”, an example of an included telephony service, ahead of and in priority over the PSTN pre-condition;
- c) did not interpret the definition of telecommunications services holistically and contextually in harmony with the drafter’s intent consistent with other conditions of the CNAC USA; and
- d) assumed that Bell Mobility’s wireless data services and short message service (SMS) access the PSTN when they do not.

13. Consequently, Bell Canada requested that the Commission:

- a) determine that the definition of telecommunications services as it appears in the CNAC USA does not apply to Bell Canada’s wireless data services or SMS when those services are provided over Bell Canada’s Internet Protocol (IP) network separate and apart from the PSTN;
- b) determine that the definition of telecommunications services revenue as it appears in CNAC’s reporting worksheets does not include wireless data service or SMS revenues when they are provided by eligible persons over an IP network separate and apart from the PSTN;
- c) direct eligible persons to refile their revenue reporting worksheets with CNAC for 2022 and 2023 based on their telecommunications services revenues for 2021 and 2022 respectively, in accordance with the Commission’s above determinations; and
- d) direct that CNAC’s requirement for Bell Mobility to refile its 2023 worksheet on or before 31 January 2024 be paused, and that all other CNAC deadlines for filing reporting worksheets be similarly paused pending the Commission’s issuance of relief regarding items 13(a) through (c), with such instructions as the Commission considers just and reasonable in the circumstances.

14. The Commission received interventions from CNAC; Quebecor Media Inc., on behalf of its subsidiary Videotron Ltd. (Quebecor); Rogers Communications Canada Inc., on behalf of itself and Fido Solutions Inc. (Rogers); and TELUS Communications Inc. (TELUS).

Positions of parties

Rogers, TELUS, and Quebecor

15. Rogers and TELUS both agreed with Bell Canada's position that for a service to be a telecommunications service under the CNAC USA, it must operate over the PSTN and use numbering resources. In their view, because wireless data services and SMS are not provided over the PSTN, they do not meet the conditions needed to be considered a telecommunications service under the CNAC USA.
16. However, TELUS suggested that, to ensure fairness, clear procedures, and efficient administration, any Commission determinations arising from Bell Canada's application should only affect future filings.
17. Quebecor submitted that, since telecommunications services providers (TSPs) must assign telephone numbers to users of wireless data services and SMS, wireless data services and SMS should be included in the definition of telecommunications services for the purposes of determining CNAC funding amounts. Quebecor did note, however, that Bell Canada's wireless data services and SMS ultimately use IP interconnections, not the PSTN.

CNAC

18. CNAC's main arguments were related to its position that telecommunications services include wireless data, as follows:
 - Wireless data services and SMS are not among the specific exclusions within the agreed-upon definition of telecommunications services. This suggests that they are included in that definition.
 - Wireless mobile service is generally offered to the customer as a single service for one price. The various elements of voice, data, and SMS are not split out on a customer's bill as separate charges.
 - Mobile services, including voice, data, and SMS, are delivered over the PSTN given that the wireless signal from the cell tower to the mobile device is an integral element of the PSTN.
19. CNAC noted that the CNAC USA definitions of telecommunications services and telecommunications services revenue were set in 1998. At that time, mobile services were mainly used for voice. Other services requiring numbering resources were available but still relatively new. CNAC submitted that these definitions are now outdated and do not reflect the technology or services that TSPs use or offer today.
20. Consequently, CNAC proposed a new definition of telecommunications services that removes reference to the PSTN and instead is based on the use of numbering resources.

21. Regarding the refiling of revenue reporting worksheets, CNAC explained that eligible persons can correct errors on revenue reporting worksheets from previous years. However, CNAC submitted that Bell Canada's request to refile was not due to an error, but was based on Bell Canada's decision to conduct a valuation study in 2022 and apply the results retroactively to its 2021 revenue. CNAC therefore felt there was no reason to grant Bell Canada's request.

Bell Canada's reply

22. In response to CNAC's comment on the refiling of revenue reporting worksheets, Bell Canada noted that the CNAC USA allows eligible persons to start a claim within two years of discovering an error. Bell Canada explained that it included revenue from wireless data services and SMS in its reports because CNAC had used its legal interpretation of the term "telecommunications revenue." According to Bell Canada, this led to Bell Mobility overpaying its fees. Because Bell Canada discovered CNAC's interpretation in April 2023, it submitted it has the right to refile the relevant reports and request to be reimbursed for any overpayments.

Commission's analysis

Issues

23. The Commission has identified the following issues to be addressed in this decision:

- Do telecommunications services and telecommunications services revenue, as defined in the CNAC USA and revenue reporting worksheets, include wireless data services and SMS?
- Should the CNAC USA and revenue reporting worksheet definitions of telecommunications services and telecommunications services revenue be modified?
- Should eligible persons be required to refile their revenue reporting worksheets?

Do telecommunications services and telecommunications services revenue, as defined in the CNAC USA and revenue reporting worksheets, include wireless data services and SMS?

24. Contributions to CNAC are calculated based on the telecommunications revenue of the eligible person. In the Commission's view, the definition of telecommunications services set out in the CNAC USA requires that the services be delivered over the PSTN.

25. The CNAC USA defines the PSTN as

the world-wide voice telecommunications network, or any portion thereof, which utilizes the International Telecommunications Union (ITU) Recommendation E. 164 numbering plan, or as amended, of which the NANP is an integral part, and

which is composed of all transmission, signalling and switching facilities supplied and operated by all telecommunications common carriers, including wireless and wireline carriers, for use by the public.

26. Given that this definition specifies that the PSTN is the world-wide voice telecommunications network, the PSTN is a means for transmitting voice services, not wireless data services or SMS. The Commission therefore finds that wireless data services and SMS are not provided over the PSTN.
27. As such, the Commission confirms that, to be considered a telecommunications service under the CNAC USA, a service must both (i) be provided over the PSTN and (ii) use numbering resources.
28. Consequently, because wireless data services and SMS are not provided over the PSTN, the Commission finds that they do not meet both conditions. Thus, they are not to be considered telecommunications services under the CNAC USA and should not be used to calculate CNAC contributions.

Should the CNAC USA and revenue reporting worksheet definitions of telecommunications services and telecommunications services revenue be modified?

29. The Commission is of the view that the definition of telecommunications services in the CNAC USA should be updated. The Commission's Communications Market Report shows that Canadians' use of data has more than tripled since 2019, while the use of voice communications has remained relatively stable.
30. However, Bell Canada's requests did not include a request to review the definitions of telecommunications services and telecommunications services revenue, and other parties have not had any opportunity to comment on CNAC's proposal to change those definitions. Consequently, the Commission finds that changing those definitions would be outside the scope of this proceeding.

Should eligible persons be required to refile their revenue reporting worksheets?

31. The Commission does not find it appropriate for carriers to retroactively adjust their past contributions to CNAC's budget based on their own adjustments to the value of their fair market valuations of their wireless services, as Bell indicated it had done when it resubmitted its 2022 revenue reporting worksheets for the 2021 revenue year to CNAC in 2023.
32. However, given the Commission's determination that wireless data services and SMS revenue do not count towards telecommunications services revenue, it would be appropriate for CNAC to accept new filings from TSPs that had previously included wireless data services and SMS in their revenue calculations.
33. The Commission notes that some eligible persons reported lower revenue from 2022 and 2023, causing others to pay higher CNAC fees. That said, the Commission

considers that the fee increase between 2022 and 2023 should not be a significant or undue burden on contributors.

34. Accordingly, the Commission directs eligible persons to refile their 2023 revenue reporting worksheets for the 2022 revenue year, taking into account that, under the CNAC USA, wireless data services and SMS are not considered telecommunications services.
35. Concerning Bell Canada's request to be reimbursed for fees it paid in 2022 for the 2021 revenue year, the issue of whether wireless data services and SMS should count as telecommunications services only arose in 2023 for revenue from 2022. Accordingly, the Commission is of the view that only the 2023 revenue reporting worksheets for the 2022 revenue year are eligible for refiling and denies Bell Canada's request to be reimbursed for fees paid in 2022 for the 2021 revenue year.
36. Regarding Bell Canada's request that the Commission suspend the deadlines CNAC set for Bell Mobility to refile its 2023 revenue reporting worksheet, the Commission notes that in February 2024, CNAC paused its request for Bell Mobility to refile, pending the Commission's decision. Bell Canada has subsequently acknowledged that this request is now unnecessary.

Conclusion

37. In light of all of the above, the Commission determines that, because wireless data services and SMS are not provided over the PSTN, they do not count as telecommunications services for the purposes of calculating CNAC funding contributions.
38. Consequently, the Commission directs Bell Canada and other eligible persons to refile their 2023 revenue reporting worksheets for the 2022 revenue year. However, refiling for previous years is not permitted.
39. With regard to Bell Canada's specific requests concerning the definition of telecommunications services in the CNAC USA, the Commission determines that:
 - (a) the definition of telecommunications services, as it appears in the CNAC USA, does not apply to Bell Canada's wireless data services or SMS when not provided over the PSTN; and
 - (b) the definition of telecommunications services revenue, as it appears in CNAC's revenue reporting worksheets, does not include revenue from wireless data services or SMS when those services are not provided over the PSTN.
40. With regard to Bell Canada's requests to refile previous worksheets and be reimbursed for fees overpaid in 2022, the Commission:

- (a) directs eligible persons to refile their 2023 revenue reporting worksheets for the 2022 revenue year, making sure to exclude revenues associated with wireless data services and SMS;
- (b) denies Bell Canada's request for reimbursement of the fees it believes it overpaid in 2022 for the 2021 revenue year; and
- (c) determines that, because wireless data services and SMS are not provided over the PSTN and therefore are not telecommunications services, they are to be excluded from any future revenue reports, starting with the 2024 revenue reporting worksheets filed for the 2023 revenue year.

Secretary General