



## Telecom Decision CRTC 2026-32

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Reference: Part 1 application posted on 30 April 2024

Gatineau, 18 February 2026

*Public record: 8695-J92-202402163*

### **Independent Telecommunications Providers Association - Request to increase the \$10 million minimum revenue threshold for participation in the National Contribution Fund and payment of telecommunications fees**

#### **Summary**

On 25 April 2024, the Independent Telecommunications Providers Association (ITPA) filed an application on behalf of its member companies. The application requested an increase to the minimum revenue threshold that determines whether a telecommunications service provider (TSP) contributes to the Commission's National Contribution Fund (NCF) and pays annual telecommunications fees.

In this decision, the Commission approves the ITPA's request to increase the minimum revenue threshold from \$10 million to \$25 million. This change will help reduce regulatory burden on small TSPs by eliminating certain administrative and financial requirements. At the same time, a \$25 million minimum revenue threshold will improve overall administrative efficiency by reducing the total number of contributors to the NCF by 40%. This change will result in a small increase (less than 1%) in the amounts paid into the NCF by TSPs with revenues that meet or exceed the updated threshold.

The new minimum revenue threshold will take effect on 1 January of the year following amendments to the *Telecommunications Fees Regulations, 2010* (expected to be completed in 2026). The Commission will issue a notice of consultation shortly to amend the regulations.

#### **Background**

1. In Telecom Decision 2000-745, the Commission introduced a national revenue-based contribution collection mechanism. As a result, telecommunications service providers (TSPs), or groups of related TSPs, that have \$10 million or more in Canadian telecommunications service

revenues (CTSR)<sup>1</sup> pay contribution into a national fund called the National Contribution Fund (NCF). The NCF supports access to Internet and cellphone services in underserved areas (through the Broadband Fund) and accessible telecommunications services (video relay service).

2. TSPs are also required to pay telecommunications fees, which are collected to recover the Commission's costs attributable to its responsibilities under the *Telecommunications Act*. In Telecom Decision 2006-71, the Commission determined that the minimum revenue threshold for contributions to the NCF would also be applied to the collection of telecommunications fees.

## Application

3. On 25 April 2024, the Independent Telecommunications Providers Association (ITPA) filed an application on behalf of its 21 member companies requesting an increase to the minimum revenue threshold that determines whether a TSP contributes to the NCF and pays annual telecommunications fees.
4. Specifically, the ITPA requested that the minimum revenue threshold be raised from \$10 million to \$25 million. In addition, the ITPA requested that the implementation date be set retroactively (to 1 January 2024) and that the minimum revenue threshold be adjusted annually to inflation using the consumer price index.
5. The Commission received interventions from Bell Canada; Bragg Communications Inc., carrying on business as Eastlink (Eastlink); Bravo Telecom; the Canadian Communication Systems Alliance (CCSA); the Canadian Telecommunications Contribution Consortium Inc. (CTCC); Cogeco Communications Inc. (Cogeco); Competitive Network Operators of Canada (CNOC); Quebecor Media Inc. (Quebecor); Rogers Communications Canada Inc. (Rogers); and TELUS Communications Inc. (TELUS).
6. On 12 August 2025, Commission staff issued a [request for information](#) (RFI) seeking input from interveners and impacted TSPs on possible minimum revenue thresholds.
7. The Commission received responses from Access Communications Co-operative Limited; Bell Canada; Beanfield Technologies Inc.; Bravo Telecom; the CCSA; the CTCC; Cogeco; CNOC, Eastlink; iTalkBB Canada Inc.; the ITPA Lemalu Holdings Ltd.; Quebecor; Rogers; Saskatchewan Telecommunications (SaskTel); SES S.A.; SSi Micro Ltd., doing business as SSi Canada; TBayTel; TELUS; and TerreStar Solutions Inc.

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<sup>1</sup> Contribution-eligible revenues are defined as total CTSR less the following deductions: contribution revenues received, inter-carrier expenses to other TSPs, revenues from terminal equipment, and non-eligible revenue earned from bundled services.

## Issues

8. The Commission has identified the following issues to be addressed in this decision:
- Should the minimum revenue threshold be modified?
  - If the minimum revenue threshold is modified, what is the appropriate threshold?
  - Should the changes be effective retroactively to 1 January 2024?
  - Should the minimum revenue threshold be adjusted annually using an inflationary measure?
  - Should contributions only be paid on revenues that are above the minimum revenue threshold?
9. The Commission will also address what changes are required to the Procedures for the Operation of the National Contribution Fund (NCF Procedures) if the minimum revenue threshold is modified, and how this would affect uncalled contributions.

### **Should the minimum revenue threshold be modified?**

#### **Positions of parties**

10. The ITPA submitted that increasing the minimum revenue threshold would reduce the administrative burden on smaller TSPs and better align with section 4 of the 2023 Policy Direction,<sup>2</sup> which requires the Commission to ensure that the measures it imposes through its decisions are efficient and proportionate to their purpose. The ITPA was also of the view that increasing the minimum revenue threshold would directly promote competition for smaller TSPs by removing the burden to pay contributions.
11. Smaller TSPs including Bravo Telecom, Lemalu Holdings Ltd., and SES S.A., and associations including the CCSA and CNOC, supported the application. They indicated that the current minimum revenue threshold no longer promotes administrative efficiency and is not proportionate to its purpose, noting that the regulatory and reporting requirements associated with the NCF place a disproportionately high administrative cost on small TSPs.
12. Bell Canada, Cogeco, Eastlink, Quebecor, Rogers, SaskTel, TBayTel, and TELUS were opposed to increasing the minimum revenue threshold. They submitted that the ITPA did not provide any evidence demonstrating that the current minimum revenue threshold had become inefficient to

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<sup>2</sup> *Order Issuing a Direction to the CRTC on a Renewed Approach to Telecommunications Policy*, SOR/2023-23, 10 February 2023.

administer or disproportionate in its impact. Bell Canada added that increasing the minimum revenue threshold would not align with the intent of Telecom Decision 2000-745, which requires contribution equity and proportionality. Additionally, Bell Canada noted that an increase would be inconsistent with sections 3, 4 and 6 of the 2023 Policy Direction.

13. Quebecor and Rogers also expressed concerns with lessening smaller TSPs' reporting requirements in the name of administrative efficiency. Rogers highlighted the importance of the reported information in guiding the Commission's regulatory mandate. Quebecor noted that small TSPs already have the necessary reporting systems in place, and that any administrative efficiency gains would be small.
14. Cogeco characterized an increase to the minimum revenue threshold as shifting an obligation without providing systemic benefit. SaskTel noted that any increase in its financial obligations would come at a cost to its customers or at the expense of its network.

#### **Commission's analysis**

15. The Commission is of the view that the ITPA's request to review the minimum revenue threshold to contribute to the NCF and to pay telecommunications fees is reasonable. Since Telecom Decision 2000-745 was published, contribution-eligible revenues have significantly increased due to inflation. There have also been significant changes within the telecommunications industry, such as a move towards high-speed Internet and mobile services. This led the Commission to expand the definition of basic telecommunications services in Telecom Regulatory Policy 2016-496, which has increased the number and type of services that are used to determine contribution-eligible revenues. The Commission therefore believes it is now both appropriate and timely to undertake a review of the current minimum revenue threshold.

#### **If the minimum revenue threshold is modified, what is the appropriate threshold?**

16. During this proceeding, the Commission considered four possible minimum revenue thresholds: \$17 million (the value of the threshold adopted in 2000, adjusted for inflation), \$25 million (as proposed by the ITPA in its application), \$50 million and \$100 million.

#### **Positions of parties**

17. The ITPA suggested that a minimum revenue threshold of \$25 million would better serve the objectives identified at paragraph 98<sup>3</sup> of Telecom Decision 2000-745 and would promote the objectives of the 2023 Policy Direction. In addition, the ITPA submitted that adopting a \$25

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<sup>3</sup> Paragraph 98 states: "The establishment of a minimum revenue threshold would allow smaller companies to attain a certain level of revenues before being required to contribute and would also increase the administrative efficiency of the mechanism by reducing the number of parties required to contribute."

million minimum revenue threshold would appropriately exclude smaller TSPs from contributing to the NCF and paying telecommunications fees.

18. Small- and medium-sized TSPs agreed with the ITPA that the minimum revenue threshold should be increased and generally preferred a higher threshold.
19. Larger TSPs opposed any increase to the minimum revenue threshold. However, they noted that if the Commission considers a higher minimum revenue threshold to be appropriate, the threshold should only be increased to \$17 million, which accounts for inflation since 2000.

#### **Commission's analysis**

20. In Telecom Decision 2000-745, the Commission determined that: contributions to the NCF should be shared equitably and proportionally across various types of service providers offering a broad range of services; the minimum revenue threshold should be high enough that smaller TSPs are not competitively disadvantaged; and the minimum revenue threshold should promote administrative efficiency by limiting the number of parties required to contribute.
21. The Commission notes that raising the threshold to \$17 million would account for inflation since 2000, but it would not account for the fact that contribution-eligible revenues have increased significantly since the inclusion of mobile wireless and Internet access services in the definition of basic telecommunications services.
22. Increasing the threshold to \$25 million would reduce the number of contributors to the NCF by 40%. This would reduce the administrative burden for a significant number of smaller TSPs, aligning the current number of contributors more closely with the number of contributors that earned \$10 million or more in 2000. The remaining TSPs' contributions would increase by less than 1%. In the Commission's view, the \$25 million minimum revenue threshold would account for inflation and the significant increases in CTSR and contribution-eligible revenues since 2000.
23. In terms of the possible \$50 million or \$100 million minimum revenue thresholds, there was insufficient evidence on the record to support either option. Further, the Commission is of the view that the amount to be redistributed to remaining contributors at a \$25 million minimum revenue threshold would be relatively low (0.73% of the total amount), while the \$50 million and \$100 million minimum revenue thresholds would result in a greater financial impact on remaining contributors (1.9% and 2.54% of the total amount, respectively).
24. Therefore, the Commission is of the view that adopting a minimum revenue threshold of \$25 million would be appropriate since it accounts for inflation and changes in the telecommunications industry, while respecting the foundational objectives established in Telecom Decision 2000-745 that contributions should be administratively efficient, proportional, and competitively equitable.

## Should the changes be effective retroactively to 1 January 2024?

### Positions of parties

25. The ITPA requested that changes to the minimum revenue threshold take effect retroactively from 1 January 2024. While some parties agreed in principle with a retroactive effective date, they did not explicitly address the proposed implementation date of 1 January 2024.
26. The CTCC, which oversees the Central Fund Administrator (CFA),<sup>4</sup> opposed a retroactive effective date and instead proposed that any changes be applied on a going-forward basis.
27. The CTCC submitted that any changes to the minimum revenue threshold should take effect on 1 January on the year of implementation. The CTCC noted that implementing changes retroactively to 1 January 2024 would require extensive administrative work, including recalculating financial contributions for 2024 and 2025 to determine whether each contributor is owed a refund or if it must make an additional payment. Additionally, this process would require adjustments to uncalled contribution<sup>5</sup> amounts for each contributor over both years. The CTCC also submitted that setting the effective date of a Commission decision prospectively is generally less disruptive, since it gives affected parties more time to adjust to any upcoming changes.
28. The CTCC also noted that for contributors with over \$25 million in contribution-eligible revenues, retroactive changes could result in understated liabilities in their accounting reports, potentially misleading stakeholders who rely on these reports for business decisions.

### Commission's analysis

29. The Commission must complete several regulatory steps to align telecommunications fees with the new \$25 million minimum revenue threshold. In the interest of regulatory efficiency, the Commission considers that the new minimum revenue threshold for contributions to the NCF and for the payment of telecommunications fees should take effect on the same date.
30. As part of these regulatory steps, the Commission must update the *Telecommunications Fees Regulations, 2010* (Fees Regulations). To minimize implementation complexity, the Commission determines that the new \$25 million minimum revenue threshold will take effect starting 1 January of the year following amendments to the Fees Regulations (expected to be completed by 31 December 2026).

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<sup>4</sup> The CFA, which administers the NCF, is responsible for maintaining the system used by TSPs to report contribution-eligible revenue, calculating monthly contribution payments, collecting contributions, and paying subsidies, VRS funding, and the Broadband Fund.

<sup>5</sup> Uncalled contributions refer to contributions that a TSP may have to make to the NCF but that have not yet been called by the NCF. These uncalled contributions are recorded on the TSP's books as a liability until the NCF calls for them.

31. As part of this process, the Commission will issue a notice of consultation to amend the Fees Regulations, which will be published shortly.

### **Should the minimum revenue threshold be adjusted annually using an inflationary measure?**

#### **Positions of parties**

32. The ITPA proposed that the minimum revenue threshold be adjusted annually to inflation using the consumer price index. CNOC supported this position, submitting that this would ensure the minimum revenue threshold remains current.

33. TELUS submitted that adjusting the minimum revenue threshold annually to inflation would lead to permanent uncertainty.

#### **Commission's analysis**

34. The Commission considers that implementing yearly changes would increase administrative complexity for all contributors and create uncertainty for TSPs with revenues close to the threshold.

35. Additionally, the Commission notes that a minimum revenue threshold of \$25 million would exceed the inflation-adjusted level of \$17 million, thereby eliminating the need for frequent adjustments while still providing regulatory certainty and predictability.

36. Accordingly, the Commission establishes a minimum revenue threshold of \$25 million, which will be reviewed only as required.

### **Should contributions only be paid on revenues that are above the minimum revenue threshold?**

37. Since Telecom Decision 2000-745, TSPs are required to pay contributions to the NCF and telecommunications fees based on their total CTSR. This means that once a TSP reaches the \$10 million threshold, it must pay contributions on the entirety of its revenue less certain deductions (see footnote 1).

#### **Positions of parties**

38. Some parties, including Access Communications Co-operative Limited, the CCSA, Lemalu Holdings Ltd., and SES S.A., proposed an alternative approach to determine the eligible revenue base, where all revenues below the minimum revenue threshold would be exempt. The contribution rate would be based only on revenues exceeding the threshold, which would reduce the eligible revenue base. In order to collect the same amount of contributions from TSPs on this reduced eligible revenue base, the contribution rate would need to be increased.

39. Larger TSPs like Bell Canada and Rogers voiced their opposition to this proposal, noting that it would place a greater financial burden on them, would not promote fairness, and would be administratively inefficient.

#### **Commission's analysis**

40. The Commission notes that the proposed alternative approach would not meaningfully reduce the administrative burden on smaller TSPs and would be an unnecessarily complicated way of reallocating costs among TSPs. The Commission further notes that there was insufficient evidence on the record to support this approach.
41. Since the proposed alternative approach does not meaningfully reduce administrative burden, the Commission is of the view that this approach would not be appropriate at this time. Therefore, the Commission determines that the contribution rate will continue to be calculated on TSPs' total annual CTSR after deductions.

#### **Changes required to the NCF Procedures and effects on uncalled contributions**

42. The CTCC oversees the role of the NCF and the NCF Procedures, including the responsibilities of the CFA. When significant changes are made to the operations of the NCF, the CTCC updates the NCF Procedures by submitting a Part 1 application.
43. The CTCC indicated that additional administrative steps would be required if changes were made to the minimum revenue threshold. Per the current NCF Procedures, within 30 days of losing contributor status, a TSP must settle any outstanding uncalled contribution. In this case, TSPs with CTSR over \$10 million and below \$25 million would no longer be required to contribute but would be required to pay any uncalled contribution within 30 days of the effective date of this decision. This could impose financial hardship on these smaller TSPs, as some TSPs losing contributor status may owe a relatively substantial amount of uncalled contributions.
44. The current NCF Procedures include a provision wherein impacted TSPs may apply for a deferred payment arrangement which allows payments to be made within 12 months rather than within 30 days. However, interest of 12% per annum is charged on the outstanding amount. The establishment of more flexible deferred payment arrangements would require amendments to the NCF Procedures. Without an amendment, the CFA would need to submit relief applications to the Commission on an ad hoc basis.
45. In light of the above, the Commission directs the CTCC to file for Commission approval, **within 60 days** of the date of this decision, amendments to the NCF Procedures to include additional flexibility for uncalled contributions repayment options. This will create administrative efficiency by reducing the need for relief applications from the CFA and potentially easing the immediate financial burden on smaller TSPs.

## Conclusion

46. In light of all of the above, the Commission approves, in part, the ITPA's application requesting an increase in the minimum revenue threshold from \$10 million to \$25 million in TSPs' annual CTSR for both the contribution regime and the telecommunications fees payable pursuant to the Fees Regulations.
47. The Commission declines to set retroactively the effective date of the new minimum revenue threshold to 1 January 2024 and to annually adjust the minimum revenue threshold. The Commission also determines that the contribution rate will continue to be calculated on the TSPs' total annual CTSR.
48. The Commission directs the Canadian Telecommunications Contribution Consortium Inc. to file for Commission approval, **within 60 days** of the date of this decision, amended NCF Procedures to include additional flexible uncalled contributions repayment options.
49. Finally, the Commission will issue a notice of consultation shortly to amend the Fees Regulations.

Secretary General

## Related documents

- *Modern telecommunications services – The path forward for Canada's digital economy*, Telecom Regulatory Policy CRTC 2016-496, 21 December 2016
- *Part VII application to revise the Telecommunications Fees Regulations*, 1995, Telecom Decision CRTC 2006-71, 6 November 2006
- *Changes to the contribution regime*, Decision CRTC 2000-745, 30 November 2000