



Telecom Decision CRTC 2026-83

PDF version

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Rogers Communications Canada Inc. – Request for relief regarding telecommunications service providers’ contributions to the National Contribution Fund with respect to the Broadband Fund

Summary

Through the Broadband Fund, the Commission contributes to a broad effort by federal, provincial, and territorial governments to connect underserved rural, remote, and Indigenous communities across Canada to high-quality Internet and cellphone services. To date, the Commission has allocated approximately \$771 million to projects that provide Internet or cellphone services to over 54,000 homes in more than 320 communities. The Broadband Fund has also helped improve cellphone service on over 650 kilometres of major roads and supported the building of nearly 6,000 kilometres of fibre across the country.

The National Contribution Fund (NCF) collects contributions from large telecommunications service providers (TSPs). Part of these contributions are then used to fund the Broadband Fund. Only TSPs that meet a minimum revenue threshold are required to contribute to the NCF. The amount of funds collected every year is set by the Commission.

On 4 June 2025, Rogers Communications Canada Inc. (Rogers) filed an application requesting financial relief through changes to the current NCF contribution process.

The Commission is working to reduce regulatory burden on all companies, including TSPs that contribute to the NCF. At the same time, the Commission recognizes the impact the Broadband Fund has through improving Internet and cellphone services in rural, remote, and Indigenous communities across Canada.

In this decision, the Commission is updating the way large TSPs contribute to the NCF by reducing the amounts that they must retain on their financial statements for future distribution (i.e., “uncalled contributions”) from the Broadband Fund on a going-forward basis. This means that the NCF will no longer collect \$150 million each year by default to fund the Broadband Fund. Instead, at the end of each year, the Commission will assess the amount of funding it expects the Broadband Fund will need for the upcoming year. The NCF will then collect that amount, plus \$30 million to help manage unexpected funding requests. Any amount from the \$30 million that is unspent at the end of the year

will be returned to TSPs that contribute to the NCF. Overall, these changes will reduce financial and administrative burden on TSPs by ensuring that contributions for the Broadband Fund are proportional to the amount of funding needed for a given year.

This approach addresses concerns about the financial impact that uncalled contributions have on TSPs as they accumulate, while ensuring that funding for the Broadband Fund is maintained. The changes outlined in this decision will not impact past NCF contributions or previously approved Broadband Fund projects, but will instead take effect going forward for new contributions and projects. With regard to the Broadband Fund, the Commission considers it unlikely that the NCF will require additional contributions this year.

Because the changes to the way TSPs contribute to the NCF will only apply going forward, the Commission is maintaining the interim revenue-percent charge at 0.11% for 2026, as determined in Telecom Decision 2025-322.

Background

1. The National Contribution Fund (NCF) was established by the Commission to support Canadians' access to basic telecommunications services. The NCF is administered by the Central Fund Administrator (CFA). Each year, the CFA collects funds from telecommunications service providers (TSPs) that meet the minimum revenue threshold in Canadian telecommunications service revenues (contributors).¹ These funds are used to support various initiatives, including the Broadband Fund and video relay service (VRS).²
2. The Commission determines the total funding required for a calendar year and sets a rate, known as the "revenue-percent charge", to collect the necessary amounts from contributors. Before the start of each calendar year, the Commission estimates funding requirements and sets an interim revenue-percent charge. Before the end of each calendar year, it establishes the final revenue-percent charge to ensure that total contributions meet all funding requirements.
3. The CFA calculates each contributor's required payment based on the revenue-percent charge, in proportion to their annual Canadian telecommunications revenues. It then invoices contributors on a monthly basis and distributes funds to Broadband Fund recipients, as directed by the Commission.

¹ In Telecom Decision 2026-32, the Commission approved a request to increase the minimum revenue threshold from \$10 million to \$25 million. The new minimum revenue threshold will take effect on 1 January 2027 following amendments to the *Telecommunications Fees Regulations, 2010*.

² Currently, contributions are collected to fund VRS and the Broadband Fund, as well as the administrative and operational costs of the NCF.

4. As determined in Telecom Notice of Consultation 2023-89, the Broadband Fund currently operates with a \$150 million annual distribution limit. Since 2020, the Commission has required contributors to collectively set aside \$825 million for the Broadband Fund, of which approximately \$771 million has been awarded to specific projects. However, funding is only collected from contributors and distributed to recipients once eligible project costs are incurred and approved for reimbursement, in accordance with the Commission's expense claim process.
5. While the funding requirements for VRS are more consistent and predictable, distribution of funding under the Broadband Fund depends on a project's implementation schedule. Telecommunications infrastructure projects can be very complex and take several years to complete. As a result, there is a delay between the time contributors are required to set aside funding for the Broadband Fund and when that funding is collected by the CFA for distribution. The difference between the amount of funding that is set aside and the amount of funding that is distributed is referred to as "uncalled contributions". While contributors retain control over this amount until it is collected by the CFA, the balance of uncalled contributions must be identified as a liability (i.e., an amount owed) on their financial statements.

Application

6. On 4 June 2025, Rogers Communications Canada Inc. (Rogers) filed an application requesting financial relief for contributors through changes to the contribution process.
7. Rogers submitted that the Broadband Fund's contribution process creates inefficiencies in its resource allocation decisions. It noted that a large surplus of uncalled contributions has resulted in contributors having to record an accumulation of liabilities, creating financial pressures. Rogers added that this undermines the Commission's objectives of efficiency, affordability, and investment, particularly by restricting the availability of capital for contributors to deploy broadband in high-cost serving areas, and thus disincentivizes network expansion. Rogers proposed that the Commission address this through changes to the contribution process.
8. Rogers proposed two possible options to achieve financial relief for contributors. Under the first option, the Commission would allow contributors to release half of their uncalled contributions on a one-time basis. Rogers submitted that, in doing so, the CFA would increase its dependence on contributions while still drawing down remaining uncalled contributions. Under the second option, the Commission would direct the CFA to temporarily suspend requests for new contributions while it draws funds directly from uncalled contributions. Rogers indicated that this was its preferred option.
9. Bell Canada; Bragg Communications Inc., carrying on business as Eastlink; the Independent Telecommunications Providers Association (ITPA); Quebecor Media Inc., on behalf of Freedom Mobile Inc., Videotron Ltd., and VMedia; TELUS Communications Inc.; and TerreStar Solutions Inc. (collectively, the majority of interveners that participated in the proceeding) expressed support for Rogers' application, with slight variations.

10. The Public Interest Advocacy Centre (PIAC) opposed Rogers' application.

Issues

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

- Should the Commission change the contribution process?
- If so, what changes to the contribution process should the Commission make?

Should the Commission change the contribution process?

Positions of parties

12. Rogers submitted that the large amount of uncalled contributions has caused financial harm and restricted its ability to invest in its own telecommunications infrastructure for the benefit of its customers and Canadians. Rogers requested financial relief for contributors through changes to the current contribution process to support more effective network planning and future investments.
13. The majority of interveners that participated in the proceeding supported Rogers' request for relief. The ITPA, for instance, submitted that changes to the contribution process would return valuable funds to contributors that could be used to expand their operations. It added that the opportunity cost of continuing with the current contribution process, and the resulting amount of uncalled contributions, was significant.
14. PIAC opposed Rogers' application. It did not support Rogers' position that uncalled contributions resulted in direct and specific financial harm. It submitted that requiring TSPs to contribute to the NCF serves an important public policy purpose, and that TSPs should take this requirement into account in their business plans.

Commission's analysis

15. The Broadband Fund funding distribution model was established in Telecom Regulatory Policy 2018-377 and confirmed in Telecom Regulatory Policy 2024-328. In adopting this model, the Commission sought to ensure funding accessibility while upholding best practices in financial risk mitigation. Accordingly, the Commission determined that eligible costs would only be reimbursed after they had been incurred and in accordance with the budget set out in a recipient's approved statement of work.³

³ As a condition of funding approval, the Commission requires applicants to provide additional project details in what is known as a "statement of work". The statement of work sets out the project's budget and implementation plan, among other elements.

16. As noted in Telecom Decision 2023-417, the funding distribution model was never intended to match the amounts collected to the amount distributed annually. This is because various factors can impact a funding recipient's ability to begin constructing its project and submit claims for costs incurred. For example, the construction schedule, construction seasons, remoteness of the project, topography of the area, permitting applications, and availability of labour and materials can all affect when funds will be distributed.
17. While the Commission did anticipate a discrepancy between the amounts awarded and distributed, that discrepancy has grown as the Broadband Fund has scaled up. This has resulted in a growing accumulation of uncalled contributions. Although these funds are owed to recipients, they also represent a liability on contributors' financial statements. The Commission recognizes that uncalled contributions are significant and may continue to increase if the current contribution collection process is not adjusted. Accordingly, the Commission considers that it should review its practice of collecting the maximum contribution amount of \$150 million per year.
18. The Commission therefore finds that it should change the contribution process under the Broadband Fund.

What changes to the contribution process should the Commission make?

Positions of parties

19. In its application, Rogers proposed that the Commission modify the contribution process in one of two ways to help provide financial relief for contributors. The first option is to allow contributors to release half of their uncalled contributions on a one-time basis. The second is that the Commission direct the CFA to temporarily suspend any new requests for contributions while drawing funds directly from accumulated uncalled contributions (Rogers' preferred option). Rogers also proposed that the Commission direct the CFA to more closely align annual contribution amounts with the funding it plans to distribute in a calendar year.
20. The majority of interveners that participated in the proceeding supported Rogers' proposed options. They expressed a preference for the second option and supported Rogers' proposal to change the current contribution process to align contributions with distributed amounts more closely.
21. PIAC submitted that the Commission should reject any measure that reduces the overall funding amount available under the NCF, including for supporting broadband projects that improve connectivity. It added that Rogers' concerns could be alleviated by devising an efficient system for distributing contributions, rather than scaling back on them.

Commission's analysis

22. The Commission is of the view that releasing any amount of uncalled contributions would be problematic. Uncalled contributions are, for the most part, directly linked to the funding awarded

for approved Broadband Fund projects. Releasing any uncalled contributions could therefore result in a shortfall of funding to support approved projects.

23. Moreover, approving Rogers' first option, which was to release half of the uncalled contributions on a one-time basis, would result in the Broadband Fund no longer having an approved source of funds for half of the projects currently approved. This could result in approved projects being delayed mid-implementation, pending collection of new contributions to fund any shortfall.
24. The first option could make funding less predictable for recipients. This uncertainty would go against the Commission's goal of providing reliable access to funding through its funding decisions.
25. The Commission acknowledges that Rogers' preferred option, which is to direct the CFA to temporarily suspend new contribution requests while drawing funds directly from accumulated uncalled contributions, would respond to Rogers' concerns and those of the majority of interveners that participated in the proceeding.
26. However, if the NCF were to stop collecting new contributions until existing uncalled contributions are used, it could run out of funding to cover all the approved Broadband Fund projects and any future funding needs. This could limit the Commission's ability to approve recipients' requests for additional funding, which could delay project completion.
27. Accordingly, the Commission considers that the proposed options would adversely impact the Broadband Fund's ability to achieve its objective. The Commission therefore finds that neither proposed option is feasible.
28. Nevertheless, the Commission considers that Rogers' proposal to align contribution requirements with anticipated annual distribution amounts would be efficient and reduce the accumulation of uncalled contributions in the future. This approach would not apply retroactively to past statement of work approvals and change requests, or existing uncalled contributions; instead, it would apply on a going-forward basis. The Commission is of the view that this approach will help address Rogers' concerns by minimizing the accumulation of uncalled contributions without presenting a risk of disruption for ongoing projects.
29. Under this approach, the CFA will continue to distribute funds from uncalled contributions for projects already approved under the Broadband Fund, and no existing uncalled contributions will be returned to companies that contribute to the NCF. In doing so, the Commission will maintain the link between uncalled contributions and the funding awarded for those projects, guaranteeing that funding remains available, subject to the conditions set out in the Commission's funding decisions.
30. However, the Commission will change how it sets the revenue-percent charge to better align with the funding requirements in a calendar year. Funding requirements are based on Commission-approved statements of work. As part of the statement of work, each recipient must submit, for

Commission approval, a budget detailing its projected yearly spend. The recipient must also submit any material change⁴ to the project's budget, schedule, or scope to the Commission for review and approval.

31. Going forward, the Commission will forecast funding requirements for the upcoming calendar year and set the interim and final rates to meet those funding requirements, within the \$150 million annual distribution limit. This will help minimize the accumulation of uncalled contributions.
32. The Commission is of the view that, under this new process, some additional flexibility will be required to ensure administrative efficiency and provide more predictability for contributors. The Commission will therefore include an annual contingency of \$30 million in the interim revenue-percent charge. This amount has been determined to be sufficient to fund the majority of unanticipated funding demands based on forecasted project spending requirements and the Commission's experience with change requests submitted by recipients.
33. This contingency will be used by the CFA in circumstances where the demand exceeds the amount of funding that is planned to be distributed in a calendar year. The Commission considers that, in such cases, relying on a contingency will be timelier and more efficient than issuing decisions to increase the interim revenue-percent charge throughout the year. To prevent further accumulation of uncalled contributions, the Commission intends to release any unspent amount from the \$30 million contingency at the end of the year, when it sets the final revenue-percent charge.
34. Under this approach, the revenue-percent charge will continue to be set in two stages. The Commission will establish an interim revenue-percent charge at the start of the calendar year, and a final one at the end of the year. However, instead of basing the rate on the \$150 million annual distribution limit, the Commission will base it on the total amount of approved statement of work budgets, including a \$30 million contingency, up to \$150 million. This will limit the amount of uncalled contributions going forward.
35. Under this approach, the CFA will draw from existing uncalled contributions for projects already approved under the Broadband Fund, which is expected to reduce the amount of uncalled contributions over time. In addition, by aligning the contributions the CFA collects with the funding to be distributed in a calendar year, the Commission will provide contributors with more transparency regarding future contribution requirements. This approach addresses Rogers'

⁴ A material change is a change in any substantive aspect of the project listed by the Commission in its reasons for selecting the project, including (i) a change in control of the recipient, (ii) a change in the proposed financing of the project, (iii) a change in the nature or location of the project, and (iv) a major change in the cost or scope of the project.

concerns and is consistent with the Commission's broader efforts to reduce financial and administrative burden on the industries it regulates.

2026 interim revenue-percent charge

36. The Commission will maintain the 2026 interim revenue-percent charge at 0.11% determined in Telecom Decision 2025-322. The Commission considers this sufficient to fund VRS and cover the administrative and operational costs of the NCF. With regard to the Broadband Fund, the Commission considers it unlikely that the CFA will need to collect additional contributions this year. Additional contributions may, however, be required if the Commission receives and approves change requests for any existing Broadband Fund projects.
37. This approach addresses the concerns raised in Rogers' application by aligning contributions with the funding to be distributed in a calendar year under the Broadband Fund.

Conclusion

38. In light of all of the above, the Commission approves changing the contribution process under the NCF with respect to the Broadband Fund, effective **6 May 2026**.
39. These changes include:
- basing future contribution amounts on the funding that is planned to be distributed in a calendar year, instead of collecting \$150 million annually;
 - including an annual contingency of \$30 million in the interim revenue-percent charge, starting 1 January 2027; and
 - releasing any portion of the annual contingency that is unused through the final revenue-percent charge decision.
40. The Commission is also maintaining the interim revenue-percent charge at 0.11% for 2026.
41. Additionally, the Commission directs the Canadian Telecommunications Contribution Consortium Inc. and/or the Central Fund Administrator to (i) review their [Procedures for the Operation of the National Contribution Fund](#) (the Procedures), (ii) determine whether the Procedures need to be amended to comply with the changes listed in paragraph 39, and (iii) file, within **90 days** of the date of this decision, any required amendments to the Procedures for Commission approval.

Secretary General

Related documents

- *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*, Telecom Decision CRTC 2026-32, 18 February 2026
- *Final 2025 revenue-percent charge and related matters*, Telecom Decision CRTC 2025-322, 28 November 2025
- *Broadband Fund policy review – New policy for funding capital projects*, Telecom Regulatory Policy CRTC 2024-328, 12 December 2024, as amended by Telecom Regulatory Policy CRTC 2024-328-1, 9 April 2026
- *Bell Canada – Application to review and vary Telecom Regulatory Policy 2018-377 and Telecom Decision 2022-341*, Telecom Decision CRTC 2023-417, 20 December 2023
- *Call for comments – Broadband Fund policy review*, Telecom Notice of Consultation CRTC 2023-89, 23 March 2023, as amended by Telecom Notices of Consultation CRTC 2023-89-1, 17 April 2023, and 2023-89-2, 25 July 2024
- *Development of the Commission’s Broadband Fund*, Telecom Regulatory Policy CRTC 2018-377, 27 September 2018