

Answering the Call: Building a Safe, Convenient Telemarketing Environment for Canadians

2017-18 CRTC Annual Report on the Operation of the National Do Not Call List

Presented to the Honourable Navdeep Singh Bains
Minister of Innovation, Science and Economic Development
September 28, 2018

*Our goal is to support a safe, secure, and trusted communications system for
Canadians in a constantly changing digital landscape.*

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Making Telemarketing Fair, Honest, and Safe

At the Canadian Radio-television and Telecommunications Commission (CRTC), we regulate and supervise Canadian broadcasting and telecommunications in the public interest. [Part of our mandate](#) is to protect Canadians from unsolicited telecommunications—an authority granted to us by Parliament under the *Telecommunications Act*. The goal of our resulting regulatory framework is to protect the privacy of Canadians and prevent undue inconvenience and nuisance from unsolicited telecommunications, while still allowing legitimate uses of telemarketing. This protection is enforced by the *Unsolicited Telecommunications Rules* (UTR/the Rules), which include the *National Do Not Call List (DNCL) Rules*, the *Telemarketing Rules*, and the *Automatic Dialing-Announcing Device (ADAD) Rules*. We are also responsible for establishing and maintaining the Voter Contact Registry under the amended *Fair Elections Act* (2014) to ensure that those who contact voters during an election, do so transparently.

To support the Rules, we promote compliance with training and outreach directed at organizations that use telemarketing across multiple industry sectors. We also investigate and address non-compliance, communicate investigation results, and ensure the continuity of National DNCL operations. Finally, we educate Canadians about corrective actions, how to protect themselves, and how to file complaints to help the CRTC address telemarketing issues.

2017-18 Fees and Operational Costs

The Rules require those who conduct telemarketing calls to Canadians and those who engage a telemarketer to conduct telemarketing calls on their behalf, to register with and/or subscribe to the National DNCL. The *Telecommunications Act* gives the CRTC the authority to collect the related subscription fees. Annually, we set a revenue target for these unsolicited telecommunications fees.

For three quarters of fiscal year 2017-18, Bell Canada operated the National DNCL. As of January 15, 2018, the CRTC delegated Raymond Chabot Grant Thornton Inc. to operate the National DNCL, under a five-year contract. With a new National DNCL Operator, the capital costs incurred for transition, design, development, implementation, operation and maintenance, and support services to ensure the National DNCL's ongoing operation will be recovered via revenues from subscriptions to the National DNCL over the duration of their five-year contract.

At the outset of 2017-18, the CRTC's costs to administer the National DNCL regime for that fiscal year were estimated to be \$3.3 million. The revenue for unsolicited telecommunications fees collected was roughly \$3.9 million (\$3,892,723). As the total amount paid in 2017-18 exceeded the estimated \$3.3 million in regulatory costs, the excess amount (\$592,723) is being refunded to telemarketers according to the [formula in Subsection 4 of the *Unsolicited Telecommunications Fees Regulations*](#).

Bell Canada's costs for fiscal year 2017-18

	Apr. 1 st , 2017 – Jan. 14 th , 2018	Jan. 15 th 2018 – Mar. 31 st 2018	Total
Operating costs of the National DNCL Operator	\$1,631,085	\$0	\$1,631,085
Capital expenditures of the National DNCL Operator	\$0	\$0	\$0

Raymond Chabot Grant Thornton's costs for fiscal year 2017-18

	Apr. 1 st , 2017 – Jan. 14 th , 2018	Jan. 15 th 2018 – Mar. 31 st 2018	Total
Operating costs of the National DNCL Operator	\$0	\$648,599	\$648,599
Capital expenditures of the National DNCL Operator	\$1,731,560	\$745,761	\$2,477,322

Registrations, Complaints, and Perceptions

We Created Telemarketing-related Policies to Help Protect Canadians

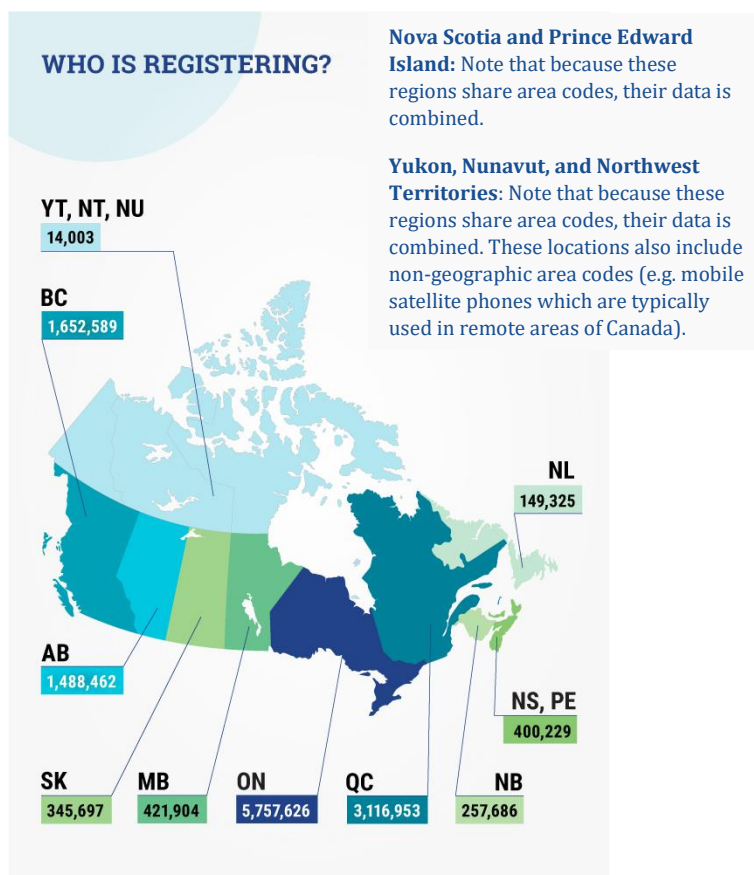
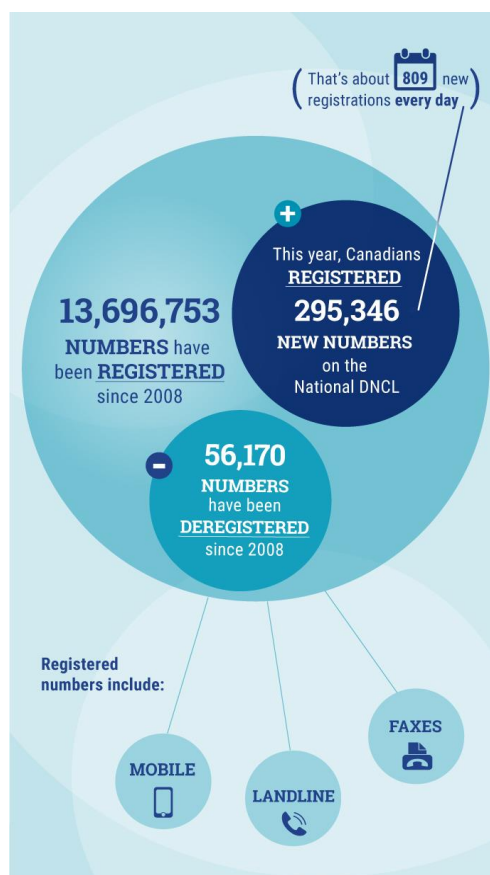
Protect them from what? From threats to their privacy, vulnerability within the communication system, and inconvenient telecommunications like that unwanted nighttime sales call.

The CRTC also gives telemarketers strategies for complying with important standards.

Taking Part

Since we started the National DNCL in 2008, Canadians have registered an impressive 13,696,753 telecommunications numbers and deregistered 56,170 numbers.

In the last fiscal year alone, Canadians registered 295,346 numbers for landlines, mobile phones, and fax lines—an average of more than 809 numbers each day.



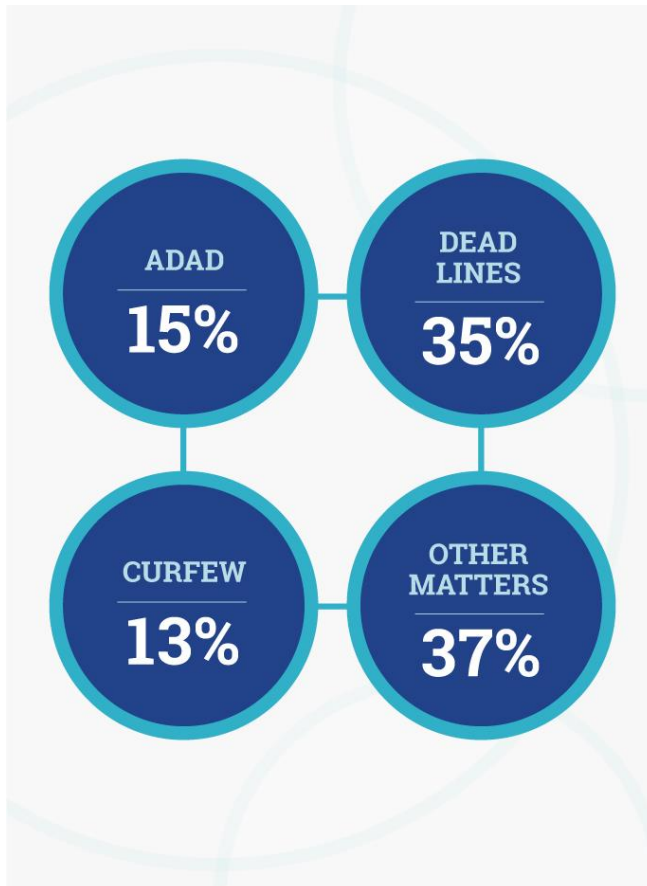
“Hello, Operator? I’d like to make a complaint...”

We rely on Canadians to tell us when they suspect a telemarketer might not be following the Rules. The best way to complain is through the National DNCL Operator.

In 2017-18, Canadians filed 95,978 complaints with the National DNCL Operator.



What are people concerned about?

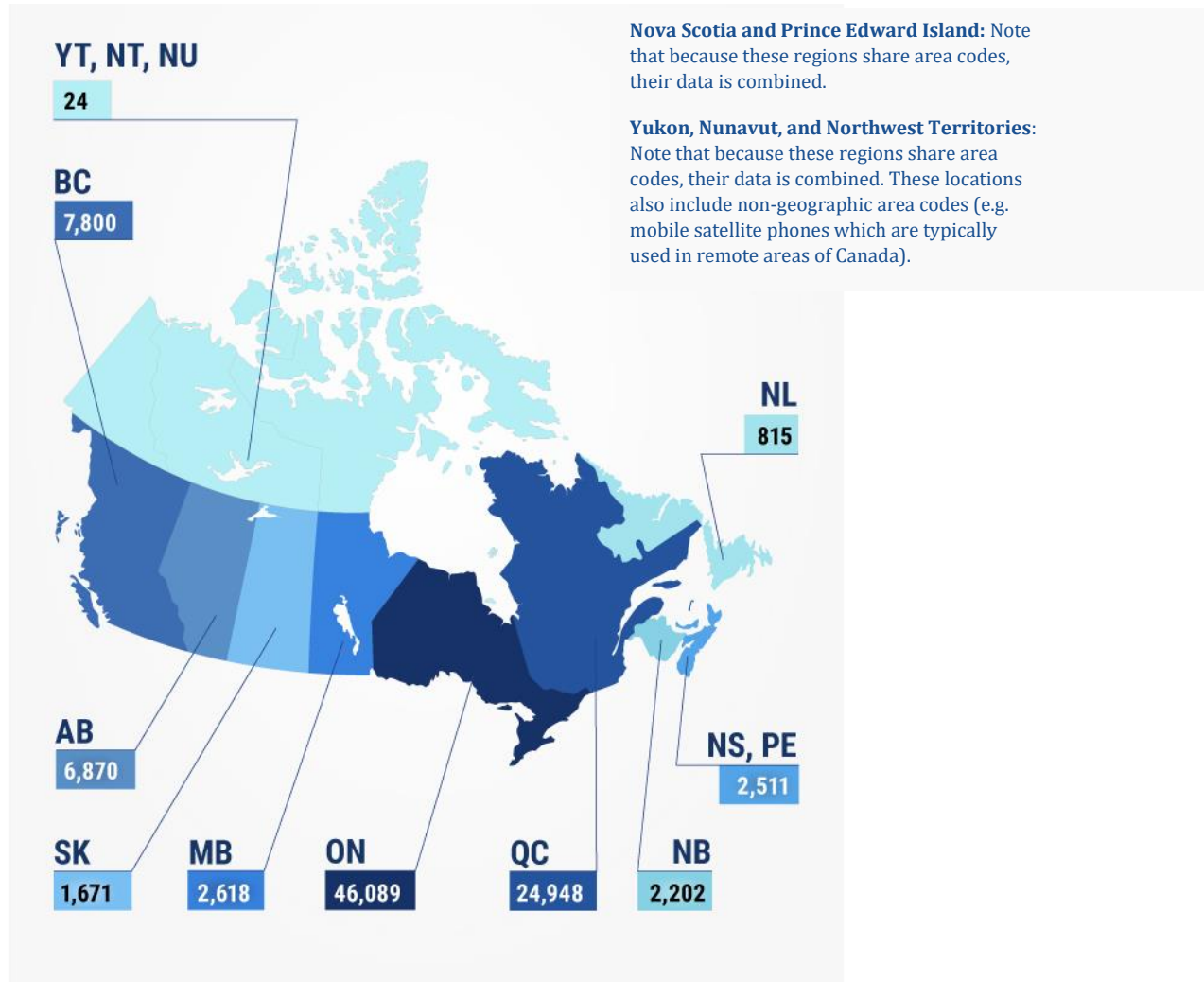


While the majority of the complaints were with respect to receiving a telemarketing call while their numbers were registered on the National DNCL, here is what else people complained about in 2017-18:

- 15% of the complaints were about ADADs
- 35% of the complaints were about dead lines (i.e. cases where a predictive dialer was used or there was no caller on the line)
- 13% of the complaints were with respect to exceeding permissible curfew hours (i.e. calls made between 9:30 p.m. and 9:00 a.m. on weekdays and 6:00 p.m. and 10:00 a.m. on weekends)
- 37% of the complaints were about other matters (e.g. complaints to be redirected to other regulatory agencies and unrelated to UTRs)

Cross-country complaint round-up

While Canadians across the country filed complaints, we saw a somewhat higher proportion of complaints from Ontario: 38% of the national population is from this province whereas almost half (48%) of the complaints originated there.



The Telemarketer Footprint: Registrations and Subscriptions

Better Telemarketing Practices = Better Business

Telemarketers and clients of telemarketers are required to participate in Canada's National DNCL in two ways: by registering and by subscribing.

This year, 4,147 telemarketers registered with the National DNCL Operator.

This year, registered telemarketers also bought 2,193 National DNCL subscriptions. Telemarketer subscriptions are available for multiple area codes, as well as single area codes. Longer subscription periods or a combination of long and short subscriptions are also available. This provides better options for telemarketers' business operational plans.



Who registered this year?



Taking Action to Protect Canadians

Emerging Global Challenges Demand Creative New Approaches

Our enforcement actions send a clear message to telemarketers and clients of telemarketers that they must abide by the Unsolicited Telecommunication Rules, and register with and subscribe to the National DNCL.

To address these challenges, our analysts rely on sophisticated tools and work with partners across Canadian and international borders to investigate alleged violations. In 2017-18, we continued to: build custom solutions that draw on external databases and analytical tools, such as the Canadian Telephony Honeypot (a.k.a. Honeypot)—a vital tool for learning about violators of the Rules; conduct data sweeps to identify industry-wide non-compliance trends; and build preliminary reports of suspected violation trends to help with our investigations.

And finally, we continued to take part in important international forums—such as the Unsolicited Communications Enforcement Network (UCENet); the Messaging, Malware and Mobile Anti-Abuse Working Group; the Community of Federal Regulators; and the International Mass Marketing Fraud Working Group—to explore, share, and build innovative ways for the regulatory community to serve its constituents.

This year we issued:



Taking Action to Enforce Compliance

All telemarketers conducting telemarketing on their own behalf or on behalf of clients must adhere to the Rules. Among other things, the Rules state that they must:

- identify who they are and, upon request, provide a fax or telephone number where the caller can speak to someone about the telemarketing call,
- display the telephone number that they're calling from or that the consumer can call to reach them, and
- only call or send faxes between 9:00 a.m. and 9:30 p.m. on weekdays and between 10:00 a.m. and 6:00 p.m. on weekends.

Telemarketers must also comply with the Automatic Dialing and Announcing Device (ADAD) Rules. ADADs are devices that dial telephone numbers automatically and deliver a pre-recorded message.

When it comes to enforcing the Rules, one of our main goals is to bring violators into compliance. To this end, once we've gathered intelligence to select and investigate cases of alleged violation, we use enforcement tools to appropriately respond to each unique case. These tools include:

- warning letters for minor violations,
- [citations](#) that set out specific corrective actions,
- [notices of violation](#) (NoV), which are formal enforcement measures (set out in section 72.07 of the *Telecommunications Act*) that could carry a financial penalty (legally called an administrative monetary penalty or AMP), and
- negotiated settlements, which are formal agreements between entities that commit serious violations and the Chief Compliance and Enforcement Officer. As part of a settlement, the entity must admit liability, stop violating the Rules, accept a NoV with an AMP, and develop a compliance program.

Our enforcement activities for violation of the Rules include warning letters, citations, and penalties of up to \$1,500 per violation per day for individuals and up to \$15,000 per violation per day for corporations.

UTR violations from 2017-18 are available on the CRTC website under the [Enforcement Actions](#) section.

2017-18 Highlights: Spotlight on Enforcement

- 100% – Every entity we brought into compliance with the Rules through negotiated settlements implemented compliance practices.
- 100% – Every entity we subjected to enforcement in 2016-17 stayed compliant during 2017-2018.

Protecting Voters

In addition to enforcing the Rules around sales-related calls, under the *Fair Elections Act*, the *Canadian Elections Act*, and the *Telecommunications Act*, we also enforce the [Voter Contact Registry](#) (VCR). During an election campaign, political candidates and parties and their supporters are obliged to follow the rules that fall under the VCR. This tool protects Canadians from rogue or misleading telephone calls and ensures transparent contact with voters during elections. With the upcoming election, we remain prepared to handle registrations, complaints and investigate potential violations.

Our enforcement activities for violations of the VCR include warning letters, citations, and penalties of up to \$1,500 per violation per day for individuals and up to \$15,000 per violation per day for corporations.

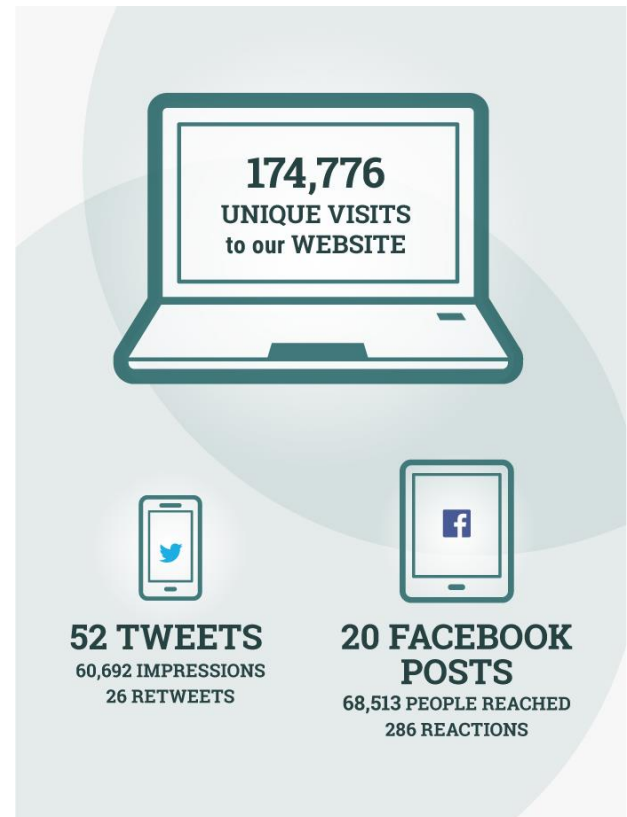
This year, we issued 20 citation letters and 4 warning letters for alleged violations under the VCR associated with 2017-18 federal by-elections. The 2017-18 VCR violations are posted on the CRTC website under the [VCR Enforcement Actions](#) section.

Bringing the Message to Canadians

By ensuring that the online experience is easy and simple, we're reaching more Canadians than ever.

Forewarned is forearmed! Last year, we continued to use Twitter and Facebook to inform and educate Canadians and telemarketers alike about emerging issues and issues related to telemarketing. Furthermore, by ensuring that the online experience is an easy and simple way to access alerts, videos and infographics, we have:

- increased unique visits to our website¹ by 75%,
- doubled page visits from people on tablets and mobile devices, and
- increased visits from new visitors by 80%.



This means we're getting better at reaching more Canadians than ever.

¹ This is only for the telemarketing and DNCL pages on the CRTC website. The National DNCL Operator has its own website but we do not report on it.

Investing in Canada's Future

...By Building a World-Class Communications System

Our goal is to support a safe, secure, and trusted communications system for Canadians in a constantly changing digital landscape. Building strong partnerships with industry, domestic and international enforcement agencies allows us to coordinate our efforts and be more effective in combatting spam and nuisance calls.

2017-18 Highlights: Partnership & Outreach



To this end, in addition to overt regulatory activities, we also make education, outreach, and ongoing improvement key components of our work.

This year, we undertook several important ventures:

Domestic Cooperation

Knock and Talk towards industry co-operation

In 2017-18, the CRTC began a “Knock and Talk” program across Canada. This program was a practice employed by our investigation team whereby investigators would visit parties subject to the UTRs throughout Canada and engage in a discussion surrounding their compliance with the *Telecommunications Act* and the UTR. These visits served a dual purpose of information sharing with these entities and as a mechanism to promote compliance through inspection activity.

International Cooperation

MOUs to fight both spam and unwanted telemarketing calls

In 2017-18, we continued to improve our capacity to pursue violators outside Canadian borders and addressed emerging technical issues like illegitimate caller identification (ID) spoofing². For example, the CRTC signed Memoranda of Understanding with [Japan](#), the [UK](#), [Australia](#), and [New Zealand](#) to combat email spam and nuisance phone calls. These agreements allow the agencies to share information and provide investigative support, upon request, and in accordance with the law. The MOUs also provide for research and education opportunities, as well as staff exchanges and joint training initiatives for the parties.

Building Understanding at Home

Policy improvements

Technology and business do not stand still, and the Rules must keep pace. We continually reach out to Canadians and the industry for their input on emerging issues that could affect policy and regulation.

On November 16, 2017 ([NoC 2017-405](#)), we began a follow-up proceeding inviting parties to comment on our proposal to require all Canadian telecommunications service providers to implement universal call blocking within nine months following the imposition of such requirements. We are currently reviewing the comments and interventions submitted and anticipate issuing a decision in the near future.

In January 2018, we issued [Decision 2018-32](#), which set out important protections for Canadians including:

² Caller ID spoofing is when callers (often scammers) conceal or misrepresent their true identity when making a call. Recipients will see inaccurate, false, or misleading information on their call display.

- Determining that authentication and verification of caller ID information for Internet Protocol (IP) voice calls should be implemented by Canadian telecommunications service providers (TSPs) by no later than March 31, 2019 and requiring TSPs to report on their progress.
- Requiring TSPs to establish a Canadian administrator for the issuance of certificates that would be required for authentication and verification of IP-based voice calls.
- Requiring Canadian TSPs to develop a call traceback process and file a report for Commission review of such a process.

Telemarketer webinars

To help telemarketers and clients of telemarketers to comply with the Rules, we hosted 40 compliance outreach sessions for industry representatives during visits to Toronto, Ottawa, Montreal, Halifax, Winnipeg, Calgary and Vancouver. We broadcasted several sessions by webinar to maximize participation from telemarketers across Canada.