



Compliance and Enforcement and Telecom Decision CRTC 2020-125

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Bell Canada – Application to block Wangiri fraud calls

Application

1. The Commission received an application dated 24 March 2020, from Bell Canada, on behalf of itself and its affiliates that carry voice traffic (collectively, Bell Canada et al.), requesting the Commission's approval pursuant to section 36 of the *Telecommunications Act* (the Act) on an urgent, expedited, and *ex parte* basis. Specifically, Bell Canada et al. requested the Commission's authorization to block verified Wangiri fraud calls received or transmitted from, to, or over their networks until 1 June 2020, or another date on which the Commission determines that the extraordinary circumstances associated with the COVID-19 crisis have ended.
2. Bell Canada et al. explained that Wangiri fraud calls are made mostly to Canadian mobile wireless service subscribers. The calls appear to originate from overseas. The telephone receiving the call is allowed to ring only once or twice, in the hope that the recipient will be intrigued enough to call back the number appearing on their call display. When they do, the payment structure for the processing of the overseas call results in the fraudulent actors receiving a payment. A huge volume of such calls are performed.
3. The Commission received interventions regarding Bell Canada et al.'s application from the Internet Society Canada Chapter (ISCC), the Public Interest Advocacy Centre (PIAC), Rogers Communications Canada Inc. (RCCI), and Mr. Marc Nanni. Mr. Nanni also submitted procedural requests.

Issues

4. The Commission has identified the following issues to be addressed in this decision:
 - Should the Commission deal with the application on an urgent, expedited, and *ex parte* basis?
 - Should the Commission approve Mr. Nanni's procedural requests?
 - Should the Commission authorize Bell Canada et al. to block verified Wangiri fraud calls received or transmitted from, to, or over their networks until 1 June 2020?

Should the Commission deal with the application on an urgent, expedited, and *ex parte* basis?

Positions of parties

5. Mr. Nanni requested that the Commission reject the request for an expedited process (as an alternative to rejecting the application altogether). PIAC and RCCI supported the application.

Commission's analysis and determinations

6. The main objective of the relief sought is to assist in reducing traffic on the telecommunications networks at times of unprecedented call volume. In light of the exceptional circumstances, and the limited scope and duration of Bell Canada et al.'s application, the Commission determines that it is in the public interest to deal with the application on an urgent, expedited basis and dispense with the 30-day intervention period provided for in section 26 of the *Canadian Radio-television and Telecommunications Commission Rules of Practice* (the Rules of Procedure). The Commission received four interventions in response to the application within three days of the application being filed. While the Commission has considered these interventions in making this determination, it will not accept any additional interventions.
7. The Commission notes that while the unique circumstances of this case would have justified a decision on an *ex parte* basis, this was not necessary given that the Commission received the four interventions prior to its consideration of the matter.

Should the Commission approve Mr. Nanni's procedural requests?

Positions of parties

8. Among other things, Mr. Nanni requested that the Commission (i) require Bell Canada et al. to disclose the parameters to be changed in their artificial intelligence methodology, and the alarming developments with adverse impacts on Bell Canada et al.'s networks that they referred to in their application; (ii) address to Bell Canada et al. the requests for information set out in his submissions; and (iii) afford Mr. Nanni a right to reply to any new information placed on the record as a result of his procedural requests.

Commission's analysis and determinations

9. The Commission considers that granting Mr. Nanni's requests for disclosure of additional information and responses to his requests for information would delay the issuance of the Commission's decision, and that such additional information is not necessary for it to make an informed and reasonable decision in the public interest. As determined above, the consideration of Bell Canada et al.'s application on an urgent and expedited basis is in the public interest.
10. In light of the above, the Commission **denies** Mr. Nanni's procedural requests.

Should the Commission authorize Bell Canada et al. to block verified Wangiri fraud calls received or transmitted from, to, or over their networks until 1 June 2020?

Positions of parties

11. Bell Canada et al. stated that Canadian telecommunications networks are currently subject to an unprecedented level of call volume as employees of Canadian governments and businesses, as well as individual Canadians, work from home in a concerted effort to engage in social distancing to combat the spread of COVID-19. Fraudulent calls add an unnecessary burden onto already strained telecommunications networks. For instance, between 16 and 20 March 2020 alone, Bell Canada et al. recorded more than six million Wangiri fraud calls on their networks.
12. Bell Canada et al. submitted that they can confirm that there has been a number of alarming developments with adverse impacts on their networks.
13. Bell Canada et al. stated that the methodology it proposes to use to block the Wangiri fraud calls is the same as described in Bell Canada et al.'s Part 1 application for approval to block certain fraudulent calls on a trial basis (Bell Canada et al.'s main Part 1 application).
14. RCCI submitted that it is also observing high network traffic levels and the blocking of legitimate calls due to network congestion. RCCI expressed strong support for Bell Canada et al.'s application, stating that the call blocking proposal would assist RCCI by blocking unnecessary and harmful excess traffic terminating on its network.
15. Mr. Nanni questioned how Bell Canada et al. could possibly verify two million calls a day, and expressed significant concerns regarding the potential for identifying legitimate calls as fraudulent (false positives) and the collection and use of data and metadata that includes personal information. Mr. Nanni argued that it would be preferable if Bell Canada et al. were to block only those numbers on an established blacklist in order to avoid false positives and the collection of vast amounts of information.
16. PIAC supported the application and expressed the view that the harm in false positives would be massively outweighed by the consumer benefit of avoiding fraud in a time of consumer stress and of increased network congestion.
17. The ISCC opposed Bell Canada et al.'s application to the extent that it would apply to traffic that merely transits their networks. Referencing its intervention in Bell Canada's et al. main Part 1 application, the ISCC stated that it would have no issue if Bell Canada et al. wished to block calls to their own subscribers, provided that a proper opt-out mechanism and safeguards are in place.

Commission's analysis and determinations

18. Pursuant to section 36 of the Act, a Canadian carrier cannot “control the content or influence the meaning or purpose of telecommunications carried by it for the public” except where the Commission approves otherwise. The Commission has previously expressed the view that the requirement to obtain approval pursuant to that section arises where a carrier seeks to block calls. The Act does not set out parameters to guide the Commission’s exercise of this discretionary power, aside from the generally applicable requirements that it exercise its authority with a view to implementing the telecommunications policy objectives set out in section 7 of the Act, and in compliance with the 2006 Policy Direction¹ and the 2019 Policy Direction² issued by the Governor in Council.
19. The Commission notes Bell Canada et al.’s submission that Canadians, businesses, and governments have never before relied on Bell Canada et al.’s networks to the extent that they are during the current COVID-19 crisis, which has resulted in an unprecedented level of call volume on the telecommunications networks, and that blocking Wangiri fraud calls will help to accommodate the increased level of legitimate call volume.
20. The Commission considers that protection against network congestion in this unprecedented situation is a matter of urgent and fundamental importance, as is the protection of consumers, and notes that blocking verified Wangiri fraud calls as a reasonable means to achieve that objective has not been contested; rather, the issue in this application is whether the particular approach being used to block such calls is appropriate.
21. Bell Canada et al. filed a detailed methodology in confidence on the record of their main Part 1 application, some of which was shared with interveners who signed a non-disclosure agreement. On the public record of their main Part 1 application, Bell Canada et al. indicated, among other things, that the trial would be conducted in a network-wide manner and, as a result, every call originating in, terminating in, or merely transiting through Bell Canada et al.’s networks would be subject to analysis and potential blocking. Additionally, due to the network layer at which the blocking occurs, there would be no notification given to either the originator of a call or its intended recipient that a call had been blocked.
22. The concerns regarding the methodology proposed by Bell Canada et al. generally relate to the use of artificial intelligence and (i) the fact that it would apply not only to Bell Canada et al.’s calls but also to traffic only transiting their networks;

¹ *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives*, SOR/2006-355, 14 December 2006

² *Order Issuing a Direction to the CRTC on Implementing the Canadian Telecommunications Policy Objectives to Promote Competition, Affordability, Consumer Interests and Innovation*, SOR/2019-227, 17 June 2019

(ii) the potential for false positives; and (iii) the extent and scope of information that Bell Canada et al. would be reviewing to determine whether to block calls.

23. The Commission considers that in the circumstances of the current crisis, the fact that Bell Canada et al.'s proposal would apply to Wangiri fraud calls transiting their networks (and not only to calls to or from its customers) can be characterized as a benefit, since it would also serve to alleviate traffic congestion on other telecommunications service providers' (TSPs) networks. The Commission notes that RCCI expressed strong support for Bell Canada et al.'s request for that particular reason.
24. Furthermore, the Commission considers that the limited parameters of the call blocking proposal in this application (to block only verified Wangiri fraud calls, and only for a two-month period), serve to mitigate concerns. In particular, it is reasonable to assume that the current proposal involves minimal risk of false positives,³ insofar as it would involve blocking only Wangiri fraud calls, a subset of fraudulent calls that share the same characteristics. Moreover, the minimal number of false positives, if any, on transiting traffic would limit the potential for any disadvantage to competitor TSPs that may result from the TSP being unable to redress its customers' complaints. Similarly, given the limited scope and duration of the blocking, the proposed blocking cannot reasonably be expected to subject competitor TSPs to any material disadvantage or confer any material advantage on Bell Canada et al. While the extent and scope of the data assessed by Bell Canada et al. would likewise be limited as compared to the more general call blocking proposal for fraudulent and scam calls, the Commission nevertheless considers that it would be appropriate to explicitly require that Bell Canada et al. use and disclose the data collected only for the purpose of implementing the Wangiri call blocking proposal and for no other purpose.
25. Given the narrow parameters of Bell Canada et al.'s proposal to block only verified Wangiri fraud calls until 1 June 2020, the Commission concludes that, in the highly exceptional circumstances of this global pandemic, which has resulted in an unprecedented volume of calls, the concerns about this proposal are outweighed by the urgent and pressing need to ensure that legitimate calls are not blocked due to network congestion, to maintain the integrity of Canadian telecommunications networks, and to reduce the impact of fraudulent calls on consumers.
26. In light of all of the above, the Commission concludes that approval of Bell Canada et al.'s application, pursuant to section 36 of the Act, subject to the conditions set out in paragraph 27 below, on an urgent and expedited basis, would be in the public interest and in furtherance of the telecommunications policy objectives set out in paragraphs

³ Bell Canada et al. stated in their main Part 1 application that they do not anticipate any false positives given the methodology that they are using.

7(a), (b), (c), (h), and (i) of the Act,⁴ and would be consistent with the 2006 Policy Direction and the 2019 Policy Direction.

27. Accordingly, the Commission **approves** Bell Canada et al.'s application to block verified Wangiri fraud calls received or transmitted from, to, or over their networks until 1 June 2020, subject to the following conditions:
- a. Bell Canada et al. are to provide to the Commission monthly reports of the call blocking activity during the months of April and May 2020 (the reports being due on **15 May and 15 June 2020**), containing the following information:
 - i. The number of blocked calls, including, to the extent available, the number of calls originating or terminating on Bell Canada et al.'s networks and the number of calls transiting Bell Canada et al.'s networks; and
 - ii. data regarding each false positive, along with information on how this false positive was detected and how it occurred, and the complete details of the measures taken to prevent the reoccurrence of similar instances;
 - b. Bell Canada et al. are to provide any other data or reports in relation to this blocking to the Commission, as the Commission may determine to be appropriate; and
 - c. Bell Canada et al. shall not use or disclose the data collected to detect verified Wangiri fraud calls for any purpose other than for the purpose of implementing the call blocking system approved in this decision.

Secretary General

⁴ The cited policy objectives of the Act are 7(a) to facilitate the orderly development throughout Canada of a telecommunications system that serves to safeguard, enrich and strengthen the social and economic fabric of Canada and its regions; (b) to render reliable and affordable telecommunications services of high quality accessible to Canadians in both urban and rural areas in all regions of Canada; (c) to enhance the efficiency and competitiveness, at the national and international levels, of Canadian telecommunications; (h) to respond to the economic and social requirements of users of telecommunications services; and (i) to contribute to the protection of the privacy of persons.