



Canadian Radio-television and
Telecommunications Commission

Conseil de la radiodiffusion et des
télécommunications canadiennes

Answering the Call:

Building a Safe, Convenient Telemarketing Environment for Canadians

2018-19 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 30, 2019

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

Canada 

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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.

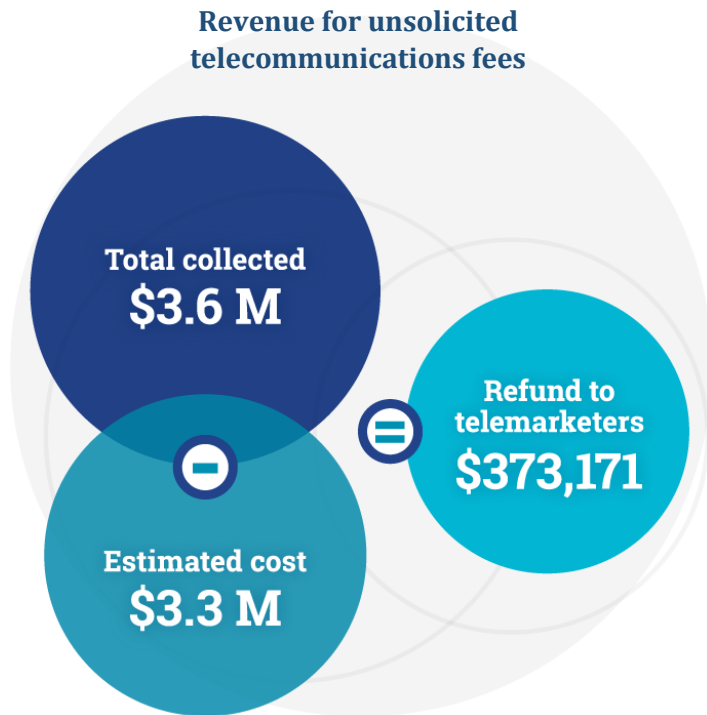
To support the Rules, we promote compliance with training and outreach directed at organizations that use telemarketing across multiple industry sectors. We also investigate and address non-compliance, communicate investigation results, and ensure the continuity of National DNCL operations. Finally,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

2018-19 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.

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. For 2018-19, the operating costs and the capital expenditures of the National DNCL operator were \$2,245,566 and \$0, respectively.

At the outset of 2018-19, 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 \$3.6 million (\$3,673,171). As the total amount paid in 2018-19 exceeded the estimated \$3.3 million in regulatory costs, the excess amount (\$373,171) is being refunded to telemarketers according to the [formula in Subsection 4 of the *Unsolicited Telecommunications Fees Regulations*](#).



Registrations, Complaints, and Perceptions

We Created Telemarketing-related Policies to Help Protect Canadians

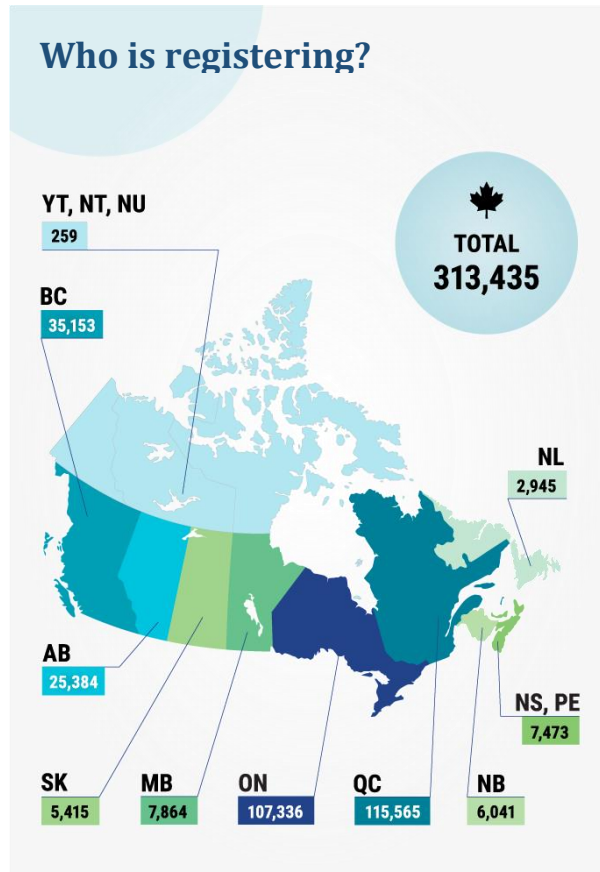
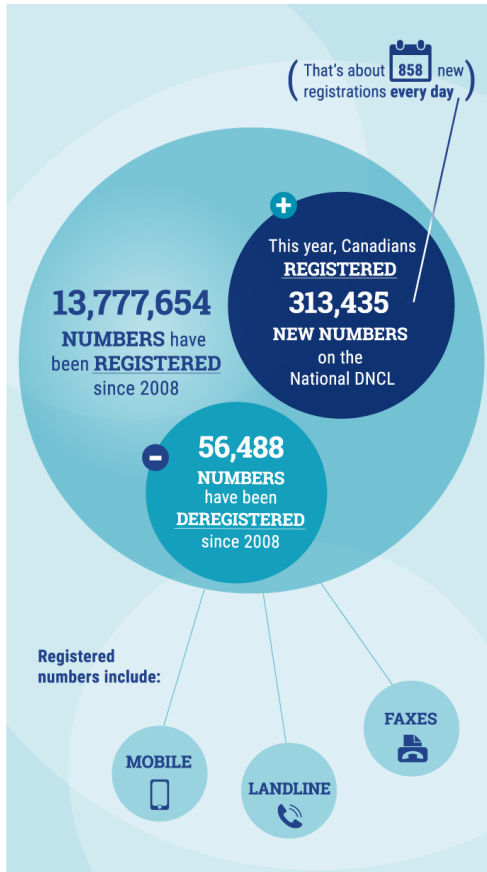
Protect them from what? From threats to their privacy, vulnerability within the communication system, and inconvenient telecommunications like that unwanted nighttime sales call.

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 13,777,654 telecommunications numbers and deregistered 56,488 numbers.

In the last fiscal year alone, Canadians registered 313,435 numbers for landlines, mobile phones, and fax lines—an average of more than 858 numbers each day.



Nova Scotia and Prince Edward Island:

Note that because these regions share area codes, their data is combined.

Yukon, Nunavut, and Northwest Territories:

Note that because these regions share area codes, their data is combined. These locations also include non-geographic area codes (e.g. mobile satellite phones which are typically used in remote areas of Canada).

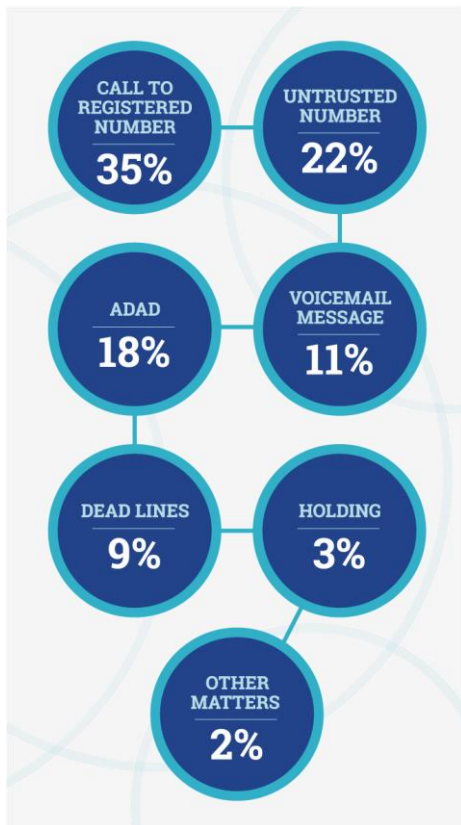
“Hello, Operator? I’d like to make a complaint...”

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 2018-19, Canadians filed 84,053 complaints with the National DNCL Operator.



What are people concerned about?

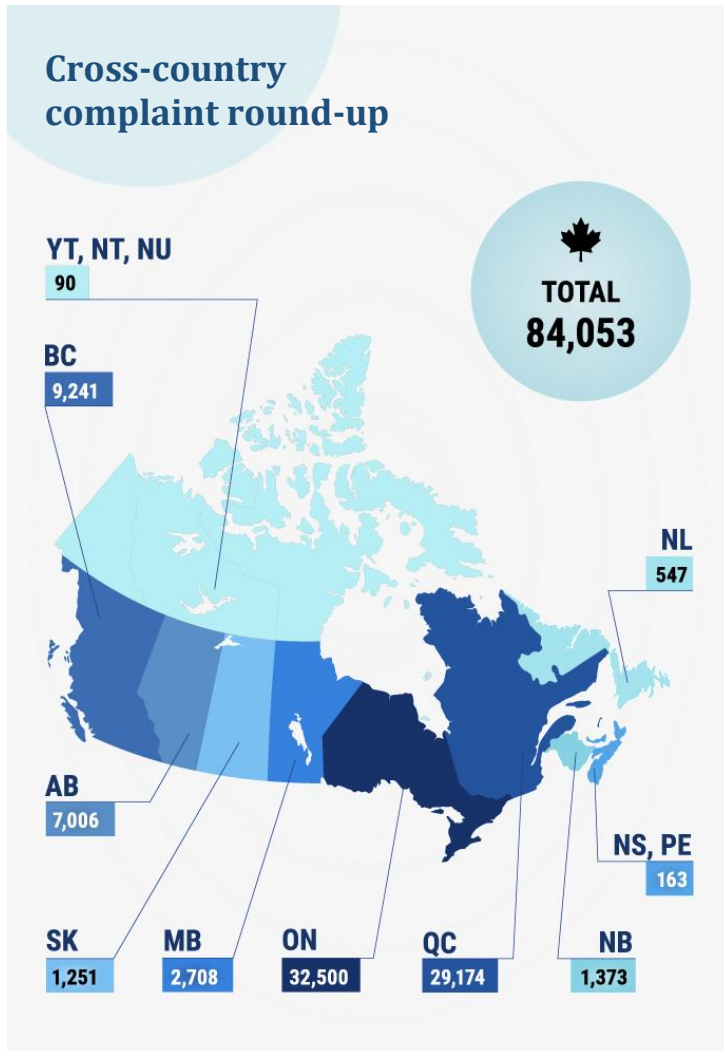


In 2018-19, Canadian complaints were as follows:

- 35% were about receiving a telemarketing call while their numbers were registered on the National DNCL
- 22% were about calls from suspected telemarketer telephone lines (i.e., untrusted number source)
- 18 % were about ADADs
- 11% were about telemarketers leaving voicemail message;
- 9% were about dead lines (i.e. cases where a predictive dialer was used or there was no caller on the line)
- 3% were about holding for a live caller
- 2% were about other matters

Cross-country complaint round-up

While Canadians across the country filed complaints, Ontario and Quebec once again top the list with a total of 72% of all complaints coming from these two provinces.



Nova Scotia and Prince Edward Island: Note that because these regions share area codes, their data is combined.

Yukon, Nunavut, and Northwest Territories: Note that because these regions share area codes, their data is combined. These locations also include non-geographic area codes (e.g. mobile satellite phones which are typically used in remote areas of Canada).

The Telemarketer Footprint: Registrations and Subscriptions

Better Telemarketing Practices = Better Business

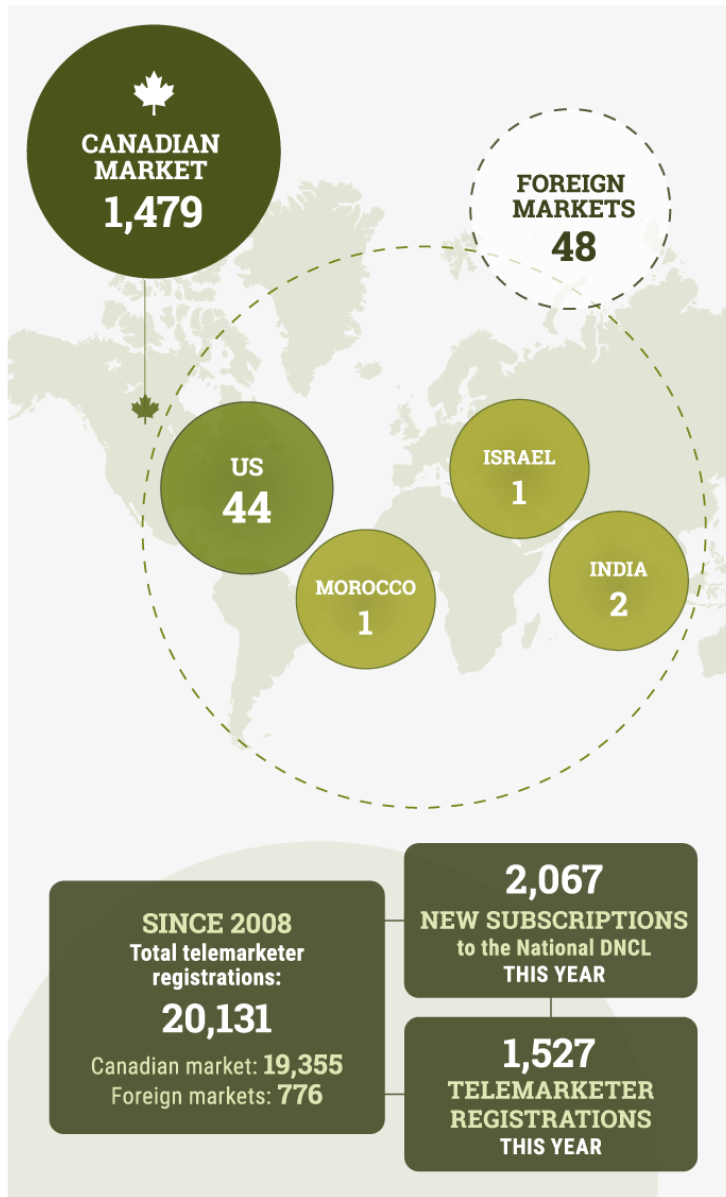
Telemarketers and clients of telemarketers are required to participate in Canada's National DNCL in two ways: by registering and by subscribing.

This year, 1527 telemarketers registered with the National DNCL Operator.

This year, registered telemarketers also bought 2067 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 Enforce Compliance and 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, the CRTC has the power to investigate and take action against violators, including the ability to issue administrative monetary penalties.

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 can also 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 an administrative monetary penalty (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.

Violations can result in 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 2018-19 are available on the CRTC website under the [Enforcement Actions](#) section.

This year we issued:

49
CITATIONS

430
WARNING
LETTERS

25
NOTICES OF
VIOLATIONS
in Canada

3
DECISIONS

OVER
\$240,000
IN ADMINISTRATIVE
MONETARY PENALTIES

2018-19 Highlights: Spotlight on Enforcement

- Of the 49 citations issued, 39% were related to Part II violations of the UTRs and 57% were related Part III of the UTRs.
- The highest paid AMP was \$90,000 as part of a settlement over violations of the UTRs.
- 100% – Every entity we brought into compliance with the Rules through negotiated settlements implemented compliance practices.
- 100% – Every entity we subjected to enforcement in 2017-18 remained compliant during 2018-2019.

49 citations issued:

39%

**PART II VIOLATIONS
OF THE UTRs**

57%

**PART III VIOLATIONS
OF THE UTRs**

THE HIGHEST PAID AMP WAS

\$90,000

**AS PART OF A SETTLEMENT OVER
VIOLATIONS OF THE UTRs**

100%

**EVERY ENTITY
WE BROUGHT INTO
COMPLIANCE
WITH THE RULES
through negotiated
settlements implemented
compliance practices.**

100%

**EVERY ENTITY WE
SUBJECTED TO
ENFORCEMENT IN
2017-18 remained
compliant during
2018-19.**

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 federal elections. During elections, 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.

There were three by-elections held and only 1 warning letter issued for alleged violations under the VCR associated with 2018-19 federal by-elections. All VCR violations are posted on the CRTC website under the [VCR Enforcement Actions](#) section.

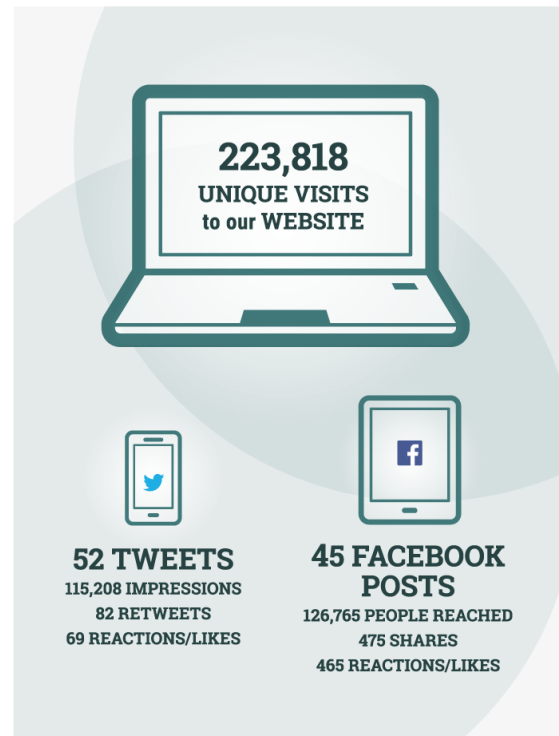
Bringing the Message to Canadians

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:

- develop easy and simple to access alerts, videos and infographics;
- use Twitter and Facebook to inform and educate Canadians and telemarketers alike about emerging issues and issues related to telemarketing.

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



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.

2018-19 Highlights: Partnership and Outreach

“We promote compliance to help prevent businesses from running into trouble with the law”

- Keynote address by the CRTC's Chief Compliance and Enforcement Officer to the Account Receivable Management Association of Canada

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

For the second year in a row, our investigators visited parties throughout Canada and engaged in a discussion surrounding their compliance with the *Telecommunications Act* and the UTR.

In 2018-19, the CRTC “Knock and Talk” program across Canada helped identify numerous non-compliance issues specific to the car dealership industry allowing the CRTC to focus some of its outreach and education to help enable businesses to comply with the Rules.

Telemarketer webinars

To help telemarketers and clients of telemarketers comply with the Rules, we hosted 32 compliance outreach sessions for industry representatives across Canada. We broadcasted several sessions by webinar to maximize participation from telemarketers across Canada.



International Cooperation

MOUs to fight unwanted telemarketing calls

The CRTC continued to improve our capacity to pursue violators outside Canadian borders and addressed emerging technical issues like illegitimate caller identification (ID) spoofing¹. A total of 16 memorandums of understanding have been signed. 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.

Additional level of protection for Canadians

On December 19, 2018 ([CRTC 2018-484](#)) the CRTC took further steps to reduce the number of unsolicited and illegitimate calls Canadians receive. To offer Canadians an additional level of protection, telecommunications service providers must implement a system to block calls within their networks by **December 19, 2019**. With the implementation of such a system, calls with caller identification (caller ID) information that either exceeds 15 digits or does not conform to a number that can be dialed (for example, 000-000-0000) will be blocked before reaching the subscriber.

Working with the industry

In January 2018, the CRTC issued [Decision 2018-32](#), which set out important protections for Canadians. Throughout 2018 and part of 2019, the CRTC Interconnection Steering Committee Network Working Group's has been developing an interim call traceback process to determine the origins of nuisance calls. A trial of this system is currently being tested in the marketplace for implementation.

¹ 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.