



Report on the Operation of the National
Do Not Call List

for the period April 1, 2013
to March 31, 2014

Presented to

The Honourable James Moore

Minister of Industry



September 30, 2014

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Message from the Chairman and CEO

I am pleased to present the report of the Canadian Radio-television and Telecommunications Commission (CRTC) on the operation of the National Do Not Call List (National DNCL or the List) for the period from April 1, 2013 to March 31, 2014.

The CRTC aims to ensure that Canadians have access to a world-class communications system. We organize this mission around three pillars: Create, Connect, and Protect. The Protect pillar defines the work we do to see that Canada's communications system enhances the safety and interests of Canadians, including their right to privacy. Compliance and enforcement activities to encourage adherence to laws and rules administered and/or enforced by the CRTC are a cornerstone of achieving this objective.

Over the years, many Canadians have complained about being persistently annoyed in their own homes by unwanted phone calls from telemarketers. In order to reduce the number of such calls, they can register their numbers on the National DNCL—and they can file complaints if they continue to receive calls that they believe are in violation of the CRTC's Unsolicited Telecommunications Rules (the Rules). The Rules, which incorporate the framework of the National DNCL, are designed to protect people's privacy while still allowing legitimate uses of telemarketing telecommunications.

Each year, challenges posed by advances in technology become more complex. Unethical telemarketers are able to falsify a caller's identity in a practice known as caller identification "spoofing," and the telemarketing schemes are becoming increasingly international in scope. CRTC enforcement officers investigate cases with other law enforcement agencies using strategies and collaborative approaches that have evolved over the years and will continue to evolve as the

complexity of investigative cases grows. These strategies and approaches aim to protect consumers from rogue calls by staying ahead of the changing landscape of telemarketing violations.

In 2013-2014, our compliance and enforcement program delivered a wide array of actions under the Rules. A total of 101 investigations concluded in the reporting period led to the issuance of 50 warning letters, 8 citations, and 30 notices of violations to compel parties to comply with the Rules. These enforcement actions addressed violations that were associated with over 11 million illegal calls to Canadians. As well, over \$1 million in administrative monetary penalties were assessed for violations of the Rules.

Other highlights for 2013-14 include

- **128,273 complaints to the CRTC's toll-free line regarding possible violations of the Rules;**
- **the issuance of a decision to extend the registration period for telecommunications numbers on the National DNCL, and a public consultation that paved the way to make the List permanent;**
- **the delivery of a variety of education and awareness sessions with stakeholders and consumer groups; and**
- **the creation of a new Voice and Telephony Abuse Special Interest Group to identify and implement technology-based solutions to address telephony abuses such as spoofing.**



September 30, 2013, marked the fifth anniversary of the launch of the National DNCL. Canadians have registered more than 12 million numbers, representing about 29% of Canadian households. Such a strong response demonstrates that the List addresses a very real need.

It will never be possible to eliminate all unwanted calls. However, we are confident that the National DNCL has provided a significant safeguard for the privacy of the millions of Canadians who have chosen to take advantage of it. We have worked hard over the past year to make this protection even more efficient and effective.

Jean-Pierre Blais

Chairman & CEO, Canadian Radio-television and Telecommunications Commission

The CRTC

The Canadian Radio-television and Telecommunications Commission (CRTC) is an administrative tribunal that regulates and supervises Canadian broadcasting and telecommunications in the public interest. Its mandate includes the responsibility to protect Canadians from unsolicited communications. Further background on the National Do Not Call List (DNCL) and the CRTC's recent enforcement activities may be found on its [website](#).

The main legislative authorities for the CRTC are

- the *Canadian Radio-television and Telecommunications Commission Act*;
- the *Bell Canada Act*;
- the *Broadcasting Act*;
- the *Telecommunications Act*; and
- An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the *Canadian Radio-television and Telecommunications Commission Act*, the *Competition Act*, the *Personal Information Protection and Electronic Documents Act*, and the *Telecommunications Act*. This Act is often referred to as "Canada's anti-spam legislation" or "CASL."

The *Telecommunications Act* requires that the CRTC report on the operation of the National DNCL on an annual basis:

41.6 (1) The Commission shall, within six months after the end of each fiscal year, deliver a report to the Minister on the operation of the national do not call list in that fiscal year.

Content of Report

(2) The report shall set out any costs or expenditures related to the list, the number of Canadians using the list, the number of telemarketers accessing the list, any inconsistencies in the prohibitions or requirements of the Commission under section 41 that are applicable to the operation of the list, and an analysis of the effectiveness of the list.

Tabling of Report

(3) The Minister shall cause a copy of the report referred to in subsection (1) to be laid before each House of Parliament on any of the first fifteen days on which that House is sitting after the Minister receives the report.

*"We can't solve problems by using the same kind of thinking we used when we created them."
– Albert Einstein*

The Canadian Telemarketing Market

Telemarketing is a big business in Canada. A **recent report**¹ on the telemarketing and call centres industry found 878 businesses telemarketing to Canadians on behalf of their clients. These companies employed 42,115 people and generated annual revenues of \$3 billion.

¹ *Telemarketing & Call Centres in Canada: Market Research Report, IBISWorld, May 2014*

Section 1: How the National Do Not Call List Works

In 2006, Parliament amended the *Telecommunications Act* to grant the Canadian Radio-television and Telecommunications Commission (CRTC) the authority to establish a national do not call list. This authority extended the CRTC's existing powers to regulate unsolicited telecommunications. In 2007, the CRTC established a **comprehensive framework** for unsolicited telemarketing calls and other unsolicited telecommunications received by consumers. As noted then by the CRTC,² the aim of the framework is to reduce inconvenience and annoyance to consumers while allowing the legitimate use of telemarketing communications.

Bell Canada, the National Do Not Call List (DNCL or the List) operator, is responsible for

- registering and deregistering Canadians' phone and fax numbers;
- collecting complaints;
- forwarding complaints to the CRTC;
- preparing reports and statistical output;
- registering telemarketers' business information;

- processing subscription payments; and
- providing telemarketers with up-to-date versions of the National DNCL.

The CRTC's compliance and enforcement work on the Unsolicited Telecommunications Rules (the Rules) encompasses three major inter-related activities that work together to achieve the best results for Canadians:

- **Regulatory policy development is undertaken, in consultation with Canadians and industry stakeholders, to ensure that policies are responsive and effective in striking a balance between the interests and needs of the public and those of the telemarketing industry;**
- Education and outreach to inform Canadians of the protections provided by the National DNCL and how Canadians may take advantage of them, while telemarketers are informed of their own responsibilities and rights;
- In response to consumer complaints, the CRTC carries out investigation and enforcement activities to encourage telemarketers to comply with its rules, with a range of measures available to bring into compliance those who break them.

"...the aim of the framework is to reduce inconvenience and annoyance to consumers while allowing the legitimate use of telemarketing communications."

The Unsolicited Telecommunications Rules

The protection of consumers against specific types of unwanted and annoying phone calls is governed by the Rules, comprising three main parts:

- the National DNCL Rules;
- the Telemarketing Rules; and
- the Automatic Dialing-Announcing Device (ADAD) Rules.

The Rules apply to all those who conduct unsolicited telecommunications, whether for themselves or on behalf of a third party. Telemarketers are required not only to respect the wishes of consumers who have registered their numbers on the National DNCL, but also to maintain their own internal do not call lists (internal DNCLs). An internal DNCL is a list that a company must keep to track consumers' wishes not to be called by that company, whether or not they are on the National DNCL.

²Paragraph 112 of *Telecom Decision 2007-48* states the following: "The Commission considers that the prohibition against contacting consumers on the National DNCL may be an infringement on the telemarketer's right to freedom of expression; however, the Commission is of the view that the prohibition rule appropriately balances the telemarketer's right to freedom of expression with the consumer's rights to privacy and not to listen if he or she so chooses."

Complaints, Investigations, and Enforcement

When a consumer files a complaint with the National DNCL operator, it is forwarded to the CRTC for investigation. CRTC staff first conduct a review of the complaint and may seek more information from the consumer, the telemarketer, or third parties who may have information that could assist in determining whether the regulated party is in compliance with the Rules. Once a compliance concern is identified, an investigation is initiated to collect evidence relating to the alleged violation(s). Enforcement officers may visit the premises of the telemarketer to conduct an inspection or further an investigation.

It is often the case that one reported phone call reveals several different kinds of violation. For example, oftentimes a telemarketer who contacts someone whose number is registered on the National DNCL is also neither registered with the National DNCL operator nor subscribed to the National DNCL. Thus one call may generate multiple violations.

In some cases, the behaviour that is the subject of a complaint may be more than a violation of the Rules. There are incidents where the telecommunication may also be a case of fraud, and on those occasions the CRTC communicates with its law enforcement partners to best determine who will lead the investigation.

The CRTC takes a risk-based approach to compliance management. When enforcement officers identify non-compliance with the Rules, they have a range of compliance and enforcement measures at their disposal to respond, including the following:

- **A Warning Letter** is a procedural administrative action that brings to the attention of the violator a minor violation, in order for corrective action to be taken. Failure by a telemarketer to identify their name and phone number on a fax message or keep records related to their use of the National DNCL are examples of minor violations.

- **A Citation** is another procedural administrative action that alleges serious violations and is published on the CRTC's website. It identifies the alleged violation(s) and notes the specific corrective action to be taken within a certain time frame. Activities to which the CRTC responds with a Citation include a telemarketer contacting a healthcare and/or emergency line, or a telemarketer not processing an internal do not call request at the time of the call.
- **A Notice of Violation** is an enforcement tool set out in section 72.07 of the *Telecommunications Act* and is issued for more serious violations. It may carry with it an administrative monetary penalty (AMP). Factors that determine whether a Notice of Violation should be issued and what the amount of the AMP should be include the nature of the violation, the number and frequency of complaints and violations, the relative disincentive of the measure, and the potential for future violation. Notices of Violation are issued to telemarketers who engage in telemarketing without a valid registration or subscription to the National DNCL operator, or who call consumers whose telephone numbers are registered on the National DNCL.

If a Notice of Violation is issued, it sets out the process to be followed should the telemarketer choose to put forward a defence through a written representation to the CRTC. Following a CRTC decision, the telemarketer may request the CRTC to review and vary it, after which leave may be sought to appeal to the Federal Court of Appeal.

“The CRTC takes a risk-based approach to compliance management.”

Information Sources
Including complaints, tips from partner agencies, honeypots, and other internal and external sources

Case Assessment
To determine if an investigation is warranted, or appropriate next step

Close case due to compliance

Refer to other law enforcement agency

Investigation
Gather evidence and establish facts, including interviewing witnesses and taking statements

Warning Letter

Citation

Notice of Violation
issued with an AMP
Alleged violator is informed it may make representations

Case is presented to the Commission

Violator pays the AMP

Commission Decision

Review and Vary Application
Commission Decision

Appeal of Decision to Federal Court of Appeal

Section 2: Operation of the National Do Not Call List – 2013-2014

Regulatory Policy Development

During the 2013-2014 reporting period, from April 1, 2013 to March 31, 2014, the CRTC implemented a number of major policy initiatives:

Unsolicited Telecommunications Fees Regulations

The **Unsolicited Telecommunications Fees Regulations** (the Fees Regulations) came into effect on April 1, 2013. These regulations enable the CRTC to fund National DNCL investigation and enforcement costs (also known as “telemarketing regulatory costs”) on a cost recovery basis through telemarketers’ purchases of subscriptions to the National DNCL. This long-term funding regime replaced the interim funding measures that were in effect.

The Fees Regulations prescribe a schedule of fees to be paid by telemarketers based on the number of area codes they wish to contact and the time period covered. These fees are collected by Bell Canada, the National DNCL operator, on behalf of the CRTC and are remitted to the CRTC on a monthly basis. The Fees Regulations also provide for refunds to be made to telemarketers in the event that the total fees collected during a given fiscal year exceed the CRTC’s telemarketing regulatory costs.

Permanent Number Registration

On September 30, 2013, the CRTC issued a **decision** to extend the registration period for telecommunications numbers on the National DNCL to six years from five years, before millions of existing registrations would begin to expire

in October 2013. Simultaneously, the CRTC began a **proceeding** to consider whether consumers’ number registrations on the National DNCL should be made permanent.

Canadians were invited to comment on a number of issues:

- Did they favour a permanent List? Could accuracy and individual preference concerns be appropriately addressed by better informing Canadians of their ability to remove their numbers from the National DNCL?
- If their new cellular, home, or fax number had already been registered on the National DNCL by a previous owner, would they be concerned about receiving fewer telemarketing calls or faxes?
- In the event of permanent number registration, what measures would they favour to educate Canadians about alternatives available to register or deregister their numbers, and who should undertake these measures?
- Did they think changes should be made to existing processes to simply or better facilitate number registrations and deregistrations?

Over 50 individuals, companies, associations, and non-governmental organizations submitted a wide range of views. Many noted the popularity of the National DNCL among Canadians, and that those who wished to keep their numbers on the National DNCL would benefit from a policy of permanent registration. A decision to make number registration on the National DNCL permanent was released early in fiscal year 2014-2015.



Review of the Unsolicited Telecommunications Rules

Following a **proceeding** launched in March 2013, the CRTC consulted with Canadians on ways to make the Rules more effective in reducing the number of unwanted telemarketing calls while facilitating more effective communications between telemarketers and consumers. This consultation process also incorporated an application by the Canadian Marketing Association requesting that telemarketers be allowed to make ADAD calls without the express consent of the person called when there is an existing business relationship.

In its **policy decision** of March 31, 2014, the CRTC acted to protect the privacy of Canadians by reaffirming that telemarketers could not make ADAD calls for the purpose of solicitation without the express consent of the person called, even when there is an existing business relationship. It also enhanced privacy protection through minor changes in the obligations that telemarketers have to the people they call.

- **The period during which companies must process requests from consumers to be added to their internal DNCLs was reduced from 31 days to 14 days.**

- **Telemarketers were permitted to provide consumers with an email address rather than a mailing address for making or verifying a do not call request with respect to the internal DNCL, whether or not the consumers are registered on the National DNCL.**
- **Telemarketing contact information required under the Rules was made subject to a requirement that the information remain valid for 60 days.**
- **The contact information at the beginning of an ADAD message now requires a brief description of the purpose of the telecommunication and allows for the inclusion of an email address.**

Announcing the decision, CRTC Chairman Jean-Pierre Blais stated that “the CRTC is not prepared to water down its rules on automated telemarketing. This respects the choice Canadians have made not to be disturbed. Telemarketers must have the express consent of Canadians to contact them in their homes using automated calling devices.”

“Effective enforcement of the Rules requires that the CRTC keep pace with technological developments that may be exploited by violators.”

Section 3: Challenges and Opportunities

Spoofing

Effective enforcement of the Rules requires that the CRTC keep pace with technological developments that may be exploited by violators. A major challenge has emerged in the form of caller identification (ID) “spoofing,” which is the falsification of the phone number that appears on consumers’ caller ID displays.

The Rules require the telemarketer to display the originating number or an alternate number where the telemarketer may be reached, unless technical reasons make number display unavailable. It would therefore be legitimate for a calling centre to display, for example, the number of the company on whose behalf the telemarketer is calling.

However, some telemarketers, in violation of the Rules, display a falsified number that may be random or fictitious,

or may even be the actual number of a business or person with no connection to the spoofing caller. This makes it extremely difficult to trace the originator of the call, especially since many telemarketers who use this kind of deception are operating from outside Canada.

Rapidly evolving technologies complicate the situation. Voice over Internet Protocol (VoIP) carries telephone calls via the Internet rather than traditional telephone circuits, thus allowing the point of origin to be masked. ADADs are used to initiate multiple calls with recorded messages. VoIP and ADADs are low-cost technologies that enable their users to deliver thousands or millions of calls, sometimes with fraudulent intent, with little risk of being identified or held responsible.

It is difficult to identify the caller of an illegitimately spoofed number, but CRTC investigators have had some success. They use a variety of sources and techniques to obtain information on numbers reported by complainants. A number that does not appear to be legitimate is deemed to be spoofed and is subject to further investigation.

Spoofing is on the increase, though accurate statistics are difficult to obtain because much of it is neither identified nor reported.

The CRTC's compliance and enforcement program monitors and analyzes spoofing and seeks to find ways to combat it. In May 2013, the CRTC commissioned a study on caller ID spoofing that considered methods of prevention and identification of spoofing, as well as possible solutions. The CRTC has shared the study with Canadian carriers and it continues to be used in exploring possible solutions.

In addition, the CRTC continues to explore anti-spoofing measures, such as trace-back programs and call-blocking policies. It is working with the private sector on a system to allow consumers to report spoofed calls by simply keying in a number on their phones.

International Cooperation

Given the increasingly international nature of the telemarketing business, collaboration with international law enforcement agencies and other partners is critical to effectively enforce the Rules. The CRTC is a co-founder of the International Do Not Call Network, which facilitates cooperation among agencies that enforce telemarketing rules in their respective countries. The CRTC is also an active member of the London Action Plan, an international cybersecurity and telecommunications enforcement network.

The agencies will act within their own regulatory authority and will also reach out to the telecommunications industries in their respective countries when their help is needed. Areas to be explored include enforcement, industry compliance, consumer education, and technological and regulatory issues.

In October 2013, the CRTC hosted the first International Spoofing Roundtable in Montréal, with expert representatives from Canada, the U.S., and the U.K., to explore and identify possible solutions to spoofing from government, technological, and industry perspectives. The telecommunications agencies from the three countries agreed to join forces to tackle the problem of spoofing, coordinating through the international law enforcement network of the London Action Plan and the International Do Not Call Network.

The CRTC is also a member of the international **Messaging, Malware and Mobile Anti-Abuse Working Group**. Within this organization, the CRTC took a leading role in February 2014 in the creation of a Voice and Telephony Abuse Special Interest Group (SIG), of which it is co-chair. This group undertook preliminary work with academic and industry partners toward the use of 3500 "honeypot" numbers designed to trace the origin of spoofed calls in a more precise and productive way than current methods alone. The Voice and Telephony Abuse SIG also held sessions for sharing expertise and information with representatives of the public and private sectors.

Honeypots

Honeypots provide a sophisticated technology-based system for identifying the perpetrators of abusive calls. A honeypot phone number appears to the caller to be just a normal phone number and target for their schemes. It is in fact an unused phone number provided to a regulator by a telecommunications company. The call may be answered by a computer or a human, and it may be recorded. Information about the call is logged automatically, and can then be used in conjunction with data from many other calls, as well as consumer complaints, to discern patterns that can help to identify the real source of the spoofed calls.

Honeypots are already a proven technology for detecting and understanding threats in online communications, and the CRTC, working with its national and international partners, is evaluating their possible usefulness in helping to protect Canadians against telephony abuse.

"Honeypots are already a proven technology for detecting and understanding threats in online communications, and the CRTC, working with its national and international partners, is evaluating their possible usefulness in helping to protect Canadians against telephony abuse."

Section 4: 2013-2014 Compliance and Enforcement Results

Education and Outreach

CRTC staff conducted 28 targeted education and outreach sessions across the country and in the U.S., with individual companies, associations representing consumers and industry sectors, and other stakeholders. The aim of these sessions was to improve understanding of the National DNCL and the Rules by the regulated community, and to promote discussion with partners and industry on the challenges presented by caller ID spoofing. When consumers and industry are well-informed about their rights and responsibilities, they become partners with the CRTC and can help to reduce the resource-intensive burden of investigation and enforcement.

The objectives achieved as part of these sessions in 2013-2014 included

- **building new partnerships and reinforcing existing partnerships with stakeholders in order to share best practices and inform them of trends in the industry;**
- **reducing the number of unsolicited telecommunications by improving compliance with the Rules by industry;**
- **communicating with domestic and international partners on the challenges of enforcement in the face of caller ID spoofing, and collaborating with them to find solutions; and**
- **informing consumers about how to file complaints regarding unsolicited calls with the National DNCL operator, reinforcing the importance of accurate and complete information as the basis of successful enforcement action against violators.**

Not all telemarketing calls violate the Rules, so the CRTC also provided consumers with information on exemptions for certain types of calls

that are permitted even when the number called is registered on the National DNCL. When consumers are aware of these exemptions, they are less likely to file complaints that are not valid under the Rules. When fewer complaints of this kind are made, CRTC investigators are better able to focus on complaints that are more likely to identify real violations.

Educating consumers on these exemptions also helps them understand that registration on the National DNCL cannot eliminate all unwanted calls, as some calls, though they may be unwanted, may not constitute unsolicited telecommunications, or may be otherwise permitted under the Rules.

In engaging with industry representatives, CRTC staff sought to increase their awareness of their obligations under the Rules. By taking a proactive and preventative stance, the CRTC aims to reduce the number of potential violations and the demand for investigation and enforcement activity. Another benefit of this education process is a reduction in the risk of repeat violations.

During the reporting period, the CRTC received numerous complaints from Canadians about the use of ADADs by some political parties and candidates. As reported later in this report, these complaints led to a number of investigations and the issuance of Notices of Violation. To further encourage compliance with the ADAD rules by political parties and candidates, CRTC staff developed an information bulletin on the use of ADADs by political entities. Publication on the CRTC website is expected in 2014-15, and the information bulletin will be shared with election officials.

The collaborative and international activities of the CRTC to develop effective anti-spoofing measures were also on the agenda in many education and outreach meetings.



The National DNCL by the Numbers

During the 2013-2014 reporting period, Canadians registered over 750,000 cellular, home, and fax numbers on the National DNCL, bringing the total to over 12.2 million numbers. There were 666 telemarketer registrations, bringing the total to 10,877. Telemarketer registrations to the National DNCL have increased by 14.5% since 2011-12, and by 23.2% since 2010-11. Telemarketers also bought 2,090 subscriptions to the List, ranging from one area code for one month to all area codes for a year.

Consumer participation

Consumer registrations and deregistrations

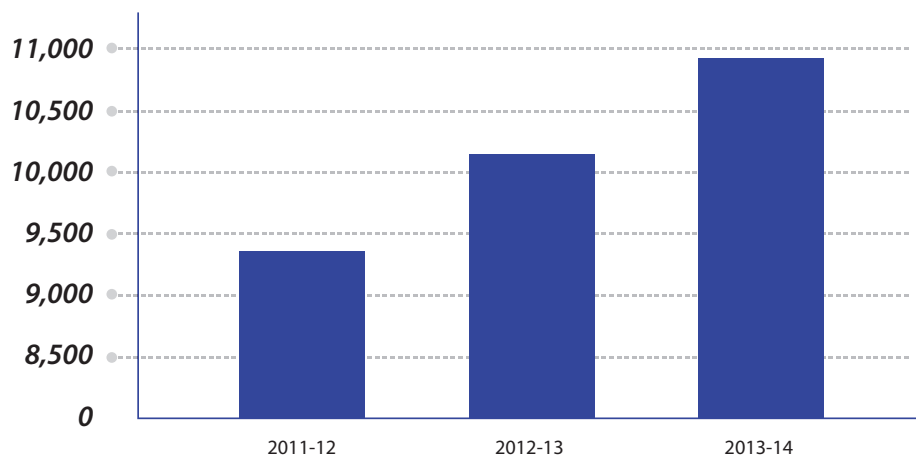
Numbers registered since launch of the National DNCL (2008)	12,239,563
Numbers registered during the reporting period	750,521
Numbers deregistered since launch of the National DNCL	52,273
Numbers deregistered during reporting period	5,258

Monthly and provincial breakdowns are found in the Appendix.

“During the 2013-2014 reporting period, Canadians registered over 750,000 cellular, home, and fax numbers on the National DNCL, bringing the total to over 12.2 million numbers.”

Telemarketer Registrations

Telemarketer registrations since 2011-12 (cumulative)



Telemarketer Registrations (2)

Telemarketer registrations by country (cumulative)

Telemarketer country	Registrations as of March 31, 2012	Registrations as of March 31, 2013	Registrations as of March 31, 2014
Canada	8,996	9,762	10,388
United States	304	347	392
India	36	15	40
Philippines	21	4	24
Pakistan	13	13	13
Mexico	4	2	4
Australia	2	1	2
Egypt	1	1	1
Great Britain	1	1	1
Ireland	1	1	1
Japan	1	1	1
Peru	1	1	1
Ukraine	1	0	1
Netherlands	0	2	2
Switzerland	0	1	1
France	0	1	1
Morocco	0	1	1
Northern Ireland	0	0	1
Singapore	0	0	1
Iran	0	0	1
Total	9,382	10,154	10,877



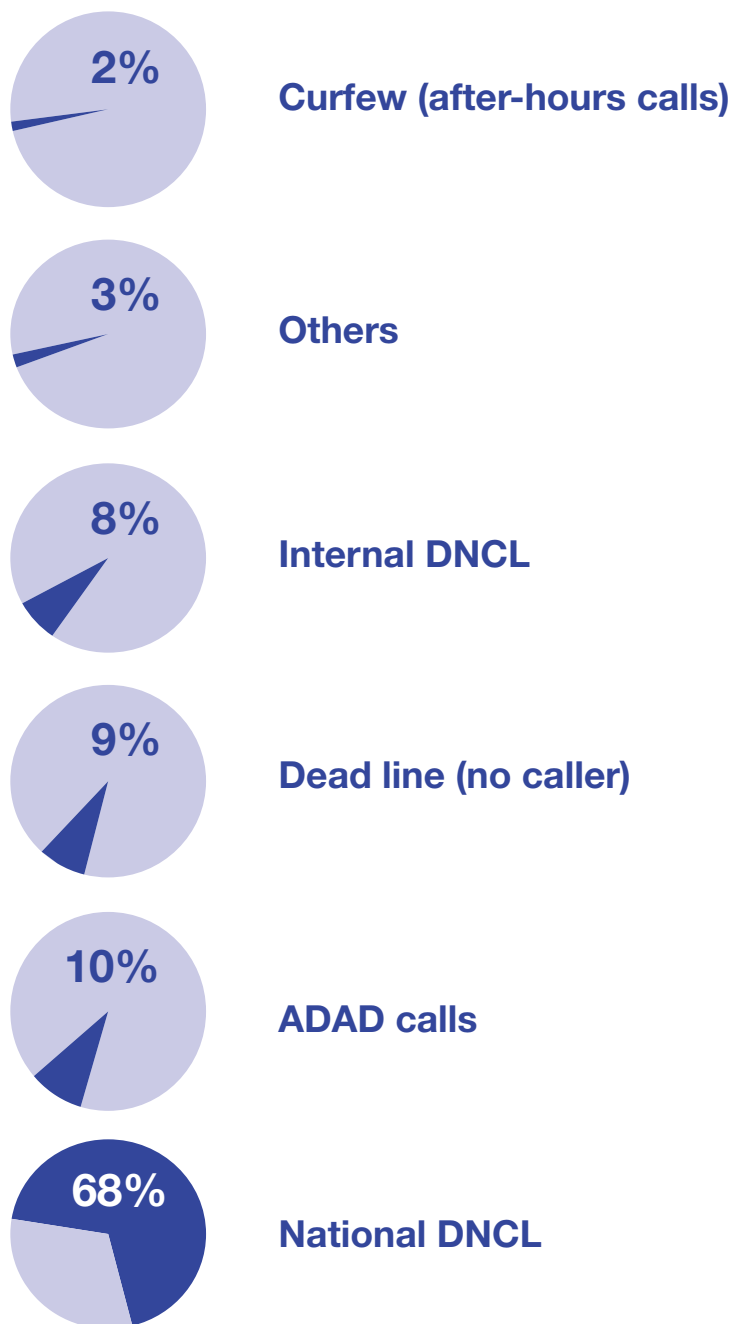
Complaints, Investigations, and Enforcement

Complaints

During the reporting period, Canadians filed 128,273 complaints, for a total of 807,091 complaints since the National DNCL was launched. The complaints related to the National DNCL, ADADs, dead lines (where there is no caller on the line), or other issues.

More than 21,500, or over 16%, of these complaints were about calls from home maintenance and security service companies, duct cleaning companies, or political parties or candidates.

Complaints received, by type of alleged violation, 2013-2014



“More than 21,500, or over 16%, of these complaints were about calls from home maintenance and security service companies, duct cleaning companies, or political parties or candidates.”

Investigations and Enforcement

During the 2013-2014 reporting period, the CRTC launched 146 investigations, completing 101 by year-end. During the same period, the CRTC took enforcement action against telemarketers and other entities responsible for over 11 million calls to Canadians that were in violation of the Rules. Of these calls, 6 million violated the National DNCL Rules and 5 million violated the ADAD Rules.

In 2013-2014, the CRTC identified three major areas of concern to Canadians:

- vendors of home improvement services, notably windows and doors and lawn care, who were calling numbers registered on the National DNCL;
- some provincial and federal political parties and candidates who made ADAD calls to Canadians; and
- duct cleaning companies in the Greater Toronto Area.

The results of the compliance and enforcement activities that were concluded in 2013-2014 are presented below. Work is continuing in the duct cleaning sector. During the reporting period, consumers have repeatedly complained about receiving frequent annoying calls about duct cleaning services. CRTC enforcement officers conducted a number of inspections of several duct cleaning companies in the Greater Toronto Area with the goal of bringing them into compliance with the Rules. These investigations are ongoing and may lead to the imposition of enforcement measures like Warning Letters, Citations, or **Notices of Violation** with AMPs for egregious or persistent offenders. This work will continue into 2014-2015.

“CRTC enforcement officers conducted a number of inspections of several duct cleaning companies in the Greater Toronto Area with the goal of bringing them into compliance with the Rules.”

Enforcement Actions in 2013-2014

Using a strategic, risk-based approach to enforcement in 2013-2014, the CRTC undertook a number of complex investigations that yielded a high impact for Canadians. For example, as a result of a significant number of complaints, the CRTC initiated an investigation against five subsidiaries of a national lawn care service and subsequently issued a Notice of Violation with an AMP of \$200,000 for violations of the Rules. While marketing their services to Canadians, these subsidiaries violated the Rules by initiating telemarketing telecommunications to consumers' telecommunications numbers that were registered on the National DNCL, by failing to process and respect do not call requests from consumers, and by exceeding the permitted monthly "abandonment rate."⁴

Warning Letters issued	50
Citations issued (mostly for in-home, retail, and financial services)	8
Notices of Violation issued (mainly for in-home services, political parties, and telemarketers providing services to third parties, typically via ADAD)	30
AMPs paid upon reception of Notice of Violation	4
AMPs imposed through negotiated settlement ³	15
AMPs imposed by CRTC decision	9
AMPs pending CRTC decision on March 31, 2014	2
AMPs imposed with Notices of Violation	\$1,060,400

The number of Notices of Violation issued doubled from 15 in 2012-2013 to 30 in 2013-2014. The value of the AMPs imposed rose by 19%, from \$889,900 in 2012-2013 to \$1,060,400 in 2013-2014. Compared to 2011-2012, when \$441,000 in AMPs were issued, this represents an increase of 58% over two years. This money is remitted to the Government of Canada's Consolidated Revenue Fund.

³When an investigation is completed, and prior to the issuance of a Notice of Violation with an AMP, CRTC staff may contact the investigated entity to discuss the possibility of negotiating a settlement and seeking their compliance. As part of a settlement agreement, the entity must admit liability, cease violating the Rules, will receive a Notice of Violation with an AMP, and develop a program to ensure future compliance with the Rules. Negotiated settlements can be an effective option for both telemarketers and organizations that have breached the Rules because the CRTC is able to achieve compliance in a timely and efficient manner.

⁴Abandonment rate refers to the percentage of telecommunications placed by a predictive dialling device which, when answered by the consumer, has no live telemarketer available to speak to the consumer within 2 seconds.

Section 5: Costs and Expenses

The CRTC's telemarketing costs for 2013-2014 were estimated to be \$3,300,000. The actual amount of Unsolicited Telecommunications Fees revenues collected amounted to \$3,050,595, or 92% of the revenue target. Cost containment measures were put in place such that the actual CRTC costs related to the National DNCL did not exceed the amount of revenue collected. Continued vigorous and effective enforcement actions have encouraged telemarketers to comply and subscribe to the National DNCL, resulting in the stabilization of subscription purchases.

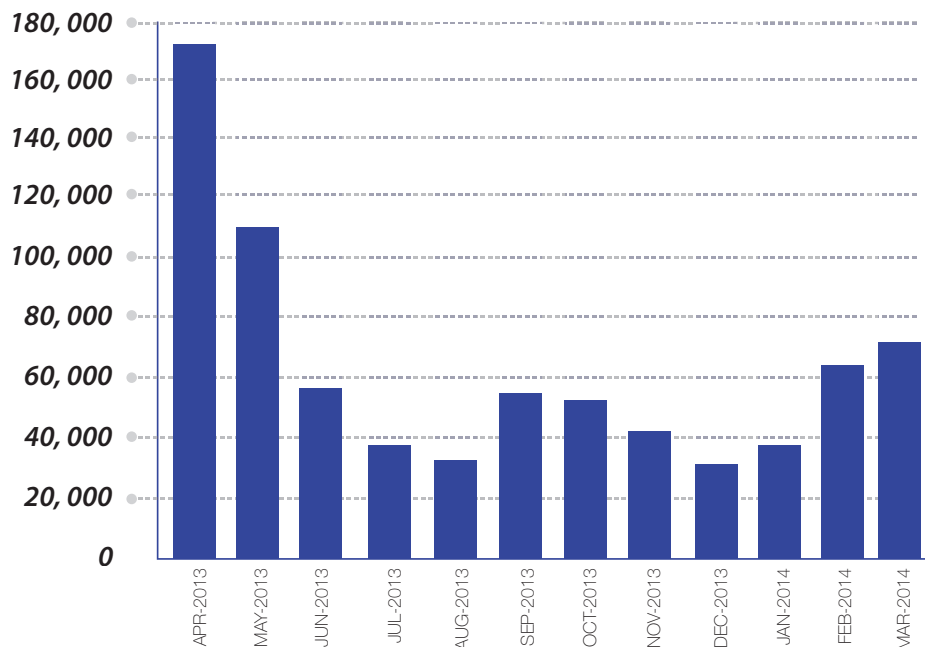
The following costs and expenses were incurred in during the 2013-2014 reporting period for the operation of the National DNCL:

Bell Canada's operating costs	\$2,540,294
Bell Canada's capital expenditures	0
CRTC's expenditures: operations, management, salaries, benefits, and accommodation	\$3,050,595
CRTC's capital expenditures	0

“Continued vigorous and effective enforcement actions have encouraged telemarketers to comply and subscribe to the National DNCL, resulting in the stabilization of subscription purchases.”

Appendix: National DNCL Data

* Canadian number registrations by month - April 1, 2013 to March 31, 2014

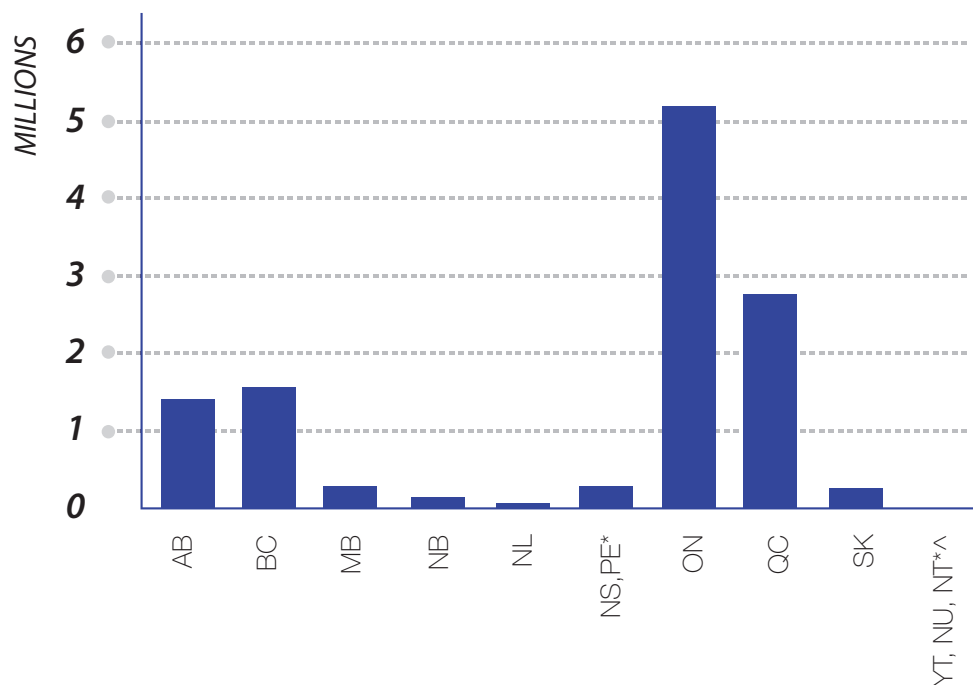


* Canadian number registrations by month – April 1, 2013 to March 31, 2014

April-13	169,819
May-13	108,029
June-13	55,886
July-13	37,386
August-13	32,226
September-13	54,189
October-13	51,646
November-13	40,983
December-13	31,446
January-14	37,719
February-14	62,595
March-14	68,597
TOTAL	750,521

Canadian number registrations by province/territory as of March 31, 2014	
Alberta	1,356,184
British Columbia	1,487,116
Manitoba	389,129
New Brunswick	234,482
Newfoundland and Labrador	135,829
Nova Scotia, Prince Edward Island*	365,523
Ontario	5,237,964
Quebec	2,651,823
Saskatchewan	317,373
Yukon, Nunavut, Northwest Territories*^	11,839
Total	12,187,262

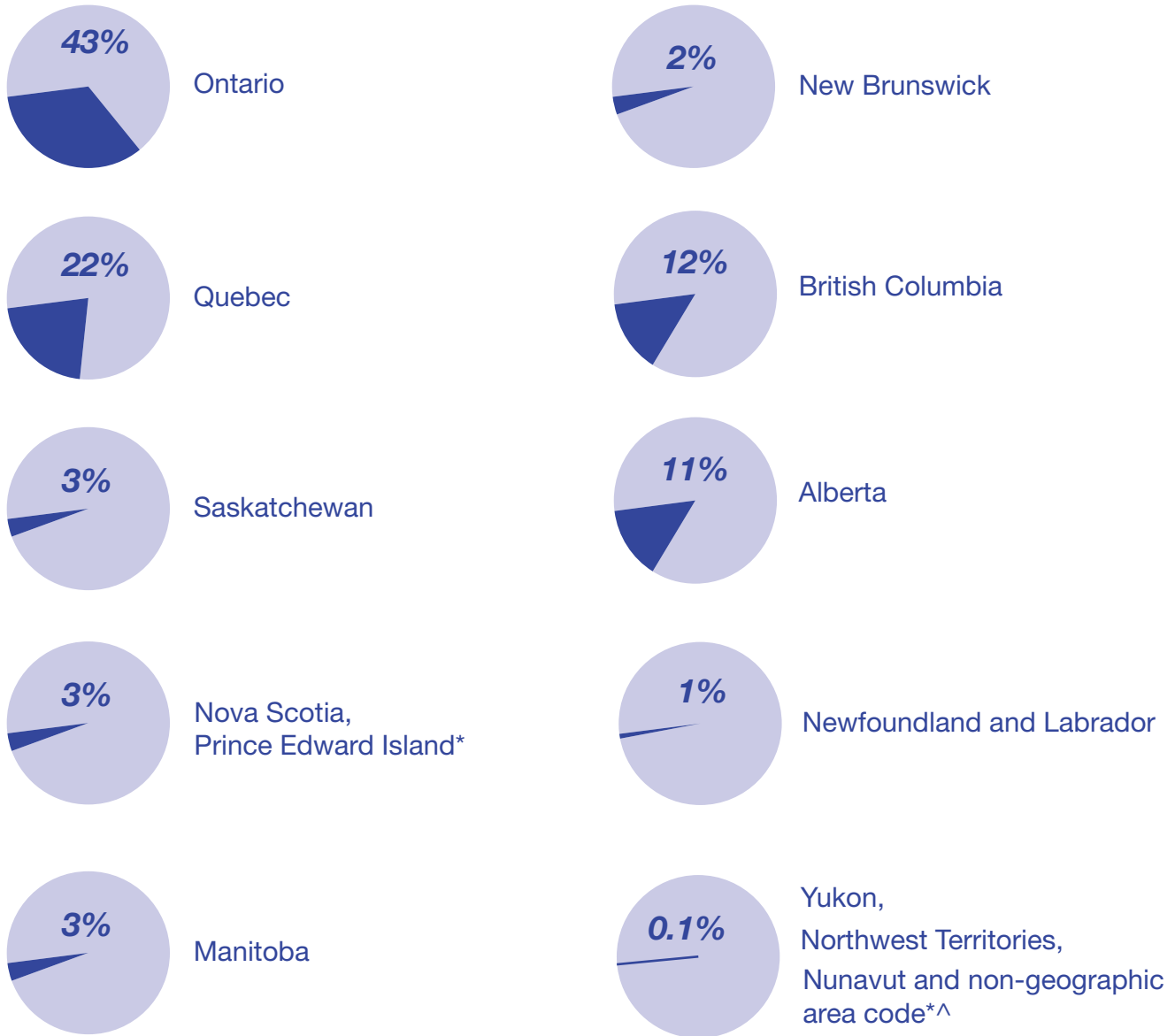
Canadian number registrations by province/territory as of March 31, 2014



*Data for these locations is not separated since they share one area code (area code 902 in Nova Scotia and Prince Edward Island, and area code 867 in Yukon, Northwest Territories, and Nunavut)

^Includes non-geographic area codes, e.g. for mobile satellite phone service in remote areas of Canada where conventional telecommunications infrastructure is not available.

Provincial/territorial number registrations as a percentage of national registrations, as of March 31, 2014



*Data for these locations is not separated since they share one area code (area code 902 in Nova Scotia and Prince Edward Island, and area code 867 in Yukon, Northwest Territories, and Nunavut)

^Includes non-geographic area codes, e.g. for mobile satellite phone service in remote areas of Canada where conventional telecommunications infrastructure is not available.