



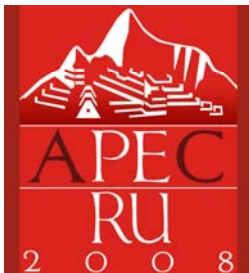
**Asia-Pacific
Economic Cooperation**

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Agenda Item: 7

Canada: Policy and Regulatory Update

Purpose: Information
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**38th APEC Telecommunications and Working
Group Meeting – Plenary Session
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Canada: Voluntary Report to Plenary

APEC TEL 38, Lima, Peru, October 2008

1. Broad Policy Initiatives

Industry Minister Receives Competition Policy Review Panel Report

On June 26, 2008, the Honourable Jim Prentice, Minister of Industry, formally thanked the Competition Policy Review Panel for its final recommendations on the country's investment and competition policies. The Competition Policy Review Panel was created by the federal government in July 2007 with a core mandate of reviewing two key pieces of legislation, the *Competition Act* and the *Investment Canada Act*. The Panel was to review how Canada's competition and investment policies could be revised in order to create a more adaptable economy, leading to a more competitive marketplace for Canadian consumers and business. The Panel was composed of five distinguished Canadians named by the Minister of Industry on behalf of the Government of Canada. For more information on the Panel and to access its report, please visit www.CompetitionReview.ca.

2. Policy and Regulatory Developments in Canadian Telecommunications

National Do Not Call List

Canada's national Do Not Call List (DNCL) came into effect on September 30, 2008. The CRTC has established the Unsolicited Telecommunications Rules, which include three different sets of rules: the Telemarketing Rules, the National Do Not Call List Rules and the Automatic Dialing and Announcing Device Rules. The Unsolicited Telecommunications Rules apply to all persons who make calls or send faxes to sell or promote a product or service, or to request donations. Calls made for the purposes of market research, polls or surveys are not considered telemarketing calls and are exempt from the Unsolicited Telecommunications Rules

1. Telemarketing Rules

Among other things, the Telemarketing Rules require all telemarketers to:

- identify who they are and, upon request, provide consumers with a fax or telephone number where they can speak to someone about the telemarketing call,
- display the telephone number that they are calling from or that the consumer can call to reach them
- only make calls and 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
- register with the National Do Not Call List (note: Canada's *Telecommunications Act* requires those entities that are exempt from the National Do Not Call List to maintain their own do not call lists).

For more information see Part III of the Unsolicited Telecommunications Rules.

2. National DNCL Rules

Parliament amended the Telecommunications Act in 2005. These amendments provide for a National Do Not Call List (DNCL), on which Canadian consumers can register to reduce the number of unwanted telemarketing calls and faxes they receive. Among other things, the National DNCL Rules require telemarketers to:

- not call the home phone, cellular and fax numbers that consumers have registered on the National DNCL (except where a consumer has consented to be contacted)

- purchase a subscription for the area codes they intend to call
- download the numbers from the National DNCL and delete them from their calling lists, and
- use a version of the National DNCL that is not older than 31 days.

For more information see Part II of the Unsolicited Telecommunications Rules.

3. Exemptions to the National DNCL

Certain telemarketing calls and faxes are exempt from the National DNCL Rules. Exemptions include those made by or on behalf of:

- registered charities seeking donations
- newspapers looking for subscriptions
- political parties and their candidates, and
- companies with whom consumers have an existing commercial relationship; for example, if a consumer has done business with a company in the previous 18 months—such as a carpet-cleaning company—that consumer can be called.

Telemarketing calls made and faxes sent to businesses are also exempt from the National DNCL. For the full details, see Part II of the Unsolicited Telecommunications Rules and the Telecommunications Act.

4. Automatic Dialing and Announcing Device Rules

Automatic Dialing and Announcing Devices are devices that dial telephone numbers automatically and deliver a pre-recorded message. These devices cannot be used to sell or promote a product or service unless a consumer has consented to be called by them. They can be used for public service reasons by police and fire departments, schools and hospitals. They can also be used for appointment reminders and thank you calls. For more information on the use of Automatic Dialing and Announcing Devices, see Part IV of the Unsolicited Telecommunications Rules.

5. Complaints and enforcement

Canadians can make a complaint through the National DNCL website (www.LNNT-EDNCL.gc.ca/) or by calling the toll-free numbers. The CRTC will investigate complaints and can penalize telemarketers found to be in violation of the Unsolicited Telecommunications Rules, which include the Telemarketing Rules, National DNCL Rules and Automatic Dialing and Announcing Device Rules. The CRTC can levy penalties of up to \$1,500 for an individual and up to \$15,000 for a corporation, for each violation.

Telemarketers, including organizations that hire a third party to make calls for them, will have to register with the National DNCL. As of September 30, 2008, they must register online at: www.LNNT-EDNCL.gc.ca. There is no charge for registration. Telemarketers must also purchase a subscription for the area codes they intend to call. Before making any calls, they will need to make sure they are using a version of the National DNCL that is not older than 31 days, and that they do not call the home phone, cellular and fax numbers that are on the list. If a consumer asks not be contacted, his or her name and number must be added to the telemarketer's own internal do not call list within 31 days. In addition, all telemarketers, whether exempt or non-exempt, must comply with the CRTC's Telemarketing Rules and Automatic Dialing and Announcing Device Rules.

The CRTC will investigate complaints from consumers regarding violations of the Unsolicited Telecommunications Rules, which include three different sets of rules: the Telemarketing Rules, the National Do Not Call List Rules and the Automatic Dialing-Announcing Device Rules. There are four steps to the complaints process:

1. Complaint receipt and verification,
 - Canadians can make a complaint through the National Do Not Call List (DNCL) website (www.LNNTE-DNCL.gc.ca) or by calling the National DNCL Operator's toll-free numbers.
 - The National DNCL Operator will collect all consumer complaints and conduct an initial assessment. For example, upon receipt of a complaint concerning a telemarketing call made to a telephone number that the consumer indicates has been registered on the National DNCL, the National DNCL Operator will verify that the telephone number was in fact registered on the list at least thirty-one (31) days prior to the telemarketing call.
 - The National DNCL Operator will then forward all complaints to the CRTC for further investigation.

2. Complaint investigation,
 - The CRTC's investigation activities may include: requesting additional information from the consumer; and requiring information, on-site visits and/or interviews with the telemarketer.
 - If a violation has not occurred, the process will end and the file will be closed. If a violation has occurred, the CRTC will take measures to encourage compliance and/or enforce the rules as discussed in sections 3 and 4 below.
 - The CRTC will inform consumers about the outcome of their complaint upon request.

3. Facilitation to encourage compliance, and
 - If a violation has occurred, the CRTC will generally work directly with the telemarketer to facilitate corrective action on a voluntary basis.
 - Options to encourage compliance include: a warning letter to the telemarketer identifying the violation and the specific corrective action to be taken; and a compliance meeting with the telemarketer, which may be held using teleconference or videoconference facilities, at which the CRTC would discuss the nature of the violation, the number and frequency of complaints, and the corrective action that the telemarketer must take.
 - Warning letters and compliance meetings would involve informing the telemarketer that stricter measures will be considered if the corrective action is not taken and/or the violation is repeated, including: imposing a monetary penalty, and publishing the nature of the violation, the name of the telemarketer that committed the violation, and the amount of the penalty on the CRTC's website.
 - If, after receipt of a warning letter or participation at a compliance meeting, the telemarketer takes the necessary corrective action, the process will end and the file will be closed.
 - If corrective action is not voluntarily taken by the telemarketer, or in cases where there is a serious breach of the rules, the CRTC will initiate enforcement measures.

4. Enforcement of the rules.
 - The CRTC has the legislative authority to impose monetary penalties on any telemarketer that violates the Unsolicited Telecommunications Rules. The maximum penalty for a violation is \$1,500 in the case of an individual and \$15,000 in the case of a corporation. A violation that continues for more than one day constitutes a separate violation for each day during which it continues. The CRTC will prepare an investigation report in cases that could result in a notice of violation being issued to the telemarketer. A copy of the investigation report will be sent to the telemarketer so that it can provide any additional information that it feels is relevant to the complaint. The CRTC will review all additional information provided by the telemarketer. The decision to proceed and issue a notice of violation will be made based on the contents of a final version of the investigation report that includes any additional information provided by

- the telemarketer.
- If the CRTC Vice-Chairperson, Telecommunications believes on reasonable grounds that the telemarketer has committed a violation of the rules, a decision will be made to issue a notice of violation to that telemarketer. The notice of violation will identify the violation and set out the proposed monetary penalty for that violation. Factors that the CRTC will consider when determining the amount of a monetary penalty include: the nature of the violation, the number and frequency of complaints and violations, whether the penalty would incent compliance, and the potential for future violation. The notice of violation will also advise the telemarketer of its right to either: make written representations to the CRTC with respect to the violation, or pay the penalty set out in the notice of violation.
 - If the penalty is paid: the process will end and the file will be closed. If written representations are made by the telemarketer: a panel of CRTC Commissioners that does not include the Vice-Chairperson, Telecommunications will review the representations to determine whether, based on the evidence, a violation was committed, and a CRTC decision will be issued. If the CRTC determines that a violation was committed, the CRTC will impose the monetary penalty. If the CRTC determines that a violation was not committed, the process will end and the penalty will not be imposed. If the telemarketer neither pays the penalty nor makes representations, the telemarketer will be deemed to have committed the violation; and the CRTC will impose the penalty through a decision. CRTC Commissioners will not be involved in the above processes at any time prior to a decision to issue a notice of violation.
 - Activities prior to a notice of violation will be conducted by CRTC staff. A decision to issue a notice of violation will be made by the Vice-Chairperson, Telecommunications, without the involvement of other Commissioners; and representations made in response to a notice of violation will be reviewed by a panel of Commissioners without any involvement of the Vice-Chairperson, Telecommunications.
 - With regard to disclosure:
 - If a telemarketer takes the necessary corrective action in response to a warning letter or after participation at a compliance meeting, neither the nature of the violation nor the name of the telemarketer will be made public.
 - If a telemarketer does not contest a notice of violation and pays the proposed penalty as set out therein, neither the nature of the violation nor the name of the telemarketer will be made public.
 - If a telemarketer contests a notice of violation, making representations to the CRTC, and if the panel of CRTC Commissioners determines that a violation was committed, the nature of the violation, the name of the telemarketer and the amount of the monetary penalty will be published on the CRTC website.
 - If a telemarketer neither pays the proposed penalty nor makes representations with respect to a notice of violation, the name of the telemarketer and the amount of the monetary penalty will be published on the CRTC website.

CRTC launches consultation on broadcasting in new media

On September 9, 2008, the Canadian Radio-television and Telecommunications Commission (CRTC) made two documents public: an independent report prepared by Eli Noam and a summary of an online consultation on the new media industry. The first report titled *TV or Not TV: Three Screens, One Regulation?* was commissioned by the CRTC earlier this year as input for a new media proceeding, planned for early 2009. The author was commissioned to provide an analysis of the Canadian new media broadcasting industry and discuss possible regulatory policy solutions (see: www.crtc.gc.ca/eng/media/noam2008.htm). The second report is a compilation of data taken from

an online consultation held from May 15, 2008, to June 15, 2008, on the scope of a future proceeding on Canadian broadcasting in new media. Nanos Research compiled the results of this online consultation (see: www.crtc.gc.ca/eng/media/nmbcr.htm). Both the Nanos and Noam reports are being released as reference material in advance of a proceeding on new media. These reports follow a May 15, 2008, compilation of research and views titled *Perspectives on Canadian Broadcasting in New Media*, and were commissioned to provide background for the upcoming public hearing on new media (see: www.crtc.gc.ca/eng/media/rp080515.htm). The CRTC commissioned the reports but did not in any way mandate the outcomes.

CRTC introduces a more efficient procedure for retail tariff applications

On August 21, 2008, the CRTC announced that, effective October 6, 2008, it will be moving to a more efficient and less burdensome procedure for retail tariffs. Once implemented, the traditional telephone companies will be able to change most of their telecommunications rates without the CRTC's approval. For regulatory purposes, most of these changes will now take effect on the day they are filed. In most cases, companies will only have to certify that the tariff change complies with the CRTC's existing pricing rules. However, the Commission will retain its powers to take corrective action should it find that a company has not abided by these rules. In other circumstances, tariff applications will be approved under the new procedure without the need for the Commission to issue orders or decisions, unless an objection is received or the Commission decides to intervene. Under the previous approval mechanism, applications filed with the CRTC to amend rates usually included supporting evidence, such as detailed costing studies and complex calculations. The CRTC would then issue a determination in the form of an order.

CRTC Communications Monitoring Report

On July 31, 2008, the CRTC issued the inaugural *Communications Monitoring Report*. Prior to this year, the Commission had published separate annual monitoring reports for the broadcasting and telecommunications industries. In 2007, the communications industry posted revenues of \$51.1 billion, representing an increase of 5.7% over the \$48.3 billion reported in 2006.

Revenues for the broadcasting industry were up \$816.1 million, or 6.7%, and totalled \$13.1 billion in 2007. Growth in this sector has been principally driven by broadcasting distribution companies, as well as by specialty, pay and pay-per-view television and video-on-demand services. Similarly, telecommunications revenues increased by \$1.9 billion, or 5.3%, to reach \$38 billion in 2007, mainly due to the demand for wireless and residential high-speed Internet services. The report shows that cable companies have emerged as major competitors in the provision of local and cellular telephone and high-speed Internet services to residential consumers. As of 2007, they had captured 17.9% of residential local exchange lines. In the mobile phone market, cable companies and other alternative service providers held a 40% share of subscribers. Finally, cable companies provided high-speed Internet services to 55% of subscribers.

The Communications Monitoring Report provides information on different sectors of the broadcasting and telecommunications industries. Highlights of relevance to APEC TEL include:

- Total revenues for the telecommunications industry increased by 5.3% between 2006 and 2007, climbing from \$36 billion to \$38 billion.
- The share of revenues earned by the competitors of established companies increased by 14.6%, from \$13.7 billion in 2006 to \$15.7 billion in 2007. Competitors accounted for 41% of total revenues.

- Capital expenditures went from \$6.9 billion in 2006 to \$8.2 billion in 2007, an increase of 18.7%. Among other projects, these funds were invested in enhancements to wireless networks, the expansion of wireless capacity and coverage to additional urban centres and various rural locations, Digital Subscriber Line services, and Internet Protocol Television services.
- The wireless market was the largest sector of the telecommunications industry with revenues of \$14.4 billion, an increase of 14.4% from \$12.6 billion in 2006. Overall, wireless revenues accounted for 38% of all telecommunications revenues and grew at an annual rate of 16.2% between 2003 and 2007.
- There were 20.3 million wireless subscribers in 2007, an increase of 8.2% over the previous year.
- In the residential market, there were 12.9 million local and access lines. Cable companies held a 17.9% share of these lines, or 2.3 million lines, compared with a 12.3% share, or 1.6 million lines, in 2006. They also increased their share of revenues in this market segment from 8.4% to 13.6%.
- Across the country, broadband is available to 93% of households using land-line facilities. Satellite facilities can extend this reach, which is only limited by capacity constraints, to nearly all Canadian households. Virtually all Canadian households in urban centres can access broadband services, compared with 81% in rural areas.
- Canadians continued to adopt newer technologies such as broadband access to the Internet. In 2007, the number of residential subscribers to high-speed Internet services increased by 12% to 8.4 million.
- Prices for telecommunications services in Canada are in line with those in other countries (including the United States, the United Kingdom, France and Australia), with:
 - favourable land-line rates for consumers across all usage levels, and
 - rates for high-speed Internet service falling at the median point.
- Canada had the highest proportion of households subscribing to broadband connections among all of the G7 countries. Broadband to the home in Europe is primarily supplied over fixed telephone lines, whereas in Canada consumers have more choice as broadband delivery is widely available over telephone lines and cable.

The Commission has been reporting annually on the broadcasting industry since 2000 and on the telecommunications industry since 2001. The Communications Monitoring Report is available online at: www.crtc.gc.ca/eng/publications/reports/PolicyMonitoring/2008/cmr2008.htm.

CRTC realigns its organizational structure

On July 15, 2008, the CRTC realigned its organizational structure. This realignment will allow the CRTC to respond more effectively to the convergence that has taken place between different technologies, as well as between the broadcasting and telecommunications industries. Effective July 21, 2008, activities common to both broadcasting and telecommunications have been grouped in the Policy Development and Research sector. This includes social policy and dispute resolution. The functions of accessibility currently within the Telecommunications sector moved to the new social policy group, along with the social policy functions from the Broadcasting sector. Responsibility for telemarketing issues was also transferred to the Policy Development and Research sector. The Policy Development and Research Sector will continue to support the Broadcasting and Telecommunications sectors by conducting economic analysis on communications industries, markets and technologies, as well as by processing ownership and acquisitions applications.

The Secretary General and Corporate Services sector will be responsible for all central activities that support the operation of the CRTC. Activities relating to external liaison, streamlined applications,

and the revision and posting of public notices and notices of public hearing were reassigned to the Broadcasting Sector. Strategic Communications will take on the responsibility for corporate planning and newspaper advertisements. These changes are being introduced further to a strategic review, known as the CRTC's Future Direction, which was conducted over a period of several months. The Commission will evaluate its organizational structure on an ongoing basis, and further refinements may be necessary as the communications environment continues to evolve.

Competition Bureau Publishes Bulletin on Abuse of Dominance in the Telecommunications Industry

On June 6, 2008, the Competition Bureau published an *Information Bulletin on Abuse of Dominance Provisions as applied to the Telecommunications Industry*. This Bulletin outlines how the Bureau would address issues related to anti-competitive conduct in the telecommunications industry under the abuse of dominance provisions of the *Competition Act* in markets no longer subject to regulation by the CRTC. Since much of the telecommunications industry has been and continues to be deregulated under the Telecommunications Act, the sector is increasingly subject to the *Competition Act*. Any complaints regarding anti-competitive conduct in deregulated telecommunications markets are now under the purview of the Competition Bureau. The Bulletin was developed by the Bureau in consultation with the CRTC, and is part of the Bureau's continuing effort to maintain a transparent and predictable enforcement policy. The enforcement approach described in this Bulletin is in line with the *Enforcement Guidelines on the Abuse of Dominance Provisions*.

Commissioner for Complaints for Telecommunications Services (CCTS)

On May 30, 2008, the CRTC reviewed and varied its December 2007 decision granting conditional approval to the consumer agency known as the Commissioner for Complaints for Telecommunications Services Inc. Some industry members filed, in February 2008, applications requesting modifications to the decision. After reviewing the applications and related submissions, the Commission has decided to maintain the agency's membership requirements for a period of only three years. At that time, the Commission will review the need for these mandatory requirements. No extension of the mandatory requirements can take place without a new Commission decision. Membership is currently required for all service providers whose annual revenues exceed \$10 million. In addition, the Commission clarified the circumstances under which the agency can provide remedies related to consumer complaints. For example, when a consumer is awarded monetary compensation related to a dispute with a service provider, the award will be limited to direct financial loss. Finally, should the agency receive a collective complaint, the maximum monetary compensation for that complaint will be no more than \$5,000, regardless of the number of complainants. The Commission will grant the agency its final approval once the revised conditions of approval have been met. Additional information about the agency can be obtained through its website, www.ccts-cprst.ca.

APEC TEL Mutual Recognition Agreement (MRA):

Canada is actively implementing Phase I and Phase II of the APEC TEL MRA on conformity assessment for telecommunications equipment. Under Phase I, Canada has designated nine Canadian testing laboratories to test to the technical requirements of six participating economies, and has recognized 58 foreign testing laboratories to test to Canadian requirements. For more information on Phase I please visit the following web sites: <http://ic.gc.ca/epic/internet/inceb-bhst.nsf/en/tt00065e.html>, and

<http://ic.gc.ca/epic/internet/inceb-bhst.nsf/en/tt00064e.html>.

Under Phase II, Canada has designated two Canadian certification bodies to certify to the technical requirements of three participating economies, and has recognized 19 foreign certification bodies to certify to Canadian requirements. For information on Phase II, please visit the following web sites:

<http://ic.gc.ca/epic/internet/inceb-bhst.nsf/en/tt00068e.html> and

<http://ic.gc.ca/epic/internet/inceb-bhst.nsf/en/tt00067e.html>.

3. Canadian Spectrum Activities

Auction of Spectrum Licences for Advanced Wireless Services and Other Spectrum in the 2GHz Range

On July 21, 2008, Industry Canada announced that 282 licences had been conditionally assigned to 15 companies in the Auction of Spectrum Licences for Advanced Wireless Services and Other Spectrum in the 2 GHz Range. The provisional winners of the auction, held between May 27 and July 21, were posted online after the bidding ended. Successful bidders are eligible to receive licences after making their final payments and showing compliance with Canadian ownership and control requirements. Of the 105 megahertz (MHz) of spectrum made available, 40 MHz was set aside exclusively for new entrants to bid on. The other 65 MHz was available to all bidders. The set-aside spectrum was put in place with the goal of creating a more competitive market with more choice and lower prices for consumers and businesses.

The AWS spectrum auction was a simultaneous, multiple-round ascending auction, meaning a related set of spectrum licences was offered at the same time. Bidding was organized into a series of rounds. The pace was established by activity rules. Rounds continued until there was a round when no new bids, no withdrawals or no waivers were submitted. Provisional winners hold standing high bids at the auction's close. The auction was conducted online. Public key infrastructure (PKI) encryption ensured the confidentiality and authenticity of electronic transactions. A bid-tracking system enabled auction participants and members of the public to monitor the auction's progress. Results were posted at the end of every round at: www.agora.ic.gc.ca/AuctionGCLF_BTS/summaryresults.cfm. The auction generated almost \$4.3 billion in revenues for the Government of Canada.

Licensing Process

Provisional winners must undergo the following process prior to receiving licences:

1. Ten business days after the cessation of bidding: bidders must submit an initial payment of 20 percent of high bids, and 100 percent of penalties.
2. Thirty business days after the cessation of bidding: bidders must submit a final payment made up of 80 percent of high bids.
3. Bidders must also submit ownership and control information.

Steps 1 and 2 have been completed and Industry Canada is now in the process of determining whether winners are in compliance with ownership and control requirements. When a company is found to be compliant, their licences will be awarded. However, this verification procedure may take several months to complete. Further information on the licensing procedure is available online at:

www.ic.gc.ca/epic/site/smt-gst.nsf/en/sf08856e.html.

List of provisional winners:

- 1380057 Alberta Ltd.
- 6934242 Canada Ltd.
- 6934579 Canada Inc.
- 9193-2962 Québec Inc.
- Bell Mobility Inc.
- Blue Canada Wireless Inc.
- Bragg Communications Inc.
- Celluworld Inc.
- Data & Audio-Visual Enterprises Wireless Inc.
- Globalive Wireless LP
- Novus Wireless Inc.
- Rich Telecom Corp.
- Rogers Communications Inc.
- SaskTel
- TELUS Communications Company

4. Trust and Confidence in the E-Economy

Canada continues to work with stakeholders to forge a strategy for building trust and confidence in the Internet through the development of legislative and policy frameworks. Existing elements include:

- privacy legislation (<http://strategis.gc.ca/privacy>);
- e-signature legislation (<http://canada.justice.gc.ca/en/ps/ec/sriec.html>);
- principles and a code of practice for consumer protection in electronic commerce (<http://e-com.ic.gc.ca/epic/internet/inecic-ceac.nsf/en/gv00086e.html>); and
- principles for authentication (<http://strategis.ic.gc.ca/authen>)

It continues to be clear that the existing framework must evolve to address the emergence and evolution of threats to the Internet and that additional “ground rules” for the e-economy must be developed. Working at both the national and international level, Canada is examining how threats like spyware, phishing and identity theft can be addressed. In this work, we are focusing on developing comprehensive and forward-looking public/private sector responses. On this basis, the approach is to identify and consider the challenges and themes that are common among these problems. Canada has identified that, in addition to its domestic focus and priorities in this area, it will be important to make linkages and create synergies between the TELMIN program of action in this area and that defined by the OECD at its Ministerial in June 2008 (<http://www.oecd.org/dataoecd/49/28/40839436.pdf>).

At the international level, Canada is actively encouraging international cooperation in spam policies and enforcement, including bilateral agreements with various countries and participation in multi-lateral fora including the OECD and the London Action Plan, an International Forum for Anti-spam Enforcement Authorities. To date, bilateral agreements have been concluded with Australia, United Kingdom, Japan, the European Commission and more recently, with Chinese Taipei.

Evolving technologies create both benefits and challenges for society and steps must be taken to ensure that the technology is not misused for criminal purposes. Canada continues to work on initiatives aimed at ensuring law enforcement and national security agencies are equipped to keep

pace with today's technology. One such initiative involves the creation of a cost-effective regime for telecommunications service providers to build and maintain an interception capability on their networks that allows for the lawful interception of communications by law enforcement and national security agencies. This will ensure that authorities have the procedural tools to investigate high-tech crime as well as traditional crime both domestically and internationally.

At an international level, Canada works with the G8 High-Tech Crime Subgroup to enhance the abilities of law enforcement and industry to gather information on, prevent, investigate, and prosecute criminal and terrorist acts that make use of computer networks and other new Internet and wireless technologies. The role of government and the private sector within the expert group is to create a balance between the needs of law enforcement with public policy interest respecting individuals and industry. This information is essential in the continued development of policies relating to Canada's agenda to build business confidence and consumer trust in the online environment.

Authentication and Identity Management:

Canada's Principles for Electronic Authentication (e-com.ic.gc.ca/epic/internet/inecic-ceac.nsf/en/h_gv00138e.html) were published in 2004 by Industry Canada's Authentication Principles Working Group. The Principles represent a public/private sector "accord" or shared agreement on how electronic authentication services should be designed, developed and deployed in Canada. The Working Group is currently assessing the need to update the Principles to address technological advances, developments in the marketplace (domestic and international) and new public policy pressures. While the specifics of the forward work plan have not yet been defined, it has been agreed that the Group will review the Principles to ensure their applicability to new authentication environments (e.g., mobile commerce, RFID technology), assess the need for additional policy instruments to underpin the Principles (e.g., to provide additional guidance) and to explore their relationship to identity management in the online environment. Canada has developed an Issues Paper on this subject, and also participates at various international fora (ISO and OECD), where digital identity management has been identified as a key element to ensuring trust and confidence online. The Canadian Government welcomes the opportunity to identify and understand the potential of emerging technologies and trends that can be harnessed to enhance the reliability, viability and sustainability of the Internet.

Protection of Personal Information

Data Breach Notification:

Canada's private sector privacy legislation, the *Personal Information Protection and Electronic Documents Act* (PIPEDA) sets rules that organizations must abide by when collecting, using and disclosing personal information in the course of commercial activity, (see <http://strategis.gc.ca/privacy> for a copy of the Act). The Act is mandated to be reviewed by Parliament every five years after coming into force. In May 2007, the first parliamentary review was completed followed by the tabling of the Government Response to 25 recommendations in October 2007. One element of the response was a legislative requirement for individuals to be notified of data breaches. Since that time, Industry Canada has been working with stakeholders to develop an effective model for data breach notification and expects to be in a position to table legislative proposals for data breach provisions in PIPEDA in the near future. Such provisions will play a key role in encouraging better information handling practices and will ensure that individuals have the information they need to mitigate harm resulting from a data breach. It is anticipated that proposals

for various other amendments to PIPEDA will also be tabled, including one aimed at enhancing the privacy of minors and one aimed at facilitating the Privacy Commissioner's ability to collaborate with her international and domestic counterparts in investigating privacy violations. This amendment is directly in line with priorities outlined by APEC's ECSG in its work (see below).

APEC Privacy Framework:

At the international level, Canada continues to contribute to work aimed at implementing APEC's Privacy Framework, and with the APEC Electronic Commerce Steering Group and the OECD Working Party on Information Security and Privacy, on developing cooperation on cross-border enforcement of privacy laws. Canada is also engaged in discussions on privacy and trans-border data flows with the US and Mexico. These discussions are taking place under the Security and Prosperity Partnership (SPP) Framework of Common Principles for Electronic Commerce.

5. Canada's ICT Industry

Telecommunications Service in Canada: An Industry Overview

The Telecommunications Service Industry Reference Tool provides an overview of economic activity, financial performance, and corporate and regulatory developments in the Canadian communications service industries. The publication draws on information brought together from several different publicly available sources and Web sites, including those of Statistics Canada, the key service providers, and the Canadian Radio-television and Telecommunications Commission (CRTC). The material is available online at: <http://strategis.ic.gc.ca/epic/internet/insmt-gst.nsf/en/sf05637e.html>

Canada's ICT Industry

Canada is a significant player in the global ICT industry. Canada's 30,300 ICT companies are gathered in regional clusters that provide critical mass that takes advantage of our educational and research infrastructure. Canadian researchers are connected to Canada's premiere advanced research network, allowing for the exchange of ideas between domestic and international communities of interest, which facilitates innovation and new commercial opportunities. Already, approximately 593,000 skilled Canadian workers generate over \$149 billion in revenues for the ICT industry.

Information and Communication Technologies (ICT) Company Directories:

The ICT Company Directories (<http://strategis.ic.gc.ca/ICTdirectories>) is a searchable database containing approximately 5,000 searchable Canadian ICT company profiles. These current profiles contain information on contacts, products, services, trade, experience, and technology (Where Buyers and Sellers Connect!). Results can be presented in comprehensive, short or custom reports.

Canadian Company Capabilities:

The Canadian Company Capabilities' website (<http://strategis.ic.gc.ca/cdnccc>) or is a centrally maintained current searchable database of 60,000 Canadian businesses. Search results can be presented and printed in comprehensive, short or custom reports based on search terms.