Canada's Anti-Spam Initiative
Multilateral and Bilateral Cooperation

Electronic Commerce Branch
Industry Canada

July 2004

SPAM

- A communication that could not be reasonably assumed to be wanted or expected by a recipient
  (Working definition, Australian National Office for the Information Economy (NOIE), 2002)

- Includes various combinations of illegal, misleading, offensive and inappropriate messages

  - The FTC reported that more than 60% of spam messages had some *element of falsity* (sender, return address, …)

The SPAM Business Model

- SPAM is profitable: cost to sender is minimal
  - Traditional direct mail requires response rate of 2%
  - Spam can operate at return rate of 0.025% or less

- A huge global web of <u>loosely</u> managed networks and facilities allows this form of e-mail abuse

- Impunity : enforcement of domestic laws is difficult and requires considerable resources

- Nortel Networks: despite spam filters, employees receive 5,000 to 15,000 spam messages a day. Each spam message costs $1 in lost productivity

The Biggest Cost of SPAM

- Loss of public confidence in Internet communications

- Aggressive filtering has blocked legitimate (permission-based) electronic communications, such as service notices, invoices and newsletters

- Permission-based e-mail to service customers is highly cost effective

- Businesses are now hesitating before using e-mail communications because of fears of filtering and consumer backlash

- Businesses considering abandoning the Internet in favour of private networks for operational and internal communications

The Challenges for Canada

- Huge volumes of spam coming into Canada

- Canadian-based spamming activity

- Public and business frustration – time, cost, content

- Political pressure – individual legislators draft anti-spam measures

- Lack of international coordination

Canada's Task Force on Spam

"Today's announcement shows that the Government of Canada recognizes that spam is a complex and global issue. We are committed to working in partnership with industry and consumers to find innovative and appropriate solutions to address this problem."

- The Honourable Lucienne Robillard, Minister of Industry, May 11, 2004

Task Force - Objectives

- More effective use of existing laws

- Review of legislative and regulatory gaps

- Improve network and facilities management and codes of practice

- Develop legitimate commercial communications

- Improve consumer awareness and education

- Aggressive international action

Task Force - Members

- Lori Assheton-Smith, Senior Vice-President and General Counsel, **Canadian Cable Television Association (ISPs)**

- Michael Binder, Assistant Deputy Minister, Spectrum, Information Technologies and Telecommunications, **Industry Canada (Electronic Commerce Policy)**

- Tom Copeland, President, **Canadian Association of Internet Providers**

- Bernard Courtois, President, **Information Technology Association of Canada**

- Michael Geist, **Canada Research Chair in Internet and E-Commerce Law, University of Ottawa**

- Amanda Maltby, Senior Vice-President, **Canadian Marketing Association**

- Suzanne Morin, Assistant General Counsel, **Bell Canada (ISP)**, and **Internet Law Policy Forum**

- Geneviève Reed, Head of Research and Representation, **Option consommateurs**

- Neil Schwartzman, President, **Coalition Against Unsolicited Commercial Email Canada (CAUCE)**

- Roger Tassé, Associate, **Gowling Lafleur Henderson LLP**

Task Force - Process

- Discussions with Parliamentarians, government agencies and key stakeholders on implementation

- On-Line Public Consultation Forum

- Convene a stakeholder forum within 6 months to review progress to date and additional requirements

- Report to Minister of Industry Spring 2005

Working Group On Legislation and Enforcement

Mandate:

- identify opportunities and obstacles to the use of existing laws and regulations to reduce and control spam, including the Personal Information Protection and Electronic Documents Act, the Competition Act, the Criminal Code of Canada, and any other relevant statutes;

- encourage and support relevant agencies in enforcing existing laws and regulations to reduce and control spam; and

- identify any need for new enforcement or legislative initiatives to reduce spam, including any amendments to existing laws and regulations required to support anti-spam enforcement measures, and/or any other new laws that might be required

Working Group On Anti-Spam Technology and Network Management

Mandate:

- encourage the adoption of effective anti-spam technologies and network management practices by Canadian ISPs and major business network managers; and

- identify and encourage the adoption and implementation of industry codes of practice that will reflect and promote the use of effective anti-spam technologies and network management practices

Working Group On Spam-Free E-mail Marketing Practices

Mandate:

- encourage and support Canadian marketers in adopting spam-free marketing techniques;

- promote the establishment of industry codes of practice that make it clear that spam has no legitimate role in Canadian e-commerce; and

- define and encourage adoption of a framework for establishing and implementing among Canadian marketers a commercial email authentication system

Working Group On Public Education and Awareness

Mandate:

- identify and promote user practices and behaviours which can effectively control and limit spam; and

- encourage and support the development of a multi-stakeholder public information and awareness campaign to foster increased adoption of anti-spam practices and behaviours by end users in Canada

Working Group On International Collaboration

Mandate:

- To promote a role and presence for the Government of Canada, task force members and Canadian e-mail stakeholders in coordinated international approaches to spam in the areas of law enforcement, technological solutions, public education and awareness and international cooperation (ongoing)

- To develop a model anti-spam bilateral agreement, including investigation and enforcement cooperation (July 31, 2004)

- To develop and implement selected anti-spam bilateral arrangements (September 20, 2004)

- To circulate information about emerging spam problems, new anti-spam initiatives and best practices to key international organizations and stakeholders (June 30, 2004)

Canada's Anti-Spam Deliverables (April 30/05)

- Enforcement actions initiated
  - Legislative gaps identified and solutions proposed
  - International enforcement cooperation

- ISP code of practice developed and introduced

- Options for marketers' authentication scheme developed and under consideration by marketing community

- Public education campaign launched

- MOUs on international cooperation developed and in place
  - Model agreements developed
  - Continue to champion international framework

International Response

- Link mandates of organizations and their contribution to an anti-spam framework

- Multi-lateral and bilateral initiatives

- Action areas: enforcement, cooperation, network management, norms/codes, authenticate legitimate marketers, public education, strong international cooperation

- Role is not to universalize rules but build on core competencies
  - ITU - network management
  - IETF - engineering standards
  - OECD - marketing and content, economics
  - APEC - marketing and content, economics
  - UNCTAD - extend rules for developing economies