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July 3, 2008

Honourable Jim Prentice
Minister of Industry
C.D. Howe Building
235 Queen Street
Ottawa ON K1A 0H5

Email: Minister.Industry@ic.gc.ca

Dear Sir:

Subject: Telemarketing Rules and Do-Not-Call Registry

I am writing on behalf of the approximately 4,000 members of our Association as we are very concerned about the recent announcement made by the CRTC of the telemarketer subscription rates related to the DNC List.

Independent Financial Brokers of Canada (IFB) is a professional, not for profit association comprised of financial advisors licensed to conduct business in the insurance and securities industries. Our organization is unique in that it represents independent financial brokers. The advisors we represent are, for the most part, self-employed small business men and women who provide clients with access to a range of financial products from a variety of providers. Our organization is dedicated to supporting the continued viability of the independent channel of product distribution and advice.

IFB has been actively engaged in the consultations surrounding the development of the telemarketing rules and DNC registry. It has been our position from the outset that licensed financial advisors should have been exempted from this legislation as they are already heavily regulated and subject to market conduct enforcement under their respective Insurance and/or Securities Acts. Precedence for this already exists in British Columbia under its consumer protection act, and more recently Prince Edward Island has exempted cold calls made by registrants under the Securities Act.

Our consistent message to the CRTC is that without this exemption, the cost of compliance with the rules will be prohibitive to implement on a small-scale local level.

Fundamental to the premise of the proposed telemarketing rules is that consumers need and want protection from intrusive, unsolicited telephone and fax calls from telemarketers. IFB does not dispute this. However, we submit that it was not the legislators' intent to interfere with the every day commerce of local businesses, or indeed to force them out of business through mandating cost prohibitive regulations.

In this regard, we are extremely concerned that the mounting and cumulative costs of compliance, especially on small businesses, will force them out of the market resulting in reduced consumer protection and limiting competition to larger organizations that can bear these increased costs.

We were astounded to receive notice that the cost of subscribing to the DNC list has now been approved and published. Apparently these costs were agreed to by the CRTC as put forward by Bell Canada – the operator of the registry – and **without any public consultation**. These rates mean a telemarketer, regardless of its size or number of 'telemarketing' calls made will pay \$11, 280 per year to access all area codes in Canada or \$615 per year for each individual area code required. Put in the context of our members, a life insurance broker doing business in the greater Toronto area, could be required to pay for upwards of 5 area codes. Many of our members are licensed in multiple provinces. Again, they will be required to pay for multiple area codes.

We are asking you to consider the financial impact on an individual or small business under these rules as compared to a large telemarketing firm making thousands of calls per year. Had we had the opportunity to provide input into this process we would have, at a minimum, pressed for a threshold of materiality to be established, whereby a single owner-operated business does not pay the same subscription rate as a large institution. We believe that Bell Canada and the CRTC need to review these subscription rates with the occasional user and small business in mind. In the United States, for example, the cost for a single area code is only \$54 per year with the first 5 area codes free.

In conclusion, we are asking that your Ministry review this situation and require more public accountability from the CRTC on this matter. Not only do we believe these costs are unsubstantiated, but we continue to ask that insurance brokers and securities registrants be exempted from the definition of a telemarketer in view of their significant licensing requirements and market conduct supervision.

Yours truly,



John Whaley
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