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CANADIAN  
LIVER  
FOUNDATION



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July 31, 2008

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Lead SPS-TP	Input: 2008-08-11
Action: DRAFT REPLY	BF: 2008-08-25
Issue: TELECOM-POLICY-GEN	
C.C: MIN, DM, MM, AL	
Doc/File Date: 2006-07-31	File#: M 45000-1-1
Document #: 0 147214	Analyst: M.C

Re: **Canada Gazette, Part I, June 14, 2008, Telecommunications Act, Notice No. DGTP-002-2008 — Petition to the Governor in Council concerning Telecom Decision CRTC 2008-6, Vol. 142, No. 24.**

I am writing on behalf of the Canadian Liver Foundation regarding the above-referenced *Petition to Cabinet regarding the impact of the above-noted CRTC decision on Canada's charities.*

The Canadian Liver Foundation is a registered charity. Founded in 1969 by a group of doctors and business leaders concerned about the increasing incidence of liver disease, the Canadian Liver Foundation (CLF) was the first organization in the world devoted to providing support for research and education into the causes, diagnoses, prevention and treatment of all liver disease.

Today, our mandate is to promote liver health and to reduce the incidence and impact of all liver disease. To achieve this goal, we work through our volunteer chapters across the country to improve public awareness and understanding of liver health and liver disease, raise funds for research and reach out to liver disease patients and their families.

The Canadian Liver Foundation appreciates having access to this right to appeal to Cabinet, and we wish to sincerely thank Cabinet for its consideration of our serious concerns about this decision. We appreciate that our elected officials



have ultimate authority over public-policy making in Canada, and the Canadian Liver Foundation strongly believes that this ruling by the CRTC erodes important long-standing public policy principles that have underscored the relationship between governments and charities since Confederation. We urge you to rescind the CRTC's ruling insofar as it applies to charities.

In Canada, we establish charities to deliver important services to Canadians. The Canadian Liver Foundation is working on innovative programs to raise awareness and educate Canadians about liver disease. For example, in Atlantic Canada, we run a program called Young Voices. Funded by the Public Health Agency of Canada, this program provides education materials developed by youth with Hepatitis C about risk reduction as it relates to being aware of prevention measures against contracting Hepatitis C.

As you know, many charities function with few or no paid staff. At the Canadian Liver Foundation, we are working hard to lower our cost to raise a dollar through a well managed fundraising program and administrative expense budget, but also through active volunteer recruitment. The staff that we do have in provincial offices need to continue to focus on health promotion and fundraising activity, and volunteer recruitment in order to keep up with the pace required to address the issues of liver disease in Canada. We have an enormous job to do.

As telefundraising provides a significant revenue stream in our fundraising program, we are already concerned about how the implementation of the DNC List will negatively affect our revenue targets. Added fees and bureaucratic requirements will take valuable resources away from what we are mandated to do – that is, to promote liver health and to reduce the incidence and impact of all liver disease.

As 84,000 small enterprises, charities benefit most from red tape reduction—not more bureaucracy. Filling out forms under the *Telecommunications Act* is not something that we are well equipped to execute. I am sure that the Minister of Revenue will acknowledge that compliance with the T3010 regime at CRA is already quite challenging for many charities.

The Canadian Liver Foundation was pleased to see the introduction in June 2008 of Bill C-62, a *Not-for-Profit Corporations Act* aimed at reducing the red tape burden placed by governments and regulatory bodies on Canada's charities and nonprofits. This ruling by the CRTC effectively undermines the spirit and impact of this important legislative initiative. It also undermines the spirit of Parliament's decision to exempt registered charities from the national Do-Not-Call List (DNCL), which is the principle component of the telemarketing rules that the new CRTC investigative body was set up to enforce.

Apart from red tape, Canada's charities should not be subjected to unnecessary fees, which serve as a *de facto* tax on charities. Under the *Income Tax Act*, charities are exempt from taxation. Further, they must apply their funding and resources to charitable objectives. We and, more importantly, our donors, do not

consider registering with and financing a new enforcement body at the CRTC to be a charitable objective. Further, unlike commercial organizations, charities are not able to pass such fees on to customers.

We understand that it is an exceptional request to ask Cabinet to intervene in a decision of a regulatory body. However, there is a long history of federal, provincial and municipal "forbearance" and exemption of charities from fees and regulations that are burdensome and undermine our charitable missions. Charities are exempt from income tax under the *Income Tax of Canada*; charities that own real estate, such as churches, are overwhelmingly exempt from property tax; charities are exempt from many corporate governance duties and benefit from distinct corporations law regimes; and in the telemarketing arena, charities secured an express statutory exemption to the national DNCL, to avoid placing new constraints on the ability of charities to raise charitable donations and fund our work in our communities. Our fundraising activities result in 22.2 million Canadians choosing to make donations to charities each year. The CRA data base demonstrates that Canadians claim \$9B/ year in receipted donations to charities.

For these reasons, we urge you to rescind the CRTC ruling insofar as it applies to charities. Thank you for your consideration of our strongly-felt concerns and your support of Canada's charities.

Yours very truly,



Gary Fagan  
President and COO  
Canadian Liver Foundation

- cc. **The Honourable Diane Ablonczy P.C., M.P.**  
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