

Draft - Vif

Correspondence Minister/Correspondance Ministr

From: Prentice, Jim - M.P. [Prentice.J@parl.gc.ca]
Sent: Friday, August 8, 2008 14:15
To: Correspondence Minister/Correspondance Ministre: OCS
Subject: FW: Telecom Decision CRTC 2008-6, Vol. 142, No. 24.
Attachments: Telecom Decision CRTC 2008-6 via e-mail.doc

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From: June Pierotti [mailto:Jpierotti@cysticfibrosis.ca]
Sent: August 8, 2008 12:40
To: kevin.lynch@pco-bc.gc.ca
Cc: Prentice, Jim - M.P.; O'Connor, Gordon - M.P.; telecom@ic.gc.ca
Subject: RE: Telecom Decision CRTC 2008-6, Vol. 142, No. 24.

Dear Mr. Lynch,

Please accept the attached letter, which has also been sent to you by mail.

Sincerely,
June Pierotti

June Pierotti | Director, Communications
Canadian Cystic Fibrosis Foundation
601 - 2221 Yonge Street | Toronto, Ontario M4S 2B4
Tel: 416-485-9149 ext. 228 | 1-800-378-2233 ext. 228 | **Fax:** 416-485-0960
www.cysticfibrosis.ca

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August 7, 2008

Kevin G. Lynch
Clerk of the Privy Council and Secretary to the Cabinet
330 Langevin Block, 80 Wellington Street
Ottawa, ON K1A 0A3

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

The Honourable Gordon O'Connor P.C., M.P.
Minister of National Revenue
7th Floor, 555 MacKenzie Avenue
Ottawa ON K1A 0L5

Dear Sirs,

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.

We are writing on behalf of the Canadian Cystic Fibrosis Foundation (CCFF) in support of the above-referenced Petition, and respectfully urge timely action by the Governor in Council to alleviate the impact of Telecom Decision CRTC 2008-6, Vol. 142, No. 24, on the operation of Canada's registered charities.

Established in 1960, the Canadian Cystic Fibrosis Foundation funds CF research and high-quality CF care; it also conducts programs of patient and public education. All programs are financed through charitable donations and community events.

We are proud that our charity's efforts have contributed to very positive changes in the lives of young Canadians affected by cystic fibrosis, a devastating, inherited disease. When the CCFF was established in 1960, children with cystic fibrosis rarely lived long enough to attend kindergarten. Today, half of all persons with CF in Canada are living into their late 30s and even beyond.

Charitable Registration No./Numéro d'enregistrement d'organisme de bienfaisance 10684 5100 RR0001

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The CCFF appreciates the opportunity to make this appeal, and we thank the members of Cabinet, in advance, for hearing our concerns. We strongly believe that the recent ruling by The Canadian Radio-television and Telecommunications Commission (CRTC) erodes important and long-standing public policy principles that have underscored the relationship between governments and charities in Canada. And we urge your decisive action to vary the above ruling of the CRTC, by allowing registered charities to be exempt from its application.

It is our conviction that this ruling imposes a new financial and administrative burden on registered charities. As recently as 2007, Parliament amended the *Telecommunications Act*, to exempt charities from the provisions governing the national public Do-Not-Call List (DNCL) regime, which is a principal concern of the telemarketing rules. The new CRTC ruling, which we understand will require charities to register with a new enforcement body and pay new fees to help finance the cost of enforcing the telemarketing rules, appears somewhat paradoxical, and out-of-keeping with the history of regulatory 'forbearance' towards Canadian charities exercised by federal, provincial and municipal governments, and serves as a new *de facto* tax on charitable work.

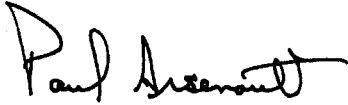
Charities are exempt from income tax under the *Income Tax of Canada*; charities, such as churches, which own real estate, are overwhelmingly exempt from property tax; charities are exempt from complex governance duties that apply to the commercial sector, and operate under distinct corporations law regimes. In the telemarketing arena, charities have been granted an express statutory exemption to the national public DNCL, to avoid placing new constraints on their capacity to raise charitable donations and fund important work in communities throughout the country. Under charitable tax law, Canadian charities are required to direct their funding and resources to charitable objectives.

While compliance with the T3010 regime of the Canada Revenue Agency (CRA) is quite challenging for many charities, rigorous compliance is universally endorsed as a necessary and essential responsibility in view of the historic 'forbearance' extended to the charitable sector in Canada by government. Collectively, charities receive donations from 22.2 million Canadians each year.

The CCFF was pleased to see the introduction in June 2008 of Bill C-62, a *Not-for-Profit Corporations Act*, aimed at reducing the administrative burden placed by governments and regulatory bodies on Canada's charities and nonprofits. The new ruling by the CRTC seems to undermine the spirit and the impact of this important legislative initiative. It seems also at odds with the spirit of Parliament's decision in 2007 to exempt registered charities from the national public Do-Not-Call List (DNCL), which is the primary focus of the telemarketing rules that the new CRTC investigative body has been set up to enforce.

For these reasons, we urge the Governor in Council to rescind the CRTC ruling as it applies to Canadian charities. We thank you for considering these concerns and for your support of Canada's charities.

Yours sincerely,



Paul Arsenault
President



Cathleen Morrison
Chief Executive Officer

cc: The Honourable Diane Ablonczy P.C., M.P.
Secretary of State (Small Business and Tourism)

cc: Leonard St. Aubin
Director General, Telecommunications Policy Branch