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2008 JUL 31 A b: 2b

July 23, 2008

Privy Council and Secretary to the Cabinet
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.**

I am writing on behalf of Easter Seals Canada and our 10 provincial Easter Seals organizations regarding the above-referenced Petition to Cabinet concerning the recent CRTC decision on Canada's charities.

Easter Seals Canada is a registered charity, the largest provider of services to Canadians with disabilities, with operations in all provinces and serving over 100,000 persons annually. We have been in operation for 86 years.

Easter Seals appreciates having the right to appeal to Cabinet and we wish to sincerely thank Cabinet for its indulgence in hearing our serious concerns about this decision. We recognize that our elected officials have ultimate authority over public-policy making in Canada, and we request, most strongly, that Cabinet rescind the CRTC's ruling insofar as it applies to charities. To our knowledge there has been absolutely no advance consultation with charities as these new policies and fees were being developed.

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Document #: **0 145698**

Easter Seals Newfoundland and Labrador • Easter Seals Nova Scotia • Easter Seals New Brunswick - Timbres de Pâques Nouveau-Brunswick
Easter Seals PEI • Quebec Society for Disabled Children - la Société pour les enfants handicapés du Québec • Easter Seals Ontario
Society for Manitobans with Disabilities Inc. • Saskatchewan Abilities Council • Alberta Easter Seals • British Columbia Lions Society for Children with Disabilities

This ruling by the CRTC erodes important long-standing public policy principles that have underscored the relationship between governments and charities since Confederation. It also effectively introduces a new tax upon charities and is inconsistent with other government initiatives to reduce taxes, red tape and government intervention in the work of the not for profit sector.

While it is an exceptional request to ask Cabinet to intervene in a decision of a regulatory body, 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*; even though we rent space in a private commercial building we receive an exemption directly from the City of Toronto of 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.

Easter Seals has worked with other charities, government officials and volunteers all across this country to streamline and improve efficiencies in delivery of services to thousands of Canadians. We have welcomed initiatives of your government to reduce red tape – not more bureaucracy. Filling out forms under the *Telecommunications Act* is not something that we are well equipped to execute. Compliance with the T3010 regime at CRA is already quite challenging for most charities.

Easter Seals was pleased to see the introduction in June 2008 of Bill C-62 the *Not-for-Profit Corporations Act* aimed at reducing the red tape burden placed by governments and regulatory bodies on Canada’s charities and nonprofits. 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).

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. We are strictly monitored by CRA as to the amount of funds that are used for charitable purposes and we would not be permitted to pass such fees on to customers.

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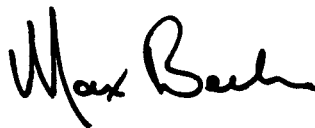
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For these reasons, we urge you to rescind the CRTC ruling insofar as it applies to charities. Thank you for your consideration of our strongly-felt concerns and your support of Canada's charities.

Sincerely,



Chief Executive Officer
Easter Seals Canada

cc. The Honourable Diane Ablonczy P.C., M.P.
Secretary of State (Small Business and Tourism)
C.D. Howe Building
235 Queen Street
Ottawa, Ontario K1A 0H5

cc. Director General, Telecommunications Policy Branch
300 Slater Street, 16th Floor, Ottawa, Ontario K1A 0C8.