

Draft-VIP



FAMILY SERVICE TORONTO
For People. For Change.

July 29, 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,
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The Honourable Gordon O'Connor P.C., M.P.,
Minister of National Revenue,
7th Floor, 555 MacKenzie Avenue,
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Lead: SPS-TP	Input: 2008-08-07
Action: DRAFT REPLY	BF: 2008-08-21
Issue: TELECOM-POLICY-GEN	
C.C: MIN, DM, MM, AL	
Doc/File Date: 2006-07-29	File#: M 45000-1-1
Document #: 0 146696	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 Family Service Toronto (FST) regarding the above-referenced Petition to Cabinet regarding the impact of the above-noted CRTC decision on Canada's charities.

FST is a registered charity in Toronto that helps people dealing with a wide variety of life challenges. For over 94 years, we have been assisting families and individuals through counselling, community development, advocacy and public education programs. Our services are available to everyone who lives or works in Toronto.

FST 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 FST 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.

We establish charities deliver important services to Canadians. FST as an example provided counselling and programming to over 35,000 people last year alone. Many charities function with few or no paid staff. 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. FST was pleased to see the

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Charitable Registration Number: 10737 6063 RR0001

A United Way Member Agency



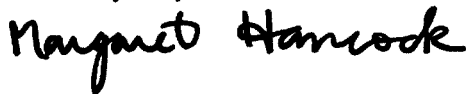
introduction in June 2008 of Bill C-62, a *Not-for-Profit Corporations Act* aimed at reducing the red tape burden placed by governments and regulatory bodies on Canada's charities and nonprofits. This ruling by the CRTC effectively undermines the spirit and impact of this important legislative initiative. 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,



Margaret Hancock
Executive Director

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