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2008 JUL 24 A 9:59

July 14, 2008

Privy Council and Secretary to the Cabinet
Langevin Block, 80 Wellington Street
Ottawa, ON K1A 0A3

Lead: **SONS-SESU** Input: **2008-07-24**
Action: **DRAFT** File#: **DA 45000-1-1**
Issue: **TELECOM-POLICY-GEN**
Doc/File Date: **2008-07-14** Analyst: **M.C**
Document #: **0 145089**

BF:2008-08-15

The Honourable Jim Prentice P.C., M.P.
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The Honourable Gordon O'Connor P.C., M.P.
Minister of National Revenue
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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 Providence Children's Centre regarding the above-referenced Petition to Cabinet regarding the impact of the above-noted CRTC decision on Canada's charities.

Providence is a non-profit society and registered charitable organization established in 1943. Staff and volunteers are skilled in providing the programs and services that address the health, education and therapeutic needs of preschool-aged children with disabilities.

Providence 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 Providence 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 withdraw the CRTC's ruling insofar as it applies to charities.

Charities are created to bring important services to Canadians. Providence provides therapeutic programs for preschool children who have disabilities. 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.

Providence 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.

Canada's charities should not be subjected to pointless fees, which serve as a *de facto* tax on charities. Under the *Income Tax Act*, charities are exempt from taxation. Funding and resources must be applied to charitable objectives. Registering with and financing a new enforcement body at the CRTC is not considered to be a charitable objective by our donors or our charity. 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,

A handwritten signature in black ink, appearing to read 'Keogh', with a circular flourish at the beginning.

Christine Keogh

Resource Development Officer

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

Secretary of State (Small Business and Tourism)

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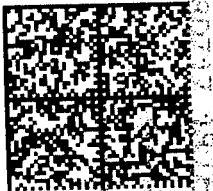
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cc. Director General, Telecommunications Policy Branch telecom@ic.gc.ca. 300 Slater Street, 16th Floor, Ottawa, Ontario K1A 0C8.



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