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QEII FOUNDATION
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2008 AUG 15 A 10: 11

August 6, 2008

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

Lead: **SPS-TP** Input: **2008-08-18**
Action: **INFO** File#: **M 45000-1-1**
Issue: **TELECOM-POLICY-GEN**
Doc/File Date: **2008-08-06** C.C: **MIN, DM, MM**
Document #: **0 148454** Analyst: **J.A.**

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 the QEII Foundation in reference to the above-referenced Petition to Cabinet that details the impact of the above-noted CRTC decision on Canada's charities.

The QEII Foundation is a registered charity and recognized leader in field of health care philanthropy in Atlantic Canada, providing funding for state-of-the-art medical technology, ground breaking research and innovative community-based health care programming through the QEII Health Sciences Centre, the region's largest tertiary care provider.

Charities are established to deliver important services to Canadians. In our case, as with many hospital foundations, we are asked to assume an increasing share of the

burden of funding expensive new technologies and the latest in patient care equipment. Our disbursements for patient care have grown by over \$2 million a year just between 2006/07 and 2007/08, from \$9.03 million to \$11.78 million. Charities, and those they serve, benefit from red tape reduction—not increased administrative procedures, such as those indicated in the Telecommunications Act. The QEII Foundation welcomed the introduction of Bill C-62, a *Not-for-Profit Corporations Act*, in June 2008, designed to lessen the red tape burden placed on Canada's charities and nonprofits. This ruling by the CRTC, however, dilutes the spirit and impact of this important legislative development. It also contradicts the spirit of Parliament's decision to grant registered charities an exemption from the national Do-Not-Call List (DNCL), the principle component of the telemarketing rules that the new CRTC investigative body was set up to enforce.

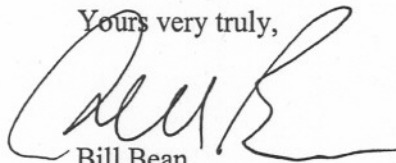
Apart from red tape, Canada's charities should not be subjected to unnecessary fees. Under the *Income Tax Act*, charities are exempt from taxation. Further, they are required to use their funding and resources to charitable objectives. The QEII Foundation and, more importantly, our donors, do not consider registering with and financing a new enforcement body at the CRTC to be a charitable objective. We regularly field questions about the costs per dollar raised, and fees such as this affect those calculations negatively, which in turn affects our ability to raise money in the future. Further, unlike a commercial organization, The QEII Foundation is not able to pass such fees on to customers.

For all of the reasons outlined above, we ask you to overturn the CRTC's ruling insofar as it applies to charities. The QEII Foundation appreciates this right to appeal to Cabinet, and we thank Cabinet for its consideration of our concerns about this decision. We appreciate our elected officials have ultimate authority over public-policy making in Canada, and the QEII Foundation believes that this ruling by the CRTC erodes important long-standing public policy principles that have been an integral part of the relationship between governments and charities since Confederation.

We acknowledge that it is an exceptional request to ask Cabinet to intervene in a decision of an arms length 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 undercut our charitable missions. A number of examples include, an already noted exemption from income tax; charities that own real estate are in large part exempt from property tax; and charities are exempt from many corporate governance duties and benefit from distinct corporations law regimes. Then most recently in the telemarketing arena, charities were granted an express statutory exemption to the national DNCL, to avoid placing constraints on the ability of charities to raise charitable donations and fund our work in our communities.

For these reasons, we urge you to rescind the CRTC ruling insofar as it applies to charities. Thank you for your consideration of our concerns and your continued support of Canadian charities.

Yours very truly,



Bill Bean
President & CEO
QEII Foundation

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.