

draft - VIP



2008 AUG -5 A 9:34

July 31, 2008

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

**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 Stratford Shakespeare Festival regarding the above-referenced *Petition to Cabinet regarding the impact of the above-noted CRTC decision on Canada's charities.*

The Stratford Shakespeare Festival is a registered charity and a repertory theatre festival, permanently located in Stratford, Ontario, Canada. Our mission is to produce, to the highest standards possible, the best works of theatre in the classical and contemporary repertoire, with special emphasis on the works of William Shakespeare.

The Stratford Shakespeare Festival 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 the Stratford Shakespeare Festival 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 to deliver important services to Canadians. A national institution of international renown, the Festival is committed to maintaining and promoting the highest level of artistic excellence, to cultivating the widest possible audience and to providing theatre-related education and training for Canadian artists. In our creative exploration of the great works of the dramatic imagination, we aim to rediscover and reinvent those works for each new age, in order that they may continue to entertain, enlighten and inspire audiences of all ages and origins.

In addition to the above the Stratford Shakespeare Festival's economic impact on the region is:

- Overnight accommodation 150,000 room nights, revenue \$12,525,000
- Estimated economic benefit of all goods and services \$169,904,000
- Estimated taxes generated for all three levels of government \$63,832,000
- Number of jobs created: Direct 3,511 and Indirect 2,339

55 Queen Street
P.O. Box 520
Stratford ON
N5A 6V2 Canada
Tel 519.271.4040

stratfordshakespearefestival.com

RF

DOC. #:
LEAD OFFICE: <i>SPS-TP</i>
ACTION: <i>DRAFT</i> SIGN.:
B.F.: <i>2008-08-25</i> CC: <i>min, DM, NMM</i> HL
ISSUE: <i>TELECOM-POLICY-GEN</i>
FILE #: <i>M-450004-1</i> F/D: <i>2008-07-31</i>

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.

The Stratford Shakespeare Festival 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.

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,



Antoni Cimolino
General Director
Stratford Shakespeare Festival