

Draft - VIP

United Way
of Canada



Centraide
Canada

July 31, 2008

The Honourable Jim Prentice P.C., M.P.
Minister of Industry
C.D.Howe Building
235 Queen Street
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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.

On behalf of United Way of Canada – Centraide Canada, I am writing regarding the Petition to Cabinet that is referenced above concerning the CRTC decision on Canada’s charities.

United Way of Canada – Centraide Canada is a registered charity and the national organization for the United Way – Centraide Movement. United Way – Centraide brings people together in order to develop lasting solutions to issues that a particular community has identified. There are 120 United Ways - Centraides across Canada that are led and supported by more than 200,000 volunteers who sit on boards, work on local campaigns, and are all dedicated to improving the lives of individuals in their community.

United Way of Canada – Centraide Canada has concerns about the CRTC decision and appreciates this opportunity to appeal to Cabinet. We encourage you to rethink the CRTC’s ruling as it relates to charities. United Way of Canada – Centraide Canada takes the position that this CRTC ruling is detrimental to the enduring public policy principles that have, since Confederation, served as the foundation for the relationship between charities and governments.

Charities provide valuable services to Canadians. United Ways – Centraides across the country are working to address issues such as homelessness, substance abuse, unemployment, the cultural integration of new Canadians, early childhood development, support for seniors and many other challenges facing our society. A substantial number of our members operate with very few or no paid staff. These United Ways – Centraides rely heavily, and in some cases, exclusively on volunteers. Their communities are especially vulnerable to the negative repercussions brought on by decisions such as the CRTC ruling. Charities are mostly small enterprises that benefit from a simpler bureaucracy rather than a more complicated one. The bureaucracy involved in the *Telecommunications Act* will present difficulties for many of our members. As the

Minister of Revenue knows well, the T3010 regime presents ample challenge for many charities. We were pleased, this past June, to see Bill C-62, a *Not-for-Profit Corporations Act* intended to simplify the burden of government and regulatory bodies on Canadian nonprofits and charities. The CRTC ruling weakens this legislation. Also weakened is Parliament's exemption of registered charities from the national Do-Not-Call-List (DNCL). The new CRTC body was set up to enforce the DNCL which is a primary component of the telemarketing rules.

Besides the excess bureaucracy, Canadian charities should not be expected to absorb additional fees into already stretched budgets. The CRTC ruling amounts to a tax upon charities, which are exempt from taxation under the *Income Tax Act*. Donor dollars must be carefully and appropriately disbursed. Our donors will surely be displeased to learn that a portion of their donation is contributing to this new enforcement body at the CRTC.

We are asking Cabinet to intervene in this case, understanding that this is a unique situation. There is, however, a long tradition of exemption of charities from burdensome fees and regulations that inhibit our work. A charity's efficacy relies partly on the continued exemptions from regulations that may apply to the private sector. In many different instances, charities receive special consideration in such matters. For example: many charities are exempt from corporate governance duties; most charities that own property are exempt from property tax; and when it comes to telemarketing, charities were given an exemption to the national DNCL so that our ability to raise funds in order to run our programs is not unnecessarily limited.

Each year, 22.2 million Canadians make charitable donations and the CRA data shows that Canadians claim \$9 billion in charitable receipts. This is an extraordinary demonstration of Canadian commitment to charity. United Way of Canada – Centraide Canada hopes that you support our appeal to Cabinet, to rescind the CRTC ruling as it applies to charities. Our deepest thanks for your consideration of these concerns and for your continued support of Canada's charities.

Yours sincerely,



Al Hatton
President and Chief Executive Officer
United Way of Canada – Centraide Canada.

- cc. Clerk of the Privy Council, Privy Council and Secretary to the Cabinet
- cc. The Honourable Gordon O'Connor P.C., M.P., Minister of National Revenue
- cc. The Honourable Diane Ablonczy P.C., M.P., Secretary of State
- cc. Director General, Telecommunications Policy Branch