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Privy Council and Secretary to the Cabinet
Langevin Block
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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 the University of Waterloo about the above-referenced Petition to Cabinet regarding the impact of the above-noted CRTC decision on Canada's charities.

The University of Waterloo is a registered charity that has long been recognized as the most innovative university in Canada. As an outward-looking institution, aware of and responsive to the needs of society, we are committed to advancing learning and knowledge through teaching and research in our faculties, colleges, and schools.

The University of Waterloo 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 University of Waterloo 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. Our Murray Alzheimer Research and Education Program, which integrates research and educational activities in an effort to improve dementia care practices in Canada, is one such example. Many charities function with few or no paid staff, and limited financial resources. As 84,000 small enterprises, charities benefit most from red tape reduction — not more bureaucracy. Filling

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out forms under the *Telecommunications Act* is not something that we are well equipped to execute. I am sure the Minister of Revenue will acknowledge that compliance with the T3010 regime at CRA is already quite challenging for many charities.

The University of Waterloo 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 principal 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 Act 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 charities' ability to raise charitable donations and fund the important work we do in our communities. Our fundraising activities result in 22.2 million Canadians choosing to make donations to charities each year. The CRA database demonstrates that Canadians claim \$9 billion annually 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.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason Coolman".

Jason Coolman
Acting Associate Vice President, Development & Alumni Affairs
Privacy Officer, Office of Development & Alumni Affairs

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cc: The Honourable Diane Ablonczy P.C., M.P.
cc: Director General, Telecommunications Policy Branch