

Paper Burden HST loss of time
CFIB's tedious
regulation payroll
time consuming
Red Tape
obstacle privacy rules
Statistics Canada Surveys Record of Employment
stress tedious Diaries
hidden compliance forms
2011

The Red Tape Diaries Project

Like many Canadians, I no longer fill out my own tax forms. It's just too frustrating to try and understand the bureaucratic language on the forms and the guides that go with them so I now pay someone else to do it.

Not long after we moved into our house, I got a nasty note from the City of Vancouver stating that one of our bushes was partially impeding the use of the sidewalk and must be trimmed back immediately or we would be fined. I was happy to comply but I didn't feel good about it—would it have killed them to use nice language?

And filling out the Employment Insurance form for my maternity leave? I felt like I needed a PhD in deciphering confusing language.

These frustrations may be ones we can all relate to but they are nothing compared to what Canada's small business owners face every day. Small business owners must be in compliance with an alphabet soup of rules from all levels of government: harmonized or general sales tax (HST/GST), provincial sales tax (PST), CPP, EI, records of employment (ROE), Statistics Canada surveys, Workers' Compensation and occupational health and safety (WCB and OH&S) employment standards, business registration, privacy rules, property taxes, land use and development and sign by-laws to name a few of the most common.

Knowing the rules you have to comply with is one thing, getting the information for how to do it right is another. Finding this information online or calling a government department or agency, can lead to its own frustrations—voice mail jail, disconnects, conflicting information and dealing with people who aren't friendly. This is not always the case, of course, but we hear about it or experience it all too often.

For forty years the Canadian Federation of Independent Business (CFIB) has collected data showing that Canadian small businesses are very concerned about excessive regulation—that is unnecessary rules, obtuse government language, conflicting advice, poor phone service and unreasonable wait times for permits and licenses. Across the country, it is second only to business owners concern about taxation. Our data now show that it costs Canadian businesses over \$30 billion annually to comply with the regulations from all levels of government—and that's estimated conservatively!

It's such a big drag on entrepreneurship that an astonishing 25 per cent of business owners say they might not have gone into business if they had known the hassles of red tape. Yet, most governments in Canada continue to ignore the problem. Only two governments deserve special mention for their ongoing efforts to control and reduce red tape, British Columbia and Nova Scotia. Each has made solid commitments that it has backed up with action.

In BC's case, the government has reduced the number of regulatory requirements by over 150,000 or around 40 per cent in the last ten years. In Nova Scotia, the government has reduced the amount of time business owners spend on paperwork by 91,000 hours in the past few years—that is a lot of extra time to spend training employees, serving customers or developing plans to grow a business.

So why have other governments been slow to act? Perhaps they really don't understand the negative impact that regulatory overkill has on people's lives—it frustrates entrepreneurship, raises prices, reduces job opportunities and limits choices. In other words, it lowers living standards in this country. It is funny how for decades politicians have been wringing their hands over Canada's lagging productivity and they continue to be blind to such an obvious cause.

Perhaps because many people who work in government have never been in business, they don't appreciate what it feels like to be on the receiving end of all the regulatory demands. Certainly the vast majority of business owners would agree, only eight per cent think that "governments take the impact of red tape seriously enough," on a survey we conducted last month. The vast majority, 67 per cent feel that government doesn't take red tape seriously enough and 27 per cent don't know.

So what can be done? Clearly we need to raise awareness about this hidden tax on Canadian success. To that end, CFIB launched Canada's first ever Red Tape Awareness Week in January 2010. The release of the Red Tape Diaries—the stories contained in this publication from business owners across Canada—marks the start of the second annual Red Tape Awareness Week. These stories help make the problem real.

Each story is unique. In some cases it is municipal regulation that threatens a business's viability like the Toronto owner who relies on an A-frame sign on the sidewalk to attract about 60 per cent of her new customers to her second floor gym. Toronto council passed a by-law that means that businesses like hers with no street frontage can no longer advertise. She has been waiting for over two months for an answer to her request for a variance. This is after receiving the standard e-mail response that someone would get back to her "as soon as possible."

In some cases, it is provincial regulations that are the problem. Elizabeth Garnett, a bakery owner in New Brunswick was frustrated by red tape even before opening. She was given conflicting information about how much to pay for her Class 4 food license. When she applied for the license she was told a pro-rated amount and when an inspector came in to visit he insisted that she should have paid the yearly amount. Sorting this out was an ordeal that took far longer than it should have. In her words: "I think there is a huge opportunity for government to instill in the people at the front desk a positive attitude towards business owners, to make sure that they know the correct information, and that business owners do not pay for someone else's mistakes."

In other cases, it is federal regulation that has run amok. Warm Buddy Company in North Vancouver is run by Karen McKee, a former nurse. Her company sells stuffed animals that have a removable rice pack that can be warmed up in the microwave or chilled in the freezer. Her animals have been sold in hospitals, spas and gift stores all over the world. Instead of celebrating this Canadian success story, Health Canada is threatening to shut her down. She has been ordered to stop selling her products immediately as rice is now considered a seed and seeds used as stuffing material are prohibited from sale according to

the hazardous products act. Further, she has had to recall all sales. This has cost her hundreds of thousands of dollars. It's not clear what Health Canada is hoping to accomplish as she has been in business for 15 years with an excellent safety record.

There is a commonality among the stories. In almost every case there is a feeling that the regulators don't respect or care about the business owners. This manifests itself in different ways. Sometimes it is a lack of respect for the business owners' time in other cases it is a guilty-until-proven-innocent attitude. Worse, many regulators just don't "get it"—business owners are contributing to their communities, they want to comply with the rules but they are frustrated at every turn.

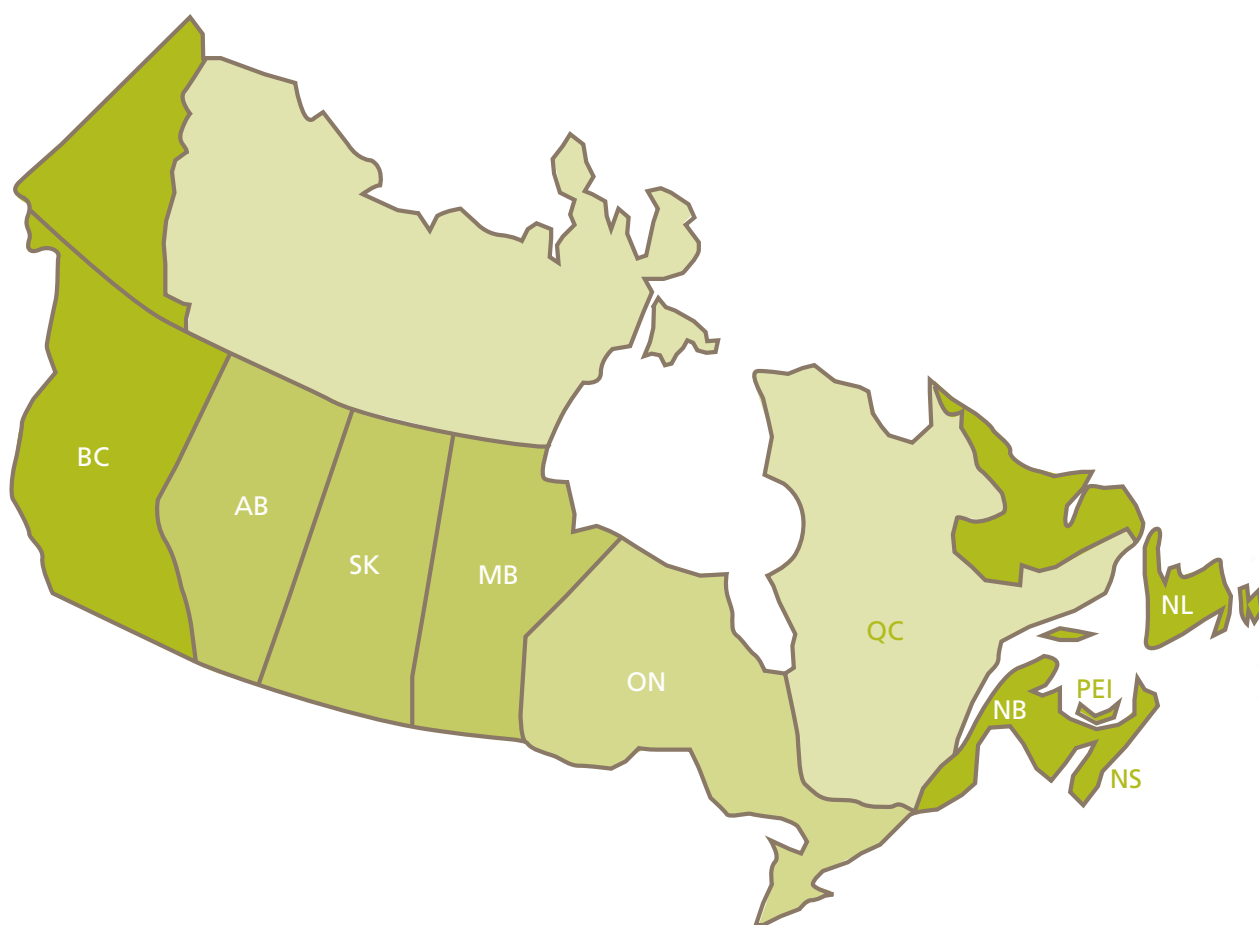
As you read the many stories contained in this diary from business owners across Canada think of all of the stories that didn't make this volume. There are hundreds of thousands of them. It all adds up to a colossal waste of time that could be put to better use. Isn't it time to do something about it?

Laura Jones, Vice President, Western Canada and lead author of *Prosperity Restricted by Red Tape*

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You're not alone!

Stop in at each province to read red tape grievances by small business owners from across the country.



November 18, 2010

Dear fellow British Columbians,

I am one of the owners of the Cariboo Hotel, which includes a pub, in Quesnel. I have been actively involved in the management of the hotel and pub since 1977 and take a hands on approach. I know most of my customers by name and I have personally driven people home when I am worried that they should not drive. We contribute to the community by employing over thirty people, paying our taxes and getting involved with local hockey and soccer teams, sponsorships and even organizing and donating a nights business to a family who's house had burnt down. We are quite proud of our community involvement.



“...we had to send home thirty employees and we lost \$25,000 in revenue. But the worst part of it is we lost confidence.”

I am writing to express my extreme frustration over the harassment I have received from local liquor inspectors and what seems to me a total lack of accountability for the actions and the impact it has had on my business.

In August 2007, a liquor inspector issued a contravention notice to the Hotel. The notice alleged that we had allowed an intoxicated patron to remain on the premises. The servers on shift that evening confirmed that they had only served the customer in question one beer. Although the servers did not think he was intoxicated, they complied with the liquor inspector's request and asked him to leave. We called him a taxi and gave him a cup of coffee and allowed him to sit at the counter while he waited for the taxi to arrive. We believe we handled the situation responsibly. Liquor Control & Licensing called it a public safety issue and shut us down for four days. Shutting any

business down for four days is a very extreme action. We were shut down for allowing someone to wait inside with a cup of coffee for his cab. It was even suggested during our enforcement hearing that it wasn't really coffee in his mug...this is beyond insulting.

The local police seemed embarrassed that it fell into their duties to come and physically take the liquor license off the wall and attach a notice of closure to the front doors of the hotel.

As a result of the closure, we had to send home thirty employees and we lost \$25,000 in revenue. But the worst part of it is we lost confidence. We thought we had been doing a good job as we had several letters from various active business owners including a letter of support from the Mayor. During the closure, I was outside doing some painting when customers were trying to enter the pub for their regular Friday night dinner. When they realized we were closed they were dumbfounded. Several expressed their disbelief when I relayed the outcome of the enforcement hearing. In particular people are shocked that Liquor Control has no oversight and that everyone involved in the hearing belonged to the same government authority.

The shame that I endured explaining this closure was very public. It continues to impact our business today. We used to enjoy a full house for lunch, but after the closure what business people want to come to a pub that has been closed for a liquor infraction?

Prior to the four day closure, we requested a meeting with the General Manager of Liquor Control & Licensing in Prince George to clarify a few issues. At this meeting she said there were several gray areas in the Serving it Right manual that is supposed to be our guidebook. I pointed out that there is a question on the test for servers that asks: "What is an effective way to solve problems with intoxicated customers?" The correct answer is not c) remove them immediately but b) be calm and discrete. On August 2, 2007 my staff was being calm and discrete by allowing the so called intoxicated patron to sit at the counter under the watchful eye of an experienced bartender. All this to no avail. Liquor control was judge and jury in this case and we have suffered the consequences.

I know of others who have had similar experiences. We work hard as business owners. This kind of abuse needs to stop.

Sincerely,

Darlene and Sid Cyca

Cariboo Hotel
254 Front Street,
Quesnel, BC V2J 2K2

1-250-992-2333

Grand Trunk Inn
2389 Church Ave,
Vanderhoof, BC
V0J 3A0

1-250-567-3188

To whom this may concern;

My name is Mike Brise and I am the General Manager and owner of the Vanderhoof BC Grand Trunk Inn, restaurant and liquor store. We provide rooms, services, a full menu restaurant, pub and liquor store for northern BC travelers and locals of Vanderhoof.

We pride ourselves on being in compliance with all government regulations and requirements – sometimes it seems like a full time job staying on top of these things, but we get it done. Our liquor licence requirements are extremely onerous but we keep our staff well trained and take our responsibilities seriously.

So it is especially burdensome when we get penalised for doing what we have been taught to do by the bodies that govern us. An incident one evening in June of 2007, that to this day we are sure we handled precisely as we were instructed by one branch of the government, caused us to be shut down for 12 days by another branch of government. We were charged with permitting an intoxicated person to remain in a licensed establishment. Let me explain.

“Our liquor licence requirements are extremely onerous but we keep our staff well trained and take our responsibilities seriously.”

On the evening in question our liquor inspector and an assistant was in our premises and observed an intoxicated patron enter the bar. Staff observed the same. The patron immediately took his friend, who entered with him, onto the dance floor and began dancing. He was clearly causing a bit of a disturbance. Our staff training and policy manual as well as the staffs “Serving It Right” training told them they should not approach the patron on the dance floor but wait for the person to leave so as not to cause a further disturbance of other guests. Following their training, the staff approached the intoxicated patron after he left the dance floor and with a bit of coaxing and reasoning from his girlfriend he agreed to leave. They never sat down and never were offered or ordered a drink.

It took a number of requests in a controlled environment but he agreed to do the right thing with very little disturbance – the staffs training paid off.

However, the liquor inspectors chose to write up an infraction, the case went to a hearing and we were required to close down for 12 days for letting and intoxicated person remain in the premises.

The duration of the intoxicated patrons stay was 6-10 minutes as observed by my staff. Even one of the liquor inspectors testified at the hearing that the patron entered when she, the other liquor inspector, ordered her drink and he left immediately after she paid for it. Bar receipts (order and payment) show this to be 6 minutes.

“For this infraction, that our government *Serving it Right* training specifically directed us to do, we were shut down for 12 days.”

For this infraction, that our government “Serving it Right” training specifically directed us to do, we were shut down for 12 days. Seven staff lost their jobs during this time and their families had to figure out how to do without their income. After re-opening our sales were off by 15-20 per cent in the ensuing weeks and we will never know how many regular customers we lost permanently. On top of that, I had the personal embarrassment of the town thinking we run a less than forthright establishment that does not take our responsibility to the public seriously. Once more, my staff had to deal with that perceived image also. I am proud with the way my staff dealt with this situation and know they did nothing wrong.

This is a clear case where regulations interpretation, the power of inspectors who have no independent oversight and a system with no independent judges went terribly, terribly wrong. And, I know I am not the first or the last – this is happening repeatedly in BC.

Despite CFIB’s best efforts to get the government to understand how we have become victims of the system, liquor inspectors continue to have free reign to fine and close down liquor primary establishments for sometimes erroneous infractions that should be better dealt with by explaining what to do differently next time. And, the government continues to do nothing as the public views this with a “politically correct” eye.

Sincerely,

Mike Brise,

Grand Trunk Inn,
Vanderhoof, BC



Dear Mayors, Premiers and the Prime Minister,

My name is Karen McKee, and I am a former registered nurse and the owner of the Warm Buddy Company in North Vancouver, B.C.

My company manufactures a full range of comfort products, including the popular and original plush Warm Up animals. The animals have a removable rice pack that can be warmed in the microwave or cooled in the freezer. These products are sold to people with illness, hospitals, spas and gift stores around the world.

In March 2010, I received a call from Health Canada stating that our products are now prohibited from sale as rice is now considered to be a 'seed'. "Seeds used as stuffing material are prohibited from sale, according to the hazardous products act."

"I could not reason or discuss my situation with anyone at Health Canada. The forced recall of our product after years of selling has been devastating."

I was ordered to stop selling our animals immediately. I was told to remove all reference to warm up animals from our website and to immediately send a letter to all customers marked URGENT. Customers were ordered to destroy and recall all products from their customers. Within one week, as we were sending out letters, Health Canada inspectors went into more than 20 of our retail stores and home businesses, seizing products from the shelves.

This forced recall caused major concern with my customers who had products destroyed. Letters went to 750 of our customers who asked us for replacement of destroyed and returned products. Many asked for monetary compensation for their loss.

I have been in business for 15 years with an excellent safety record. Can you imagine having my business and reputation all but destroyed due to a new government interpretation, now viewing rice as a seed. Rice does not fit description of a seed and former Health Canada employees all agreed for many years that rice is not a seed. A seed is capable of germination and used to grow a plant. This is not possible due to our use of food grade milled rice that cannot germinate and grow.

I have tried for eight months to discuss my situation. I have spent thousands on legal assistance, called and written Health Minister, visited my M.P., worked with several lobby groups to help with communication and assistance. I have been told numerous times that I would receive a response and am still waiting.

Here is a brief summary of what this has cost me:

- ▶ Thousands in legal fees
- ▶ Loss of employees-15 about to lose their jobs
- ▶ Loss of home-I have sold my home to pay for bills
- ▶ Thousands in replacement of seized inventory
- ▶ \$300,000 to date in lost sales and cancelled orders
- ▶ Loss of European distributor
- ▶ Stress and damage to health-loss of sleep
- ▶ Damage to my business and reputation

I have asked for a meeting to discuss safety and this has been ignored. In the past months I have looked for alternatives to our rice packs and have not found anything safer or as effective. I would like to work with Health Canada to discuss a satisfactory outcome for my business.

Our products are extremely popular and helpful to many, including children with autism, illness, adults with pain, and even animals in Zoos and rescue centers. We receive testimonials on a daily basis from those who enjoy and can't live without their Warm Buddies.

I have been shocked at the poor treatment and wonder why the government seems to want to put me out of business. There has been very poor communication and lack of respect for me and my business.

I own a proudly Canadian firm, employing many Canadians and work with many suppliers in Canada. I contribute generously to my community and instead of being celebrated as a success story, I have been mired in poor treatment and red tape.

Unfortunately I am not alone as I have talked to many others who have lost their businesses and livelihood over this same treatment.

Sincerely

Karen McKee
Warm Buddy Company



November 18, 2010

Canadian Federation of Independent Business

Attention: Brian Bonney

Dear Brian,

Further to our recent discussion regarding the Technical Standards & Safety Authority, known as the TSSA, our company has been targeted with a non-compliance report regarding an article that we sell to one of our major retailers in Canada. An inspector from the above company entered the store, cited the goods and had them removed from the shelf.

As a Canadian company and supplier of these products for almost 20 years we find it incredulous that we have been cited for something that we have been supplying for this long. We were never aware of this so-called rule and if legitimate feel it would only be fair to at least be given an opportunity to react to an issue rather than having product removed from the shelf. The TSSA only operates in the Province of Ontario and claims to be representing the Ontario government albeit we do not see anything "official" on their website or their reports that can substantiate this.

The product in question is an "animal" head cover, as an example; the "Tiger" head cover that covers PGA player Tiger Woods' golf club. The claim is that each item must have a specific label attached, stating contents as well as a registration number denoting our company. As I am sure you would agree creating and applying these labels will take time as this should be handled at the time of production. The goods are produced off shore and take up to 6 months to arrive to the parent company in Phoenix, Arizona; they are then trucked to Canada as we handle the sales for our country. The TSSA expects us to hand sew in these labels, which might be minimal at one store, but in Canada alone we would have upwards of 2000 units both in the market as well as in our building. Further to only create labels for one Province makes no sense and it would be difficult to have to segregate the products, there are over 50 different animal head covers in the line. In saying that, I would suggest that the factory now will have to add labels to all items for all countries which have created an even larger issue with the owners of this product line whereas they are now looking at passing on the cost to our company.

Overall, if necessary we will comply, we have registered and paid the annual fee of \$400.00 but this whole initiative is not based on a fair playing field. The TSSA only represents one Province and only some companies have complied, adding labels changes the costing for all suppliers, some put in the label and other do not. Further, we challenge what the product is being classified as "Toys or Smaller Articles"; the product protects a golf club and is not a toy. Last and probably the most important, we have requested a grace period only to be turned down, this alone could lose us the sales of current orders in house and future sales as the product in North America does not have these labels and we are at a loss of how we are going to comply as we do not have the resources' to be sew 1000's of labels into products that are both in our building and at the stores.

With the uncertainty of these economic times it is certainly distracting to have to deal with this type of situation after hard work our company had recently won a large contract with the retailer (that had the items quarantined) and now we have been notified by the buyer that if we do not deal with this problem quickly we will lose the order as well they have stated they will be returning all goods that are on the shelf. This will be an extreme financial hardship and one we certainly need to avoid. We are hoping the CFIB will be able to help us reach a mutual agreement with the TSSA prior to any returns or cancellations this may cause.

Thank you for your time and please let me know if there is anything further I can do to assist you in helping us with this situation.

Sincerely,







Cori German

G&G Golf Company

Vice President




Update: CFIB was able to get the TSSA to agree to allow their north American inventory to flow through without labels. The only requirement was that if an inspector saw product elsewhere, the store may have to agree to put a sticky on them in that store only.





G&G Golf Company were very happy with this solution!









Red Tape Story - Message (HTML)


MessageDeveloperAdobe PDF


ReplyReply to AllForward
Respond


DeleteMove to Folder
Create RuleOther Actions
Actions


Block SenderSafe Lists
Not Junk
Junk E-mail


CategorizeFollow Up
Mark as Unread
Options


Find

From: Doug Bauman [mailto:doug.bauman@steeprock.ca]

Sent: Tue 9/11/2010 1:50 PM

To: Richard Truscott

Cc:

Subject: Red Tape Story

December 15, 2010

Province of Alberta
Minister of Transportation

We have been in the gravel crushing business for almost 20 years and haul our crusher components from place to place in southern Alberta. Recently, our driver was stopped for a Commercial Vehicle Inspection while towing a unit containing a built in fuel tank (as we have done for the last 20 or so years). The unit was stickered as required by law, and the tank was empty as required by law. The officer proceeded to write us a \$690 ticket under the Dangerous Goods Handling and Transportation Act for not having a permit to haul empty fuel tanks. No one in our company had ever heard of this, so we investigated and found out that a permit was now required. When we called to get the permit, we were asked only for our company name and contact information and the type of fuel originally stored in the now empty tank, and were issued the FREE permit immediately by fax.

So... Our question is this: What is the purpose of this permit? There was no fee to pay, so we were not avoiding a cost, AND, the information disclosed to get the permit was already on the tank and the side of the truck hauling it, and serves no purpose whatsoever in terms of safety. In fact, in a subsequent meeting with a representative of the Transportation Safety Services Division, we challenged him to state the purpose of the permit and how it had any impact on public safety, and he had no answer for us. This is bureaucracy that does not serve the public good in any way, and worse, it is a trap that can be sprung on unsuspecting, law abiding businesses, to raise revenue for the provincial government.

This kind of thing is infuriating, and only serves to agitate an already very uncomfortable relationship between the construction industry and the provincial employees who inflict this sort of foolish codswallop on businesses struggling to survive in tough economic times. We will be fighting this fine in court.

Yours truly,

Doug Bauman
Owner/Manager



Dear Minister

I am writing this letter to let you know the Temporary Foreign Worker (TWP) program has been both a blessing and a curse.

My husband and I run a quick service restaurant in a town outside Red Deer, Alberta. We currently have seven foreign workers in our business. They truly work hard and, like everyone else, simply want to have a better life for themselves and their families. In our experience, most Canadians do not want to work for us because they view it as a less than desirable job. If we did not have these workers, we would have had to shorten our hours or even close our business.

I have done all the paperwork to bring them over to Canada myself because we did not want to pay someone to do the processing and I wanted to make sure the workers were not also charged fees. Let me tell you, the government does not make this an easy job. Your websites are very confusing and if you miss anything, the government will not hesitate in returning our paperwork instead of just making a simple phone call to clear up any confusion.

In particular, I have concerns with the rules and red tape surrounding the federal Skilled Worker Classification. I currently have a young man and his wife working for us who came into the country under the TFW program, and would like to stay in Canada. He came to our company with 4 years of experience in the same franchise business from abroad, as well as his wife has years of experience in the same type of industry. He is an excellent worker and I would like to promote him to a management position. We filled out the proper forms for him to be considered to be allowed to stay in Canada under the Skilled Worker Class and sent them to the centralized immigration office (CIC) in Sydney last May. In August, we received the forms back with a letter saying that we had missed one spot on the application and could not process the application. The small amount of missing information could have been answered very quickly by one phone call to me or the applicant. They also noted that there would be no record of the application being received by the CIC, even though it had been stamped as received on June 10, 2010.

We were also subsequently informed that a new requirement came into effect on June 26, 2010 meaning all applicants now need to take an English proficiency test. So not only was his application delayed, but this additional test cost of another \$300 out of his own pocket and now has to complete the test in November 2010! As a result, we now have to wait until the end of December to resubmit his application to be considered to stay in Canada under the Skilled Worker Class. Then it may take weeks, even months, longer to find out if his application is accepted.

I contribute to my local community and work hard to make my business a success. I ask that your government do a lot more to knock down barriers, stop these delays, and generally make it easier for small businesses like mine to find the workers from Canada and abroad that we so desperately need.

Thank you for the opportunity to express my frustration.

Pam Mitchell
Owner/Operator, Sylvan Lake DQ Grill & Chill

4605 50 Ave, Sylvan Lake, AB T4S 1C2
403-887-CAKE(2253) Fax: 403-887-5875

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October 5, 2010

Mr. Maurice Vellacott, MP
Saskatoon-Wanuskewin
Unit 3-844 51 Street East
Saskatoon, SK S7K 5C7

Dear Sir,

I seek your urgent assistance in a matter and actions that I can only describe as grossly unfair by a Health Canada Product Safety Officer.

In summary, an inspector from the Saskatoon Health Canada office contacted us with respect to incorrect labeling of our diesel fuel additives in November of 2009. We have been manufacturing these products in Saskatoon for 16 years and they are not regarded as very toxic, no injuries or deaths have ever been encountered in the use or sale of the products. We recognized we were not in compliance with the latest labeling and closure standards, advised the inspector, and took immediate action to remedy the situation.

Our company, DSG Power Systems received a recall notice from the inspector. We requested leniency on the grounds that: a) our market share is 0.06% of the Canadian market; b) there are no records of deaths or injuries; c) the product was needed by Saskatchewan farmers and businesses because of the cold weather; and d) that because the product moves very quickly in cold weather, it would be off re-seller's shelves in a week or less. According to the act, recalls can be graded as level 1 through 3. Despite these facts, the inspector insisted on a full recall, which we subsequently proceeded to do. At the time of writing, the recall has cost me \$56,000.00.

We were then asked to undertake "peer review" assessments of all the chemicals we use. We found the process very onerous, and therefore contacted a reputable company called Nex Reg in Ontario that specializes in chemical assessment and packaging conformance. We informed the inspector of our action and proceeded to re-label and recall all products in accordance with the demands.

"...we received information from several of our re-sellers, telling us that inspectors had visited them and targeted only DSG products..."

At the same time, I informed the inspector that I had visited several retailers in Saskatoon, and found at least seven similar American made products on the shelves. I provided details such as pictures, distributor names and manufacturer's contact information, and asked that the law be applied fairly to all manufacturers.

During December and January we received information from several of our re-sellers, telling us that inspectors had visited them and targeted only DSG products which the re-seller had not re-labeled in the view that their business was industrial and not retail. They were told if there "was even the remotest chance that the product could end up in the hands of a consumer, it would need to be re-labeled." However, the re-seller asked the inspector about similar non-conforming American made products on the shelf, and was told they were there only to inspect DSG products.

I feel this is grossly unfair, and really have questions about why we, one of the smallest players in the fuel additive market is being targeted in this way. Are the new consumer protection laws aimed specifically at small Canadian companies, or is there something behind the scenes that is prompting these actions?

In addition, the inspector demanded proof of the chemical assessments, to enable an assessment as to whether our revised labels were correct, despite the fact they were designed by Nex Reg and that we had provided the Nex Reg specification sheets for each label as requested. The inspector refused to accept the Nex Reg documentation on merit. Nex Reg tells me this is highly unusual as they are well known for packaging conformance. The inspector had also said in a previous email that "everything should be fine now that you have a contractor involved."

Mr. Vellacott, I take issue with the fact that it appears from conversations with my attorney that these inspectors appear to have almost unlimited power. I take issue with the fact that this inspector could have been a lot more flexible in their approach, within the parameters of the act, and I especially take issue with the un-level playing field that is being created when multi-nationals appear to be unaffected by these rules.

I took the trouble to photograph a host of non-conforming labels found on shelves right here in Saskatoon and provided these to the inspector. To say the least, the inspector sounded disinterested. Almost one year later, I continue to visit truck stop locations throughout Canada and continue to find non-conforming labels, mostly of US origin.

I feel harassed and targeted, for reasons that I cannot fathom, and therefore seek your help in putting an end to unfair practices by employees of the Government of Canada. We have complied precisely with every demand of the inspector and taken every precaution to ensure our products are now in full compliance, yet others continue to get away with non-compliance. It is interesting to note that Health Canada's website explains how Health Canada officials will "work with business" to help them comply.

Yours Sincerely,

Percy Hoff, President

Copy: Canadian Federation of Independent Business

November 19th, 2009

Re: Paper Burden

Dear Mayors, Premiers, and Prime Minister,

I am one of the owners of Simpson Seeds Inc., a family owned business located in Moose Jaw, Saskatchewan. Our humble beginnings started with our grandparents who pioneered in Saskatchewan. They faced the challenges of the Great Depression, the dirty 30ths and WW II. We can thank them for establishing a strong foundation to build upon. Today we export pulse crops, mainly lentils, to over 70 nations worldwide and employ 80 people. We have five of our next generation eagerly working in the company toward a succession plan.

We are proud of our legacy and our contribution to our community but incredibly frustrated by the lack of government action on one of the biggest challenges we face—over-regulation. Do you know how many unnecessary barriers exist for Canadian small business? Do you know how hard it is to run a company in this environment?

Following are just a few of the many frustrations we face:

- Under the Canada Grains Act, we have unnecessary and time-consuming monthly reporting requirements and are frequently subject to time consuming audits. We are also required to hold a stand-by license worth \$5 million and there is pressure to increase this amount to \$8 million. Do you have any idea how difficult it is to have that amount of business capital unavailable?
- To meet Customs and Excise rules we have to pay duty on the poly propylene bags that we import to export our crops in. We are then eligible to reclaim this duty—a process that is a total nightmare. For every container of bags we import, we have to fill out 400 forms (bills of lading). It takes a full-time employee three to five days to complete about 6 months worth of duty drawback claims. This generates a full box of paper that then has to be stored for seven years in case we are audited. Originally, the duty was applied to protect bag manufacturers in

Canada but after considerable research we find that there are no companies in Canada to produce these bags so the duty is not protecting anything other than government jobs. I've been personally raising this problem with government for over five years, with no solution in sight!

- We have offered our company to voluntarily comply with new HRDC regulations. I now regret doing so as we have two employees spending countless hours on training, meetings, printing binders of information that sits on a counter and collects dust.

These are just a few of the regulations that we contend with on a daily basis. We are hindered by the paper burden as it is a distraction from performing what is really necessary to keep our business focused on the buying and selling of pulse crops. Our purpose is to bring prosperity to farmers, employees and our community. The mission before us is to feed a multitude of nations who need pulses as a staple vegetable protein. Imagine what more we could be doing if we weren't so tied up in red tape.

Please help us. Pay attention to the recommendations in this report. Understand that business owners are frustrated and do something about it! For the good of all Canadians, we need to work together to reduce the impact that excessive regulation has on Canadian business.

Best Regards,

Greg Simpson



Freightliner Manitoba Ltd.

2058 Logan Ave. Winnipeg, Manitoba R2R 0H9
P: 204-694-3000 F: 204-694-6000
www.freightliner.mb.ca

November 10, 2010

Dear Politician:

My name is Rod Snyder and I am a partner in Freightliner Manitoba Ltd a Winnipeg, Manitoba based heavy truck dealer. Freightliner Manitoba Ltd. has been in business since 1991 providing trucks, parts and service through our locations in Winnipeg and Brandon. Freightliner Manitoba Ltd. is a proud and successful dealer. In fact, we have been named as one of the top 10 dealers in North America by Daimler Truck for the last two years running. Currently we employ 96 staff members who help us support customers from every segment of the economy.

In 2007, Freightliner Manitoba purchased 14 acres of land in the Rural Municipality (RM) of Rosser for future expansion. Our goal was to build a new dealership within 5 years of owning the land. Unfortunately the recession came and plans were delayed. In 2009, it was revealed that a second land development would be coming that would give our customer direct access to the lots via a major truck route. Obviously this is preferred so we decided the easiest way to dispose of our land was to subdivide the property and sell smaller lots. What had seemed simple, has actually become the greatest frustrations in the history of our company. Basically I have gone from being an active owner in the day to day running of our business to spending almost 100 percent of my time dealing with some level of government on the land development. While I could understand this if we were creating a mega project, but in reality we are only talking about 5 lots on land we already own. At each and every convoluted turn we are met with red tape and actions that seem completely against a free enterprise system.

Here is a list of frustrations we have been dealing with:

- An officer in the land development office had to be taken off our case. he was not quickly replaced and paperwork stopped flowing for months. That is not customer friendly.
- We have to pay for the RM's legal costs to have a land development drawn up. In this system the more delays and changes he makes to the agreement the larger his invoice to us is.
- We completed all of the required items only to be invoiced \$104,000 for sewer and water services that may never come to the lots.

- Our property is adjacent to the City of Winnipeg on the east property line so we were forced to double most of our efforts to additionally meet their rules and zoning.
- Applications and paperwork was routinely lost, cheques had to be cancelled and rewritten, rules and processes changed from day to day.

As you can see, what should be a simple straight forward process is anything but that. Lawyers who specialize in land development, the surveyor, and several builders have been shocked at what an onerous process dealing with this rural municipality is. Red tape and paper burden is taking valuable time away from our business. The RM is losing valuable tax income from developed lots.


Sincerely,
FREIGHTLINER MANITOBA LTD.

WINNIPEG

BRANDON

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Dear City Council,

Earlier this year, Toronto Council passed a new by-law which restricts some businesses from putting up advertising signs in front of their shops. The by-law says you can't have an A-frame sign out front if your store has less than 20 feet of frontage or you are less than 29.5 feet away from an intersection. Because we are located on the second floor (and have no 20 feet street frontage) we are now not allowed to advertise our business. Our gym has been in the community for 60 years and approximately 60 percent of our new business comes from people seeing our A-frame sign on the sidewalk.

When I received the notice from the City of Toronto Municipal Licensing & Standards office on September 7th, and realized that upper floor businesses such as Riverdale Fitness were not able to apply for a permit to have an A-Frame sign, and in fact were not allowed to have a sign at all, I immediately sent an email to 311 Toronto (the hotline that is supposed to help with this kind of issue), outlining my concerns and asking if there were any variances in regards to the sign permits. I received a standard form email the following day assuring me that the email had been received and they would respond to me as soon as possible — that was over two months ago, and I have still not received the courtesy of a reply.

On September 9th, I sent an email to the Toronto Mayoral Candidates. In this letter I expressed my concerns for not only the business that I manage, but for the thousands of other upper floor businesses in Toronto, if we have our one mode of affordable advertising taken away from us. Radio, T.V., newspaper ads, can cost thousands of dollars, and are out of the question budget-wise for the majority of small businesses. An A-Frame sign can be changed frequently for as little as \$200.00 — an amount that allows us to not only advertise, but to pay our staff a livable

“... that was over two months ago, and I have still not received the courtesy of a reply.”



“I expressed my concerns for not only the business that I manage, but for the thousands of other upper floor businesses in Toronto.”

wage, while providing an affordable service to the community. I received form email replies over the next couple of weeks from the majority of candidates, which all basically said the same thing - “when I am elected I will look into this matter.” Did they not understand my very clear letter? ‘WHEN’ they are elected, and they finally ‘look into’ this matter, it may very well be too late for our business — we may be closed.

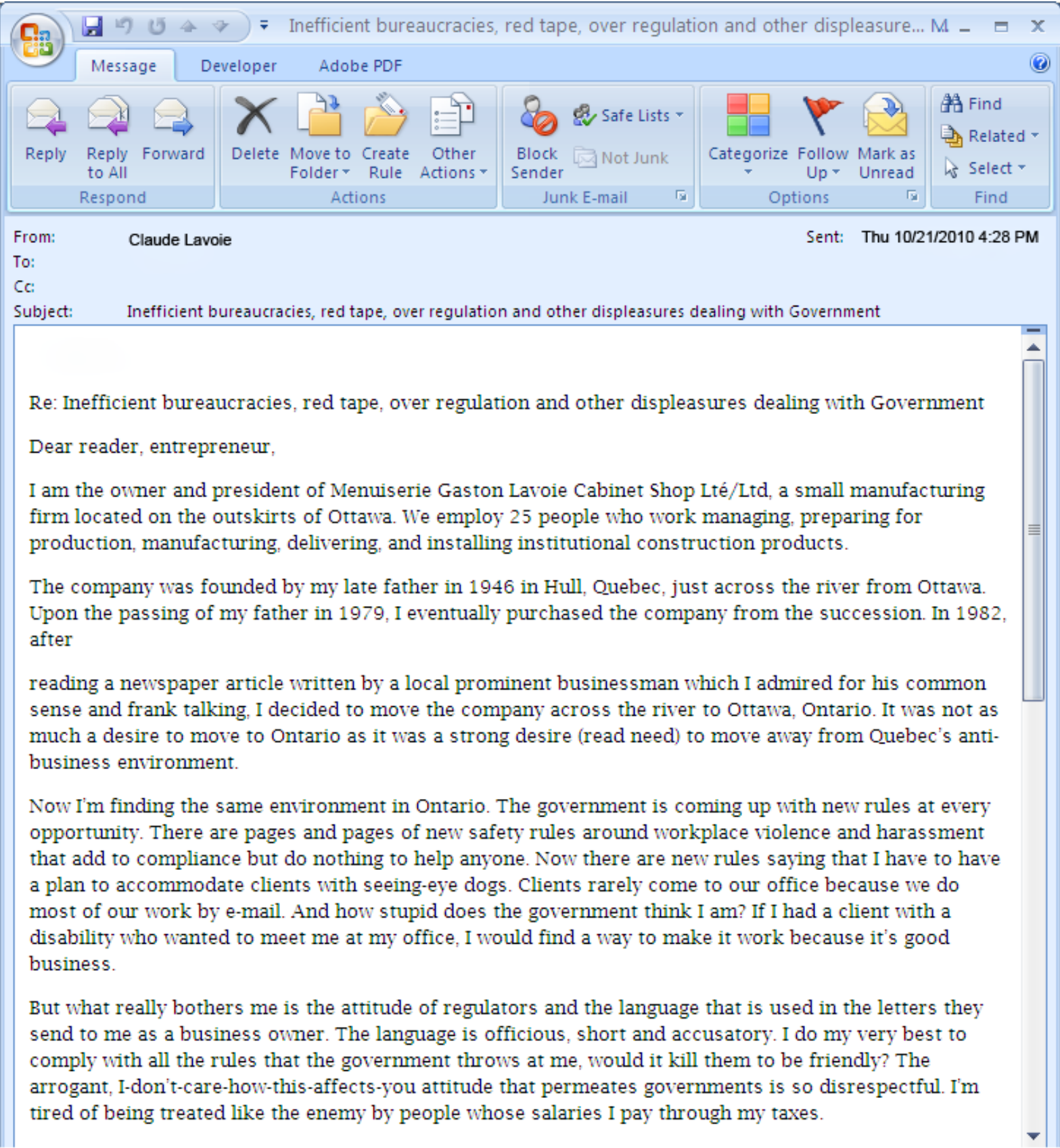
I forwarded my email letter to the Toronto Star, and at that time did not hear a reply from them, but have since spoken to a reporter. My next step was contacting CFIB and was delighted to receive an immediate reply — finally someone was listening to my concerns and contacting me not only by email... but with an actual phone call! CFIB's Business Counselor Theresa Petrillo assured me that she had heard the same concerns from other small businesses and would be bringing them up at the next Mayoral debate. I had to chuckle to myself when you updated me shortly afterwards and said that one of the responses was that upper floor businesses can use ‘flag signs’ or ‘wall signs’ on the building to advertise — just who looks upwards while walking down the street?!

Seeing how it was becoming quite clear that the Mayoral candidates were not going to make my concerns a priority, I decided to forward my letter to all my Toronto area candidates — which I did on September 28th. Even though I only heard back from a few of them, their responses were much more sympathetic and they seemed to understand where I was coming from as a small business manager.

Unfortunately though, in the end...“When I am elected...” was still the message I received.

I’m not the type of person that will give up when it comes to an issue so I am asking the new City Council now that you have been elected to please help me resolve this issue so that I can sleep soundly again. As a taxpayer don’t I at least deserve the courtesy of a response?

Shelley Winters
General Manager — Riverdale Fitness



The Canada Revenue Agency is one of the worst offenders. I was recently fined \$1000 for paying my payroll tax bill one day late, after fifteen years of remitting on time. I called CRA to find out why I was fined and was told that I needed to provide them with my minutes of incorporation before they would give me any information. I asked if my mother's maiden name would work because my lawyer had the minutes of incorporation. He said no way. Another month went by and I was fined again when I thought I had paid on time. This time when I called the CRA the person taking the call said my mother's maiden name was sufficient!

Why was I fined? I had been paying once a month on the 15th but my business had grown and CRA had changed my status (without telling me) and I was now supposed to pay twice a month on the 10th and the 25th. I tried to write a letter to CRA's tax fairness group on this issue and got an automated reply. It wasn't until I reminded them that they had made a mistake some years prior to this that meant that they had kept \$44,000 of my money for seven months that they agreed to back down on the fines for my late payments. This kind of thing takes a lot of time—not just the time you spend dealing with them on the phone but the time it takes your blood pressure to return to normal afterwards.

I think while I am ranting about red tape, I should mention the 109-question, 14-page survey that Statistics Canada expects me to fill out every year for free. The language on that survey is also intimidating and shows no respect for a business owner's time. They don't work for free, why should I?

A typical day for me starts at six in the morning and doesn't end until around 5:30 in the evening. I start by checking e-mail, regular mail and phone messages. Then I return calls—maybe 20 of them. This morning I was on a job site at 8:30 am to explain to installers how to do a specialized job. Then I worked on coming up with some dimensions for a project, ordered supplies, reviewed a contract, estimated three small projects, and spoke to an employee about a problem she's having. Dealing with all this compliance comes on top of that. I agree with the rules that are necessary and resent those that aren't.

What would it mean to me if governments would take this problem more seriously and start cutting red tape and offering friendlier service? I would be a lot less stressed and I'd get home a little earlier. I would probably be a better boss and could handle more business.

As a businessman with 39 years of experience, I recommend entrepreneurs start talking out about this problem. If we don't, nothing will change. If we do, maybe there is hope for a country where we are treated with the respect and courtesy we deserve.

Kind regards,
Claude Lavoie



Fernand Huard
president

724, Chemin des Patriotes
St-Denis-sur-Richelieu
(Quebec) J0H 1K0

Tel.: (450) **787-3415**
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Fax: (450) **787-9930**

Subject: Government Red Tape

To: Mayors, Provincial Premiers and the Prime Minister of Canada

I would like to share with you my experiences as an entrepreneur with regard to excessive government red tape. I am the owner of Protec Vision Sécurité PVS Inc., a company that provides video surveillance on construction sites. We are well established and have built solid relations with over 200 entrepreneurs in the construction industry. In 2007, in response to customer demand, we decided to offer a road signal service, and that is when our challenges related to excessive red tape began.

My business activities suddenly came under the purview of the collective agreement decree governing security guards and I had no idea of the regulatory headache that would ensue. My initial contact with the parity committee went smoothly overall; a committee representative came to explain the ease and simplicity with which the decree would be applied and managed on a daily basis. This first collaborative approach notwithstanding, I was subjected almost from the start by a barrage of abusive letters, threats of ludicrous fines and endless phone calls. This first meeting with the committee representative, intended to reassure me, paved the way in the end for a mountain of confusing and burdensome paperwork.

A further complexity was added to the management of my daily affairs and no support or information was offered to assist me with compliance. Ironically, when the parity committee had to collect fines, sometimes ludicrous amounts (from 28 cents to \$1.60), it suddenly made its presence felt.

As mentioned previously, my company specializes in video surveillance of construction sites and the decree I became subject to was one that had been negotiated with specialized security services but did not apply to the type of activity I was engaged in; a decree in which I had no say or participation and which did not correspond to the needs of my business sector. This decree caused innumerable problems for the company accountant and, due to its extreme inflexibility, led to the loss of a number of jobs. This situation is a concrete example of the impact of excessive red tape which is ill-suited to today's entrepreneurial climate.

As it currently stands, this decree is extremely restrictive and contributes to a significant increase in red tape imposed on businesses. This situation hindered the management of my business operations to such a degree that I was forced to curtail some of my activities. Today, because of a law adopted a long time ago, which only government officials may recall, I have had to close down the department. In doing so, I have had to let go of some good workers in my region where job opportunities are limited.

I would politely remind you, not without a certain degree of impatience, that your government has committed to reducing red tape. It is my opinion that abolishing the Act respecting collective agreement decrees would send a clear and resounding message that the Government of Quebec is committed to simplifying its paper burden and regulations.

Yours sincerely,

Fernand Huard, président

Remorquage Edmundston Towing Inc.
731 Ch Rivière-à-la-Truite
Saint-Jacques, N.-B.
E7B 2J2

November 8, 2010

Premier David Alward
Government of New-Brunswick
Centennial Building
P. O. Box 6000
Fredericton, NB
E3B 5H1

Re : Government Red Tape

Mr. Premier,

I am the owner of Remorquage Edmundston Towing Inc. in Saint-Jacques, New-Brunswick, one of the many small business operators who contribute enormously to the provincial economy. It has been two years since I decided to open my business to offer towing services in my region. Not only do I respond to the needs of people in my area of the province, and pay taxes to all levels of government, but I also employ one full-time employee year round.

I am writing to you as you are responsible for reducing red tape and excessive regulations which place a heavy burden particularly on small businesses. I would like to relate an experience which has not only cost me no end of time and money, but also caused me immense stress – all of which which translate into a direct loss of revenue for your own coffers.

Since the Fall of 2009, I have diversified my business to sell cars, small trucks, etc. in addition to the towing services which I offer. This Fall, I received a letter from the Province telling me that I could no longer sell vehicles without a proper licence. My sales were stalled until such time as I could obtain the licence. This has been a bitter pill to swallow as no one had ever communicated to me the need for such a licence. What's more, the letter I received did not allow for a grace period to enable me to take the steps needed to obtain this licence. As I had already sold more than ten vehicles, I was asked to immediately suspend my sales activities.

After receiving the letter, I contacted Service New-Brunswick (SNB) and learned that I needed a letter from the Zoning Commission to obtain a licence. When I contacted the City of Edmundston, I was told that a letter was not necessary. The SNB agent had simply to call the City to confirm this information. I then contacted SNB and updated them on my file. After two weeks of no response, I became very concerned. I contacted SNB once again, and the agent informed me that she could not find my file and so had no information on me. When my file was finally found, she confirmed that I did indeed require a letter from the City.

Several days later and out of pocket by 100 dollars in fees, I obtained the letter and sent it to SNB. Several days after that, when I had not heard back from SNB, I contacted them once again. The agent informed me yet again that she could not find my file and that the zoning letter was still missing. I challenged her and said that I myself had sent the letter, and had in fact called her the same day to expect its arrival. Once my file was found, it was deemed complete and I was able to obtain my licence.

In all, my business activities had been frozen for six weeks! In this period, I lost the opportunity to sell three trucks, which is a significant loss for my business. This cost me close to \$50,000 not to mention anxiety to both me and my clients, lost time, stress, calls and trips to the City and SNB. This was a very frustrating and costly exercise. I never received a notice about the requirement for such a licence. I then received misleading information. I was made to wait needlessly due to the incompetence of SNB, and finally had to pay \$100 to obtain a form letter from the Zoning Commission – a body which is entirely financed by City residents – people like me and and businesses like mine.

I believe that Government has an opportunity and a responsibility to enhance the productivity of entrepreneurs for the benefit of all: individual citizens who are prospective clients and entrepreneurs, who create wealth and jobs for the economy, and the government itself which benefits from the tax revenue they generate.

One of your election promises was to reduce administrative red tape by 20 per cent and to make it easier for businesses to operate. I have just provided you with some concrete examples of how your government can accomplish this task.

Sincerely,

Chester Albert

Law Offices of Whiteway Brown

November 12, 2010

267 Connell Street, Unit 8, Woodstock, New Brunswick, E7M 1L2

Telephone: (506) 325-9077 Fax: (506) 325-9071 wblawoffice@nb.aibn.com

Hon. Keith Ashfield
Minister of National Revenue
House of Commons
Ottawa, ON
K1A 0A6

Dear Minister of Canada Revenue Agency,

I am a self-employed entrepreneur in New Brunswick, and have been running my own business for more than 18 years. Not only do I actively support my community's activities and people, I pay taxes to all levels of government and I provide for myself and my family. I also employ two full time people and one part-time person. I am proud to be a business owner. I am writing to you as the minister responsible for the Canada Revenue Agency (CRA) regarding my most recent experience with the Agency and the amount of incomprehensible red tape.

I believe in fair taxation that provides me and others with adequate value and services for the taxes I pay. In or about December 2008 I received a telephone call from a CRA representative requesting that I make arrangements to pay my account balance. I had my accountant contact that representative on my behalf and the arrangement was made that I would pay a weekly sum to CRA. When I filed my next tax return my accountant advised me to increase my weekly payment which I did. CRA never contacted me to inform me that I should do otherwise so I had continued paying this sum voluntarily each week at the bank and had done so (with rare exception) continuously until October 2010. At regular intervals I would receive statements showing payments and balances but never did I receive anything else or a phone call from CRA about my on-going payments.

In September 2010, I received a standard statement showing the amount paid, the amount owed, interest charges, interest revised and the balance due. This statement showed this amount to be paid by October 7, 2010 to avoid additional interest. I continued to pay CRA the weekly amount I had been paying for approximately a year and a half. On October 12, 2010 I received another "form-type" letter showing the amount owing and threatening me with legal action if I did not pay the total amount owing voluntarily. I called CRA that very day to ask for more information because I had been paying voluntarily. After waiting on the telephone for 20 minutes at the number noted on the form, I talked to a pleasant person who informed me that my voluntary account with CRA had been terminated but he was unable to explain why. I was puzzled. He gave me two numbers to try (one English and the other French) and he suggested that because CRA personnel were bilingual if I waited too long on the English number to try the French number and the individuals at that extension could tell me more.

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I called the English number and I put my phone on hands-free and I continued to work until the phone was answered which was almost one-half hour and this time I talked to a very rude representative who did not treat me with any respect or courtesy. She treated me like a criminal and a retrobate instead of a taxpayer inquiring about their account and who is attempting to comply. She insisted that before the end of the week I provide her all the information regarding my household budget (being both mine and my partners)– all expenses and all revenues, from mortgage payments, hydro, propane, telephone, satellite, cell phone, food, car payments, vehicle maintenance and gas, credit cards, lines of credit, life insurance etcetera. I tried to explain that I run my own business and I have obligations and deadlines I need to meet. I asked her if she would extend the time from Friday (being only three days to a week Friday being 10 days but all she would allow was Monday being five days). She showed no understanding and said preparing this detailed budget should take me only 10 minutes! Even worse – she offered me no answers to my original question to reconcile what weekly payments CRA had record of which may or may not have shown on the statements that initiated my telephone call to CRA. This representative gave me a number that she said would be answered quickly and reminded me that if I did not get this detailed budget information to her by the Monday that litigation/garnishment would result.

Confused and worried, I talked to my accountant the next day. Afterwards, I decided to do everything possible to pay CRA as soon as possible instead of preparing the detailed budget – no matter what was the impact on my personal or business finances. I called the phone number I had been provided by the second representative to inform her that I intended to pay as soon as possible. I let the phone ring for seven minutes and it was never answered nor was there a voice recording. I finally hung up and I called the number I originally had been given by the first CRA representative I called. A very rude customer service representative barely bothered to inform me that my account had been sent to the Collections Department after she had put me on hold for six minutes. This was only two days after I received the letter telling me that litigation or garnishment would result because payment was not occurring voluntarily – even though I had been given five days to provide detailed and extensive budget information. This representative then gave me another phone number to call and discuss my case with a specific person.

I called the Collection Department, and spoke to this collection officer. What amazes me is that no one in previous calls suggested my file would be referred to a specific person but I finally talked to a lady who treated me with courtesy, respect and politeness. I told her that I arranged with my bank to provide me with a loan and I took all of my personal savings to enable me to pay approximately 90 % of the balance due immediately. For the 10% still owing, we arranged a weekly payment. Even though I arranged everything with the bank, I still kept in communication with CRA to verify receipt of the payment made through the bank. At my request, my account manager contacted CRA personally to confirm that the bank had processed the payment when I told CRA they had. All this could have been avoided if a CRA representative had contacted me directly and reasonable arrangements could have been made that would have met my tax obligation but would have been much less stressful for me.

This experience showed me how little understanding, courtesy, and knowledge, front line personnel of the CRA extend to business owners – who pay their fair share of taxes (and sometimes more) – which tax dollars help pay CRA employee's jobs in the first place. The level of customer service was abysmal and one out of the four persons I spoke to did not seem to know that she was required to identify herself. I would not have a business if I treated people similarly. The lack of explanation for why this entire ordeal happened still upsets me tremendously. The time spent on the phone, with my accountant and at the bank, the stress for me, my family and my employees, cumulated with the working time lost was a significant productivity decrease with a serious impact on my business' finances.

The federal government promised to cut red tape, streamline regulation and improve its customer service. This provides a concrete example of how important it is for all business owners that these promises are kept.

Sincerely,

A handwritten signature in black ink, appearing to read 'DAW Brown', written over the word 'Sincerely,'.

DAW Brown



Elizabeth Garnett
Cookie Crumb Bakery Ltd.
83M Hampton Road
Rothesay, NB
E2E 2K3

October 27, 2010

Premier David Alward
Government of New Brunswick
Centennial Building
P. O. Box 6000
Fredericton, NB
E3B 5H1

Dear Premier,

I am the owner of a recently-opened bakery in Rothesay and one of the many small business owners in New Brunswick who contribute greatly to our economy. I am writing to you as the minister responsible for red tape reduction, regarding my first experiences with red tape – even before starting operating my business.

As you may know, in order to operate a bakery where I make cookies, breads and other sweets and then I sell them, I need to have a Class 4 Food Licence. As I researched all the regulations required to open well in advance of the date when I wanted to open my store – February 2010, I went to Service NB in November of 2009 and applied for this licence. The staff at the counter informed me that I only have to pay half of the annual amount required for such a licence - \$225. When I challenged her about the amount, the customer service lady called the Department of Health to double check the information. As I was waiting at the counter, she got the information confirmed by her superior. As I was applying for a licence valid only until March 31st, 2010, paying \$112.50 - which represents half of the amount- was correct. She even wrote her initials on the form and circled the amount I have to pay.

At the beginning of February 2010, an inspector came to visit my bakery shop. He was very courteous and said everything is in order except my food licence – which didn’t show that I paid the yearly amount. Even though I explained to him exactly what happened at the Service NB counter, he politely informed me that I need to pay the full amount and then display my new licence. After he left, I called the Department of Health and asked that they fax my file to the Service NB office so that I could pay quickly. The next day, I drove back to Service NB and paid the rest of \$112.50 to get the licence. However, to my

greatest disappointment, my file wasn’t faxed yet – and I had to wait there for it. On top of that, the level of customer service was far from good. Two days after, I obtained my new licence.

To my surprise, two weeks after I opened my bakery, I received by mail a renewal notice for my food licence of \$225 that will be valid from April 1st 2010 and that I had to pay by March 14.

All in all, it was a very frustrating experience to deal with employees who didn’t have the right attitude at the Service NB counter, to obtain wrong information – even after being verified by a superior, and to spend twice as much time and effort to deal with one licence. This entire ordeal was to pay for a licence that was good for only one month. I think there is a huge opportunity for the government to instil in the people at the front desk a positive attitude towards business owners, to make sure that they know the correct information, and that business owners do not pay for someone else’s mistakes. Also, I think the province could look into pro-rating licence fees.

I have been running my business in Rothesay since February and I employ two full-time people. I pay my taxes to all levels of government and create direct and indirect economic activity – purchasing local food, shipping supplies, signing for appliance services, and many others.

One of the promises your government made was to reduce red tape by 20 per cent and to make it easier for people like me to open and run a business. I have provided you with one example of how your government can do just that.

Sincerely,

Elizabeth Garnett

CC: Andreea Bourgeois,
Director for Provincial Affairs, CFIB

Dear fellow Canadians:

My name is Bob Gee. You may have heard of me – and the store that I’ve run for over 30 years in Kentville, Nova Scotia: Mader’s Tobacco Store. My business seems to be in the news a lot these days and I seem to spend an awful lot of time at my lawyer’s office. Here’s why: I’m into the fourth year of a legal battle against a rule introduced by my home province that will severely restrict my ability to do business if my fight against that rule isn’t successful.

My headache started back in 2006 when the province passed the Tobacco Access Act. The act, and its accompanying regulations, required that stores like mine ‘hide’ their tobacco products from plain view. All of this was done without consulting the very businesses that would be affected – businesses like mine. Further, I’ve never been shown any evidence that the rules that were passed will do anything to impact smoking rates. Ironically, those two principles – consultation and supporting evidence – are two reasons why the province has experienced some level of success in reducing red tape. Unfortunately, the rule causing me such grief is one that clearly slipped through the province’s process.

Let me say outright that I understand tobacco’s harms. I don’t advocate that people smoke – I never have. But to me these rules are unfair and hypocritical. After all, the province benefits every time I make a sale through the tax revenue those sales generate. We seem to have no problem using that revenue to pave roads or create programs. Nor do we have any issue using the revenue that comes into the provincial treasury every time a store sells pop and chips. And last time I checked, pop and chips aren’t exactly the kind of products we want people consuming, but I haven’t heard any plans to ban the display of those.

What’s been the fallout of the rule to my business? Well, as you may imagine, hiding all evidence of tobacco products and related paraphernalia is pretty tricky in a store dedicated to selling tobacco products. Sure, the province tried to rectify my dilemma by passing new rules in 2009 that would allow me to ‘display’ my products in a magazine. While I appreciate the outreach, the attempt really missed the point: I sell a legal product and my customers have every right to see, feel, and touch the legal products they’re buying. In other words, I didn’t comply with the rule. So, in June 2009, I was charged with illegal storage and display of tobacco products. Off to court I went.

It’s unfortunate that common sense hasn’t prevailed and that we’ve had to resort to the court system to settle things. While I’m very happy that the provincial court recently sided with me, it’s upsetting that the province has decided to drag things out. Until this comes to some conclusion, I’ll spend more time and money fighting this than even I can comprehend.

You may be asking yourself ‘why doesn’t Bob just comply?’ I’ll answer that for you. I’ve been described as a man of ‘good principle’. What does that look like? Well, I firmly believe that my customers have the right to choose what they do and what they buy. Based on that belief, I’ve poured my heart and soul into my business for three decades. I’ve prided myself on knowing and respecting both my customers and my products. I can’t let my business and my customers be treated like criminals. So, for me, these rules are my line in the sand.

Fortunately, my customers – and they come from all over the world – are standing by me. So is my wife Bev, my son Jeff, my daughter Judy and my local community. After all, there’s much more at stake than just a business and a family’s livelihood; the right to choose is also at risk.



Bob Gee

Owner, Mader’s Tobbaco Store

Kentville, Nova Scotia



40 Enman Crescent
Charlottetown, Prince Edward Island C1E 1E6

November 12, 2010

Hon. Wes Sheridan
Department of Finance and Municipal Affairs
P.O. Box 2000
Charlottetown, PEI C1A 7N8

Dear Minister Sheridan:

As we often say at CFIB, red tape is like “death by a thousand paper cuts.” There isn’t one single regulation, piece of paperwork, or government department that alone is a problem. It is the cumulative burden of regulations and paperwork across all three levels of government that results in headaches, frustration and lost productivity. As we prepare for Red Tape Awareness Week 2011, I wanted to take this opportunity to share with you, the Minister responsible for red tape in the province, some of the stories that local small businesses have about their experiences with red tape.

I am writing this on behalf of various business owners, many of whom did not feel comfortable sharing their names with you.

Government “doesn’t get” small business

A common thread in my conversations with members is the feeling that government just doesn’t understand the realities of running a business.

When a local business owner wanted to hire a new employee to help out during a busy season he looked at what programs government may have available to help. After looking online and making a few phone calls he found that he would have to wait for approval for the program which would take at least six weeks before could hire anyone. Even then he would only be able to hire someone who was eligible for EI regardless of who the best candidate was. On top of that there was a stack of paperwork to complete and hoops to jump through. Frustrated he gave up saying that the hassle wasn’t worth the small amount of financial help he’d receive from the program if he was approved.

Customer service makes a difference

Good customer service helps a business owner understand what government is asking for and get back to their business as quickly as possible. Poor customer service causes frustration, delays, and lost productivity. It also sours the relationship between business owners and government.

On a busy work day when a business was short-staffed, an inspector showed up to look around. The business owner explained the situation to the inspector and asked if he would come back another day. The inspector responded rudely that he could go where ever he wanted whenever he wanted and proceeded to take his time looking through the work place and talking to the employees. No infractions were found.

Good communication matters

When a business owner has a question they need to find the answer quickly and easily. While some information can be found online, it isn’t always easy for people who aren’t familiar with government’s structure (especially when departments and names change) and not everyone is comfortable with computers. When they phone government, they can get transferred, left on hold or sent to voicemail (which may or may not be returned).

After looking on the internet, a business owner could still not find an answer to a question she had. She called a government office and was left on hold and then disconnected. She called back the next day and an employee promised he would her back with an answer. After a few days she called back and left the same person a voicemail reminding him about her inquiry. A week later she called back again and left another voicemail. After another week past she called the general inquiries line again and asked to speak with a different employee. That person was able to answer her question on the spot- three weeks after her first call.

Accountability and responsibility

A common complaint business owners have is that they are held accountable for the mistakes and errors government workers make. In many cases, this can be as simple as bureaucrats not being able to give a business owner an answer to a question they have because it doesn’t fit perfectly into current regulations. In other cases, errors are made or wrong information is given which ends up costing a business a lot of money.

When an Island business was audited by the provincial tax department, the business owner was told he was not applying PST correctly. The auditor was very professional and helpful and answered any questions the business owner had. Confident he was now applying PST correctly, the business owner was audited again four years later only to be told by a new auditor that he was wrong and owed government more than \$80,000. With the help of an accountant and lawyer, he was proven right but walked away with significant legal and accounting fees. He now keeps all the documentation from his last two audits close by for when another auditor will walk into his business.

Almost every business owner I speak to has a story to tell about how red tape has cost them time or money. Last year’s edition of *Prosperity Restricted by Red Tape* estimates that red tape at all three levels of government costs Island businesses \$114 million every year. By taking steps to reduce that cost, government is not only saving businesses time and money but would also be allowing that time and money to be reinvested into local businesses, creating jobs and prosperity for all Islanders.

Sincerely,

Erin McGrath-Gaudet
Senior Policy Analyst, PEI

Mr. Gary Coates
Gary's Convenience Ltd.
P.O. Box 119
Summerford, NL
A0G 4E0

October 21, 2010

The Honourable Ross Wiseman, MHA
Minister of Business
Government of Newfoundland and Labrador
P.O. Box 8700
St. John's, NL
A1B 4J6

Dear Minister Wiseman:

I am the owner of a service station in Summerford and one of the many small business owners in our province who contribute greatly to our economy. I am writing to you, as the minister responsible for red tape reduction, regarding an issue that I believe is very unreasonable.

Provincial government legislation forbids workers, who are under the age of 19, from selling alcohol. However, all employees, regardless of age, are permitted to sell tobacco and lottery tickets. Consequently, at a time when our provincial government is working to find solutions to deal with labour shortages, I am turning away young men and women, who wish to work in my business.

My definition of red tape includes having to call for another employee to come to a checkout and relieve a worker, under the age of 19, just to sell beer. Why is it that young men and women, under the age of 19, are permitted to sell lottery tickets and tobacco, but not alcohol? I feel this policy is not only discriminatory to young people, but it contributes to the difficulty employers have finding workers.

One of the goals of your government's Red Tape Reduction Initiative was to make it easier for people like me to do business. I have provided you with one example of how your government can do just that.

I look forward to your response.

Sincerely,

Gary Coates