



Association canadienne  
des restaurateurs et  
des services alimentaires

316 Bloor Street West  
Toronto, Ontario, Canada  
M5S 1W5

Tel: (416) 923-8416  
or 1-800-387-5649  
Fax: (416) 923-1450  
www.crfa.ca

**Canadian Restaurant  
and Foodservices  
Association**

February 12, 2009

Dear Senator:

I am writing to you to express concerns about Senate Bill S-226, *An Act to Amend the Criminal Code* (lottery schemes) that received first reading yesterday and will be debated and voted on in the Senate as early as February 23<sup>rd</sup>.

The Bill will prohibit the operation of video lottery terminals (VLTs) by provincial regulatory authorities in licensed premises, restricting them to casinos, race courses and betting theatres.

In addition to the fact that this Bill contravenes a 1985 Federal-Provincial Agreement and Criminal Code provisions (section 207) that give the provinces exclusive jurisdiction over gaming, this Bill would also have a detrimental effect on small businesses that rely on VLT revenue as well as the communities that VLT revenue supports.

VLTs are operated by provincial government-controlled Crown Corporations and/or agencies. They are highly regulated and restrict VLTs to age and access-restricted locations. The provinces retain up to 85% of the revenue from VLTs, which is directed to community grants and programs and to general revenue for essential services such as health and education.

Almost all licensed establishments with VLTs are small businesses. The total revenue nation-wide that flows to these small businesses is over \$585 million a year. This Bill will concentrate VLTs in large urban facilities and will result in a transfer of millions of dollars from small business to big business and from local, often rural communities, to big cities.

The food and beverage industry is a major contributor to Canada's economy accounting for \$59 billion in sales and over one million employees. Our industry transcends the rural/urban divide and is one of the few industries to provide employment opportunities in nearly every community in the country.

The industry, and in particular the bar/pub sector has been under pressure. This sector has seen sales decreases of 7.8% and a net drop in establishments of 2,443 since 2004 as licensees struggled to cope with smoking bans, increased beverage alcohol costs, spiraling insurance rates, weak tourism and high fuel and labour costs. Gaming entertainment, under the strict control of provincial governments, has become an important part of these operators' revenue stream. To now eliminate this revenue stream would be unfair to the industry and financially disastrous to many operators, particularly in rural communities. In addition to the loss in revenue many operators will lose capital investments they have made to comply with VLT regulations such as the construction of new walls and rooms.

I urge you to support small businesses in Nova Scotia, New Brunswick, PEI, Newfoundland, Quebec, Manitoba, Saskatchewan and Alberta and vote no to Bill S-213.

Yours sincerely,

Joyce Reynolds  
Executive Vice President, Government Affairs