



12 June 2014

Ms. Catherine Bennett  
Assistant Commissioner  
Strategy and Integration Branch  
Canada Revenue Agency  
555 MacKenzie Avenue  
Ottawa, Ontario K1A 0L5

RE: PBO Information Request IR0102 – CRA Letter of Agreement

Dear Ms. Bennett:

Thank you for your letter dated 4 June 2014. Unfortunately, it is impossible for me to sign the letter of agreement in its current form as I have significant concerns over both the terms and conditions in the letter and the Appendix.

For example, the limitation on the use of the data provided is not acceptable. This dataset would represent a significant investment of PBO funds, and I find it difficult to understand why, if taxpayer information is anonymized, the dataset's use would need to be limited to just this project and could not be reused or shared.

Further, there is no specification of the ranking of T1, T2, and GST/HST income groups. As reflected in our e-mail of 25 February 2014 we expected 3000 evenly'n'-weighted groups classified according to total income from line 150 of the T1 return, 300 evenly 'n'-weighted groups classified according to net income (or loss) for income tax purposes from line 300 of the T2 return, and 500 evenly 'n'-weighted groups classified according to line 101 of the GST/HST return for registrants and non-registrants. The letter is also missing things that would be important in an agreement, including commitments to ongoing communications to ensure that the final dataset meets the PBO's analytical requirements, to minimizing suboptimal data suppression where required for privacy purposes, and to a specified delivery date.

It would have been desirable that, prior to receiving this letter, we would have discussed the modalities of an agreement regarding this dataset, settling on the material terms. While I am pleased to know you are already working on this request to ensure we can provide our long overdue analysis to Parliament as soon as possible, I think it would be helpful for us to meet in short order to hammer out a mutually acceptable and comprehensive agreement. In particular, there are some matters it ought to touch on, including a recital on our current disagreement regarding the interpretation of s 241 of the *Income Tax Act* and terms and conditions specifically addressing our parliamentary context.

My hope is that, in due course, we will formalize an ongoing and fruitful relationship providing us with access to CRA data with the confidence that taxpayers' identity will be protected. I am pleased to say that we have recently reached an agreement in principle with Statistics Canada, and I am attaching that Memorandum of Understanding for your reference.

Yours sincerely,



Jean-Denis Fréchette  
Parliamentary Budget Officer

Attachment : Statistics Canada MOU

cc: The Honourable Percy E. Downe