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Canadian
Home Builders'
Association



Association canadienne
des constructeurs
d'habitations

November 19, 2012

The Honourable Denis Lebel
Minister responsible for Canada Post
House of Commons
Ottawa, ON K1A 0A6

Re: Proposed Canada Post Community Mailbox 'Fee'

Dear Minister Lebel:

This is a follow-up to my letter of November 1, 2012, concerning Canada Post's announcement that effective January 2013, it will levy a charge of \$200 per housing start (some \$30-\$40 million per year) on our industry, as a "fee" to "activate addresses" which will rely on superboxes (CMPB's). Canada Post Corporation's Press Release calls it "no different than roads, streetlights, and fire hydrants."

We have four specific questions regarding this levy:

1. In the absence of any reference to such a levy in the development charge legislation of any province, or the Canada Post Corporation Act, what entitles Canada Post to impose this levy on our industry? Or is new legislation expected by January, 2013?
2. In the absence of any obvious statutory or contractual basis, how does Canada Post propose to compel payment? Is it proposing to withhold mail delivery, contrary to the Canada Post Corporation Act? Or is it proposing to advise new homebuyers that they will henceforth have to pick up their mail at the Post Office?
3. How does the proposed fee of \$200 per door bear any relationship to Canada Post's capital cost for box installation? (The Press Release offered no explanation, other than the Corporation's need for new money, in the face of "unprecedented volume declines in its core business")?
4. This levy was portrayed, in the Press Release, as "charged not to homeowners or home builders, but to developers". In that light, could you explain how this cost is not going to be passed on to builders, and ultimately homeowners?

We thank you in anticipation of your response.

Yours truly,

Ron Olson
President

c.c. The Hon. Diane Finley, Minister responsible for Canada Mortgage and Housing Corporation
CHBA Board of Directors