

Will Developers Be Required to Subsidize Canada Post's Financial Losses?

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Canada Post recently provided notice via Mayors' offices across Canada that, in addition to the current requirement for the developer to build either a condominium mailroom or provide super mail box pads, developers will now be charged a one-time fee of \$200 per address to install and activate these community mailboxes for new developments. The new fee will be charged beginning January 1, 2013.

Municipalities regularly seek comments from Canada Post on planning applications, resulting in a standard condition imposed on developers to complete, at their own cost, the base infrastructure required for installation of the community mailbox. Developers have accepted this condition as part of the costs of building a new community. Rather than offsetting Canada Post's actual activation or installation and maintenance costs however, this new fee appears to be an attempt to recover some of Canada Post's ongoing financial losses resulting from a decrease in mail volume and the ever increasing use of alternative and more immediate delivery systems.

The *Canada Post Corporation Act* grants Canada Post the "sole and exclusive privilege of collecting, transmitting and delivering letter" within Canada. The Act and its Regulations do not, however, contemplate the imposition of development fees such as those being proposed. It is also not clear how Canada Post intends to collect the fee, either through municipalities or as a direct charge.

The Building Industry and Land Development Association and the Ontario Home Builders Association together wrote to Canada Post on 29 October 2012 to express strong opposition on behalf of their members to this new charge - which may very well be outside of Canada Post's statutory authority. Stay tuned!