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March 18, 2024

The Right Honourable Justin Trudeau, P.C., M.P.
Prime Minister of Canada
80 Wellington Street
Ottawa, ON
K1A 0A2

Dear Prime Minister,

The Western Retail Lumber Association (WRLA) is a member-based organization that advocates, connects and educates the building supply industry in Western Canada to facilitate the growth of member businesses. We are the largest building supply association in Canada, representing more than 1,300 retail stores employing 27,000 staff and generating \$7.2 billion in sales in 2019.

Given the pressures faced by our member companies, and in the broader Canadian economy, we are hereby joining the calls from Premiers Danielle Smith and Scott Moe, and other leaders across the country, urging you to suspend the planned carbon tax increase on April 1st.

Canadian businesses and consumers are currently facing an inflation crisis, and housing affordability is a prime concern of Canadians from coast to coast. Another increase in the carbon tax will further erode the purchasing power of Canadians and further limit their ability to secure a home.

The Bank of Canada has increased interest rates to unprecedented levels, in the hope of cooling inflation. Increasing taxes will amplify the high inflationary pressure to consumers and businesses alike. Adding any expense to Canadian businesses or citizens at time when they are struggling is counter to what Bank of Canada's stated objective.

Tax increases have a domino effect on the economy. Manufacturers pass along their higher costs to distributors, and distributors pass these costs on to retailers. This is evident in the construction industry and the goal of building needed homes is thwarted by increased costs.

WRLA members routinely indicate the cost pressures they face due to carbon pricing. Our members are key to the building supply chain and we play a strong role in housing. At a time when more construction of multi-unit residential properties is desperately required, a carbon tax increase will be an impediment in an already challenging marketplace. We understand your government's objective of increasing housing supply,

but a carbon tax increase runs counter to that goal.

As the Parliamentary Budget Officer noted in March of 2023: "When both fiscal and economic impacts of the federal fuel charge are considered, we estimate that most households will see a net loss, paying more in fuel charges and GST, as well as receiving lower incomes, compared to the Climate Action Incentive payments they receive and lower personal income taxes they pay."

Rest assured our industry is concerned about carbon emissions and we are actively contributing to the solution. The WRLA Members are the frontline influencers with Consumers and Builders encouraging the use of energy efficient products and building practice.

It is our fervent hope that the April 1, 2024 planned increase be cancelled, to the benefit of Canadian industry and consumers. We thank you for your consideration.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Liz Kovach', written in a cursive style.

Liz Kovach
President
WRLA

Cc: Scott Moe, Premier of Saskatchewan, Danielle Smith , Premier of Alberta