



April 24, 2007

Bob Bowen
Director General
Institute for Research in Construction
National Research Council
Montreal Road, Ottawa, ON K1A 0R6

Dear Bob:

Thank you for taking the time to meet with us recently to discuss issues of importance to our industry. John Hrynkow and I enjoyed our very interesting and useful discussion on the role of regulation in the housing sector.

Regulation is frequently a first thought in response to a problem. The perspective that regulation is a last resort, after all other options have been considered, is only now beginning to receive serious attention by governments. The federal government's "Smart Regulation" initiative has helped to make federal departments and others more aware of the need to be more disciplined and parsimonious in the use of regulation. Perhaps more importantly, this initiative is drawing attention to other ways to achieve public policy objectives which are more effective and encourage innovation and creativity.

During our meeting, we talked about the desirability of building a capacity for non-regulatory approaches which could reduce reliance on regulation. I suggested that IRC has much to offer in this regard since it could draw on its expertise and disciplined approach that has served the regulatory side extremely well.

A strong commitment to developing a capacity and culture for applying non-regulatory approaches would result in:

- Regulatory proposals designed to achieve public objectives receiving rigorous cost-benefit analysis.
- Efforts being made to enhance consumer choice in new home and renovation decisions based on well-researched information and advice.
- Opportunities to support innovation being pursued.

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Within this context, I believe that both industry and government should be extremely concerned about the appearance of labels which claim to be founded on authoritative research and analysis. Although presented as “guidelines,” their authors seek regulatory endorsement by governments outside the disciplined approach of Canada’s Codes and Standards system. This circumvents Canada’s regulatory system, and undermines the principle-based approach intrinsic to Smart Regulation.

We would appreciate the opportunity to work with IRC to develop an understanding of non-regulatory approaches and their application to the residential construction industry. The larger purpose would be to make the marketplace work more effectively for both the builder and the customer.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard Lind". The signature is fluid and cursive, with a large initial "R" and "L".

Richard Lind
President

cc: Bruce Clemmensen, Chair, Canadian Commission on Building and Fire Codes