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Re: Feedback on the Notice of intent to Issue a Section 46 Notice for the Federal Plastics Registry

On behalf of the Canadian Health Food Association ("CHFA"), we are writing to provide comments on the *Notice of intent to Issue a Section 46 Notice for the Federal Plastics Registry*. As Canada's largest trade association dedicated to natural health, organic and wellness products, CHFA is committed to representing our members and the industry on proposed regulatory changes that will directly influence their business operations. Our membership base consists of hundreds of businesses across Canada, including manufacturers, retailers, wholesalers, distributors and importers of natural health products and food products. These businesses produce and sell a variety of products including foods, vitamin and mineral supplements, herbal products, as well as health and beauty aids, all of which stand to be impacted by their obligations under the federal plastics registry. Presently, CHFA members are navigating various labelling changes imposed by different government departments, creating a cumulative and substantial cost burden for industry. The introduction of a federal plastics registry poses an additional challenge for these companies.

## I. CHFA General Comments

The requirement to report on data related to Institutional, Commercial, and Industrial (ICI) waste streams is particularly impractical for industry. It is time-intensive, costly, necessitates reporting on data that is not readily available, and demands estimation that may lack accuracy.

Since our last opportunity to provide feedback on the Plastics Registry, CHFA has taken the time to delve deeper into this issue and broaden our understanding. We now find it increasingly untenable to justify the imposition of such a regulatory burden in pursuit of potentially flawed and misleading data. Moreover, our exploration has revealed that the considerable resources required to maintain a plastics registry are misdirected and fail to address the core factors driving climate change. For instance, Project Drawdown has identified that the paramount issue combating climate change globally is the reduction of food waste<sup>1</sup>, which has the potential to mitigate 88.50–102.20 gigatons of carbon dioxide equivalent emissions by 2050.<sup>2</sup> In stark contrast, efforts directed at plastic production would only mitigate between 1.33 to 2.48 gigatons of carbon dioxide equivalent emissions by the same year.<sup>3</sup> The disparity underscored the urgency to prioritize food waste reduction, an often overlooked yet profoundly impactful climate solution. We strongly recommend suspending the implementation of the plastics registry while undertaking a comprehensive reassessment of environmental and climate priorities in collaboration with key government departments such as Agriculture and Agri-Food Canada, Canadian Food Inspection Agency, and Health Canada.

At this juncture, while Canada remains in the early stages of developing alternatives to plastics packaging for consumable goods (e.g. compostable packaging), the necessity of a federal plastics registry should be reconsidered. Rather than diverting resources towards implementing a registry, CHFA advocates for a strategic allocation of funds and efforts towards researching and fostering the development of technologies to improve recyclability while the compostable products market is developing. Waste management poses a significant challenge in Canada, with a staggering 86 percent of plastic waste ending up in landfills. This translates to a loss of nearly 8 billion CAD, projected to escalate to over 11 billion CAD by 2030.<sup>4</sup> It is unjustifiable to burden the consumable goods industry with the weight of responsibility and cost of managing this issue; instead, government support should facilitate the transition towards plastic alternatives. In light of these considerations, CHFA is opposed to the implementation of a federal plastics registry at this time.

<sup>&</sup>lt;sup>1</sup> The Drawdown Review | Project Drawdown

<sup>&</sup>lt;sup>2</sup> Reduced Food Waste | Project Drawdown

<sup>&</sup>lt;sup>3</sup> Bioplastics | Project Drawdown

<sup>&</sup>lt;sup>4</sup> Environment and Climate Change Canada. (2019). Economic study of the Canadian plastic industry, markets and waste. Environment and Climate Change Canada. Retrieved from <a href="http://publications.gc.ca/collections/collection">http://publications.gc.ca/collections/collection</a> 2019/eccc/En4-366-1-2019-eng.pdf

In the absence of viable plastic packaging alternatives available on a large scale, the implementation of a plastics registry appears to be primarily a government data collection exercise rather than a driver for encouraging producers to adopt new materials or modify their existing practices. However, it's crucial to note that such a data collection process already exists. The food, beverage and consumer packaged goods industry have already invested in the creation of reporting portals for Extended Producer Responsibility for packaging through Circular Materials. Circular Materials, a not-for-profit organization developed by 17 of the major food, beverage and consumer packaged goods manufacturers to better support the implementation of recycling programs within Canada. For instance, industry has funded portals for Éco Entreprises Québec (EEQ) and Resource Productivity and Recovery Authority (RPRA), with additional plans to fund both Divert Nova Scotia and Alberta Recycling Management Authority (ARMA). The proposal for a federal registry at this stage sends a disheartening message to industry, implying that their dedicated effort and financial commitments are perceived as an unfortunate instance of government undermining the goodwill and resources of industry. CHFA firmly opposes unnecessary duplication efforts and information. Considering the data available is already being reported at the provincial level, it should be the responsibility of the federal government to coordinate data collection for their purposes, rather than burdening the industry with government tasks.

## II. Federal Plastics Registry:

#### **Federal Producer Definition**

CHFA has reservations about the characterization of the term "producer" within the context of the plastics registry due to discrepancies observed both within and between jurisdictions. It should be noted that the definition of "producer" varies not only among provinces and territories but also within certain programs within them. Adopting this as a federal definition may contribute to additional confusion. It would be worthwhile exploring an alternative term such as brand owner or intellectual property holder that does not cause confusion based on what already exists in each province.

Part 1 - Information to Provide Respecting Items Listed in Schedule 1

1. CHFA is concerned about the implementation of the full auditing process, commencing three years after the registry is established, this is a very onerous obligation. Producers do not have access to the information available for plastic products destined for institutional, commercial, and industrial (ICI) waste streams under Schedule 1. Industry has only the ability to report on data which exists. For instance, the information in section 7, subsections (e) and (f) is not readily available nor collected by producers. Asking to report on unavailable data, ultimately forcing producers to report hypothetical data based on consumer self-reporting behaviours and attitudes towards plastic recycling which is bound to result in inaccurate measurements and misguided decisions. For further context, producers can report supply data for packaging sold through retail to consumers and collected through residential or curbside recycling, however, the extraneous data (resin type, source, etc.) is not collected as its not relevant to EPR.

In addition, ICI is a fundamentally different stream and not captured by EPR. To conduct comprehensive studies on ICI waste streams would be extremely costly and beyond the scope of what industry has funded already. Placing the responsibility onto the producer to track down information will be extremely tedious. ICI should be considered separate from residential packaging and be on a different time frame.

Many provincial and territorial Extended Producer Responsibility (EPR) policies do not apply to ICI sources of plastic waste, therefore businesses will need to start tracking this type of plastic waste for the first time. To better support provinces and territories in reducing plastic waste it will be important to work directly with the tools and resources that are already available such as the EPR reporting portals that are in place within some provinces.

# Implementation approach

2. CHFA would like to express its concerns regarding the ambitious timelines for implementation of the federal plastics registry. The period between the anticipated release of the final instrument and the complete phased-in registry is less than three years, posing a substantial and rapid transition for producers in our industry to take on significantly increased responsibilities as a business. CHFA would like to propose a more suitable timeline for implementation of 5-years, allowing for a more realistic and manageable adjustment period. We also implore the government to extend the reporting deadlines for each calendar year (i.e., September 29, 2026 for calendar year 2024) to allow industry time to

gather information and/or enlist a Producer Responsibility Organization (PRO) to assist.

Although a registry is proposed to be administered and funded by the federal government, as the proposal is written at this time, there will be significant cost to producers for the collection and reporting of data for a federal registry. This cost is on top of cost already incurred from the maintenance of existing portals. This would include expenses toward resources such as IT systems, personnel, reporting or administrative operations to name a few. If companies are required to report on data, we suggest adding government funding opportunities for business that covers the salary of an employee whose role is data collection for this initiative for at least two years, or until there are viable alternative packaging formats available for use at scale. Without government support to offset costs, these new costs to businesses are likely to contribute to goods increased to consumer, already struggling with inflation.

## **Questions for Clarification**

3. CHFA would like to request clarification be made regarding the product categories (e.g. (Food, Natural Health Products, Personal Care Products) and packaging components (plastic wrapping, packaging materials, etc.) to which the plastics registry would apply. Additionally, in the definition given of "single use and disposable item," what is meant by a "short period of time" as it pertains to the usage of an item? For instance, would a multiple-serving package be considered single use and disposable?

Thank you for considering our feedback as part of the nationwide strategy on reducing plastic waste. We are hopeful that our comments are beneficial and are given due consideration.

Sincerely,

**Aaron Skelton** 

President and CEO

Canadian Health Food Association