



May 18, 2023

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Re: APRA Response to: Recycled content and labelling rules for plastics: Regulatory Framework Paper

Dear Ms. Spack,

I am writing to you today on behalf of the members of the Alberta Plastics Recycling Association (APRA). APRA is a not-for-profit association that has operated for 32 years, with a focus on the facilitation of sustainable plastics recycling and the diversion of plastics from landfill. Our members include participants in the full plastics value chain, including resin manufacturers, companies involved in manufacturing plastic products, as well as processors and recyclers of plastics. APRA and its members and partners are committed to finding solutions to manage and recycle plastics and to realize the value of the circular economy and keep plastics out of the environment. Many of our members are small businesses to which these regulations, even if exempt for small businesses, will have a ripple effect on their operations.

Thank you for providing the opportunity for APRA to respond to the **Recycled content and labelling rules for plastics: Regulatory Framework Paper**

Below we provide comments on areas of relevance to our members' expertise.

Summary of points:

Recycled Content:

- **APRA appreciates the Government's development of a schedule for recycled content from 2025 through 2030, though there are competing interests among players across the plastics value chain that make these requirements difficult to meet within the timeframe; we strongly feel that it will be challenging to achieve these targets under present conditions.** Significant investment in infrastructure and production will be required throughout the value chain to increase the use of recyclate feedstock. Further, we feel that key data and information needs to be completed, to effectively evaluate, and ensure achievability of these targets. This evaluation would include supply of recyclate, infrastructure investment to capture that supply, demand of recyclate among users, competition for these materials, and pricing escalation estimates of material, particularly where supply is insufficient to meet targets. Ambitious, aspirational targets, without sound economic fundamentals, could put Canadian producers in the value chain at a significant competitive disadvantage, and not allow the achievement of zero plastic waste. At this time, only one of APRA's members has recently started to produce food-grade recycled content,

showing the need for markets to mature before recyclers and brand owners can meet their requirements.

- **APRA strongly encourages the Federal Government to include pre-consumer or ICI material as an acceptable source to count towards recycled content targets.** The exclusion of post-industrial (pre-consumer) resin as recycled content puts even greater strain on the limited supply of recycled content currently available. Plastics that generate economic value and stay out of the landfill, i.e. whether from pre or post-consumer sources, should be counted toward total diversion and use for re-manufacturing. Many of APRA's members focus on diverting materials from the ICI stream and this resin is sold back into ICI applications – a successful example of a circular economy already at work. If ICI plastics are included, the need will still exist to expand on ICI collection and infrastructure either through market incentives or government regulation.
- **APRA believes that recycled content rules should apply to plastics in multiple forms, not just packaging and the best mechanism to achieve fair and wide adoption is to allow for incentives for plastic manufacturers that use PCR in their operations.** Incentives provide a financial benefit if companies use PCR in their final products. This approach would also help reduce GHG emissions as it will reduce the processing and transport of plastics. The reason for this is that the current proposal will drive the demand for food-grade PCR such as PP and HDPE and is focused on packaging only, the solution for the volumes of plastic required will have to be met by chemical recycling as mechanical recycling alone would not meet the demand. This will drive up prices and the quantities produced from advanced recycling technology is not currently prepared to meet the demand. With incentives, multiple sectors will benefit from the use of PCR, including those that have already been manufacturing with PCR for many years.
- **APRA believes a mass balance chain-of-custody model for measuring recycled plastics provides** the most flexibility to meet different technology and supply chain parameters and a solution that effectively, reliability, and credibly calculates and attributes materials from advanced recycling process to resulting products.
- **The three criteria suggested in the proposed framework to determine recyclability are too restrictive to ensure achievability.** Criteria should be limited to whether an item accepted in the collection system is accessible to a specified percentage of the population in a province or territory. The remaining criteria should be excluded and managed through provincial EPR programs.
 - Provinces and territories, as the regulating entities of EPR programs, should be responsible for determining the specified percentage of population accessibility for collection systems within their jurisdiction.
 - If products that are covered by an EPR program do not meet the criteria as currently proposed, a possible unintended consequence could be increased landfilling, and reduced recycling of those products.
 - 80% is an admiral aspirational goal in theory, however, in practice, there needs to be recognition that there is a transition period while the industry scales up. Challenges include addressing unique situations across the value chain including rural locations,

design/characteristics that differ for each unique product type, and technologies (or a gap in technologies) among recyclers and producers. We believe a phased-in approach with much lower percentages initially, ramping up to the aspirational goals over time, will lead to greater likelihood for success.

Labelling:

- **Labelling should help consumers participate in recycling systems and build on the years of work already done to educate and engage public participation in recycling programs.** APRA believes that labelling should help inform consumers and avoid confusing them. Labelling a product as non-recyclable limits its probability of being recycled and included in future EPR programs.
 - o Because only labelling is required, and not the requirement to place “recyclable” packaging on the market, a considerable amount of packaging that is collected, sorted and recycled today may be labelled as “non-recyclable”. This will lower the current performance of EPR programs for packaging in operation today.
 - o While APRA appreciates that the use of the label “collected for recycling” will be allowed until 2030 if criterion 1 is met, this label will discourage consumers from placing these items in their collection bins, thereby impacting recycling rates.
 - o Given the proposed regulatory framework indicates that a packaging or SUP would need to meet the criteria to be considered recyclable “in each province or territory into which an item will be sold”, this will lead to a situation where a national assessment will be based on the performance of the lowest common denominator. Since package labelling on products for the Canadian market are designed for the entire Canadian market, if in one province or territory a package is assessed as “non-recyclable”, the product would likely carry a non-recyclable label for all provinces.

ECCC should also carefully consider which parts of the plastic value chain the labelling requirements will apply to and standardize the units of measurement. For example, resin manufacturers typically report in pounds while product manufacturers report in units (i.e. units of shampoo bottles produced) and recyclers often report in tonnes. If the public is to have a clear understanding of how much plastic is being captured and recycled, then the industry needs to align for reporting or have a tested and accurate way to convert the data in ways that are measurable and clear.

- **APRA recommends that the framework allow a ‘level-playing field’ of recycled content within the Canadian packaging sector, to include the import of packaging, and that the plastics sector, be consistent with all other materials, in allowing the use of the ‘chasing arrows’ symbol.** APRA is concerned that the proposed framework contains elements that will prevent the Canadian plastics industry from participating on a ‘level-playing field’ within the Canadian packaging sector. The proposed framework for labelling is limited to the plastics sector, and APRA recommends that the labelling framework should focus on all materials that use the ‘chasing arrows’ symbol, not just plastics. As packaging exists that is a mix of plastics and non-plastics materials, and with the

exclusive focus on plastics in this framework, it is not clear whether packaging with a mix of materials is deemed recyclable and able to use the 'chasing arrows' symbol. The appropriate focus on all materials, not just plastics, would help eliminate this confusion.


- **Timelines:** While most provinces in Canada will have EPR regulations in place for packaging by 2028, it is likely that provinces and territories will not all have fully implemented EPR programs in that timeframe and as such the mandatory federal labelling timelines noted are not aligned with provincial jurisdiction.

Conclusion

APRA and its members and partners are committed to finding solutions to manage and recycle plastics and working to realize the value of the circular economy and keep plastics out of the environment. Gaps in recyclability today should be addressed via industry/government partnerships that facilitate investment in infrastructure to improve recycling rates across Canada. By working together to increase the total *amount* of plastic recycled, rather than just increasing the *percentage* of plastic that gets recycled, Canada will reach its goals of a low carbon circular economy much sooner.

Thank you for the opportunity to share this response. We remain committed to ongoing collaboration as we work to build a sustainable future for plastics, and we would be happy to meet with you to continue the discussion.

Sincerely,



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