



Canadian Beverage Association

Association canadienne des boissons

Feb. 13, 2024

Tracey Spack, Director
Plastics Regulatory Affairs Division
Environment and Climate Change Canada (ECCC)
351 Saint-Joseph Boulevard
Gatineau, Quebec, K1A 0H3
plastiques-plastics@ec.gc.ca

Dear Ms. Spack,

We appreciate the opportunity to provide comments on behalf of the members of the Canadian Beverage Association (CBA) in response to the *Notice of intent to issue a section 46 notice for the Federal Plastics Registry*.¹ The CBA is the national voice for more than 60 brands of juices, bottled waters, sports drinks, ready-to-serve iced teas and coffees, carbonated soft drinks, energy drinks, and other non-alcoholic beverages. Our members directly employ more than 20,000 Canadians and operate production facilities and distribution centres throughout the country.

As signatories to the Ocean Plastics Charter² and members of the Ellen MacArthur Foundation's Network,³ CBA members view sustainable packaging design, extended producer responsibility and the increased use of recycled content as essential components in accelerating the transition to a circular economy. CBA members have committed to make 100% of their packaging recyclable, reusable or compostable by 2025,⁴ and play an active role in deposit-return and beverage recycling programs across the country, which are achieving recovery rates ranging from 65% to 85%.

Our sector supports greater consistency in the collection of data to advance the development of the circular economy in Canada. In response to the federal government's proposal for a federal plastics registry, we have included the following recommendations in the attached submission:

- **Recommendation 1:** We encourage ECCC to support harmonization efforts and align the definition of "beverage container" with Ontario's beverage container definition.
 - Specifically, include only rigid plastic beverage containers in the definition and include flexible packaging that contains a beverage product in the flexible plastic packaging category.
- **Recommendation 2:** We encourage ECCC to align beverage container exemptions with the guidance published by RPRA.
- **Recommendation 3:** Although beverage producers may report total supply of packaging into a national registry, separate producer definitions are required for EPR policies to account for the distinctions between blue box and DRS programs.
- **Recommendation 4:** To support greater harmonization of recycling performance measurement in Canada, ECCC should ensure that definitions align with the final CSA standard.

¹ <https://www.gazette.gc.ca/rp-pr/p1/2023/2023-12-30/html/notice-avis-eng.html#na3>

² <https://www.canada.ca/en/environment-climate-change/services/managing-reducing-waste/international-commitments/ocean-plastics-charter.html>

³ <https://ellenmacarthurfoundation.org/network/who-is-in-the-network>

⁴ <https://ellenmacarthurfoundation.org/global-commitment-2022/overview>

- **Recommendation 5:** We have consistently advocated for the federal government to support the development of a national reporting platform, and we request that ECCC provide funding to the BCRNC to conduct the feasibility study.
- **Recommendation 6:** Only require producers to report (a) the resins, (b) the source of resin to make plastics products, (c) the subcategory of plastic products, (d) the total tonnes of plastic in products placed on the market in Canada, and (p) the method to determine supplied tonnes.
- **Recommendation 7:** Provide at least one year's notice of new reporting requirements so producers can prepare their systems, then allow for the collection of data for a full year to report in the subsequent year.
- **Recommendation 8:** Delay the requirement for reporting plastic components in electric and electronic equipment until a proper assessment can be prepared on the costs and burden associated with this requirement.
- **Recommendation 9:** Require beverage container recycling program operators to report plastic beverage containers collected and marketed for recycling.
- **Recommendation 10:** Require reclaimers to report the amount of recovered plastic beverage containers processed into flake, as outlined in the draft CSA standard.
- **Recommendation 11:** Require waste haulers to report how much material they collect to verify recovery rates for beverage containers and other recyclable materials in the IC&I sector.
- **Recommendation 12:** ECCC should convene a technical working group of carton manufacturers, beverage producers and trade association representatives to establish the appropriate de minimis value.
- **Recommendation 13:** Use section 9 of CEPA to establish a CWS and an administrative agreement with the provinces and territories to harmonize packaging reporting.

We welcome the opportunity to discuss our comments with you in more detail and look forward to working with ECCC to build the circular economy. If you have any questions or would like to schedule a meeting to discuss our submission, please do not hesitate to contact us.

Sincerely,



Krista Scaldwell, President
Canadian Beverage Association

Data Standardization

The beverage sector stands apart from other packaging producers with recyclable materials that are collected and recycled at high rates in beverage container recycling programs across the country. Canada has 10 deposit-return system (DRS) programs with four led by producer responsibility organizations (PROs) and six operated by governments or public agencies. ABCRC, for example, has consistently delivered a high level of recycling performance over the years, with return rates exceeding 80% since 2011.⁵ Canada's beverage container recycling programs are achieving about a 75% recovery rate each year.⁶ However, this national recovery rate is not precise because of differences in the way each program collects and reports data.

Tracking the progress made to increase beverage container collection and management is a high priority for beverage producers, as the sector works toward meeting provincial recovery rate targets, including 80% by 2030 in Ontario and 80% by 2028 in Quebec. To standardize reporting, the CBA has initiated discussions with the Beverage Container Recycling Network of Canada (BCRNC), which includes the operators of Canada's beverage container recycling programs. Our vision is a producer-created and operated shared services platform to support the harmonization and operation of beverage container recycling programs in Canada.

Definition of 'Beverage Container'

Beverage Container Definition

Clear, consistent definitions are required to establish the right foundation for accurate reporting. In *Guidance to Facilitate Consistent Extended Producer Responsibility Policies and Programs for Plastics*, the Canadian Council of Ministers of the Environment (CCME) points out, "Definitions that are consistent across jurisdictions can provide regulatory certainty, help with scaling programs for maximum efficiency and reduce administrative burden for producers and PROs."⁷

When Ontario was developing its regulation to transition the province's Blue Box Program to a producer-funded and operated recycling system for paper and packaging, the beverage sector advocated for harmonized definitions of key terms. Specifically, the CBA worked with the government, municipalities and stakeholders on the development of the "beverage container" definition in the province's Blue Box Regulation, which aligns with the most important features of other provincial definitions and only includes rigid plastic beverage containers. "Beverage container" is defined in the Blue Box Regulation in following way: "*a container that, (a) contains a ready-to-drink beverage product, (b) is made from metal, glass, paper or **rigid plastic**, or any combination of these materials, and (c) is sealed by its manufacturer.*"

Ontario has regulated rigid and flexible plastic differently because of the way these materials are managed. PET containers, for example, have higher recovery rates because they are more easily collected and sorted and have well-established end-markets. In Stewardship Ontario's 2022 Pay-in-Model, the reported recovery rate for PET bottles is 59.5%, whereas the recovery rate for plastic film is 9%. The recovery rate for plastic laminates was even lower at just 3.3%. 2022 data shows that Canada's

⁵ ABCRC. 2021, p. 28. <https://www.abcrc.com/assets/Uploads/ABCRC-2021-Sustainability-Report.pdf>

⁶ <https://www.canadianbeverage.ca/news-media/blog-posts/beverage-bottle-recovery/>

⁷ <https://ccme.ca/en/res/eprguidanceen.pdf>

beverage container recycling programs, on average, recover 74.9% of plastic bottles (which excludes Ontario). Rigid and flexible plastic have very different starting points and should be defined and measured separately.

With these distinctions in mind, Ontario introduced significantly different targets for these plastics. The rigid plastic targets are 50% by 2026 and 60% by 2030, whereas the flexible plastic targets are 25% by 2026 and 40% by 2030.⁸ The beverage container targets are even more ambitious at 75% by 2026 and 80% by 2030. However, Ontario has only applied the beverage container target to glass bottles, aluminium cans, rigid plastic beverage containers and cartons. Any flexible packaging that contains a beverage, such as drink pouches or milk bags, are captured under the flexible plastic target.

- **Recommendation 1:** We encourage ECCC to support harmonization efforts and align the definition of “beverage container” with Ontario’s beverage container definition.
 - Specifically, include only rigid plastic beverage containers in the definition and include flexible packaging that contains a beverage product in the flexible plastic packaging category.

Next is the exemption of certain containers under the beverage bottle definition. RPRA’s guidance on exemptions under the beverage container definition in the Ontario Blue Box Regulation is based on stakeholder consultation and precedent from other provinces. Ontario exempts infant formula, meal replacements, regulated health producers, concentrated beverages and beverage additives. Aligning with these exemptions will help support consistency across regulatory frameworks and lessen the complexity and compliance burden on producers.

- **Recommendation 2:** We encourage ECCC to support harmonization efforts and align beverage container exemptions with the guidance published by RPRA.

Definition of ‘Producer’

Blue Box Producer Hierarchy

For more accurate reporting between jurisdictions, we agree that the producer hierarchy should be standardized for paper and packaging EPR programs. Traditionally, provinces have started the producer hierarchy with the brand owner resident in their jurisdiction. Ontario changed that under its EPR regulations by including a producer hierarchy that starts with the brand holder resident in Canada. This change in definition has resulted in a shift in the obligated producer from retailers that were reporting as the first importer on behalf of Canadian suppliers located outside of Ontario to those suppliers taking on EPR obligations in Ontario for the first time. To standardize this definition, Circular Materials has included the same requirement in its New Brunswick Stewardship Plan for Paper and Packaging,⁹ and Alberta adopted this requirement in its EPR regulation, which was approved on Oct. 3, 2022.

DRS Producer Hierarchy

⁸ <https://www.ontario.ca/laws/regulation/210391#BK45>

⁹ <https://www.circularmaterials.ca/newbrunswick/>

A distinction must be made for DRS programs. Paper and packaging EPR programs rely on annual reporting for the previous year's data by May 31 in the reporting year. This data is used to establish a fee schedule for a program year. For example, 2023 data will be reported by May 31, 2024, and used for fees charged in 2025.

DRS programs operate differently. Beverage producers report and remit container recycling fees and deposit refunds to DRS operators monthly. For example, a beverage producer will report container volumes and remit the fees for January's container sales on or before February 15. With the need for consistent revenue into programs for refunding deposits to consumers, as well as operations, it is essential to have a clear definition of producer that identifies the responsible company distributing into a province. To account for the distinction between beverage recycling programs and other EPR programs, British Columbia has different definitions for beverage producers and other producers.¹⁰ Importantly, the hierarchy for beverage producers first obligates the manufacturer resident in B.C., then the distributor, and finally the first importer into B.C.

This hierarchy ensures that beverage manufacturers take responsibility for the quantities of beverage products they supply in the province and are responsible for reporting and remitting deposits and container recycling fees on those products. If, however, a beverage manufacturer sells beverage products to a distributor or a retail distribution centre, they cannot accurately track the final point of sale of that product. In this case, the distributor must take responsibility for the reporting and remitting the deposit and container recycling fee on the beverage products that they purchased from the beverage manufacturer. If an agency/distributor imports beverage products from outside of Canada, it must take on the role and responsibilities of a beverage manufacturer in that province.

This hierarchy is essential for a DRS program because it ensures that beverage manufacturers, distributors and importers report and remit the deposits and container recycling fees to the DRS operator for all beverage containers they have sold in the province. Removing this hierarchy would lead to significant disruption in reporting relationships in Canada's 10 DRS programs and result in beverage manufacturers ultimately bearing the costs for distributors or importers, which are not required to report and remit.

Beverage producers can report national supply data into a federal registry for the purposes of this notice. But the proposed producer definition in the notice should not be used for policies that may impact the operation of a DRS program.

- **Recommendation 3:** Although beverage producers may report total supply of packaging into a national registry, separate producer definitions are required for EPR policies to account for the distinctions between blue box and DRS programs.

Definition of 'Recycling'

Several stakeholders recently participated in a Canadian Standards Association (CSA) working group to develop a draft standard, *Plastics Recycling: Definitions, Reporting, and Measuring*. This draft standard is currently undergoing consultation with the commenting period scheduled to close on March 17, 2024.

¹⁰ https://www.bclaws.gov.bc.ca/civix/document/id/complete/statreg/449_2004#section1

Specifically, in the draft standard, it is proposed that plastics recycling should be measured in one of two ways:

- 1) *Plastic separated by polymers that does not undergo further processing before entering pelletisation, extrusion, or moulding operations; OR Plastic flakes that do not undergo further processing before their use in a final product. [Implementing Decision (EU) 2019/665], OR;*
- 2) *Monomers, hydrocarbons, or commercial-grade chemicals used as chemical building blocks in the production of polymers, plastic products, plastic packaging or other products.¹¹*

The draft standard sets an important point of measurement that, if used broadly, would standardize recycling rate reporting across Canada and lead to more consistent comparisons among programs and jurisdictions. Allowing both mechanical and chemical recycling (excluding fuels) outputs will allow for investment and innovation in new technologies and processes, particularly for film.

- **Recommendation 4:** To support greater harmonization of recycling performance measurement in Canada, ECCC should ensure that definitions align with the final CSA standard.

Designation of a PRO (Schedule 4)

Unlike some producers that may only work with one PRO, beverage producers cannot simply select one PRO to carry out reporting on their behalf. Beverage producers participate in programs operated by the following PROs, governments and agencies:

- B.C.: Encorp Pacific
- Alberta: Alberta Beverage Container Recycling Corporation (ABCRC)
- Saskatchewan: SARCAN
- Manitoba: Multi-Material Stewardship Manitoba and the Canadian Beverage Container Recycling Association (CBCRA)
- Ontario: Circular Materials or Ryse
- Quebec: Quebec Beverage Container Recycling Association (QBCRA) and Éco Entreprises Québec
- Newfoundland and Labrador: Multi-Material Stewardship Board (MMSB)
- Nova Scotia: Divert NS
- New Brunswick: Encorp Atlantic
- PEI: Government of Prince Edward Island
- NWT: Government of the Northwest Territories
- Yukon: Government of Yukon

¹¹ <https://publicreview.csa.ca/Home/Details/5174>

Non-Alcoholic Beverage Container Recycling Programs



The Beverage Container Recycling Network of Canada (BCRNC) is undertaking a feasibility study that will assess the development of a national reporting platform for beverage producers. Introducing a national platform could simplify reporting for producers by consolidating all beverage container recycling program reporting into one portal. It could also support reporting beverage container data into the federal plastics registry.

- **Recommendation 5:** We have consistently advocated for the federal government to support the development of a national reporting platform, and we request that ECCC provide funding to the BCRNC to conduct the feasibility study.

Clarifying Reporting Responsibilities (Part 1)

Packaging Supply Data

Beverage producers can report the following information included in Part 1: (a) the resins, (b) the source of resin to make plastics products (as defined in the notice as virgin resins or recycled content), (c) the subcategory of plastic products, (d) the total tonnes of plastic in products placed on the market in Canada, and (p) the method to determine supplied tonnes.

As described above, beverage producers either report on an annual basis for blue box programs or monthly for beverage container recycling programs. However, producers cannot start making changes to their systems during a data year. Typically, producers require a year's notice to update their systems to track new data. So, the soonest producers could report packaging data would be in 2026, as long as notice is provided promptly in 2024. (Notice Year: 2024. Data Year: 2025. Reporting Year: 2026).

- **Recommendation 6:** Only require producers to report (a) the resins, (b) the source of resin to make plastics products, (c) the subcategory of plastic products, (d) the total tonnes of plastic in products placed on the market in Canada, and (p) the method to determine supplied tonnes.
- **Recommendation 7:** Provide at least one year's notice of new reporting requirements so producers can prepare their systems, then allow for the collection of data for a full year to report in the subsequent year.

Electric and Electronic Equipment (and Device for Refrigeration or Freezing)

CBA members that supply vending machines, coolers and dispensing systems participate in the association's EPR plan for refrigeration units in British Columbia.¹² The plan meets these members' obligations under the B.C. Recycling Regulation's EPR requirements for the Electronic and Electrical Product Category.

The equipment in the plan includes coolers, vending machines and dispensing systems. Members use asset tracking systems to report the collection and recycling of refrigeration equipment under the plan, but none track the plastic components in their refrigeration equipment. In fact, no electronics recycling programs currently track this supply data.

CBA members manage refrigeration equipment within their supply chains, but they do not manufacture it. They purchase coolers, vending machines and dispensing systems from several suppliers in Canada and other countries, so retrieving plastic component data from those manufacturers would be time-consuming and administratively burdensome.

- **Recommendation 8:** Delay the requirement for reporting plastic components in electric and electronic equipment until a proper assessment can be prepared on the costs and burden associated with this requirement.

DRS Reporting (Beverage Containers)

DRS programs have reliable, accurate data on the total amount of beverage containers supplied, the return rate of empty beverage containers, and the amount marketed and shipped for recycling. DRS operators could report this data into a national registry, using the following categories: PET beverage container, HDPE beverage container and other plastic beverage container. Once, however, plastic beverage containers are received by a reclaimer, the DRS program no longer has visibility into the use or ultimate end-market for those recycled plastics.

The reclaimer in these cases should be obligated to report data into a national registry and verify end markets.

- **Recommendation 9:** Require beverage container recycling program operators to report plastic beverage containers collected and marketed for recycling.
- **Recommendation 10:** Require reclaimers to report the amount of recovered plastic beverage containers processed into flake, as outlined in the draft CSA standard.

¹² https://www.canadianbeverage.ca/wp-content/uploads/2023/03/2023_CBA-Updated-Refrigeration-Units-Stewardship-Plan_FINAL-DRAFT_For-Consultation.pdf

Blue Box Reporting (Beverage Containers in Ontario and Manitoba)

Blue box recycling programs can also provide data on materials collected, sorted and marketed for recycling. In provinces without a DRS, audits would be required to quantify the amount of bottles and thermoforms in PET plastic bales that are being marketed for recycling.

IC&I Reporting

Unlike a DRS program, which tracks the total amount of beverage containers supplied and the total amount returned, Ontario's blue box PROs are only required to track beverage containers in an aggregated category, which includes plastic, glass, metal and cartons.

In Ontario and Manitoba, there is a lack of data for beverage containers collected from the industrial, commercial and institutional (IC&I) sector. Without reliable data sources for the IC&I sector, rough estimates show Ontario only has a beverage container recovery rate around 50% – significantly lagging provinces with well-established DRS programs like Alberta, which has a recovery rate of 84%. Without reporting obligations for haulers, which are not included in the notice, there will be no way to track this material. This tracking could support better data in all provinces, including those with DRS programs, but it is particularly important in Manitoba and Ontario, which rely on blue box programs for the primary collection system of beverage containers.

- **Recommendation 11:** Require waste haulers to report how much material they collect to verify recovery rates for beverage containers and other recyclable materials in the IC&I sector.

Business-to-Business Packaging

Beverage producers ship beverage products with transport packaging to retailers and distribution centres. This packaging, whether cardboard or plastic film, is managed by the retailer or distribution centre until it is picked up by a hauler. Beverage producers do not have data on the collection and management of this material. As a result, the government should adopt the previous recommendation to require waste haulers to report material collected from IC&I locations.

De minimis Value for Plastic Resin Reporting in Cartons

Cartons are primarily fibre-based and fall within the broader category of polycoated materials that also include paper cups and ice cream containers. For cartons, the exact quantity and types of plastic will vary by manufacturer, carton type (gable top or aseptic) and packaging format. As a result, reporting the plastic contained in cartons will create more complexity and burden for producers.

For this reason, ECCC should establish a de minimis value, expressed as a relative percentage of total product/packaging weight. Individual plastic resins present in the package or product at a percentage that is below the de minimis value would then be exempt from reporting.

- **Recommendation 12:** ECCC should convene a technical working group of carton manufacturers, beverage producers and trade association representatives to establish the appropriate de minimis value.

Canada-wide Standard

We acknowledge the challenges created by a lack of harmonization among different provincial EPR programs and support standardization of definitions, reporting categories and performance reporting. Given industry and the provinces' longstanding leadership in the development of EPR programs, harmonization will require collaboration between the federal government, provinces, territories and industry-led recycling organizations. A good place to start is the development of a Canada-wide Standard (CWS) on supply and performance reporting. The Canadian Council of Ministers of the Environment (CCME) has established several CWSs for chemicals management. A similar standard with an agreement under section 9 of the Canadian Environmental Protection Act (CEPA) could be established to ensure the collection of data by different governments does not result in any unnecessary duplication.

- **Recommendation 13:** Use section 9 of CEPA to establish a CWS and an administrative agreement with the provinces and territories to harmonize packaging reporting.