



CHEMISTRY INDUSTRY
ASSOCIATION OF CANADA

ASSOCIATION CANADIENNE DE
L'INDUSTRIE DE LA CHIMIE

March 12, 2021

Mr. Francis Scarpaleggia, M.P.
Chair, Standing Committee on Environment and Sustainable Development
Sixth Floor, 131 Queen Street
House of Commons
Ottawa ON K1A 0A6
By email: ENVI@parl.gc.ca

Dear Mr. Scarpaleggia:

Re: Private Member's Bill C-204, An Act to Prohibit the Final Disposal of Plastic Waste

The Chemistry Industry Association of Canada (CIAC) is pleased to provide this submission outlining our concerns regarding Bill C-204, an Act to amend the *Canadian Environmental Protection Act* by prohibiting the export of plastic waste to foreign countries for final disposal.

As you know, plastic waste has been at the forefront of the public discourse. CIAC and its members understand the public's deep frustrations with Canada's poor management of plastic waste. **To be clear, our industry strongly believes that plastic has no place in the natural environment.** Our industry has been actively working with the government to develop pragmatic, meaningful solutions to this global problem. The focus of government policy should be on building a truly circular economy and becoming global leaders in the management of waste. This will require the federal, provincial and municipal governments to cooperate. When coupled with innovations to recover and redeploy post-consumer plastic into the economy, we can all work together in order to achieve the goal of having zero plastic waste.

While laudable in its intentions, it is our view that the bill will frustrate the creation of a circular economy. Bill C-204 offers neither a pragmatic nor a meaningful solution to dealing with plastic waste in Canada. While we appreciate the underlying rationale of Bill C-204, to protect and restore the health of the world's oceans by prohibiting the export of plastic waste to foreign countries that poorly manage plastics, the consequences will not match its intended outcome.

The chemistry industry is committed to actions that remove unnecessary barriers and enable global circular economy trade. One of the existing barriers to developing a circular economy for plastics is the labelling of post consumer plastic as waste. This frustrates the ability of recycling facilities to use plastic as a feedstock. Bill C-204 perpetuates this issue and labels the building blocks of all end-of-life plastics as waste.



Furthermore, recent amendments to the Basel Convention now address the trade in hazardous plastic waste and in non-hazardous post consumer plastics by requiring prior informed consent by receiving countries that have the capacity for recycling these materials in an environmentally sound manner. These significant amendments were ratified by over 170 countries subject to the Convention including Canada. With these new requirements, Bill C-204 is not only redundant, but adds confusion in terms of the proposed list of plastic wastes, the lack of clarity on the definition of the term *final disposal*, and the economic implications the bill would have on the continued movement of post-consumer plastics between Canada and the United States.

Implications on the Development of a Circular Economy for Plastics- Lack of Definition for Final Disposal

Without a clear definition for the term “final disposal,” Bill C-204 has the potential to block the export of plastic wastes for the purposes of downstream processes that could permit secondary markets and maximize value from plastic waste. Downstream processes like advanced recycling, waste to fuels, and waste to energy, are integral components of a circular economy for plastics.

All wastes that are exported have regulatory requirements which are onerous. Not all defined wastes are in fact waste as they can be used as a feedstock for other processes. The lack of clarity on the definition of *final disposal* in Bill C-204 would compound this problem and prohibit the global development of a circular economy for plastics.

Innovations in advanced plastics recycling, for example, have opened new markets that can convert post-consumer plastic diverted from landfills into valuable fuels (e.g. diesel) and industrial feedstocks (e.g. ethanol). These feedstocks can be directly repurposed into other industrial chemical products including new plastic resin. These technologies are particularly useful in cases where post-consumer plastics cannot be easily mechanically recycled and provide a viable, alternate stream to divert materials from being disposed of in landfill. Non-combustion technologies, such as pyrolysis or gasification, can upcycle plastics into fuels and feedstocks enabling the development of new end-markets and maximizing the value from post-consumer plastic. If processes such as advanced recycling or waste-to-feedstock were captured under “final disposal”, this would have a detrimental impact on the development of these post-consumer recovery streams that ultimately enable the circular economy for plastics.

Furthermore, Bill C-204 would label plastic designated for end-of-life management as a waste. Plastics and plastic waste are not inherently hazardous. Labelling plastics as a waste frustrates the ability for recycling facilities to use plastic as a feedstock because labelling something as waste triggers other legal requirements. Waste is discarded because it has no value. End-of-life plastic being shipped to other countries for separation and processing should be viewed as a resource rather than a waste because there is value to be extracted by industries in the receiving country.

The waste management capacity of countries around the world are not equal. While some countries lack the infrastructure and means required to properly manage plastic waste, many countries (including Canada and the U.S.) have the potential to become global circular economy leaders. By not allowing for exceptions to the blanket ban, the bill assumes that all countries are bad actors. This frustrates the ability to trade with other global circular economy leaders and stymies innovation.

Bill C-204 Impedes on the Canada-US Arrangement for the Transboundary Movement of Plastic Waste

On Jan 1, 2021, three new amendments to the Basel Convention came into affect governing the movement of plastic waste across international borders.¹ This included an amendment to Annex IX with a new entry B3011 replacing the existing B3010 entry. Plastic waste listed under Annex IX List B3011 of the Convention are exempt from the scope of the Convention provided they are destined for recycling in an environmentally sound manner.

In response to these new amendments, as per Article 11(1) of the Basel Convention, Canada and the United States reached an agreement concerning the environmentally sound management of non-hazardous waste and scrap subject to transboundary movement. Recognizing the economic and environmental benefits yielded by the transboundary movement of recyclable and recoverable material, the Arrangement specifically allows for the movement of non-hazardous waste in an environmentally sound manner, including for recycling, recovery, and disposal. CIAC applauds this new Arrangement, because it recognizes the importance of maintaining the flow of plastic waste across our borders.

Canada and the United States share a strong relationship in the trade of plastics products with over \$10 billion in exports each year. Similarly, a large number of manufactured goods in Canada are exported, often with plastic packaging. Canadian export and import in plastic waste for recycling and recovery is approximately \$65 million and \$76 million per year, respectively. Many recycling facilities in Canada focus on specific types of plastics recycling and import and export materials accordingly. These distinct business scopes allow these operations to be viable across a geographic region especially given the level of investment required. Establishing economies of scale is necessary to make these economic investments viable. This necessitates the transboundary movement of plastic waste. The Canada-US Arrangement recognizes this reality and the importance of the transboundary movement of plastic waste for both the Canadian and American economies.

Bill C-204 would frustrate this new arrangement by preventing the movement of solid waste including plastic waste across the Canada-U.S. border. With both the new amendments to the Basel Convention and the signing of the Canada-US Arrangement, Bill C204 is now redundant.

The downstream consequences of prohibiting the export of these types of wastes are vast. Effectively speaking, it would become easier to ship radioactive material across Canadian international borders than it would be to transport plastic waste.

Items on the List

As written, many of the items listed under the schedule are not even plastics. Ethylene, for example, is not a plastic but is a hydrocarbon which is used to make polyethylene (PE) plastic. Polyethylene plastic is used in packaging (e.g., plastic bags, water bottles). Ethylene, on the other hand, is a primary feedstock used in the production of a number of important industrial chemicals and plastic products. As listed, the Bill could apply to all plastic articles, chemicals, and polymers – many of which are routinely found in

¹ <http://www.basel.int/Implementation/Plasticwaste/PlasticWasteAmendments/Overview/tabid/8426/Default.aspx>

unsorted municipal solid waste. The solution to address plastic waste management must avoid improperly targeting the substance which is used to make the finished article. The Basel Convention already provides a comprehensive approach to this matter and the list in Bill C-204 is either redundant or adds confusion.

Conclusion

The issue with Canadian plastic is how we handle it after it is used by the consumer. Industry is advancing many solutions to enable a circular economy, but this requires the continued transboundary movement of this important resource to achieve that goal. **A prohibition on export should be the last step in the value chain for plastics, not the first action taken by Parliament.**

We appreciate the opportunity to meet with you and share the views of our members about this bill.

Sincerely,



Bob Masterson
President and CEO

About Canada's Chemistry Industry

The Chemistry Industry Association of Canada is the association for leaders in Canada's chemistry and plastic sectors—adding C\$54 billion and C\$28 billion respectively to the Canadian economy. The Association represents close to 200 members and partners across the country. We provide coordination and leadership on key issues including innovation, investment, plastics, taxation, health and safety, environment, and regulatory initiatives.

c.c. Isabelle Duford, Clerk, Clerk of the Standing Committee on the Environment and Sustainable Development isabelle.duford@parl.gc.ca

c.c. Hélène Soublière, Committee Assistant, Standing Committee on the Environment and Sustainable Development