



DART CONTAINER CORPORATION

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April 19, 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

Re: Standing Committee on Environment and Sustainable Development's study on the ban of single-use plastics.

Dear Mr. Scarpaleggia:

On behalf of Dart Container (Dart), I appreciate the opportunity to provide written testimony to the Standing Committee on Environment and Sustainable Development's study on the ban of single-use plastics.

The October 10, 2020 Canada Gazette contained an order to add "Plastic Manufactured Items" to Schedule 1 of the Canadian Environmental Protection Act, 1999 (CEPA). In addition, Environment and Climate Change Canada released a discussion paper that same day called *A proposed integrated management approach to plastic products to prevent waste and pollution*. This discussion paper lists six single-use plastic items the government has targeted to ban. The list includes:

- plastic checkout bags
- stir sticks
- six-pack rings
- cutlery
- straws
- food service ware made from problematic plastics

Dart respectfully, but strongly opposes both the classification of plastics as toxic under Schedule 1 of CEPA as well as the banning of single-use plastic items.

Background

Dart is a global leader in the manufacturing of sanitary, individual use food service containers. Our offerings include products made from paper, recycled content, bio-resin, as well as several plastic resins - polyethylene terephthalate (PET), polypropylene (PP), polystyrene (PS) and polystyrene foam / expanded polystyrene (EPS). Headquartered in Michigan, Dart has operations throughout the United States as well as in Mexico, Canada, and the United Kingdom.

Our Canadian footprint includes manufacturing in Toronto, a distribution center in Mississauga as well as a salesforce located throughout the country. We proudly employ over 346 hardworking Canadians – both union and non-union.

As a manufacturer that accepts responsibility for the environmental impacts of our products, sustainability is a strong focus for Dart. Three core areas that we lead on are:

- Inspiration
- Innovation
- Investment

We inspire our customers, employees, and industry to be part of the solution and to join us in driving measurable environmental change. We minimize our company's environmental impact by innovating new or improved processes, programs, and products with thoughtful design for sustainability. And we invest in real solutions for environmental issues at home, on the go and around the world. Our most recent investment provides hundreds of thousands of dollars in grants for municipalities in the United States and Canada for the purchase and installation of UltraTech's patented Ultra-Drain Guard stormwater management products, which prevent litter, oil, and sediment from entering waterways via storm drains.

Returning to innovation, in 1990 Dart pioneered recycling of post-consumer EPS foodservice packaging and shape molded EPS. Thirty years later we remain a leader in this space through the EPS recycling facilities and collection depots in which we are involved. EPS can and is recycled in Canada. Dart is also a founding member of the "Foam Recycling Coalition" (FRC) housed at the Foodservice Packaging Institute (FPI). FRC works to get more EPS cups and containers recycled by offering grants to communities and recycling facilities interested in adding or expanding an EPS recycling program.

New technologies have also emerged for recycling EPS and other plastics. Advanced recycling returns the material back to its monomer. This process then allows the virgin-like monomer to be used indefinitely. The result is a circular economy for all plastics, including EPS.

Our Trade Associations' Critical Concerns with the Federal Government's Proposed Actions

Dart is an active member in a variety of trade associations. We are a founding member of the Canada Coalition of Plastic Producers (Coalition) housed at the FPI as well as a member of the Plastics Division at the Chemistry Industry Association of Canada (CIAC). Each of these entities has submitted testimony

Dart sets the Industry Standard of Excellence by safely and efficiently providing high-quality food and beverage packaging solutions and exceptionally reliable service to each and every one of our customers.

that provides excellent information regarding industry's concerns on the proposed government action of labelling plastic as toxic and the banning of plastics. Dart agrees with their core concerns which include:

- The lack of science to support the government's plastics toxicity classification.
- Government overstepping its authority by taking away the provinces' constitutionally granted jurisdiction to manage their own waste and resources.
- Government's approach undermining the establishment of a circular economy for plastics.
- The unintended consequences of the bans on Canadians and their quality of life.

Rather than reiterate these arguments, Dart's testimony will add additional color and focus on the micro level impact of the proposed government actions.

Ban and CEPA Classification Impacts on Employment

Dart's manufacturing includes the production of three of the six items targeted to be banned. These three items are EPS, black plastic, and plastic cutlery: all three fall under the broad and misleading label "problematic plastics". At our Toronto facility, 120 of our employees are dedicated to EPS manufacturing. A ban on EPS would render these jobs obsolete. The bans will put at risk another 10-20% of our Toronto workforce. Environmental non-governmental organizations (ENGOS) will argue "green" jobs will replace these jobs, but this is pure speculation on their behalf. Apart from the lack of a guarantee that "green" jobs will actualize, there is no guarantee the market value of "green" jobs will be equal in wages, opportunity for growth, etc. Further, the EPS we manufacture in Toronto is for both the Canadian and foreign markets. The government has said the restrictions they put in place will likely not allow for the manufacture, import or export of these items. This means the jobs no longer allowed to be performed in Canada will be moved to our manufacturing locations in either the United States or Mexico. Dart has no desire to relocate these jobs; it is the Canadian government that would force us to take such measures.

CIAC's testimony points out that there are 1900 plastics companies in Canada. Dart is one of the 1900 that contributes to the 93,000 employed in this industry. A loss of employment is not welcomed, and the government must ensure in its assessment of the broader economic impacts that it not only looks at direct job losses, but also at the indirect job losses. Studies show that for every direct job lost in the plastic's sector, there are 2 indirect jobs at risk of being lost. Suppliers, transportation companies as well as the local community restaurants and coffee shops that our employees frequent will also be impacted by less business coming through their doors. Based on data from Statistics Canada, CIAC has estimated that the designation of single-use plastics for bans could potentially be applied to approximately one quarter- \$5.5 – 7.5 billion- of Canada's plastic product shipments, representing 13,000 – 20,000 Canadian direct jobs. Indirect jobs range from 26,000 – 40,000 jobs. Plainly put, the Liberal government's actions could render thousands of citizens unemployed.

Broader Impact of the Government's Proposed Actions

Dart brings to the Canadian market sanitary food service ware used by family run restaurants, hotels, hospitals, schools, sport arenas, charities, coffee houses and supermarkets. Banning single use plastics, even the initial six, will have negative impacts. First, you have a government picking winners and losers, while not looking at the full life cycle of the products. The government claims the intention is to clean up ocean plastic even though Canada ranks 187 out of 192 countries contributing to ocean plastic (Jambeck study). China is ranked #1 in this same study. Make no mistake, we also value the natural environment and do not want marine debris or any type of mismanaged plastic in the environment. As a company, we offer and have offered for years opportunities for the public to properly dispose of products through recycling, drop-off locations and take back programs.

By not looking at the Life Cycle Analysis (LCA) of all products the government is headed toward banning products with low environmental impacts while allowing those with worse environmental impacts to replace them. The price of goods will also see an increase with the move to alternative products. Some restaurants that used black plastic, plastic cutlery or EPS will have no choice but to increase the prices of their offerings to compensate for the high price point of alternative food service containers and cutlery. This increase will drive away some customers which means losses in sales. In addition, the price increase can be significant enough for a business to forgo hiring additional help as they need to make up for the increased product costs.

Another factor with a ban is that many schools, nursing homes, hospitals, soup kitchens and charities use EPS. The material's economical price point and exceptional insulation properties allow it to be used for cold or hot applications without compromising the food and/or beverage it contains. Taking EPS away will result in negative outcomes. And those that will be the most harmed by this ban are the individuals in the community that are most in need of assistance.

Provincial governments will also lose control of their ability to manage their waste. Government overreach on any matter is a move that should alarm all Canadians.

The economy will also suffer. Our Toronto facility has operated since 1975. This translates into millions paid each year for GST, property, income, payroll taxes. Unfortunately, if the government restricts what we can manufacture, just like jobs, our tax payments will diminish. These tax revenue decreases will be felt by everyone.

Recommendations

The recommendations below are from both the Coalition and CIAC. Dart supports these proposals.

- The Government should conduct an analysis of the economic and job impacts on SMEs and the plastics industry of designating plastics under Schedule 1 of CEPA and banning some plastic products.
- Do not use CEPA to regulate a set of consumer products like "plastic manufactured items". The Government should re-focus the Management approach on investments and incentives to

develop technological and system-wide process solutions in support of a circular economy. In that context plastic products would be designed for recyclability and infrastructure would be in place for effective recycling and recovery.

- We recommend that the Government develop a life cycle assessment of single-use plastic products compared to alternatives when used in the quantities required to replace plastic.
- The appropriate means to address mismanaged waste is through continued support of the CCME Zero Plastic Waste Strategy.

Conclusion

There are better means for the government to manage plastic than through bans and a toxic classification. Bans are a panacea that will never accomplish the goal of ending mismanaged plastic. In addition, the classification of plastics as toxic and the bans will do significant economic harm to Canada. Continued support of the CCME Zero Plastic Strategy is the best path forward as it is supported by all levels of the government, industry, and stakeholders. The strategy is being implemented through the Provinces which are constitutionally responsible for managing their waste and resources. Waste management is not the federal government's role nor should the federal government be trying to usurp this provincial power to fulfill a campaign promise - banning plastic.

Dart respectfully requests you oppose this legislation. If you have any questions or would like further information on any of these items, please reach out to me.

Sincerely,



AnnMarie Treglia
Global Manager, Government Affairs & the Environment

About Dart Container

Dart Container Corporation, founded and headquartered in Mason, Michigan, sets the Industry Standard of Excellence in the development, manufacturing, and distribution of innovative foodservice packaging solutions. Dart manufactures cups, plates, containers, and lids made from such materials as expanded polystyrene foam (EPS), solid polystyrene (PS), polypropylene (PP), polyethylene terephthalate (PET), paper and sugar cane. From its humble origins as a machine shop in Mason, Dart has expanded across the globe to include more than 35 locations in 4 countries. Dart has about 13,000 employees worldwide.