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Association of Home Appliance Manufacturers

Ontario Blue Box Consultation

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The Association of Home Appliance Manufacturers (AHAM) is pleased to provide feedback on the proposed regulation to make producers responsible for operating blue box programs in Ontario. The home appliance industry has a history of transitioning to the use of materials that lessen their environmental footprint in both their everyday use and management at their end of life. This includes the use of more environmentally friendly refrigerants, insulating foam blowing agents, and recyclable materials in both appliances and appliance packaging, as well as significant advancements in energy efficiency.

1) One common blue box collection system across Ontario

The proposed regulation will create one common curbside blue box collection system that will collect a consistent set of materials in blue boxes across the province. AHAM supports the government's intention to move to single blue box system in Ontario. Consumer confusion is rampant on how and what to recycle because existing recycling programs vary across jurisdictions. An effective recycling program relies on volume, which means municipalities must harmonize recycling policies and increase consumer involvement.

2) Economic cost of the transition

The proposed regulation would require producers to operate a common system to collect blue box recycling and the government claims that this will also transition the costs of the program away from municipal taxpayers by making the producers of products and packaging fully responsible for costs. However, in reality, EPR often results in a product eco-fee paid by consumers that is by and large used to pay for the operation of a stewardship organization, substantial manufacturer compliance and reporting costs, and the government agency that is providing oversight. In Canada, packaging programs exist in various provinces, with manufacturers having to comply with each program that varies in scope. This is very costly to both manufacturers and to residents. This new Ontario Blue Box program is expected to cost upwards of 300 - 400 million dollars to operate. The proposal to move the physical and financial responsibility for the recycling of designated products from municipalities to producers will not relieve Ontario residents from the need to pay for recycling. Whether consumers/ residents pay for the recycling of the designated products through their municipal taxes or when they purchase the products, they will still be contributing to the cost of recycling. If designated products are to be included in an EPR framework, then there needs to be a corresponding reduction in municipal solid waste and recycling taxes, otherwise Ontario residents will be paying twice for the implementation of this new EPR policy. AHAM recommends that the government assess the industry and consumer impacts and economic costs of this commitment and communicate these to the public.

3) Producer definition

The proposed regulation states that the brand-holder who is resident in Canada whose blue box materials are supplied to Ontario consumers as the first person who would be responsible. The aim of the regulation is to capture retailers that are located out-of-province but who supply

blue box materials to Ontario consumers through the internet. AHAM questions the government's jurisdictional power to enforce this section of the regulation given that the entity is outside of the province.

4) de minimis threshold

The regulation proposes that producers with less than \$2 million in sales annually would be exempted from collection and management requirements, as well as from registering with the Authority and promotion and education requirements. The threshold should be based on the total tonnage of packaging waste that is created by companies on an annual basis rather than overall sales volumes.

5) Expanding the blue box beyond residential sources

The regulations would include producers of blue box materials from residences, facilities and some public spaces across Ontario such as multi-unit residential buildings, schools, retirement homes, long-term care homes and some public spaces. AHAM does not support EPR expansions into the Industrial, Commercial, Institutional (ICI) sector. The ICI sector has inherent financial incentives to reduce waste costs and recycle. It also is a completely different waste/recycling stream of commerce. As a result, it would add considerable complexity and costs to the overall program. Packaging and paper products beyond residential sources that are generated and managed within the ICI sector should be considered outside the scope of an EPR program.

6) High diversion targets

According to the Ontario government producers would have to achieve some of the highest diversion targets in North America under the proposed regulations. AHAM believes that targets should be based on a rigorous analysis of what is actually achievable within the current market context. A phase-in approach would be more realistic than a direct one-time increase.

7) Weight requirements: recycled content

Under the proposed regulations, a producer that uses recycled content sources from Ontario blue box materials would be allowed to reduce their supply for that material category for the next calendar year in proportion to the initiatives undertaken under the proposed regulation. AHAM believes that packaging that is manufactured outside of Ontario should also qualify for the reduction as most of our products and their packaging come from outside of the province.

8) Investment needed in recycling infrastructure

In order to divert more recyclable materials from landfills, the government should also earmark funds to modernize and expand plastic recycling infrastructure in Ontario. The government should also recognize that energy recovery from waste to energy (WTE) should be seen as a legitimate diversion option.

About

The Association of Home Appliance Manufacturers represents manufacturers of major, portable, floor care home appliances and suppliers to the industry. AHAM's membership includes over 150 companies throughout the world. In Canada, AHAM members employ thousands of people and produce more than 95% of the household appliances shipped for sale. The factory shipment value of these products is more than \$5 billion annually. The home appliance industry, through its products and innovation, is essential to consumer lifestyle, health, safety and convenience. Home appliances are a success story in terms of energy efficiency and environmental protection. New appliances often represent the most effective choice a consumer can make to reduce home energy use and costs.

Thank you for your consideration.

Sincerely yours,

A handwritten signature in black ink that reads "Meagan Hatch". The signature is written in a cursive, flowing style.

Meagan Hatch
Director Government Relations
Association of Home Appliance Manufacturers Canada