

## **Global Automakers of Canada Comment on Draft Ontario Blue Box Regulation**

December 3<sup>rd</sup>, 2020

Global Automakers of Canada (GAC) is the national trade association representing the Canadian interests of 15 of the world's most respected automakers. Our members include: BMW Group Canada Inc, Honda Canada Inc., Hyundai Auto Canada Corp., Jaguar Land Rover Canada ULC, Kia Canada Inc., Maserati Canada Inc., Mazda Canada Inc., Mercedes-Benz Canada Inc., Mitsubishi Motor Sales of Canada Inc., Nissan Canada Inc., Porsche Cars Canada Ltd., Subaru Canada, Inc., Toyota Canada Inc., Volkswagen Group Canada Inc. and Volvo Car Canada Ltd. Together our members represent more than 25 brands in the Canadian automotive market.

### **Overview**

Automotive manufacturers and importers in the Ontario market are all participants in Stewardship Ontario's Blue Box program. Currently, automotive stewards in Ontario are participating in the transition of the Municipal Hazardous and Special Waste (MHSW) program to the Individual Producer Responsibility (IPR) framework as part of the *Resource Recovery and Circular Economy Act*. Ontario's tires program was the first stewardship plan in the province to transition to the IPR model. As such, our members are involved in almost all material categories that are being shifted to the IPR model. However, paper products and packaging (PPP) as managed by the Blue Box program are different as they are far less relevant to the automotive sector than tires or automotive filters. In this sense we are relatively minor stakeholders in the Blue Box program. Our recommendations, listed below, focus on maintaining the current status quo for our industry as relates to the blue box program.

### **Summary of Recommendations**

1. Compliance tools that aid industries who do not primarily produce PPP must remain in place to allow the transition to the new IPR model to proceed smoothly.
2. Ontario must assure that "grey market" materials, sold by online retailers and featuring branded images are properly addressed.
3. Exemptions for vehicle owner's manuals should remain in place.

### **Comment on Compliance Tools**

As noted above, automotive manufacturers' primary business is not in the production of PPP. Industry participation in the blue box program is predicated on the relatively small amount of PPP waste that accompanies the sale of new motor vehicles. Under the current program, and as is the practice in several other Canadian jurisdictions, the automotive industry uses approved compliance tools to calculate weights of PPP based on automotive units sold in the province. As the Ministry

moves the province to the IPR model, the use of these compliance tools must remain in place. We would recommend that the Ministry either includes this option into the regulation or directs the Resource Productivity and Recovery Authority (RPRA) to allow for the use of such tools. This will ensure that this practice can remain in place and enable automotive manufacturers to easily make the switch to the new system and comply. Experiences with RPRA for materials already regulated under the RRCEA have shown that they take a very literal approach about implementation without much consideration for administrative burden on producers.

### **Comment on the “Grey Market”**

A key concern for all producers of PPP waste in Ontario is the prevalence of “grey market” waste entering the province through online sales. Typically, producer branding helps to identify who is the responsible producers for managing PPP in the province. However, when materials are sold over the internet from outside of the province with unauthorized OEM branding there is no clear responsible producer to account for the cost of management. The Ministry and RPRA should work to address this concern as the Blue Box program transitions.

### **Comment on Vehicle Owner’s Manuals**

Under the current system books and other similar materials are exempt from recovery targets. Motor vehicles are required by law to include vehicle owner’s manuals. These have been categorized as books and excluded from regulation. This exemption should continue under the new system.

Finally, we would like to thank the Ministry for having taken into account producers’ input and spacing the auditing requirements to make them every 3 years. We support this requirement as it will lessen the administrative burden on our membership, especially as more and more products are transitioned into the new producer responsibility framework.

Thank you for the opportunity to provide comments on the draft Blue Box regulation and we remain at your disposal should you have any questions or wish to discuss further.

Sincerely,

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