



January 10th, 2022

John Fox
Ministry of the Environment, Conservation and Parks
Resource Recovery Policy Branch
40 St. Clair Avenue West, 8th floor
Toronto, ON M4V 1M2

Submitted through the Environmental Registry of Ontario

Re: Comments on the proposed amendments to the producer responsibility regulations for tires, batteries and electrical and electronic equipment made under the RRCEA

Dear Mr. Fox,

We would first like to thank the Ministry of the Environment, Conservation and Parks (MECP) for providing stakeholders with an opportunity to submit comments on the proposed amendments to the producer responsibility regulations for tires, batteries and electrical and electronic equipment.

Costco is proud to participate in more than 80 Extended Producer Responsibility (EPR) programs throughout Canada. Fundamentally, we believe and support the concept of EPR, as it gives the liberty for Producers to determine and implement the measures that they think will be the most adequate to meet the Government's environmental objectives.

Generally, we support most of the changes currently proposed by the MECP and we welcome the efforts to harmonize requirements and eliminate red tape through the various producer responsibility regulations. However, there are some elements that, in our opinion, are not beneficial to the programs and can potentially have a negative environmental outcome. Therefore, we would like to elaborate on three areas of concerns, which are resource recovery charges, auditing requirements and non-vehicle tires.

Resource recovery charges

We believe that the visibility of recovery charges is a powerful tool available to Producers to raise consumer awareness by informing them that the product they are about to purchase will be recycled at its end of life and thus guiding them to a proper end-of-life disposal behavior.



The proposed changes will require:

“Every producer and every person who markets [batteries, tires or EEE] to consumers in Ontario and who identifies, in an advertisement, invoice, receipt or similar record in connection with the supply of [batteries, tires or EEE], a separate charge that relates to resource recovery or waste reduction of [batteries, tires or EEE] shall, as part of the producer’s promotion and education program, provide the following information at the time the charge is identified:

- 1. The person responsible for imposing the charge.*
- 2. How the charge will be used to collect, reduce, reuse, recycle and recover [batteries, tires or EEE].”*

The above proposed requirement is difficult to apply in a retail environment as pricing usually appears on shelf cards and point of sale (POS) cash receipts. Both shelf cards and POS cash receipts can only contain a limited amount of information. Modifying their appearance will require system enhancements.

POS technology and the systems used to manage shelf cards are very complex. For large retailers such as Costco, those changes are dependent on many factors, such as the availability of the technology from service providers, and may also require many years and significant financial investments to implement.

If these proposed changes are adopted, it might effectively force Producers like Costco to hide the recovery charges and will undermine our ability to raise consumer awareness.

We strongly believe that Producers should have more flexibility in how they communicate the charge, by allowing them to advertise via internal store signs or their website that all visible resource recovery charges invoiced to customers will be used to collect, reduce, reuse or recycle the targeted material. It would go against the fundamentals of the EPR philosophy to have a regulation that dictates too strictly how recovery charges need to be presented.

Therefore, we recommend that the requirements on recovery charges should be adjusted or removed in all Ontario producer responsibility regulations to give more flexibility to Producers. If only adjusted, the regulation should not require to identify specifically *“the person responsible for imposing the charge”*. This requirement is very impractical in a retail space that sells products from many Producers. We recommend something more practical such as identifying that *“the Producer is responsible for imposing the charge”*.



Auditing requirements

We appreciate the proposed reductions in auditing requirements. We are in support of replacing external audits for supply data with internal audits. However, we need to ensure a certain level of accuracy when Producers are reporting their supply or when advertising recovery charges. We want to avoid a situation where some Producers might want to take advantage of an environment that requires too little compliance oversight. It might be beneficial to require for internal audits to be certified by a licensed chartered professional accountant (CPA).

The regulation should also allow for the audits to be performed by the producer responsibility organization (PRO) retained by the Producer, as long as it is certified by a licensed CPA.

Non-vehicle tires

We believe that the tire regulation should only target tires for motor vehicles and trailers. The definition of vehicle currently includes muscular-powered equipment tires, if the weight is equal or above 1 kilogram. We believe that tires from muscular-powered equipment, such as wood chippers, generators or snow blowers, do not belong in this regulation. The end-of-life of those products follows a very different path and is outside the network of tire haulers and collectors. In some cases, the materials used for those tires are completely different from traditional motor vehicle tires and simply become contaminants in the recycling system. It is our recommendation to remove muscular-powered equipment from the vehicle definition or increase the weight threshold to equal or above 2 kilograms.

Thank you for considering Costco's comments. Please do not hesitate to contact me should you require to discuss these topics further.

Best regards,

A handwritten signature in black ink, appearing to read "Eric Sasseville".

Eric Sasseville
Manager of Stewardship Programs
Costco Wholesale Canada Ltd