

**September 27, 2019**  
**FORMAL SUBMISSION BY MERLIN PLASTICS**  
**TO THE MINISTRY OF ENVIRONMENT**  
**PLASTICS ACTION PLAN POLICY CONSULTATION PAPER**

**BRIEF HISTORY OF MERLIN PLASTICS**

Merlin Plastics has been in the plastics recycling business for 30 years. Starting as a small plastic recycler in Metro Vancouver, Merlin Plastics and its associated company, Peninsula Plastics Recycling, now operate five major plastic recycling plants in: Turlock, California; Calgary, Alberta; two plastic recycling plants in Metro Vancouver; and one in Sarnia, Ontario. Tony Moucachen is the CEO of these five plastic recycling plants. Merlin Plastics is also a partner in a recycling plant located in St. Helens, Oregon together with a Co-op organization.

In some of the Merlin and Peninsula recycling plants, food grade plastic flakes and pellets are produced, thereby closing the loop. In recent years Merlin Plastics has undertaken research and made major investments and technological advancements in recycling lower grade mixed plastics bales. This is especially important since various foreign governments have recently restricted the import of these materials. In order for this type of research and development to continue in the critical area of mixed plastic bales and flexible packaging materials, provincial governments need to enact changes to regulations and policy that will result in continuity of supply and support from the producers of these materials.

**INTRODUCTION**

Merlin Plastics has worked with the Ministry of Environment in British Columbia on plastics recycling since 1990 and is pleased to have the opportunity to provide a formal submission in response to the Plastics Action Plan Policy Consultation Paper. Recycle BC's 2018 Annual Report reported a low recovery rate of 42% for plastics (54% for rigid plastics and 19% for flexible plastics), while the other material types collected had a much higher recovery rate. Merlin Plastics supports the Ministry of Environment's statement that too often plastic packaging and single use items end up as litter in BC communities, waste in landfills or debris in lakes, rivers and oceans. Merlin Plastics is confident that with the required regulation and policy changes, the recovery rates for plastic products and packaging can substantially increase.

In this submission, Merlin Plastics will highlight the suggested regulation and policy changes that are needed to achieve the required objectives in plastics recycling in British Columbia. In our submission, Merlin Plastics will provide input on the four main issues: (1) bans on single-use packaging, (2) more recycling options, (3) expanding plastic bottle and beverage container returns, and (4) reducing plastics overall.

## **1. BANS ON SINGLE-USE PACKAGING**

Most companies that produce plastic products and packaging, and companies that use this packaging for food and non-food items, are either national or international in their operations. As a result, banning certain packaging at the municipal or provincial level is not as practical or effective as placing the bans at the federal level. Banning certain plastic packaging and products at the federal level should be considered if the packaging or product is shown to be toxic and/or harmful. Banning plastic products or packaging prematurely or indiscriminately can result in unintended consequences that could be more harmful than the benefits. It can also result in limiting creativity and innovation.

Prior to implementing bans on plastic products or packaging, Merlin would suggest that the following alternatives be considered:

- a. Give British Columbians a financial incentive to choose the preferable option. Examples of this include: charging \$.05 per plastic bag used at the grocery store; and providing a \$.10 reduction for users of re-usable cups at coffee shops and other fast food restaurants that sell beverages in single use containers. Both of the above examples are already used by a few businesses to encourage customers to choose the best option for the environment. If implemented province-wide on a number of single use packaging and containers, accompanied by aggressive public education and information campaigns, a significant reduction in the use of single use packaging and containers could be achieved.
- b. Amend the *Recycling Regulation* to require producers to take stewardship responsibility for a much wider range of plastic products and packaging.
- c. Require much greater accountability in the approved Stewardship Plans, requiring the Stewards to achieve higher recovery rates for their plastic products and packaging. For example, the current recovery rate of 54% for rigid and 19% for flexible plastic packaging in the Recycle BC Stewardship program is much too low.
- d. If recovery rates under an approved Stewardship Plan fail to produce the required recovery rates, consideration should be given to placing these products and packaging under a deposit/refund system.
- e. Once the Stewardship Plan for the additional plastic products and packaging is operational, landfill bans on these products and packaging should be put in place.
- f. If a package is not recyclable or does not meet industry recycling guidelines, then we submit that there should be a “disruptive” fee added since these products are disrupting the recycling industry by not being recyclable. They may well find their way into the blue box and result in a disruption of operations at the recycling plant.

## **2. More Recycling Options**

Merlin Plastics has successfully processed plastics materials for BC Industry Stewards since the inception of these programs. The stewardship program for used oil and antifreeze containers required Merlin to innovate and adapt their washing and shredding processes to effectively recycle these very dirty, oily containers. As more industry stewardship programs for plastic products and packaging have been implemented in British Columbia, Merlin has encountered

additional challenges. Containers manufactured with the numbers 1 and 2 plastic resins, PET and HDPE, are generally highly recyclable. Depending on the quality of the recovery stream and if the product was previously used in a food application, then it is possible to close the loop on these two resins by producing food-grade plastic containers from these recycled pellets or flakes.

However, when producers use other plastic resins or produce flexible plastic and/or multi-layer containers, the challenges and costs to successfully recycle this material increases significantly. While Merlin has made considerable expenditures in research and development to recycle these types of materials, much more is required, preferably prior to introducing these materials for the public to purchase.

Merlin Plastics is highly supportive of the Ministry of Environment's proposal to require producers of additional packaging, like plastic products and single use plastic items, to be required under an amended *Recycling Regulation*, to take stewardship responsibility for these items. In this regard, Merlin Plastics would like to make the following recommendations:

- a. Producers of plastic packaging and packaging like products used in the agriculture industry should be required under the *Recycling Regulation* to take stewardship responsibility for the collection and recycling of their plastic containers, plastic wrap and other plastic and packaging like materials that are used in this industry. Currently, the agriculture industry has a voluntary program that collects small amounts of plastic for recycling.
- b. There should be greater accountability of producers and stewards in their Stewardship Plans, to ensure the required recovery rates for the various types of packaging (plastics, aluminum, cartons, etc.) are met. A good example of this is flexible plastic containers. The recovery rate for this material is currently very low. The Stewardship Plan should require the producers to undertake the required research and development that is needed to improve the recovery rate of flexible plastic packaging and other such materials where recovery rates require improvement.
- c. In their 2018 Annual Report, Recycle BC advised that they and the Canadian Stewardship Services Alliance (CSSA) began participating in the New Plastics Economy Global Commitment to eliminate plastic pollution at its source. The proposed amendments included:
  - i. Number of products packaged in 100% post-consumer recycled plastic;
  - ii. Replacement of multi-laminate plastic packaging with mono-laminates, which are more easily managed in the recycling facility;
  - iii. Introduction of concentrated refill products; and
  - iv. Expanded use of standardized on-pack communication, making it clearer to consumers as to what is and what is not recyclable.

It is recommended that producers and stewards should consider including some, or all of the above recommendations in their approved Stewardship Plans.

- d. Once an approved Stewardship Plan is operational for the new plastic containers and packaging, a ban should be placed on them going to landfill or incineration.

- e. The approved Stewardship Plans should require producers of all stewarded products and packaging to work together to finance the cost of studies of waste going to landfills and incineration, to determine the weight and type of stewarded products still going to disposal. These studies should be conducted at a representative number of urban and rural communities each year and the results should be reported in their annual reports.

### **3. Expanded Plastic Bottle and Beverage Container Returns**

Merlin Plastics has processed recycled plastic beverage containers collected under the Ministry of Environment deposit/refund system since the early 1990's. At that time Merlin Plastics collected and recycled PET plastic carbonated beverage containers. In the late 1990's the Recycling Regulation was amended to include all 'ready to serve' beverage containers other than milk or milk-like containers.

Merlin Plastics is a major player in western North America in the processing and recycling of used beverage containers, including California, Oregon, Washington, British Columbia, Alberta and Saskatchewan (and we are also involved in Ontario where there is currently no deposit system in place) As a result, Merlin Plastics is well positioned to process other containers that are included under a deposit/refund system in the *Recycling Regulation*. Merlin Plastics recommends the following changes to the deposit/refund system under the *Recycling Regulation*:

- a. A Milk and all milk-like beverage containers should be included in the deposit/refund system.
- b. All beverage containers sold at restaurants, festivals, sporting events, businesses and other commercial venues and events should all be included in the deposit/refund system.
- c. The Recycling Regulation should be amended to give the Minister the power to amend the deposit/refund amount as needed. The deposit/refund rate should be 'tuned' or adjusted to ensure the desired recovery rate is achieved.
- d. If recovery rates for food containers do not significantly improve, then these containers should be included in the deposit/refund system. If these containers are not contaminated by other contaminants, it results in a much cleaner recycling stream and a much better opportunity to close the loop on these materials. There is also no opportunity to reuse these containers unless they are collected through a deposit/refund system. The domestic beer industry successfully collects and re-uses their bottles in this way.
- e. Together with the expansion of the deposit/refund system, the stewards should be required, through their Stewardship Plans, to increase the size of the depots and to provide a similar convenience, atmosphere and amenities as retailers do when they sell their products to consumers. This same requirement should apply to Stewards who direct non-deposit containers and packaging to these same or other depots. There should be more community involvement and consultation in the development and enhancement of these ecologically friendly depots.

- f. The Stewardship Plans should include more provisions to collect beverage containers consumed away from home or place of business. This is especially the case when British Columbians are at festivals, sporting events, camping, hiking or enjoying time on the beach. It is at these kinds of events that significant littering often occurs.
- g. Merlin supports any changes that allow refunds to be given electronically or in other ways that encourage people to bring their containers in for a refund. This should include innovative ways to remunerate “binners” who frequently collect beverage containers that consumers fail to return for a refund.

#### **4. Reducing Plastics Overall**

Merlin Plastics supports the concept of considering secondary content as a policy option for reducing the overall use of plastics. Once the plastic container or packaging can no longer be re-used, it has to be shredded, washed and broken down into its individual chemical components, for instance ethylene. One has to then consider what should be the ultimate use of that particular ethylene component. Should it be used close to where it was processed to make a different finished product, or should it be shipped thousands of miles and be used to meet secondary content requirements and displace a non-renewable resource.

Merlin Plastics recommends that, rather than amending the *Recycling Regulation* to require secondary content requirements on all plastics containers, flexibility should be given in the wording of the Regulation to enable the Ministry in dealing with certain recycled plastic materials to specify in the approved Stewardship Plans acceptable end-uses that may preclude the requirement for secondary content. In other cases where the producers manufacture the containers locally, the requirement for secondary content should be considered to reduce the production and use of virgin resin.

When plastic packaging stewardship programs are more prevalent across Canada and the plastic is collected under a deposit/refund system, it would then be better to have the federal government enact Canada - wide regulations for secondary content for certain plastic packaging and containers. Developing national secondary content requirements prematurely could result in producers having difficulty in sourcing clean recycled resin that meets the required specification. On the other hand, it may help encourage producers and provinces to more quickly follow British Columbia’s lead and enact the policies that will ensure the availability of clean recycled resin across Canada.