



**American
Fuel & Petrochemical
Manufacturers**

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November 16, 2020

The Honorable Robert E. Lighthizer
United States Trade Representative
600 Seventeenth Street NW
Washington, DC 20508

Dear Ambassador Lighthizer,

The American Fuel & Petrochemical Manufacturers (AFPM) is a national trade association representing the U.S. refining and petrochemical industries. AFPM's member companies produce the petrochemical building blocks that are used to make the millions of products that make modern life possible – including clothing, food packaging, life-saving medical equipment, and electronics like smartphones. AFPM members strengthen economic and national security, and support nearly four million jobs nationwide.

On September 23, 2020, Julie Payette, Governor General of Canada, delivered a speech to open the second session of the 43rd Parliament outlining the government's agenda. She declared Canada's intent to ban "harmful" single-use plastics in 2021. A subsequent Discussion Draft of Canada's plans, as well as publication of the proposed Order in the Canada Gazette, has made it clear that Environmental and Climate Change Canada intends to deem "plastic manufactured items" as "toxic" and list them on Schedule 1 of the Canadian Environmental Protection Act (CEPA).

AFPM has significant concerns with Canada's proposed listing. First, there is absolutely no scientific justification for listing non-hazardous plastics as toxic. The "scientific assessment" conducted by Canada to justify this action is only a literature review. It does not adequately characterize the physical properties of plastics, nor is it risk-based (a requirement under Sectoral Annex 12A.4.3 of the United States-Mexico-Canada Agreement (USMCA)). Underpinning this action is the fundamental mischaracterization of plastics in the marketplace. While resins are chemical substances, finished plastics are not. Finished plastics are classified as articles under most, if not all, other chemical regulatory systems throughout the world.¹

The listing is also misaligned with the USMCA and likely violates Article 2.2 of the World Trade Organization's Technical Barriers to Trade Agreement (i.e., technical regulations shall not be more trade-restrictive than necessary). It also may undercut the negotiations between the United States and Canada on the treatment of plastic scrap under Article 11 of the Basel Convention and impede successful waste management efforts. New technologies, such as molecular recycling, provide exciting opportunities to fully recycle plastics by converting plastic waste into the fundamental building blocks that either serve as feedstocks for resins or the actual monomers from which the polymers are made. AFPM cannot stress

¹ Please refer to the attached comments submitted by AFPM to Environment Canada for a detailed discussion on Canada's efforts.



enough the importance of the free flow of not only goods, but also wastes that can be converted to other finished goods.

Finally, the listing could undermine the substantial investments that the domestic petrochemical industry has made to capitalize on the shale revolution. Petrochemicals and their derivatives are the key building blocks that make plastics and enable the world of industrial organic chemistry. The United States government considers the petrochemical industry to be a critical and essential infrastructure because of its unique position near the top of the manufacturing supply chain.

AFPM shares Canada's concern with mismanaged plastic wastes. Our members are committed to addressing this issue and to sustainability and advancing the circular economy. With their support, the ability to recycle plastics has evolved to a point where we are now able to convert certain plastic wastes back to their original building blocks (molecular recycling), allowing such material to be returned to the production process instead of being discarded. But mislabeling plastics as toxic so they can be banned or greatly restricted is not the answer. Such a measure will only confuse and deprive the public of life-enhancing products, including those that have been critical to our fight against COVID-19.

AFPM strongly urges the United States Trade Representative to work with its Canadian counterparts to underscore these serious concerns over Canada's proposal to list manufactured plastic items under Schedule 1 of CEPA. The United States Trade Representative should dissuade Canada from pursuing this path, and instead suggest more appropriate mechanisms and policies to address plastic waste. AFPM stands ready to assist in this effort and can facilitate educational briefings on advanced recycling and the potential it holds to revolutionize the manufacture of finished goods.

Sincerely,

Chet Thompson,
President and CEO
American Fuel & Petrochemical Manufacturers