

Submitted electronically via Environmental Registry of Ontario (ERO) portal

June 16, 2023

Resource Recovery Policy
Resource Recovery Policy Branch
40 St. Clair Avenue West
8th floor
Toronto, ON
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Canada

**Re: Amendments to the Blue Box Regulation to Expand Deductions for Producers.
ERO Number: 019-6962**

Domtar appreciates the opportunity to provide input and participate in the regulatory process.

This submission responds to the May 17, 2023, Environmental Registry of Ontario notice proposing minor amendments to the Blue Box regulation to provide clarity to producers on their blue box obligations and support a smooth transition to a full producer responsibility framework.

Domtar Corporation (Domtar) is a designer, manufacturer, marketer and leading provider of a wide variety of fiber-based products including communication papers, specialty and packaging papers and airlaid nonwovens. We are driven by a commitment to turn sustainable wood fiber into useful products that people rely on every day. The foundation of our business is a network of fiber converting assets that produce paper-grade, fluff and specialty pulps. While much of our pulp production is consumed internally to manufacture paper, we are also a large volume pulp exporter. Domtar is the largest integrated marketer of uncoated freesheet paper in North America. In addition, we manage over 10.8 million hectares of forest lands in Ontario and Quebec.

Domtar has pulp and paper making operations located in Ontario, Quebec and in the United States. Domtar has over 115 years of history in Canada and in Ontario, Domtar operates a pulp mill in Dryden and a specialty pulp and paper mill in Espanola. Together these operations directly employ over 880 people in the North and indirectly employ an estimated 2,200 additional people through harvesting contractors, vendors, suppliers, contracted services and more.

In Ontario, Domtar sells our branded copy paper through retail customer partners (Staples, Basics, etc.). Under the Blue Box program operated by Stewardship Ontario, only the packaging for our products was covered. With the new Extended Producer Responsibility

Blue Box program, our copy paper products, along with the packaging are now considered a Blue Box material.

The retailers sell our copy paper products primarily to businesses with a small amount sold to residential consumers. While the portion of sales to residential consumers is relatively small, our retail customers are not able to provide us with that data. Therefore, we are unable to attest to the retail sales portion of our branded copy paper sales that is going to residential consumers.

Our challenge, as a B2B company subject to the Blue Box EPR program, is we have no visibility as to the proportion of our branded copy paper sold to residential consumers, nor do our retail customer partners have or are willing to share that information with us. As a result, the Blue Box supply data we report includes our products sold to businesses and exposes us to extensive over payment and artificially increases our collection targets.

Domtar supports the Government of Ontario amending the Blue Box regulations to improve clarity and flexibility for producers, and to better align supply data with collection requirements.

We were disappointed to learn our challenge, outline above, is outside the scope of the proposed regulatory amendments released on May 17th and therefore will not be addressed. We respectfully request MECP make additional Blue Box regulation policy changes to ensure supply data reported does not include materials managed outside of the Blue Box system. An MECP policy change to address “supply data adjustments” will ensure supply data reported by producers to RPRA only reflects materials provided to residential consumers. Thereby preventing:

- Over reporting on what is entering the Blue Box system due to a lack of acceptable approaches for producers to “deduct” materials **not** provided to residential consumers.
- Paying fees and establishing collection targets on materials that are **not** entering the Blue Box collection system.

We are concerned the significance of these arbitrary overcharges and higher collection targets may well affect the viability of our paper-making business in Canada including selling our branded copy paper products into the Ontario market.

At this late stage, we encourage MECP and/or RPRA to release interim guidelines as soon as possible on acceptable implementation approaches for any changes to the Blue Box supply data so producers can take advantage of the proposed extension in the regulatory proposal and report by July 31, 2023. If we do not have the guidelines, we cannot amend our reporting to better reflect the actual amounts that are going through the residential stream and will have to wait until our annual reporting in 2024 to make any adjustments.

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Thank you for the opportunity to provide input on these Blue Box proposed amendments. If there are any questions, please contact me via mobile phone at (715) 459-9257 or via email at annabeth.reitter@domtar.com.

Sincerely,

A handwritten signature in black ink, appearing to read "Annabeth Reitter".

Annabeth Reitter
Corporate Manager, Environmental Regulations