



Toyota Motor Manufacturing Canada Inc.

Cambridge 1055 Fountain Street North, P.O. Box 5002
Cambridge, Ontario N3H 5K2

Woodstock 1717 Dundas Street, P.O. Box 400
Woodstock, Ontario N4S0A4

October 1st, 2021

Honourable Minister Guilbeault, Minister of the Environment and Climate Change
c/o Christina Paradiso
Executive Director, Chemicals Management, Environmental Protection Branch
Department of the Environment
351 Saint-Joseph Boulevard, Gatineau, Quebec K1A 0H3
Email: ec.interdiction-prohibition.ec@ec.gc.ca

Re: Notice of Objection and Request for Board of Review in relation to proposed regulations* prohibiting the manufacture, use, sale and import of decabromodiphenyl ethane (DBDPE, CAS Registry Number 84852-53-9)

**Canada Gazette, Part I, Volume 156, Number 20 – May 14, 2022: Prohibition of Certain Toxic Substances Regulations, 2022*

Dear Minister Guilbeault,

Toyota Motor Manufacturing Canada Inc. (TMMC) is taking the extraordinary step of submitting this Notice of Objection to the regulatory proposal published in the Canada Gazette on May 14th, 2022 which includes, amongst the proposed amendments to the Prohibition of Certain Toxic Substances Regulations, very targeted measures against the manufacture, use, sale and import of DBDPE.

My colleague from our sales operations – Chris Tubbe – has submitted a similar objection focusing on technical challenges within our sales and distribution operations in Canada, however I'd like to take a moment to focus on the specific impacts to our manufacturing operations in Canada. Toyota is the largest automotive manufacturer in Canada, by some margin, and we employ more than 8500 people at our operations in Cambridge and Woodstock, Ontario.

We are truly a North American operation, with more than 80% of our parts and materials coming from the CUSMA region, and we supply vehicles only to the North American market. Approximately 60% of our parts and components are imported from our partners in CUSMA, and 87% of our products are exported to the United States. We are truly integrated in the CUSMA region. Apart from unfettered trade access throughout the region, we also rely on regulatory alignment across North America. Yes, there are subtle differences in regulation between our countries (language and cold-weather requirements come to mind), however the vehicles sold in Canada, the United States and Mexico are effectively identical in design and build. This creates benefits to our customers, as it keeps costs down (building two versions of the same vehicle becomes expensive) as well as minimizes complexity across our supply chains.

I'm certain the efforts to prohibit DBDPE are well intended – I'll leave others to speak to the environmental impacts – but I'd like to inform you of the impacts to our Canadian operations should this policy move forward in its current form. Whether or not DBDPE has adverse environmental impacts, it provides a critical flame retardant function to the majority of our electronics components, which keeps drivers safe in the event of a crash or a fire. At this time, we have no suitable replacement for DBDPE on the horizon, and by 'we', I mean the global automotive industry. Ironically, DBDPE is actually a replacement for a previous chemical that provided similar

flame retardant properties. That chemical (HBCD) was prohibited through an aligned global effort (Stockholm Convention) where different jurisdictions worked together to simultaneously prohibit a substance that they all agreed could harm the environment. This proposed action by your Ministry accomplishes neither of these things:

- There is no global alignment on DBDPE and, in fact, Canada is the only jurisdiction that is taking this action
- Because of this, there is no regulatory alignment between different jurisdictions.

Within the context of the CUSMA region, if Canada were to prohibit the use of DBDPE – and the United States and Mexico do not – this creates a competitive impediment to future production in Canada. We (TMMC) make three vehicles at our operations in Canada (Toyota RAV4, Lexus RX and Lexus NX), all of which are also made elsewhere. If we were presented with a scenario where the large majority of our electronic components were prohibited, with no viable countermeasure on the horizon, one possible solution to this problem could be to make those vehicles somewhere else. While I'm speaking on behalf of Toyota, I think you will also find this particular phenomenon exists at other companies assembling vehicles in Canada.

I have no doubt that the efforts to prohibit DBDPE are well intentioned, however these types of regulatory actions are best executed through jurisdictional cooperation, as well as meaningful consultation with your regulated parties. The unintended consequences of not following this advice could be very detrimental to our automotive industry in Canada.

I appreciate your consideration in this matter.

Regards,



Scott MacKenzie

Director, Corporate and External Affairs
Toyota Motor Manufacturing Canada, Inc.
Scott.MacKenzie@Toyota.com
519.654.6968