

August 25, 2010

The Honourable John Wilkinson
Minister of the Environment
77 Wellesley Street West
11th Floor, Ferguson Block
Toronto ON
M7A 2T5

Dear Mr. Wilkinson:

This letter is written on behalf of Members of the Pool & Hot Tub Council of Canada. Our organization represents the interests of manufacturers, builders, dealers, distributors, service companies and suppliers serving the sector across the country. We are extremely concerned with the proposed Eco-fees that might be levied upon pool and spa chemical products. While the implementation of this new fee has been postponed, it is our understanding that it remains pending.

The chief causes of our concern are outlined below:

- i) Environmental Stewardship – Upon introduction of the Blue Box program in Ontario many years ago, our industry took steps to ensure that virtually all products are sold in containers that are recyclable. Once emptied and rinsed, the HDPE containers are placed in the blue boxes and are subsequently picked up through municipal collection services. As a ‘green’ industry, we continue to operate in an environmental responsible manner. Further incentives are unnecessary.
- ii) Proposed Application of the Fee – Our products generally are sold by weight, rather than by volume. As different liquids have different specific gravities, the accounting process would be excessively complicated. Sophisticated software would be required to identify each item on an invoice, convert its weight to volume, match each product with its ultimate shipping destination, then charge the client accordingly. This is by no means trivial. Many of our companies are small or medium sized businesses that do not have the luxury of I.T. personnel in-house.
- iii) Business Environment – The recent application of the HST has had a profound effect on our sector of the economy, as pools can be seen as relatively expensive items to purchase. The tax has deterred sales since its application. We are clearly not in a position to pass along yet another cost to consumers.

Moreover, the industry faces growing competition from international chemical companies. The Eco-fee will only serve to further erode the competitiveness of domestic manufacturers.

iv) Consultation – There was little, if any, consultation with representatives of our industry in advance. Upon review, we have discovered that few companies were aware of the products under consideration, nor the planned date of implementation. We have legitimate concerns with respect to the Eco-fee and have a rightful place at the table.

We wish you well in your new post as the Ontario Minister of the Environment. As a past Minister of Revenue, you will naturally understand the importance of maintaining a strong manufacturing industry and corporate tax base. We look forward to working with your Department in furthering efforts to foster both a sustainable environment and economy for the province.

Thank you for your attention to these issues. We look forward to hearing from you.

Yours truly,

W. Robert Wood
Executive Director

c.c.: The Honourable Dalton McGuinty