

Responses to Stewardship Ontario Questions in Module 2 Workbook

Do you prefer the catchment-based approach to undertaking transition? If not, why not? What would you propose instead?

The catchment-based proposal addresses the concerns related to the uncertainty of a lottery and is a positive improvement. It is, however, difficult to understand the scope of issues related to this catchment area option before the mapping of catchment areas is complete and a timeline proposed.

We look forward to working with Stewardship Ontario to confirm the details and principles including:

- A maximum timeline for catchment areas to have the opportunity to be transitioned,
- The inclusion of non-serviced Blue Box municipalities in catchment areas, and
- Principles / criteria on how catchment areas will be identified, and prioritized.

Based on the change of approach it will be prudent to re-evaluate notification requirements which were previously one (1) year for municipalities who exercises the first right of refusal to be a collector under contract to Stewardship Ontario and two (2) years where a community declines to act as a collector for Stewardship Ontario.

It is critical that municipalities retain their autonomy when deciding whether to transition or remain non-transitioned and receive the prerequisite percentage based on net verified costs. Further discussions are required with Stewardship Ontario to determine if a municipality that declines to transition initially can choose to transition in a subsequent year. Additionally, we cannot support the suggestion from Stewardship Ontario that a municipality who does not intend to continue to provide collection services would be a lower priority to transition than a municipality who was intent on continuing to provide services on behalf of Stewardship Ontario.

Do you agree with the proposed definition of steward? If not, why not and what would you propose instead?

Stewardship Ontario did not provide a definition for a steward other than to indicate there is no material change to definition of steward expected from the current Blue Box Program Plan.

More details on the definition being proposed by Stewardship Ontario is required to ensure that the terms of the Minister's letter are met and that there is a defensible nexus between the obligated stewards and the amended Blue Box Program Plan (a-BBPP) programs provided. At a minimum the definition must also encompass stewards of paper products and packaging (PPP) managed through organic recycling systems so that appropriate fees can be set for this service.

Do you agree with the expanded definition of PPP? If not, why not and what would you propose instead?

The definition of hygienic products is not provided as a result it is unclear whether tissues, paper towels, and wipes are included. Given these products are managed through the current recycling system (i.e. green bin) and the specific reference included in the Minister's letter to address "*The methods for managing the materials shall allow for the material or part of the materials to be, in accordance with*

Ontario standards and regulations: used as a nutrient for improving the quality of soil, agriculture or landscaping” it would make sense to include them.

It is unclear whether certain materials are included such as:

- Biodegradable materials;
- Flower pots;
- Teabags;
- Beverage system capsules, coffee-film bags and coffee pads from filter paper, which are disposed of together with the used coffee product;
- Disposable cutlery;
- Paper baking molds for larger baking (which are sold empty); and,
- Baking dishes for smaller bakery products sold without baking.

It is unclear how a definition that includes certain paper products that appear to be captured, while not including comparable plastic products (i.e. paper and plastic plates) will be received by stewards and the Ontario Ministry of Environment and Climate Change.

It is also unclear whether the transportation packaging definition that is intended to capture e-commerce only supplied by brand holders and first importers would include other Old Corrugated Cardboard (OCC) generated at home (i.e. wine & liquor transportation boxes, shipping boxes for new white goods etc.).

Do you agree with the proposed approach to expanding and harmonizing the list of materials in the Blue Box program to include those materials for which end markets exist and expanding the list of materials as markets become available? If not, what approach would you prefer we consider?

Given current recycling market difficulties driven in part by tighter contamination standards required for export to China, it could be argued that a substantial amount of obligated PPP does not currently meet the test of “*robust markets*”. However, an a-BBPP which includes dropping obligated PPP that is already being collected in some municipalities essentially reinforces steward behaviour that the Plan is trying to discourage and creates issues in evaluating performance targets.

It would also result in municipalities having the responsibility to collect and manage these materials at taxpayer expense. This would not meet the intent of the Minister’s letter that: “*this proposal will outline the first phase of transition for the Blue Box Program under the WDTA, and will set the stage for a second phase of the transition that will result in individual producer responsibility under the Resource Recovery and Circular Economy Act*”.

The Minister’s letter speaks to creating a seamless transition that does not negatively affect Ontarians’ experience with and access to Blue Box services. Additionally, the Minister requests a move to a circular economy and continuous improvement of environmental outcomes. Potentially removing materials from existing Blue Box programs is not in keeping with this direction.

While the suggestion that SO would “*conduct R&D to advance these outcomes*” has merit, the generality of this statement does not match the clarity provided by the Minister’s letter and magnitude of the scale of the challenge ahead.

It is also worth noting some Blue Box materials are problematic and more so, could be managed in other systems such as green bin collection and mixed waste processing. If these materials are difficult to manage in Blue Box collection systems many of the difficulties can be overcome by including them in these alternative systems. Stewards must accept their responsibility to manage any difficult to recycle materials that they supply into the Ontario market.

Stewardship Ontario should consider administrative rules in the a-BBPP to:

- Require stewards whose products or packaging have weak markets or low yields to directly invest in further research and development and promotion and education campaigns at a meaningful scale to specifically address these materials; and
- Require obligated stewards whose products or packaging are not included in the Blue Box to provide alternative management approaches for these materials.

The Minister has requested a 75% diversion target. Do you think this is achievable using the approach outlined? If not, what else do you propose Stewardship Ontario consider? Why?

No proposed timelines have been proposed to date for meeting the 75% basket of goods diversion target or material specific targets for transitioned municipalities. The a-BBPP must include a specific date to ensure that improved environmental outcomes are achieved in a timely manner. Two years to reach the 75% target in transitioned communities would be reasonable.

Furthermore, there needs to be a sound and transparent basis for calculating how progress towards meeting these targets will be monitored, calculated and reported. It is specifically concerning that the estimates of [current recycling performance](#) shown in Stewardship Ontario's [Pay In Model](#) are not consistent with the numbers in Stewardship Ontario's presentation.

Do you support the introduction of material-specific targets? If so, why? Are the proposed targets achievable in your view? If not, what do you see as the challenges? Are there any suggestions you could offer to address these challenges?

We support the inclusion of material-specific targets. More detail is required on the basis for the proposed specific material categories and targets (i.e. paper products/packaging, glass packaging, plastic packaging, metal packaging). The materials should be further disaggregated to separate printed paper targets from those being monitored and calculated for other paper products and for paper packaging. Similarly, there should be separate targets for ferrous metals from aluminum.

Furthermore, given the direction to improve environmental outcomes to support the transition to a more circular economy and zero waste, the target for plastics should be increased to a minimum of 50% given that this is the fastest growing component of PPP and more effective management of this material is a high priority for government, industry and consumers. We understand that certain plastic markets will take time to develop but continuous improvement should be required that sets a path towards a comparable target range with other material categories. The same considerations should be made with metals.

Targets should be reviewed, at a minimum, every three (3) years with further disaggregation of the broad material categories currently provided by Stewardship Ontario (e.g. potentially separate targets for PET, HDPE, film, PS and other plastics) at each target review period. As targets get reached, they should be increased to encourage continuous improvement.

Furthermore, target dates should be established for all 23 paper and packaging material categories for them to meet a minimum threshold of 10% recovery (with plastic film at 15% based on its current diversion rate of 12.1%).

Compostable residential PPP (e.g. shredded paper, molded pulp packaging, soiled pizza boxes) that is composted in municipal aerobic composting or anaerobic digestion facilities should be counted as diversion provided that obligated producers pay the cost of collection and processing the composted material and annual green bin audits are conducted in sample municipalities to verify quantities of PPP diverted.

Finally, due to the potential impact on the recycling system, Stewardship Ontario and the Resource Productivity and Resource Authority (RPRA) should track and report on compostable plastic packaging sold into the Ontario marketplace as a separate category.

Do you support our proposed approaches to encourage improved environmental outcomes? If so, why and if not, what suggestions would you offer instead to address problematic materials? Do you support investigating the provision of recycled content credits for qualifying materials?

Including mechanisms to encourage improved environmental outcomes is fundamental to the goals and objectives the Minister outlined in his request for an amended BBPP. The proposal from Stewardship Ontario is a good start however more details and prescribed actions should be included. For example, administrative rules could be used to:

- Require stewards whose products or packaging have weak markets or low yields to directly invest in further research and development and promotion and education campaigns at a meaningful scale to specifically address these materials; and
- Require obligated stewards whose products or packaging are not included in the Blue Box to provide alternative management approaches for these materials.

Incenting stewards to use recycled content in their products and packages is a good policy direction for Stewardship Ontario to investigate. However, no details on how this may work and how credits would be considered were presented in the consultation.

Are you in favour of using supply chain collaboration forums to develop solutions to problematic materials? Do you have any experience with such forums that you would like to share? Do you have any advice for how these forums can best be utilized?

The concept of using supply chain collaboration forums is a good one. It will be important to ensure that specific processes, resources and actions are undertaken by Stewardship Ontario to get all obligated materials included in the recycling program and these efforts are assessed on a regular basis.

This should be supported by revisions to the fee setting methodology such that "disrupter fees" and "market development fees" are charged and made visible to stewards as a separate line item and that

the fees charged are commensurate with the work required to overcome the barriers to recycling for these materials.

Do you agree with the proposed approach to maintaining existing service standards and the proposed triggers for determining eligibility for upgrading services? If not, what approach would you prefer we consider?

Stewardship Ontario's proposal is essentially equivalent to what is being delivered today and the language used ("may") provides little incentive for continuous improvement.

Stewardship Ontario should approach expansion services in the amended Blue Box Program Plan based on two main scenarios:

1. Expanding within a transitioned municipality (e.g. to areas *within municipalities* that are currently non-service in multi-residential or single family, parks, other related services, as well as changes in servicing, such as depot to curbside); and,
2. Expanding to new municipalities that are not currently serviced.

For expansion of services within a transitioned municipality, Stewardship Ontario should:

- Within one (1) year of the municipality transitioning, offer an incentive to expand collection of servicing to all residential buildings in the transitioned municipalities not already receiving Blue Box servicing; and,
- Within two (2) years of a municipality transitioning, offer an incentive to expand collection of PPP from associated public spaces, parks and institutions that mirror residential resources and other related services currently being provided by municipalities.

For expansion of services to municipalities who are not currently serviced, Stewardship Ontario should ensure all communities in Ontario are grouped as part of catchment areas and offered the same opportunity to receiving Blue Box services matching how garbage is currently managed in their community (i.e. curbside or depot) when that catchment area transitions.

Additional Comments:

We support the briefing notes that the Municipal Resource Recovery and Research Collaborative (Municipal 3Rs Collaborative) has submitted to Stewardship Ontario and the Resource Productivity and Recovery Authority. The briefing notes cover the following topics:

- Stranded Assets
- Eligible Sources
- Expansion of Services
- Service Compensation and Dispute Resolution
- Expand and Harmonize Collected Materials
- Calculating PPP Recovery Rates
- Reduction, Reuse and Reintegration
- Promotion and Education
- Conditions to Transition to Resource Recovery and Circular Economy Act, 2016
- Collaborative Process Concept (*draft*)