



# Modernizing Blue Box: Saving Taxpayers Money and Dealing with Plastic and Paper Waste in our Communities

**Stakeholder Webinar – June 20, 2019**



# Overview

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- Ontario's Blue Box Program
- Drivers For Change in the Blue Box Program
- Where We're Going
- Mediation Process
- Participation by Stakeholders
- Key Issues
- Process and Timelines

# Ontario's Blue Box Program

- Ontario families take pride in doing their part for the environment and the Blue Box Program has become an accepted part of everyday life. A big reason for this is that curbside collection makes it easy for families to recycle their paper and packaging.
- Residents want a recycling system that is easy to understand what can be recycled and what cannot. They also want the ability to easily participate in recycling, no matter where they live.
- Consumers also expect producers to show leadership and demonstrate that they are being environmentally responsible. Recent concerns about plastic pollution have highlighted that consumers want products and packaging that can be managed and recovered through programs such as the Blue Box.
- The current Blue Box Program, in place since the 1980s, has had great success in recycling residential printed paper and packaging. In recent years, however, recycling rates for the program have stalled.
- There is growing consensus that it is time to modernize the Blue Box Program by transitioning to producer responsibility.

# Drivers For Change in the Blue Box Program

- **Improving recycling rates in Ontario – citizens and consumers are confused about what can or cannot be recycled:**
  - Blue Box diversion rates have been stalled at around 60 per cent for the past 15 years.
  - There are 245 municipally-based Blue Box programs each with its own list of accepted materials, which creates user confusion.
  - Modernizing and improving the Blue Box Program can help address concerns about single-use plastics, alleviate Ontario's shrinking landfill capacity and reduce litter in public spaces.
- **Taking control of escalating Blue Box costs:**
  - China has recently banned much of North America's recyclable materials due to contamination (mixes of materials) which has closed one of Ontario's largest end-market for many of these materials
  - Increased contamination from hard-to-recycle materials is driving up costs and reducing diversion.
  - A modernized Blue Box Program will allow for cost savings from economies of scale.
- **Both municipalities and producers desire change and support a shift to full producer responsibility:**
  - The current Blue Box Program is cost shared 50/50 between municipalities and producers (or "stewards") whose materials go into the Blue Box. Stewardship Ontario is provincially mandated to divide costs between producers and municipalities.
- **Providing certainty to support new investments and innovation:**
  - Lack of certainty for businesses, the waste industry, producers and municipalities has impacted ability to make future decisions around investments, contracts and future financial commitments.
  - A modernized Blue Box will give responsibility to those who have the most direct control over how products are packaged and who are undertaking the research to develop new an innovative solutions to reduce packaging.

# Where We're Going

## **Mediation**

- Minister has engaged a Mediator to provide a report this summer on how to transition the Blue Box to full producer responsibility.
- The Mediator's report is due to the Minister no later than July 20, 2019 and will inform the government's decision on the approach and timing for next steps.

## **Transition Direction and Regulation Making**

- Minister to issue a direction letter to Stewardship Ontario to begin the transition of the Blue Box Program.
- Ministry to hold consultation sessions with stakeholders when developing a draft regulation to transition the Blue Box to producer responsibility.

## **Orderly Transition**

- Municipalities may need time to end existing contracts and divest themselves of Blue Box related assets.
- Producers need time to establish contracts and collection/recycling networks across the province to meet their new obligations.

## **Modernized Blue Box**

- Province-wide obligation for producers to manage their materials while maintaining Blue Box collection service levels and frequency.

# The Mediation Process

- The mediation process is the first step in developing a path forward to transition the Blue Box Program to full producer responsibility.
- Mediation is intended to provide the Minister with advice on how to improve recycling by modernizing the Blue Box Program and how to better manage plastic pollution.
- This work is to be guided by the following public policy objectives:
  - Standardization across the province of what can be recycled in offices, parks, public spaces and homes;
  - Improve diversion rates and increase what materials can be recycled;
  - Reduce litter and waste in communities and parks;
  - Improve Ontario's Blue Box program by requiring producers to pay for the recycling of the products they produce, through achieving producer responsibility; and,
  - Maintain or improve frequency of Blue Box collection.
- Increasing diversion in the residential sector should also consider how these policies can also enable diversion in the institutional, commercial and industrial sector.

# Participation by Stakeholders

- **There is a broad stakeholder group whose businesses, organizations and municipalities are impacted by decisions on the Blue Box.**
  - Your input is important, and submissions to the Mediator can be made at [RRPB.Mail@ontario.ca](mailto:RRPB.Mail@ontario.ca).
  - The Mediator, at his discretion, may engage with individual stakeholders where time permits to provide additional detail and context to inform the final report.
- The Mediator will hold a series of meetings with a more focused group of stakeholders who represent the diversity of interests who will be directly involved in transitioning the Blue Box to full producer responsibility:
  - Association of Municipalities of Ontario
  - City of Toronto
  - Regional Public Works Commissioners of Ontario
  - Canadian Beverage Association
  - Canadian Federation of Independent Business
  - Canadian Newspaper Association
  - Food & Consumer Products of Canada
  - Retail Council of Canada
  - Magazines Canada
  - Loblaw
  - Procter and Gamble
  - Unilever Canada
  - Walmart

# Key Mediation Issues

- The mediation process will focus on the following 7 issues:

## ISSUE 1: Timing of transition to the new producer responsibility framework – i.e. when should it start and when should it end.

### Considerations

- Municipalities may need time to end existing contracts and divest themselves of Blue Box related assets but want the certainty that transition has started during the current government term.
- Producers need time to establish contracts and collection/recycling networks across the province to meet their new obligations.
- A phased approach, where municipalities transition to full producer responsibility in staggered groups, is expected to help mitigate both concerns.
- Need to consider how to group municipalities (who goes first).

## ISSUE 2: How to address ‘stranded’ assets – i.e. recycling facilities, buildings, vehicles and other equipment that may not be used in a full producer responsibility system.

### Considerations

- Concerns about losses on existing contracts for collection, sorting and processing or losses where existing facilities are not utilized by producers under the next system.
- Flexibility around using existing assets and contracts would help minimize any losses after transition and maximize efficiency under the new system.
- The solution for stranded assets may vary by municipality and could be a combination of one or more of the following: time for transition, selling assets, or compensation.

# Key Mediation Issues – Continued

## ISSUE 3: Harmonization of materials managed by Blue Box after transition.

### Considerations

- A standardized list of materials that is more focused can be easily sorted and have robust end-markets.
- Residents want a standardized list, but it is expected that they do not want to exclude materials currently collected in municipal programs. There is a need to determine an acceptable baseline for all.
- There may need to be a process to review the harmonized list and address problem materials (e.g. non-recyclable or contaminating) - i.e. to add, or remove from the harmonized list without a need for regulatory change.

## ISSUE 4: Definition of eligible sources – should Blue Box waste from multi-residential buildings, parks, public spaces and offices be accepted (i.e. accept current service levels only or expand to include more coverage).

### Considerations

- The government is committed to maintaining or improving the frequency of Blue Box collection and increasing diversion.
- Simpler to maintain existing curbside, multi-residential and depot collection services but these are different in each municipality.
- Eligible sources that include privately-serviced residential buildings, municipal parks and other sources that generate Blue Box materials similar to those generated in residences would be a considerable expansion of the program but it also may make it easier to achieve targets.

# Key Mediation Issues – Continued

**ISSUE 5: Set recycling targets – at what level should recovery targets be set for: 1) the materials overall; and 2) each material (e.g. glass, newsprint, fine paper, plastic beverage containers, aluminum, etc.)? On what date should producers meet targets? How are recovery targets calculated? Do targets increase yearly or remain fixed?**

## Considerations

- Some materials (e.g. multi-layer packaging) are more difficult to recover. Plastics targets may need to recognize the diversity of plastic sources.
- The type of material used as packaging may not truly consider how choices impact collection/recycling.
- Target levels impact the amount of material sent to landfill.

**ISSUE 6: Definition of diversion – consider what counts as an eligible end use for recovered materials including the potential for alternative recovery methods (e.g. energy or chemical recovery).**

## Considerations

- Alternatives to recycling have not been discussed during the previous transition process as this was not a potential option at the time.
- There is support for alternative recycling, specifically energy recovery or chemical recycling.
- Municipalities have indicated to the ministry that they are looking for waste solutions and are open to the use of energy recovery or thermal treatment technologies.
- Allowing material to be treated through thermal treatment or other avenues may be seen to reduce incentive to recycle and there may need to be limits placed on what materials, or how much, can be treated in this way.

# Key Mediation Issues – Continued

**ISSUE 7: How to ensure that a collection system is established and operating seamlessly under producer responsibility without disrupting existing collection services (status quo or better).**

## Considerations

- Curbside collection systems will be expected to remain across the province.
- A mechanism is needed to ensure every municipality has collection capacity in place once transition occurs (e.g. even small municipalities have collection and that there is clarity on who will be the collection agent(s) for each municipality).
- A staggered transition may make it easier to ensure there is no service disruption by transitioning in geographical catchment areas or focusing first on municipalities most ready to transition.
- Consolidating municipalities into larger groups for the purposes of collection could improve efficiency and reduce costs. Groups can be by area (i.e. all municipalities within a geographical zone to maximize cost-effectiveness) and by municipal readiness (i.e. municipalities most able to transition in a given year to address stranded assets and expiring contracts).

# Next Steps

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- **Mediation Process** – meetings with key stakeholders occurring until early July 2019.
- **Stakeholder Feedback** – throughout the mediation process all stakeholders can provide feedback on the key issues. Feedback is requested by July 15, 2019.
- **Mediator's Report** – due to the Minister by July 20, 2019.
- For questions or to provide feedback, please contact the Resource Recovery Policy Branch at [RRPB.Mail@ontario.ca](mailto:RRPB.Mail@ontario.ca).