

November 17, 2017

Recommendations:

- Based on the Minister's direction there should be no backsliding on materials currently collected in municipal programs.
- If municipalities are collecting a wider range of materials than proposed by Stewardship Ontario, they must be "grandfathered" into the amended Blue Box Program Plan (a-BBPP).
- Transitioned communities which are not currently accepting all these materials in their existing Blue Box program should have the expanded list of materials added to their existing curbside and depot services over the approved life of the a-BBPP (i.e. five years).
- As a compromise position, Stewardship Ontario could:
 - For year one (1), set fees on obligated PPP not recommended for inclusion on the standardized list sufficient to make meaningful investments to overcoming barriers;
 - For year two (2), expand the harmonized list of materials collected province wide to include those materials for which solutions have been found; and,
 - Where no solutions can be found, propose alternative management options for these materials provided residents have similar access and with these costs paid by stewards.
- The Stewardship Ontario fee setting methodology should be amended to include both:
 - A "disrupter fee" to discourage stewards from supplying PPP into Ontario which cannot be sorted or recycled under existing commercial conditions; and,
 - A "market development fee" to those products or packaging which 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.

Background:

The [Accord](#) states:

- *Consistent with the Strategy's desire for an orderly and smooth transition of the Blue Box to EPR we have agreed that such a transition must:*
 - *Not negatively impact Ontarians' experience with and access to existing recycling services;*
 - *Improve environmental outcomes...*

The [Minister's letter](#) states:

- *Ensuring a seamless transition of the Blue Box program, specifically not negatively affecting Ontarians experience with and access to Blue Box services;*
- *Provide for continuous improvement of environmental outcomes by expanding and harmonizing the list of materials in the existing Blue Box program accepted from Ontario residents;*
- *... an expanded definition of Blue Box materials to identify the PPP that will be covered under the BBPP;*
- *Maintain convenience and accessibility standards, including:*
 - *Curbside collection for households where currently provided by these municipalities and indigenous communities;*
 - *Collection services to multi-residential buildings where currently provided by these municipalities and indigenous communities...*

The letter also provides specific direction to:

- *Provide effective economic methods to incent behavior changes leading to waste reduction of PPP ...which may include:*
 - *Increase of the product's or packaging's reusability and recyclability,*
 - *Reduction or elimination of any impact the material may have on the recyclability of other materials;*
 - *Reduction of the amount of waste generated at the end of the product's or packaging's life;*
 - *Reduction or elimination of the use of any substance in the material that compromises the materials reusability or recyclability, and/or Increase of the use of recovered resources in the making of the material;*
 - *Use means to discourage the use of materials that are difficult to recycle and have low recovery rates...; and,*
 - *Establish mechanisms to identify and address issues associated with problematic materials, such as packaging that is difficult to recycle.*

Stewardship Ontario has proposed that:

- Transitioned municipalities collect a standardized list of materials based on what Stewardship Ontario unilaterally determines can be sorted and have robust end markets.
- Initial comments suggest that this list will include materials such as coffee cups and mixed rigid plastics but is likely to exclude materials that are problematic to sort and that do not have robust end markets such as coffee pods and expanded polystyrene packaging.
- It has been suggested by Stewardship Ontario that these products and packaging may be included in the future as end markets and sorting technologies become available. In the meantime, Stewardship Ontario would conduct R&D to advance these outcomes.

Analysis:

The Stewardship Ontario proposal to exclude materials that are difficult to sort or that do not have robust end markets is problematic and cannot be supported. The ability to define either criteria is difficult. Given current recycling markets difficulties driven in part by tighter contamination standards required for export to China, it could be argued that a substantial amount of obligated PPP currently being collected under the existing BBPP does not currently meet the test of “*robust markets*”.

However, dropping obligated PPP that is already being collected in some municipalities essentially reinforces steward behavior that the new legislation is specifically trying to discourage and would further complicate measuring progress towards steward recovery targets.

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 towards a circular economy and continuous improvement of environmental outcomes. Potentially removing materials from existing Blue Box programs is not in keeping with this direction.

As a compromise position, Stewardship Ontario could:

- For year one (1), set fees on obligated PPP not recommended for inclusion on the standardized list sufficient to make meaningful investments to overcoming barriers;
- For year two (2), expand and the harmonized list of materials collected province wide to include those materials for which solutions have been found; and,
- Where no solutions can be found, propose alternative management options for these materials provided residents have similar access and with these costs paid by stewards.

There is limited risk that this would affect development of a province-wide promotion & education campaign, given that municipalities will be transitioning their programs over a number of years.

While the suggestion that Stewardship Ontario 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 or the scale of the challenge ahead.

It is also worth noting some Blue Box materials are currently managed in other systems such as green bin collection and through mixed waste processing with the potential for even further recovery rates. 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 difficult to recycle materials that they supply into the Ontario market.

Stewardship Ontario can best incentivize such action by amending its existing fee setting methodology to both discourage stewards from supplying non-recyclable PPP into the Ontario market and to raise the resources required to address the operational and financial burdens these specific materials place on Blue Box programs and municipal waste management budgets.

Conclusions:

- An a-BBPP must include a list of defined materials that maintains the scope and convenience of existing municipal Blue Box recycling programs to satisfy the direction provided by the Minister. To demonstrate a seamless transition with no disruption of service, the current basket of goods collected by transitioning municipalities must remain eligible for collection with stewards paying the cost of delivering a program that matches the existing service ratepayers currently receive.
- Stewardship Ontario should propose an initial standard list of acceptable items for province wide collection.
- Municipalities who collect more than the standard list as of August 14, 2017 should continue to include all of the items they collected at that time.
- Stewardship Ontario should assess fees against obligated PPP that is not included in the initial standardized list sufficient to overcoming barriers or to develop alternative steward managed collection programs that provide reasonable accessibility for residents.
- Transitioned communities which are not currently accepting all these materials in their existing Blue Box program should have the expanded list of materials added to their existing curbside and depot services over the approved life of the a-BBPP.
- Providing economic incentives for stewards to utilize only recyclable PPP is fundamental to the establishment of full producer responsibility and progress towards a more circular economy in Ontario. EPR programs operating in Europe, and closer to home in Quebec, have established similar economic signals for producers to reduce packaging-related wastes.
- Expanding and standardizing the list of PPP collected in transitioned municipalities over a multi-year transition period will provide stewards with a full and complete understanding of the management requirements under RRCEA for all PPP that they supply into the Ontario market.
- Maintaining and working within existing municipal curbside Blue Box collection programs provides 'real world' conditions for stewards to determine the programs and resources that will be required to address the Minister's direction to facilitate reduction of waste generated by PPP.
- The current Stewardship Ontario proposal to establish funding to research and address problematic PPP materials isolated from curbside or depot Blue Box programs may not provide stewards with data that reflects realistic conditions 'on the ground'. Existing municipal Blue Box collection programs can act as 'real world laboratories' to help stewards identify and manage their waste reduction obligations.

Granted the pace at which the process is moving, we will likely provide additional comments on this issue.