

<b>TO:</b>	<b>CHAIR AND MEMBERS CIVIC WORKS COMMITTEE MEETING ON JANUARY 9, 2018</b>
<b>FROM:</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES AND CITY ENGINEER</b>
<b>SUBJECT:</b>	<b>REQUEST FOR COMMENTS ON THE DRAFT AMENDED BLUE BOX PROGRAM PLAN (PREPARED BY STEWARDSHIP ONTARIO)</b>

### RECOMMENDATION

That, on the recommendation of the Managing Director, Environmental & Engineering Services and City Engineer, with the support of the Director, Environment, Fleet and Solid Waste:

- a) the following discussion (Section 1) and comments (Section 2) **BE ENDORSED AND SUBMITTED** to the Resource Productivity and Recovery Authority (RPRA) and Stewardship Ontario (SO) by January 15, 2018 with any additional comments submitted following the Council meeting on January 16, 2018;
- b) the submission date of February 15, 2018 for the amended Blue Box Program Plan to the Minister of the Environment & Climate Change from the RPRA **BE SUPPORTED** by Council provided that the Minister's Direction Letter (August 17, 2017) has been completely fulfilled;
- c) should deficiencies still exist between the Minister's Direction Letter and the amended Blue Box Program Plan, the Minister of Environment & Climate Change should **BE REQUESTED** to require additional consultation and a complete review and analysis of all stakeholder comments, in particular submissions from the Association of Municipalities of Ontario (AMO), the Municipal 3Rs Collaborative, and the Ontario Waste Management Association (OWMA) to ensure deficiencies are addressed; and
- d) Civic Administration **BE DIRECTED** to prepare both short term actions and a comprehensive plan, steps and recommendations for London as a transitioned municipality providing services to Stewardship Ontario as part of the transition phase (full producer responsibility) to a completely industry-led (individual producer responsibility) recycling program in Ontario.

### PREVIOUS REPORTS PERTINENT TO THIS MATTER

Relevant reports that can be found at [www.london.ca](http://www.london.ca) under City Hall (Meetings) include:

- Updates – Proposed Blue Box Program Plan Amendment and Waste Free Ontario Act Ontario (October 24, 2017 Civic Works Committee (CWC), Item #12)
- Comments on the Environmental Bill of Rights Registry - Proposed Waste Free Ontario Act and Draft – Strategy for Waste Free Ontario: Building the Circular Economy (February 2, 2016 meeting of the CWC, Item #14)

### COUNCIL'S 2015-2019 STRATEGIC PLAN

Municipal Council has recognized the importance of solid waste management in its 2015-2019 - Strategic Plan for the City of London ([2015 – 2019 Strategic Plan](#)) as follows:

**Building a Sustainable City**

- Strong and healthy environment
- Robust infrastructure

**Growing our Economy**

- Local, regional, and global innovation
- Strategic, collaborative partnerships

**Leading in Public Service**

- Proactive financial management
- Innovative & supportive organizational practices
- Collaborative, engaged leadership
- Excellent service delivery

**BACKGROUND****PURPOSE**

The purpose of this report is to provide the Civic Works Committee (CWC) and Council with:

- A summary of the Draft amended Blue Box Program Plan (a-BBPP) that was released on December 19, 2017 by Stewardship Ontario (SO). SO is the Industry Funding Organization (IFO) that represents producer interests. The producers are those whose products and packaging is collected for recycling in municipal Blue Box programs; and
- The City of London's feedback on the Draft a-BBPP for forwarding to the Resource Productivity and Recovery Authority (RPRA) and SO no later than January 15, 2018, with any additional comments following the Municipal Council meeting to be held on January 16, 2018.

**CONTEXT**

The MOECC published the final Strategy for a Waste-Free Ontario: Building the Circular Economy in February 2017, a requirement of the *Waste Free Ontario Act, 2016*, (WFOA), which outlines a road map for resource recovery and waste reduction for Ontario. It also:

- sets a vision and goals including interim waste diversion goals for 2020 (30%), 2030 (50%) and 2050 (80%);
- articulates key government actions to support implementation of the vision and goals; and
- identifies performance measures to be used to assess progress towards achieving the vision and goals.

The Strategy focuses on moving Ontario towards a circular economy described as “a system where nothing is wasted and valuable materials destined for landfill are put back into the economy without negative effects on the environment.” This approach – a circular economy – has the potential to reduce greenhouse gas emissions, save and better utilize scarce resources, as well as create jobs and financial opportunities.

The *Waste-Free Ontario Act* includes both the *Waste Diversion Transition Act 2016* (WDTA) and the *Resource Recovery and Circular Economy Act 2016* (RRCEA).

The WFOA will have a major impact on municipal waste management programs. The subject of this report is specific to the impact on the Blue Box Program, which will see some of the biggest changes under the proposed Draft a-BBPP (December 2017). The current Blue Box Program Plan (2003) is based on a cost share model of 50/50 between municipal governments and the companies that produce the Paper Products and Packaging (PPP) collected in the Blue Box Program, with the programs being managed and operated by Ontario municipalities.

The WFOA makes producers fully responsible for the proper management of their paper products and packaging at the end-of-life through the RRCEA. Key definitions to help understand the current system, the transition phase and final end state are identified on the next page.

### Key Terms for Reviewing the Draft Amended Blue Box Program Plan

**Full producer responsibility:** refers to financial and operational responsibility and accountability for Paper Products and Packaging (PPP) collection and management in Ontario. This term is being used to describe industry involvement during the transition phase.

**Individual producer responsibility (IPR):** a system in which individual producers are legally responsible for meeting outcomes set by the government, which would include waste diversion targets, standards, service standards, promotion and education requirements and administrative penalties. This may eliminate industry funding organizations such as Stewardship Ontario (SO).

**Accord:** a joint letter from organizations representing municipal governments and Stewardship Ontario (representing producers) to the Minister in July 2017. The letter is a request for the Minister for support towards beginning the transition of the Blue Box program from the current shared responsibility model towards the IPR program envisioned under the *Resource Recovery and Circular Economy Act 2016* (RRCEA).

**Minister's Direction Letter:** in August 2017, the Minister issued a letter directing Stewardship Ontario and the Resource Productivity and Recovery Authority (the new agency legislated to replace the former Waste Diversion Organization - WDO) to prepare an amended Blue Box Program Plan that builds on the Accord.

The Draft a-BBPP, the subject of this report, was posted for review on December 19, 2017 with comments due by January 15, 2018.

## DISCUSSION

The proposed timeline outlined in the Waste-free Ontario Strategy envisions the transition of the Blue Box program from municipally managed (co-funded) to an IPR program by 2023. The Association of Municipalities of Ontario (AMO), the Regional Public Works Commissioners of Ontario (RPWCO) and several other organizations urged the Province to start the transition sooner due to the amount of money at stake for municipalities (about \$130 million per year). This was supported by industry and referred to as the Accord.

On August 14, 2017, the Minister of the Environment and Climate Change requested development (referred to as the Minister's Direction Letter – Appendix A) of an amended Blue Box Program Plan (a-BBPP) that would include the potential for municipalities to transition their programs to producers sooner than outlined in the Strategy. The a-BBPP is a necessary step to lay the ground work and changes required while the IPR program is being developed technically, financially and legislatively by the Province and industry.

The true measurement of the Draft a-BBPP is how it aligns with the expectations of the Minister's Direction Letter. RPRA has the final say as to what has been achieved and sends its comments and recommendations to the Minister no later than February 15, 2018. The following table highlights key dates noting that some are tentative:

Date	Action
December 19, 2017	SO releases the Draft a-BBPP for consultation
January 8, 2018	SO holding a webinar (1:00 to 3:30)
January 15, 2018	Stakeholder comments submitted to SO and RPRA
January 16 to February 5, 2018	<ul style="list-style-type: none"> <li>SO staff review and/or or address comments</li> </ul>

Date	Action
	<ul style="list-style-type: none"> <li>• RPRA continues assessment against the Minister's Direction Letter</li> <li>• Stakeholders may be contacted for further discussion and/or clarification</li> </ul>
February 6 or 7, 2018 (tentative)	SO Board approves the Final a-BBPP for submission to RPRA
February 7 or 8, 2018 (tentative)	RPRA Board reviews Final a-BBPP and how comments have been handled
February 15, 2018	RPRA submits its comments, amendments, etc. to the Minister of the Environment & Climate Change

City staff have been very engaged in the overall process, participating in information webinars and hosting a consultation session in November 2017. Most importantly, City staff have been active participants with two major groups reviewing the proposals:

- Municipal 3Rs Collaborative - four organizations working together; the Association of Municipalities of Ontario, Municipal Waste Association, Regional Public Works Commissioners of Ontario, and the City of Toronto have joined forces to form the Municipal Resource Recovery and Research Collaborative (Municipal 3Rs Collaborative).
- Ontario Waste Management Association (OWMA) is the province's largest environmental services association representing the waste management and recycling sector. Its membership includes more than 250 companies and organizations in the private and public sectors, which manage 85% of Ontario's waste.

The discussion, comments and details in this current report are divided into six areas:

- Brief Overview of the Draft a-BBPP
- Section 1: Potential Impacts to London (City of London, residents and businesses) of the Draft Amended Blue Box Program Plan – to be Submitted to the RPRA and SO
- Section 2: Comments on the Draft a-BBPP - to be Submitted to the RPRA and SO
- Appendix A contains the Minister's Direction Letter (August 14, 2017)
- Appendix B contains the Table of Contents for the Draft a-BBPP
- Appendix C contains RPRA's initial commentary on SO's Draft A-BBPP Proposal, provides context and legislative authority to act in this capacity.

### **Overview of the Draft Amended Blue Box Program Plan**

The development of the Draft a-BBPP is the result of the combination of a July 2017 Accord developed jointly between the producers of designated packaging and municipalities, followed by the direction of the Minister of Environment and Climate Change (Minister's Direction Letter, August 2017, providing direction to SO and the RRPA) to prepare an a-BBPP. As per the *Waste Diversion Transition Act, 2016* (WDTA), the Accord and the subsequent Minister's Direction Letter envisions gradually shifting within a specified time frame the full financial and operational responsibility of the Blue Box Program to the businesses who produce the paper and packaging materials. The following key concepts are meant to guide the development of the Draft a-BBPP:

- Not negatively impact Ontarians' experience with and access to existing recycling services;
- Improve environmental outcomes;
- Create a consistent recycling experience for all Ontario residents; and
- Be achieved in a thoughtful, orderly and step-wise way.

The Draft a-BBPP highlights the steps that would take Ontario's recycling program as it exists today (shared cost model) to full producer responsibility (cost and operation) through an approved transition process. In essence this will require the replacement of hundreds of existing contracts between municipalities and their service providers to contracts between SO and service providers (i.e., either directly with private sector waste management service providers or with municipalities acting as contract managers). Assuming receiving Ministerial approval by June 1, 2018, the Draft a-BBPP has set a goal of achieving this by 2025. However, the provincial Waste-Free Ontario Strategy has indicated that the transition was to be completed by 2023.

A core concept of the Draft a-BBPP is the right of first refusal for municipal and First Nations communities to provide collection services under contract and on behalf of SO. Should communities waive this right and decide not to provide collection services, SO would then be responsible for undertaking collection services within the community. In either case most if not all of the cost of collection and post collection management activities would be the responsibility of SO. Municipalities also have the choice of not transitioning (business as usual); however funding support would remain at about 50%.

The Draft a-BBPP establishes goals and targets aimed at improving environmental performance and program experience for Ontario resident as follows:

- A wider scope or definition of materials to be obligated under the plan (i.e. broadened beyond primary packaging to include convenience and transport packaging and products resembling this packaging (e.g., wrapping paper, pie plates, delivery envelopes and boxes etc.);
- A general provincial diversion target of 75% of materials within transitioned communities;
- Material (by category) specific diversion targets;
- Over a period of time, a process to target difficult materials not currently recycled for the development of end-markets and collection systems; and
- Standardized the program across the province to attempt to achieve a consistent experience for all Ontario residents.

The Draft a-BBPP will strive to expand collection services to multi-family households (about 300,000 units across the province) that currently do not have access to this service and will consider expanding collection services to communities within Ontario that currently do not have such a service available. A key premise of the Draft a-BBPP is that, through standardization of a province wide program, including development of recycling infrastructure where required, economies of scale will create additional efficiency and systematic innovation and reduce overall costs.

### **Choice for Collection System as Part of the Transition Phase**

As part of the transition process, SO has proposed that municipalities will have the option to choose how they wish to continue their collection role during the transition process as follows:

1. To transition as a service provider and enter into a contract with SO as a collection service provider (i.e., a transitioned municipality). The municipality could provide collection services through contracted (e.g., London) or municipal (e.g., Toronto) staff.
2. To transition by opting out of providing Blue Box collection services altogether. Under this scenario SO would be required to provide the service directly to municipal residents through tendered contracts. There would be no local responsibility or participation for many recycling services.
3. To go through the transition phase by staying as a non-transitioned municipality (the program does not change) and operate under a shared cost/responsibility model and receive approximately 50% funding from Stewardship Ontario.

Options 1 and 2 will mean substantially less cost burden to municipalities. Under a fully transitioned system, Ontario municipalities can collectively save approximately \$130 million per year. For London, based on the current details in the Draft a-BBPP, the amount of additional funding will be in the order of \$1.5 to \$1.8 million per year.

Unknown at this time are items such as what recyclable materials are ultimately designated (i.e., materials 'eligible' under the EPR program), how recycling assets such as materials recovery facilities are handled financially, how other assets such as Blue Boxes, Blue Carts are handled, etc. This is detailed further in Sections 1 and 2.

The processing system for recyclables will be operated under contract to SO. It will be open to all public and private service providers in a geographic area (i.e., catchment area) through a competitive process. London's regional MRF is modern and in a very good location to further expand its regional service area (beyond the seven municipalities currently served). However, what the business arrangement(s) would look like is unclear at this time and the subject of questions and comments in Sections 1 and 2.

To summarize:

- Both Option 1 and Option 2 provide additional funding to London (estimated at between \$1.5 and \$1.8 million) to pay for most residential recycling services;
- Although Option 3 has no change to the recycling system, Option 1 has little disruption to residents as the system remains very similar with the exception of a possible change in mix of recyclables collected;
- After 28 years of being in the recycling business, Council and City staff (Option 1 and Option 3) are in the best position to help transition residential services from the current system, through the transition phase (full producer responsibility) to the IPR system of the future;
- Option 1 and the City's direct participation with SO through a collection services contract will likely assist with the discussions, role and/or competitive nature of processing arrangements and the City's regional MRF; and
- Should industry or provincial government changes and/or difficulties occur during the transition phase, Council and City staff (Option 1 and Option 3) will be in a good position to help Londoners.

Based on the above and details in Sections 1 and 2, City staff are recommending being an Option 1 transitioned municipality.

### **Impact on Schedules for Future Reports on Achieving 60% Diversion and Resource Recovery Strategy**

The current information and final directions and requirements of the Draft a-BBPP and the Proposed Food and Organic Waste Framework (subject of a separate report on this CWC Agenda), in addition to a separate provincial project dealing with landfill planning and policy, will influence the ability to complete two key projects by the tentative timeframes originally proposed in February 2017 and adjusted once already in 2017.

On October 30, 2017, Council approved the following: "The W12A Landfill expansion be sized assuming the residential waste diversion rate is 60% by 2022 noting this does not prevent increasing London's residential waste diversion rate above 60% between 2022 and 2050." The 60% Diversion Action Plan will include how this can be achieved by 2022 including funding/financing options. The revised timeframe is as follows:

	Current Timeframe	Revised Timeframe
Draft 60% Diversion Action Plan (i.e., how to achieve 60%) – for final public comments	March - April 2018	<b>May - June 2018</b>
Final 60% Diversion Action Plan	May - June 2018	<b>July - August 2018</b>
Draft Resource Recovery Strategy – for final public comments	May - June 2018	<b>July - August 2018</b>
Final Resource Recovery Strategy	July - August 2018	<b>January 2019</b>

## Potential Impacts and Comments to be Submitted to RPRA and SO

Section 1, the Potential Impacts to London (City of London, residents and businesses) of the Draft Amended Blue Box Program Plan – to be Submitted to the RPRA and SO.

Section 2, Comments on the Draft Amended Blue Box Program Plan - to be Submitted to the RPRA and SO follows Section 1.

<b>PREPARED BY:</b>	<b>PREPARED BY:</b>
<b>ANNE BOYD, B.A., B.E.Sc. MANAGER, WASTE DIVERSION PROGRAMS</b>	<b>MIKE LOSEE B.Sc. DIVISION MANAGER SOLID WASTE MANAGEMENT</b>
<b>PREPARED AND SUBMITTED BY:</b>	<b>RECOMMENDED BY:</b>
<b>JAY STANFORD, M.A., M.P.A. DIRECTOR, ENVIRONMENT, FLEET &amp; SOLID WASTE</b>	<b>KELLY SCHERR, P.ENG., MBA, FEC MANAGING DIRECTOR, ENVIRONMENTAL &amp; ENGINEERING SERVICES &amp; CITY ENGINEER</b>

\\cfile1\esps\$\shared\administration\committee reports\cwc 2018 1 amended blue box program plan.docx

Appendix A Minister of the Environment & Climate Change Direction Letter to RPRA and SO (August 14, 2017)

Appendix B Table of Contents for Draft Amended Blue Box Program Plan

Appendix C RPRA Commentary on Stewardship Ontario's Draft A-BBPP Proposal

- c Resource Productivity and Recovery Authority, 4711 Yonge Street, Suite 408  
Toronto, Ontario, M2N 6K8
- Stewardship Ontario, 1 St. Clair Ave. West, 7th Floor, Toronto, Ontario, M4V 1K6
- Association of Municipalities of Ontario, 200 University Ave., Suite 801,  
Toronto, Ontario, M5H 3C6
- Municipal 3Rs Collaborative (c/o AMO), 200 University Ave., Suite 801, Toronto,  
Ontario, M5H 3C6
- Ontario Waste Management Association, 2005 Clark Blvd., Unit 3, Brampton,  
Ontario, L6T 5P8

## SECTION 1

### Potential Impacts to London (City of London, residents and businesses) of the Draft Amended Blue Box Program Plan

It is important to recognize that the Draft a-BBPP will have impacts on current recycling programs operated by the City of London, on residents of London that participate in recycling, and on businesses in London (e.g., businesses that create paper products and packages that end up in the recycling system). In many cases, the impacts should be viewed positively (e.g., recycling program costs to be fully paid for by producers). However, in other cases additional costs will occur for items that are not part of the industry-funded recycling program and for material generation locations that are not part of the new program such as small businesses, etc.

A number of anticipated impacts, positive and/or negative, in the context of London, are identified below (and noted as Section 1).

Section 2 deals with specific items from the Draft a-BBPP and from a broader, Ontario-wide perspective that focuses on the proposed arrangements, objectives, potential risks, how the Draft a-BBPP meets or does not meet the Minister's Direction Letter, etc.

#### Risks of the Amended Blue Box Program Plan

The current Blue Box (Blue Cart) recycling program in London has been in place since 1990 (about 28 years). For the most part, the design, implementation, growth and management of the program has been a City responsibility under the direction of Municipal Council.

Funding for recycling has been a shared responsibility between Municipal Council and the industries (stewards) that produce printed paper and packaging (PPP). Over the years the amount that industry has paid towards annual operating and capital costs has varied from no payment (in the early years) up to 50%. As industry paid more towards managing its PPP, it had more say in the amount of funding that would be transferred to London and all municipalities. In some cases, these decisions were transparent and agreed to by municipalities; in other cases these decisions were not transparent and impacted funding to municipalities. In 2014, these actions resulted in an arbitration (see box) that cost municipalities over \$1 million.

#### **Blue Box Arbitration, 2014**

Ontarians recycle about 47 per cent of their total residential waste, 39 per cent of which is through their Blue Box. This important program keeps waste like paper, plastic, and packaging out of landfill. Ontario's municipalities have been running Blue Box programs since the 1980s, with the goal of offering convenient and efficient local services to protect the environment.

Since the inception of the Blue Box, businesses that manufacture and/or sell the products that end up in recycling bins – the stewards – have been critical partners. Since 2003, they have been required by law to pay for half the cost of the Blue Box program. However, they have seldom met this obligation.

#### **Arbitration decision**

- In May 2014, municipal and steward representatives went into arbitration to determine the steward payment for 2014 after a negotiated agreement could not be achieved.
- Municipalities argued that the stewards should pay 50 per cent of their net costs, based on data confirmed by Waste Diversion Ontario (WDO), the government's recycling watchdog.

*(continued)*



- Stewardship Ontario argued that it should pay less, based on its theoretical financial model of how much the Blue Box recycling program should cost. They said that municipalities should be more efficient and that the industry group should pay less.
- On November 25, 2014, the arbitrator confirmed that the 2014 steward obligation should be based on the municipally reported Datacall which is verified by WDO, awarding \$115.2 million to municipalities. Municipalities already received interim payments for 2014 calculated on an interim steward obligation of \$99.5 million, meaning that an additional \$15.6 million is to be paid to communities operating Blue Box programs.
- The arbitration took place over five months and over 30 hearing days. More than 24 witnesses were called and about 700 documents were produced.

(Source: Association of Municipalities of Ontario, November 27, 2014)

A large part of the arbitration included interpretation of existing provincial laws, policies, documents and the Blue Box Program Plan. A key learning from this costly exercise was that future requirements for Blue Box recycling programs must be transparent; very clear in interpretation, design and operation; very clear in roles and responsibilities; have measurable outcomes on agreed to targets; and must address a range of activities that can impact Ontarians, municipalities, provincial government and industries in and outside Ontario.

In summary, a wisely executed a-BBPP that fully meets the Minister's Direction Letter will be, overall, beneficial to all in London and Ontario.

A poorly executed a-BBPP that does not meet the Minister's Direction Letter will see a deterioration of the existing recycling programs and the associated environmental benefits; more unanticipated costs passed back to municipalities; and the greater opportunity for unproductive activities being introduced into the recycling system for all stakeholders.

Section 2 of this CWC report highlights deficiencies of the a-BBPP when compared with the Minister's Direction Letter.

#### Financial Benefits to City of London

The City will eventually benefit financially from the a-BBPP since the current funding arrangement results in producers paying municipalities for less than 50 per cent of the costs of managing their Blue Box programs. Depending on when the City is permitted by industry to join the new program as a transitioned municipality, the majority of recycling program costs will be covered by industry.

<b>Program Items</b>	<b>Additional Funding to London</b>	<b>Likelihood of Funding</b>
Collection services, contract management services, administrative services, promotion & education	\$1.5 to \$1.8 million (annual)	Very likely (100% of designated materials collected for recycling)
Processing services	This will be paid directly by SO (material revenues remain with SO)	
Current value of material recovery facility (stranded asset)	Not enough detail to estimate at this time	Possible
Current value of collection services assets such as Blue Boxes, Blue Carts	Not enough detail to estimate at this time	Very Unlikely

In summary, current details in the Draft a-BBPP suggest the amount of additional funding for London will be in the order of \$1.5 to \$1.8 million per year. Unknown at this time are items such as what recyclable materials are ultimately designated (i.e.,

materials 'eligible' under the program), how recycling assets such as materials recovery facilities are handled financially, how other assets such as Blue Boxes, Blue Carts are handled, etc.

It is important to note that in some cases, not all recycling costs in Ontario municipalities will be covered. Municipalities that wish to collect additional recyclables, provide expanded recycling services to businesses and residents (e.g., residential units on top of small businesses in downtown London), etc. These services and associated costs would not be covered by Stewardship Ontario. Municipalities would be required to determine their own financing arrangements.

### Change in Mix of Materials Recycled

The list of accepted program materials will be standardized in all transitioned communities. The Draft a-BBPP specifies principles for materials to be included: they must have sustainable diversion end markets, (or have alternative management options to landfill that are environmentally preferable), and they must be capable of being managed in a manner that minimizes residue and disposal.

The standardized list of targeted materials can be changed by SO in the future subject to the principles noted above and the requirements of the Minister's Direction Letter of August 2017 (Appendix A). The initial list of materials specified in the Draft a-BBPP is similar to what London currently collects, with some key differences, which will require some adjustment by Londoners and likely generate some concerns. It is anticipated that the exclusion of plastic bottles #3 and #7 will be problematic as plastic bottles do have similar characteristics. It will be imperative that Londoners no longer recycle the 'removed' materials as they will be considered a contaminate and possibly have a service fee (or other form of penalty) assigned to them if they exceed a certain percentage of all materials collected.

<b>Change</b>	<b>Recyclable Material</b>	<b>Estimated Annual Tonnes Recycled(a)</b>
Add	Plastic film (e.g., plastic bags, produce over-wrap)	1,600 to 1,800
Add	Expanded polystyrene (e.g., foam cups, plates, packaging)	175 to 200
Remove	Plastic #3 (Polyvinyl chloride) (e.g., some detergents and window cleaner bottles, some plastic squeeze bottles, cooking oil and peanut butter jars)	(b)
Remove	Plastic #7: Other Mixed Plastics such as Polylactic Acid (PLA), Polyhydroxyalkanoates (PHA), Polyhydroxybutyrate (PHB), unmarked packaging (e.g. large-size water bottles (20 litres), "sport" water bottles clear plastic "sippy" cups), film; multi-laminated packaging (e.g., pouches)	(b)
Remove	Aerosol containers (aluminum and steel)	60 to 70
Remove	Glass Beer Store deposit return containers	150 to 175
Remove?	Books – Books are not identified as either included or excluded. Requires confirmation	(b)

(a) Assumes 50% capture of material in recycling program; 50% remains in garbage

(b) Data not available for this specific material; estimated to be minimal tonnes

### Targets

The recycling diversion target for designated materials has been set at 75% province-wide and is to be reached two years following the transition of all communities (by 2027 based on the proposed timeline). The 75% target includes material-specific targets under the four material categories of paper, plastic, metal and glass. These are noted on the following table.

Material	Diversion Target	Current Diversion Performance	Improvement Percentage
Paper	95%	94%	+1.1%
Plastic	50%	35%	+42.9%
Metal	65%	58%	+12.1%
Glass	75%	73%	+2.7%
<b>Overall</b>	<b>75%</b>	<b>64%</b>	<b>17.1%</b>

The current Ontario diversion rate for designated recyclable materials is 64% from both curbside and multi-residential sources. London's diversion rate is 68%, which includes rates of 42% for multi-residential buildings and 76% for curbside households. London's data is based on 2016 waste audits.

It is anticipated that targets will be monitored locally. It is not clear at this time what happens if local targets are not being met (e.g., penalties) or if rewards will occur for high performers.

### Dealing with Existing Assets

London's assets associated with the Blue Box program include:

- Manning Drive Regional Material Recovery Facility (MRF)
- Recycling containers – Blue Boxes and Blue Carts
- Fleet vehicles (owned by contractor)

London's MRF is a relatively new (2011), large capacity regional facility that processes recyclables from both residential and industrial, commercial and industrial sources. In the case of recycling containers and fleet vehicles there is minimal asset value due to the age of the assets.

The Draft a-BBPP acknowledges the requirement of the Minister's Direction Letter to minimize disruption to communities' capital assets. The Draft a-BBPP includes a high-level discussion of approaches to be used to minimize stranded assets. These includes strategies such as:

- "encourage maximized use of existing capital assets;"
- "provide sufficient time for private and public operators to assess the redeployment, reuse, refurbishing and recapitalization of those assets towards providing post-collection services;" and
- "provide Communities with the opportunity to divest, lease out or repurpose public facilities."

The MRF represents a significant capital asset. The details of how assets will be managed are not specified in the Draft a-BBPP and as a result the impact on London and how the MRF may be used under the Full Producer Responsibility program is uncertain at this time.

City staff are undertaking activities to determine the value of the regional MRF asset.

### Curbside Collection - Service Delivery Options

As noted previously, SO has proposed that municipalities will have the option to choose how they wish to continue their role during the transition phase as follows:

1. Enter into a contract with SO as a collection service provider (i.e. a transitioned municipality).
2. Opting out of providing Blue Box collection services altogether. Under this scenario Stewardship Ontario would be required to provide the service directly to residents through tendered contracts.

3. To continue as a non-transitioned municipality and operate under a shared cost/responsibility model and receive approximately 50% funding from Stewardship Ontario.

The impact on curbside collection is likely to depend on the option that London follows with regards to how it will transition. Under Options #1 and #3 residents will notice little or no changes to their curbside service.

Under Option #2, there is the potential for significant changes as London would have limited to no say in how the program operates within its municipal boundaries. However, even under Option #2, any future program must meet the Ministry stipulation that the transition must “not negatively impact Ontarians’ experience with and access to existing recycling services.”

#### Multi-Residential Buildings Collection - Service Delivery Options

As with curbside collection the impact on multi-residential buildings and the residents living within will depend on the option that London follows with regards to how it will transition.

What remains unclear is how differing service levels in areas such as downtown London where residential units are located on top of small businesses will be addressed.

#### Residents of London

As noted above the most significant factor in how residents will be impacted could be based on how London chooses to transition through the full producer responsibility phase. The impact could be minimal, with residents being unaware of changes beyond program material additions/removals. On the other hand, if London opts out of providing Blue Box collection services altogether, the service will be provided by Stewardship Ontario (through a contractor) and residents would be referred to Stewardship Ontario or their contractor for any service related issues. This may be like the relationship that residents currently have with Canada Post or utilities.

Standardized province-wide program materials and promotion and education campaigns will reduce confusion. This will be very helpful as people move from one area of Ontario to another.

Londoners should anticipate some impact in printed paper and packaging prices if businesses choose to pass through any of the new costs that have been removed from municipalities.

From a resident’s perspective, City staff believe that this is a positive step forward with the benefits outweighing the challenges.

#### Institutional, Commercial & Industrial (IC&I) Sectors

The Draft a-BBPP does not include adding services to the IC&I sector with the exception of multi-residential buildings not currently collected in Ontario. There are very few that fall into this category in London.

What is important to note is that a portion of the business sector involved with PPP (e.g., creation, use in business, distribution, sales, etc.) will see additional costs filtered through the business chain that may or may not impact prices ‘on the shelf’.

The Draft a-BBPP will likely create these kinds of business opportunities locally or regionally:

- a collection service contract(s) as per SO requirements;
- post collection activities (i.e., material processing and marketing services); and
- additional recycling services to create materials to be made into new products and packages

## SECTION 2

### Comments on the Draft Amended Blue Box Program Plan

#### Preamble

The City of London is submitting a two part response to the Resource Productivity and Recovery Authority (RPRA) and Stewardship Ontario in regards to the Draft Amended Blue Box Program Plan (a-BBPP). Thank you for this opportunity to provide feedback.

For context, the City of London is a member of the following organizations that are responding to the Draft a-BBPP:

- Association of Municipalities of Ontario (AMO)
- Municipal Resource Recovery & Research Collaborative (Municipal 3Rs Collaborative)
- Regional Public Works Commissioners of Ontario (RPWCO)
- Ontario Waste Management Association (OWMA)
- Municipal Waste Association (MWA)
- Recycling Council of Ontario (RCO)

The City of London has provided municipal Blue Box recycling services since 1990 and over that last 28 years City staff have participated actively in most major provincial and local initiatives dealing with recycling program performance, improvements, contract management, education and awareness, and growth in materials collected. London Municipal Council has invested millions of local taxpayer dollars into Blue Box services designed to divert industries' paper products and packaging from disposal facilities.

The City of London supports the key objective of the Municipal 3Rs Collaborative to ensure a smooth and fair transition of the Blue Box program to individual producer responsibility as legislated by the province of Ontario. This includes ensuring residents continue to experience a high standard of Blue Box services and that municipalities are fully compensated for agreed services they deliver to their communities.

Part One response is contained in Section 1 and deals with the potential impacts to London (City of London, residents and businesses) of the Draft a-BBPP. This is provided to RPRA and SO to assist with understanding the municipal perspective as it relates to the overall a-BBPP and the proposed direction. Section 2 contains more specific details with commentary, concerns and/or questions about the Draft a-BBPP from the perspective of the Minister's Direction letter.

City staff are very grateful to all municipal participants, AMO representatives and technical consultants of the Municipal 3Rs Collaborative for all their timely and constructive input into the process so far.

#### General Comments

In general, City staff are very supportive of the overall direction of Provincial legislation that requires industry to take financial and operational responsibility for Ontario's recycling program. The need for a transition program to move from the current program to the new program was also enshrined in legislation (*Waste Diversion Transition Act, 2016*) and supported by Municipal Council.

The Draft a-BBPP, essentially the transition plan to move forward, has been reviewed by numerous stakeholders in Ontario (e.g., AMO, Municipal 3Rs Collaborative, OWMA, Recycling Council of Ontario, Toronto Environmental Alliance, etc.). City staff are part of the review teams for the Municipal 3Rs Collaborative and the OWMA.

City staff have determined that the Draft a-BBPP is light on details in many areas that are important to the integrity of Ontario's recycling programs including the one operated in London (curbside Blue Box Program and the multi-residential Blue Cart program) and most importantly the Draft A-BBPP does not address the requirements of the Minister's Direction Letter.

It is important to note that the Municipal 3Rs Collaborative along with many other stakeholders have come to the same conclusion. However, there is time to make adjustments to address the deficiencies between the Minister's Direction Letter and the Draft a-BBPP. SO has received numerous documents over the last two months produced by Municipal 3Rs Collaborative and contained on AMO's website: [www.amo.on.ca](http://www.amo.on.ca) (under Waste Diversion) that address the deficiencies:

- ⬇ Comments on Module 1 Consultation - Amended Blue Box Program Plan
- ⬇ Comments on Module 2 Consultation - Amended Blue Box Program Plan
- ⬇ Stranded Assets
- ⬇ Eligible Sources
- ⬇ Expansion of Services
- ⬇ Service Compensation and Dispute Resolution
- ⬇ Expand and Harmonize the List of Materials Collected
- ⬇ Calculating PPP Recovery Rates
- ⬇ Reduction, Reuse and Reintegration of PPP into the Economy
- ⬇ Promotion and Education
- ⬇ Conditions to Transition to the RRCEA

The Minister's stated expectation in the Direction Letter was that the a-BBPP would outline the first phase for the transition for the Blue Box under the *Waste Diversion Transition Act, 2016* (WDTA), and would set the stage for a second phase of transition that will result in individual producer responsibility under the RRCEA in a timely manner. The Minister's Direction Letter provided guidelines for developing the proposal and set out specific requirements to be included.

As noted, Stewardship Ontario's proposed a-BBPP has not fulfilled the Minister's Direction Letter and has not reflected the goals set out by the key stakeholders. As of January 5, 2018, the Municipal 3Rs Collaborative has identified five core areas of concern and City of London staff agrees with the list:

1. A clear path to move to Individual Producer Responsibility has not been provided.
2. An accountable governance model with balanced decision-making has not been provided.
3. There are few programs and processes offered and insufficient details to determine whether or not environmental outcomes will be improved during the transition phase.
4. There are many key areas where transparency is weak especially with measurable targets or how they will be measured.
5. A number of concerns have not been adequately addressed such as stranded assets, management of newspapers, and eligible costs for non-transitioned municipalities.

Due to the timing of the City of London Committee/Council meeting schedule, final responses from the Municipal 3Rs Collaborative were not available to include with this submission. The Municipal 3Rs Collaborative will be providing solutions to remove the deficiencies, consistent with what has been previously provided, along with the latest information available to help close these gaps between January 15 and February 15, 2018.

A number of the above areas are elaborated on below using available (draft) details from the Municipal 3Rs Collaborative and City staff:

1. Governance, Decision-making and Dispute Resolution Concerns
2. Avoiding Stranded Assets Especially Material Recovery Facilities (MRFs)
3. Ensuring Transparency Through Performance Indicators and Reporting
4. Preparing for the Move to Individual Producer Responsibility Must Have a Process that is Accountable, Transparent, Without Restrictions and be in Keeping with the Waste-Free Ontario Strategy

## **1. Governance, Decision-making and Dispute Resolution Concerns**

### **Background to Concerns:**

Although it was understood when the Accord was signed that Stewardship Ontario would remain in place during the transition, it is in all stakeholder interests to ensure that good governance and balanced decision-making occurs during the transition. The proposed a-BBPP gives unilateral decision-making powers over key elements of the transition to SO that affect other business interests.

Until the current municipally-operated Blue Box system can be successfully transitioned to individual producer responsibility, more balanced controls are necessary for the protection of all stakeholders. These controls must protect the interests of individual stewards, service providers, the Province, taxpayers and municipal governments.

### **What does the Minister's Direction Letter state:**

The Minister's Direction Letter specifically states that the proposal shall "*develop a protocol for managing issues raised in a fair, effective, efficient and equitable manner during the implementation of the amended plan...*"

### **What are the Problems and Issues identified:**

The Draft a-BBPP provides substantially more control to SO and lengthens their involvement in the transition phase. Although this was expected as SO funds more of the recycling system, the general reduction and/or removal of municipal involvement is replaced by an agency that will have to balance municipal interests versus being an advocate for industry.

For example, the Draft a-BBPP only addresses the need for approval by RPRA under the following circumstances:

- Changes to definition of Obligated Materials and Stewards
- Changes to recycling efficiency rates
- In-Kind for non-transitioned municipalities
- Dispute resolution procedures for transitioned municipalities and service providers
- Proposed changes to a-BBPP

During the transition phase, these are not the type of protections that municipalities had advocated for.

Efficiencies should be sought during this period but there needs to be reasonable protections for all participants during the transition phase as stewards gradually take over a municipally run system. In fact, stewards acknowledge the need for protections themselves in section 3.1 of the Program Agreement.

The Draft a-BBPP runs counter to the purpose of the RRCEA (e.g., to address the root problem associated with IFOs). The decisions of SO are not market decisions as the Province is affording them to be a regulatory agent that in effect owns the market. The decisions this organization makes will have impacts on what happens under the RRCEA.

### **What are the Solutions?**

The Draft a-BBPP is very light on details for governance and dispute resolution. Due to the ongoing challenges between municipalities and SO with respect to disputes, a very transparent dispute resolution process should be part of the a-BBPP. For example, the ability for SO to unilaterally change the standardized list of materials is not in keeping with the Program Agreement and not in the interests of any of the stakeholders.

A collaborative governance approach should be initiated wherever decisions could impact the market that could hinder future outcomes under the RRCEA, including the development of catchments, terms and conditions for collection services, and how incentives will be set or changed

City staff support the framework being proposed by the Municipal 3Rs Collaboration:

- That a process and methodology be developed for benchmarking service costs in the a-BBPP as follows:
  - Municipality presents its price for service compensation to SO.
    - If the parties agree, commercial agreement between the parties reflects that pricing.
  - If parties do not agree:
    - Municipality provides evidence, based on key criteria, to demonstrate how their prices compare to other similar programs.
    - If SO agrees to the pricing, commercial agreement between the parties is developed based on that pricing.
  - If parties still do not agree:
    - RPPRA retains a mediator/arbitrator that both parties agree to.
    - If parties cannot agree on a mediator/arbitrator, RPPRA chooses from a roster of Ontario mediator/arbitrators that they develop.
    - If the parties are not successful in arriving at a settlement in the mediated portion of the process, then the parties have agreed to have binding arbitration with the mediator/arbitrator official.
- That a dispute resolution process also be incorporated into the a-BBPP as follows, if the parties still do not agree to the above process:
  - Each party presents their case to the mediator/arbitrator who makes a binding decision in a reasonable timeframe.

The proposed recommendations ensure that there is a clear and transparent methodology on how inevitable disputes will be resolved between the parties in both transitioned and non-transitioned municipalities.

## **2. Avoiding Stranded Assets Especially Material Recovery Facilities (MRFs)**

### **Background to Concerns:**

Municipalities have had to invest \$100s of millions to operate Blue Box programs to comply with Ontario Regulation 101/94. Some of these assets will not be fully depreciated by the time transition occurs. Potential stranded assets could include all significant capital investments including MRFs, depots, transfer stations, collection vehicles, carts, bins etc.

### **What does the Minister's Direction Letter state:**

The Minister's Direction Letter specifically states that the proposal shall *"Develop a plan to avoid stranded assets to the extent possible in a collaborative manner."*

### **What are the Problems and Issues identified:**

- Section 7.12 of the draft a-BBPP, titled "Minimizing Stranded Assets" provides no commitments, actions or activities to minimize stranded assets as requested in the Minister's Direction Letter.
- The full extent of SO's efforts is to define catchment areas that will encourage maximizing the use of existing capital assets and to provide communities and the waste management industry with information regarding the inventory of available and publicly held capital assets deployed against waste diversion in Ontario today.

### **What are the Solutions?**

City staff support the recommendations proposed by the Municipal 3Rs Collaboration to avoid stranded assets SO should:

- Require bidders under any Request for Expressions of Interest (REOI) and/or Request for Proposals (RFP) for collection and post-collection services to consider use of existing assets in their bids, and give preference to bids that result in the avoidance of stranded assets (i.e., bins, trucks, depots, MRFs, etc.);



- While it is understood efficiencies will be sought in a new system by improving and scaling how materials are processed, consideration (including environmental and safety) should be included in the evaluation process regarding the impact of transporting materials over large distances;
- SO should include in its annual report any municipal stranded assets associated with transitioning the program; and
- In order to minimize impacts on smaller capital components, municipal governments recommend that SO should commit to keep collection systems intact until all capital costs (including carts, bins trucks etc.) are fully amortized to avoid creation of further stranded assets.

The proposed solutions will ensure compliance with the Minister's Direction Letter, goals and objectives under the *Waste-Free Ontario Act* and accompanying strategy. These elements encourage a plan that continues to utilize existing infrastructure until it is fully amortized while working with local municipalities and their representatives to develop strategies to sell off and/or repurpose their assets in a manner that minimizes the financial loss.

### **3. Preparing for the Move to Individual Producer Responsibility Must Have a Process that is Accountable, Transparent, Without Restrictions and be in Keeping with the Waste-Free Ontario Strategy**

#### **Background to Concerns**

The objective of the a-BBPP as set out by key stakeholders in the Accord and by the Minister's Direction Letter to SO and the RPRA was to outline the first phase of transition for the Blue Box program to Individual Producer Responsibility (IPR) under the RRCEA. The key stakeholders understood that moving to the new legislative framework could improve environmental and economic outcomes, would help resolve persistent problems for both key stakeholders, and would allow individual stewards the opportunity to determine how best to meet their obligations under the Act.

An interim step of revising the existing BBPP, allowed all stakeholders to ease the transition from a municipally-operated Blue Box system to direct steward management. A revised-BBPP under the WDTA was not meant to be the end point to this process. It was also not about driving short-term efficiencies or outcomes if they came at the expense of longer-term efficiencies and benefits (e.g., giving stewards greater choice in how to manage their PPP, promoting an open and competitive market for recycling services to improve economic outcomes for all, and facilitating the move to the RRCEA).

#### **What does the Minister's Direction Letter State?**

The Minister's Direction Letter specifically states that: *"My expectation is 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 transition that will result in individual producer responsibility under the Resource Recovery and Circular Economy Act, 2016 (RRCEA)."*

#### **What are the Problems and Issues Identified?**

- The proposed a-BBPP and its associated timeline potentially entrench the existing structure and hinder the transition to the RRCEA.
- The timeline proposed is seven years to transition municipal programs over to SO and nine years until any targets are to be achieved. This is four years beyond the target of 2023 set out in the Strategy for a Waste-Free Ontario and stretches over three provincial and municipal election cycles. We do not believe this is a reasonable timeline.
- There is no process identified within the Draft a-BBPP for an ongoing assessment of when the transition should be completed and no mechanism to prompt the Minister to move to the second stage of the transition. While the Minister cannot be forced to

make a decision on developing a regulation, the proposed a-BBPP could operate indefinitely with no formal reviews or sunset clause.

### **What are the Solutions?**

- A section should be added based on the submission the Municipal 3Rs Collaborative made related to Conditions to Transition to the RRCEA. Some of the recommendations include, but are not limited to:
  - Require annual reporting against the Minister's Direction Letter;
  - Require RPRA to complete a review and evaluate the transition under the a-BBPP and make recommendations on full transition to the RRCEA in the fourth year of an approved a-BBPP to be delivered in the beginning of the fifth year; and,
  - An independent body should be established as a clearinghouse for individual producers and collective management organizations to ensure fair access to obligated PPP under existing collection and processing contracts through the transition to IPR.
- Timelines should be adjusted to reflect a five-year timeline for allowing for every municipality to have the opportunity to transition.
- Section 7.4 and Section 7.7 of the a-BBPP should be consistent with the principle to avoid barriers to competition in the second phase of transition that will result in individual producer responsibility under the RRCEA and uphold a healthy competitive marketplace.

## **4. Ensuring Transparency Through Performance Indicators and Reporting**

### **Background to Concerns**

- The a-BBPP needs to increase transparency and to clearly outline how targets are set and measured, how progress towards recycling targets will be measured, how key terms are defined, when targets will be achieved, and how they will be independently verified. This is consistent with the approach being taken by the Ministry in the development of a Used Tire Regulation under the RRCEA and is integral to the integrity of the a-BBPP.
- The existing BBPP has the above concerns which creates risks for:
  - The regulator as to whether targets are being achieved;
  - Service providers who invest in capital to meet these targets;
  - Municipalities who must manage and pay for materials not captured;
  - The public who need assurance as to the integrity of the system; and,
  - Stewards who want to ensure a level playing field with competitors.

### **What does the Minister's Direction Letter State?**

The Minister's Direction Letter specifically states for performance and reporting that:

- *"The proposal shall include performance indicators to measure whether SO has fulfilled the resource recovery obligations and established waste reduction methods as set out in the amended plan; and,*
- *In addition to the requirements set out in Section 30 of the WDTA, SO's Annual Report shall include:*
  - *a description of whether and how SO has fulfilled resource recovery obligations set in the amended plan,*
  - *a description of how SO has supported waste reduction methods set in the amended plan, and*
  - *a third-party audit of SO's collection and management services and outcomes"*

### **What are the Problems and Issues Identified?**

- The proposed points of measurement of recycling rates differ from those presented in the SO consultation sessions. The original SO proposal indicated that stewards would measure the recycling rate at the point where recovered PPP is actually reincorporated into new products would have represented a significant step forward.

- There is no definition for “recycling” or for a number of other terms associated with measurements included in Section 10.2 “Managed”, Section 10.3.1 “other activities in Diversion End Markets”, Section 10.4 “directed to” and “households”.
- No fixed date is provided for achieving targets. The proposed target date of “*two years following the transition of all Communities*” is unacceptable. On the basis of the proposed Stewardship Ontario controlled transition process, this date would fall at best 9 years after the assumed approval date for the a-BBPP which is two years beyond the 2023 date set in the Strategy for a Waste-Free Ontario established by the Ministry. It is also entirely possible that some communities may not have transitioned by this date and therefore these targets would not apply.
- Proposed material specific targets under the Draft a-BBPP are limited to just four broad categories of materials (paper, plastic, metal, glass) although stewards are required to report PPP supplied into Ontario for at least 34 categories and municipalities and service providers are required to report in much finer detail on the types of PPP they collect and process.
- Section 10.3.1 states that “*For the purposes of the Blue Box Program, the methods of managing the materials will allow for the material or part of the material to be.... Used as a nutrient for improving the quality of soil, agriculture or landscaping*”. However, the proposed a-BBPP does not address or provide the opportunity for payments to municipalities for the management of obligated PPP managed through municipal organics collection and management programs, including those materials and products actively promoted by stewards in Ontario as compostable or biodegradable.
- No mechanisms are provided for stewards to facilitate the reduction of PPP, or means to discourage the use of difficult to recycle materials, or to identify and address problematic materials within PPP.
- The Program Agreement requires SO to provide documents and information on “*Recycling efficiency rates, in accordance with the BBPP, to be utilized in calculating performance against targets*” but there are no clear consequences for failure to meet program targets (other than the “*Authority may recommend actions*”).
- The adequacy and effectiveness of the proposed Program Performance Audits under Section 2.5 are essential to the integrity of the BBPP and to protect the interests of the Province, municipal governments, service providers, and the public. Several weaknesses have been identified and documented.

### **What are the Solutions?**

City staff support the recommendations and solutions proposed by the Municipal 3Rs Collaboration to assist SO in meeting the intentions of the Minister’s Direction Letter:

- Detailed recommendations on Calculating PPP Recovery Rates and Supporting Reduction: Reuse, Recycling and Reintegration of PPP into the Economy were submitted during SO’s consultation.
- In order to ensure that the a-BBPP is compliant with the WDTA and its regulations; is consistent with the Minister’s Direction Letter; has regard for the provincial interests set out in the RRCEA; and takes into consideration the views of stakeholders and Indigenous Peoples; the following amendments should be made:
  - An agreed basis (including Stewardship Ontario, RPRA, municipalities and service providers) for transparent calculation and definition of collection, diversion, recycling rates and all other applicable performance metrics must be included in the a-BBPP and referenced in the Program Agreement;
  - "Recycling efficiency rates" referenced in 3.1 (c) of the Program Agreement should be defined;

- The timeline for achieving the 75% PPP “basket of goods” target for transitioned communities should be two years after the transition of that community to full producer responsibility;
- The timeline for achieving the (expanded) material specific targets should be five years after a-BBPP approval;
- At a minimum, reporting data should include these categories:
  - ONP and magazines
  - Other printed papers
  - OCC and boxboard
  - Aseptic and Gable Top cartons, polycoat containers and cups
  - Other paper products
  - Plastic 1 (PET bottles, jars and packaging)
  - Plastic # 2 (HDPE bottles, jars and films)
  - Plastic #4 (LDPE bottles, jars, packaging and film)
  - Plastic #5 (PP bottles, jars and packaging)
  - Plastic #6 (Rigid PS and expanded polystyrene)
  - Steel food and beverage containers
  - Steel paint containers
  - Other steel packaging
  - Aluminum food and beverage containers
  - Other aluminum packaging (aluminum foils, trays and plates)
  - Glass packaging
- RPRA should review these data on an ongoing basis and establish an expanded range of material recovery targets over the life of the a-BBPP, in consultation with stakeholders, and to inform development of a regulation for PPP under the RRCEA;
- Performance indicators to measure progress towards all Stewardship Ontario targets should be included in the a-BBPP and reported annually beginning one year after plan approval;
- Clear methods to promote waste reduction as defined in the Minister’s Direction Letter should be set out in the a-BBPP;
- Development of RPRA’s Program Performance Protocol should be a multi-stakeholder process including municipalities, service providers and public interest groups;
- SO should provide documents to RPRA for *approval* on:
  - “Quantity recycled in relation to quantity supplied for all categories reported by stewards under the Rules for stewards”;
  - “Collected tonnes”; and
  - “Managed tonnes”.
- A requirement for independent third party audits should be included in a-BBPP and in the Program Agreement.

## APPENDIX A

### Minister of the Environment & Climate Change Direction Letter to RPRA and SO (August 14, 2017)

Ministry of the Environment  
and Climate Change

Ministère de l'Environnement  
et de l'Action en matière de  
changement climatique

Office of the Minister

Bureau du ministre

77 Wellesley Street West  
11th Floor, Ferguson Block  
Toronto ON M7A 2T5  
Tel.: 416-314-6790  
Fax: 416-314-6748

77, rue Wellesley Ouest  
11<sup>e</sup> étage, édifice Ferguson  
Toronto ON M7A 2T5  
Tél.: 416-314-6790  
Télééc.: 416-314-6748



August 14, 2017

Ms. Glenda Gies  
Chair  
Resource Productivity and Recovery Authority  
4711 Yonge Street, Suite 408  
Toronto ON M2N 6K8

And

Mr. John Coyne  
Chair  
Stewardship Ontario  
1 St. Clair Ave. West, 7th Floor  
Toronto ON M4V 1K6

#### **Re: First Phase Transition – Direction for Proposal for an Amended Blue Box Program Plan**

Dear Ms. Gies and Mr. Coyne:

Ontario's Blue Box Program is well-recognized as a North American leader that provides services for residential paper products and packaging (PPP).

Pursuant to Section 13 of the *Waste Diversion Transition Act, 2016* (WDTA), I am writing to direct the Resource Productivity and Recovery Authority (the Authority) and Stewardship Ontario (SO) to develop a proposal for an amended Blue Box Program Plan (BBPP). This proposal is to be developed collaboratively with municipalities, stewards and affected stakeholders as required by subsection 13(2) of the WDTA.

My expectation is 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 transition that will result in individual producer responsibility under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).

It is also my expectation that the proposal for an amended BBPP will build on the accord outlined in the joint letter sent to my predecessor, Glen Murray, on July 7, 2017 from the Association of Municipalities of Ontario, City of Toronto, Regional Public Works Commissioners of Ontario, Municipal Waste Association and SO.

Ms. Glenda Gies  
 Mr. John Coyne  
 Page 2.

It is in the public interest that the proposal for an amended BBPP is consistent with the following principles:

- Ensuring a seamless transition of the Blue Box Program, specifically:
  - Not negatively affecting Ontarians' experience with and access to Blue Box services,
  - Incorporating clear rules to support residents' participation including standardized materials and services, and
  - Improving program performance;
- Working towards the circular economy by supporting reduction, reuse, recycling and reintegration of PPP materials into the economy;
- Providing for continuous improvement of environmental outcomes by:
  - Expanding and harmonizing the list of materials in the existing Blue Box program that are accepted from Ontario residents,
  - Establishing clear and measurable collection and management standards with a high level of environmental protection, and
  - Developing methods to support waste reduction;
- Providing effective economic methods to incent behavior changes leading to waste reduction of PPP;
- Driving innovation through collaborative and competitive efforts by:
  - Supporting cooperation among parties, including stewards, municipalities, waste management industry, and other affected parties, to bring complementary abilities to deliver better results, and
  - Promoting competition by ensuring a fair and open marketplace for Blue Box services under the WDTA and not creating barriers to competition when the program transitions to individual producer responsibility under the RRCEA;
- Avoiding stranded assets to the extent possible in a collaborative manner;
- Providing choices for municipalities where SO is to provide Blue Box services (i.e. transitioned municipalities):
  - These municipalities will decide whether they wish to act on behalf of SO for the procurement and contract oversight of PPP collection services, and
  - These municipalities should also have an opportunity to participate in the post-collection management of PPP collected; and,
- Addressing issues related to the in-kind contribution from the newspaper industry in a manner that is without cost to the transitioned municipalities.

Ms. Glenda Gies  
 Mr. John Coyne  
 Page 3.

The Authority and SO shall have regard to the provincial interest described in Section 2 of the RRCEA when developing the proposal for an amended plan.

As producers assume the 50 per cent of costs currently borne by municipal taxpayers, it is my expectation there will be a clear and transparent process by which municipalities demonstrate the benefit their taxpayers will receive.

The Authority and SO shall develop a communication and issues management plan. The plan shall identify issues that may arise during the development of the proposal for the amended BBPP, outline the steps to manage these potential issues and set out the process by which the Authority and SO will provide information to affected stakeholders and the public on a regular basis.

During the development of the proposal for an amended plan, the Authority and SO shall ensure meaningful consultation and communication with representatives of municipalities, stewards and other affected stakeholders.

Together with the submission of the proposal for an amended BBPP, the Authority and SO shall submit a report to the Ministry outlining how the Authority and SO have met the consultation requirements under the WDTA, including:

- A list of the stewards, municipalities, service providers and other affected stakeholders that were consulted during the development of the proposal;
- A summary of the comments received by the Authority and SO from affected stakeholders; and,
- A report of how the comments were considered by the Authority and SO.

The Authority and SO shall report to the Ministry each month on their progress in developing the proposal for an amended BBPP.

An addendum to this letter has been attached which provides additional direction for amending the BBPP.

The proposal for an amended BBPP shall be developed in accordance with this letter and the enclosed addendum and the WDTA.

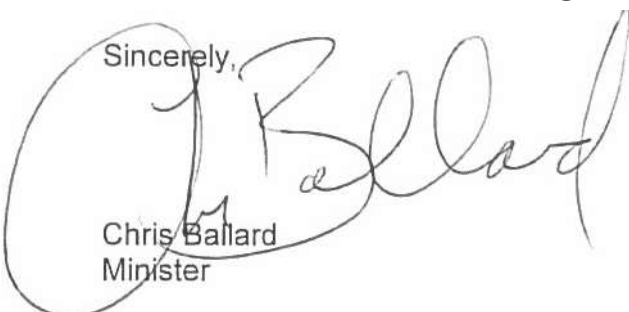
If approved by the Authority, the proposal for an amended BBPP shall be submitted to me for approval by February 15, 2018, or on such later date that I provide in writing. The submission shall include particulars of any matters that are unresolved at the time of the submission.

It is my expectation that, upon my approval, and subject to any necessary amendments to relevant regulations being approved by the Lieutenant Governor in Council, this amended plan will replace the current plan in its entirety.

Ms. Glenda Gies  
Mr. John Coyne  
Page 4.

If it is in the public interest to do so, I will provide further direction at a later date related to the matters set out in this requirement, or to provide clarification related to amending the BBPP.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Ballard". The signature is written in a cursive style with a large initial "C".

Chris Ballard  
Minister

Cc: Paul Evans, Deputy Minister  
Ministry of the Environment and Climate Change



## **ADDENDUM TO THE MINISTER'S DIRECTION LETTER FOR AN AMENDED BLUE BOX PROGRAM PLAN**

Pursuant to an agreement being reached between SO and each transitioned municipality (see definition below) and subject to necessary amendments to relevant regulations being made by the Lieutenant Governor in Council, SO would provide services for residential paper products and packaging (PPP) supplied by stewards to Ontario residents and covered under the Blue Box Program.

### **NON-TRANSITIONED MUNICIPALITIES:**

Non-transitioned municipalities are those that have not entered into an agreement with SO and SO is not delivering Blue Box collection and management services for these municipalities.

The proposal for an amended BBPP shall address payments to the non-transitioned municipalities under Section 11 of the WDTA based on the municipality's verified net cost of operating its existing Blue Box program: -

- The plan shall define the eligible costs to be included in calculating the net cost; and,
- The plan shall also describe any agreements among the Authority, SO, and recipient municipalities for the reporting and verification of costs by municipalities.

### **TRANSITIONED MUNICIPALITIES:**

Subject to necessary amendments to relevant regulations being approved by the Lieutenant Governor in Council, transitioned municipalities are those that have entered into an agreement with SO and SO is delivering Blue Box collection and management services.

The proposal shall outline when and how the responsibility for the collection and management of PPP will be transferred smoothly from these municipalities to SO.

The proposal for an amended BBPP shall include the following:

#### ***Defined Materials Covered in BBPP:***

- Include an expanded definition of Blue Box materials to identify the PPP that will be covered under the BBPP;
- The materials shall include:
  - paper products,
  - primary packaging,
  - convenience packaging, and
  - transport packaging;
- For purposes of primary, convenience and transport packaging, refer to the RRCEA for definitions; and,
- When defining the materials, SO and the Authority will also consult with stewards of packaging who are regulated under deposit-return programs (e.g., stewards of milk containers).

**Defined Stewards:**

- Define obligated stewards.

**Defined Responsibility for Waste Reduction and Resource Recovery:**Waste Reduction

The proposal for an amended BBPP shall:

- Establish methods to facilitate the reduction of waste generated related to defined PPP materials. The methods may include activities to support:
  - 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 material's 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. The means include, but are not limited to, rules for stewards, fee setting methodology, and compiling information to measure stewards' initiatives to reduce waste; and,
- Establish mechanisms to identify and address issues associated with problematic materials, such as packaging that is difficult to recycle.

Collection and Management of Materials

The proposal shall set clear standards for SO's collection and management, including:

- Support clear service standards to enable resident participation;
- Increase the diversion target for the Blue Box Program to 75 per cent of the PPP supplied by stewards to transitioned municipalities' households;
- Establish material-specific management targets for PPP supplied by stewards to transitioned municipalities' households;
- Identify geographically-based collection and management standards, including rural, northern, and remote areas;
- 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, and
  - depot collection services currently provided by these municipalities and indigenous communities;
- Improve convenience and accessibility by offering collection services to multi-residential buildings that are not being serviced by these municipalities, within an identified timeframe;

- Consider accommodating associated public spaces, parks and other related services provided by these municipalities;
- Consider expanding Blue Box collection services over time; and,
- The methods for managing the materials shall allow for the material or part of the material to be, in accordance with Ontario standards and regulations:
  - reused,
  - used in the making of new products, packaging or other activities in end- markets, or
  - used as a nutrient for improving the quality of soil, agriculture or landscaping.

### Promotion and Education

For the purpose of increasing resource recovery and reducing Blue Box waste materials, the proposal shall establish an effective promotion and education program, including promoting awareness of the program activities to residents and other targeted audiences and engaging audiences to elicit feedback.

### Registration. Reporting. Record Keeping and Auditing

The proposal will include an appropriate approach for registration, reporting, record keeping and a third-party audit to ensure an effective and efficient system.

## **ESTABLISH ISSUE MANAGEMENT APPROACHES:**

The proposal shall:

- Develop a protocol for managing issues raised in a fair, effective, efficient and equitable manner during the implementation of the amended plan, if approved;
- Develop a plan to avoid stranded assets to the extent possible in a collaborative manner; and,
- Establish an arrangement between SO and the newspaper industry (i.e., the Canadian Newspapers Association and Ontario Community Newspapers Association) in order to meet members' obligation for old newsprint in such a manner that is without cost to transitioned municipalities.

## **PROMOTE COMPETITION:**

The proposal shall:

- Establish a mechanism to support a fair and open marketplace for Blue Box services under the WDTA;
- Not create barriers to competition in the second phase of transition that will result in individual producer responsibility under the RRCEA; and,
- Describe how contracts held by SO for the collection and management of PPP will be managed upon wind up of the Blue Box Program to enable competition once materials are regulated under the RRCEA.

**PERFORMANCE INDICATORS AND REPORTING:**

- The proposal shall include performance indicators to measure whether SO has fulfilled the resource recovery obligations and established waste reduction methods as set out in the amended plan; and,
- In addition to the requirements set out in Section 30 of the WDTA, SO's Annual Report shall include:
  - a description of whether and how SO has fulfilled resource recovery obligations set in the amended plan,
  - a description of how SO has supported waste reduction methods set in the amended plan, and
  - a third-party audit of SO's collection and management services and outcomes

## APPENDIX B

### Table of Contents for Draft Amended Blue Box Program Plan

(<http://stewardshipontario.ca/news/Draft-blue-box-program-plan-now-available-for-stakeholder-review-and-comment/>)

CONSULTATION DRAFT – DECEMBER 2017

#### CONTENTS

1.	Glossary of Key Terms and Acronyms .....	1
2.	Introduction .....	4
2.1	Minister's Request Letter .....	4
2.2	About Stewardship Ontario .....	4
2.3	Objectives of an Amended Blue Box Program Plan .....	4
2.3.1	Figure 1 .....	6
2.3.2	Addressing the Minister's Direction .....	6
2.4	Changes to this Plan .....	7
3.	Consultation & Engagement.....	7
4.	Definition of Paper Products and Packaging.....	7
5.	Definition of Steward .....	8
5.1	Stewards for Packaging .....	8
5.2	Stewards for Paper Products.....	9
5.3	Stewards for Transport Packaging and Convenience Packaging.....	9
5.4	Franchisor is Obligated for Ontario Franchisees.....	9
5.5	Exempt Persons.....	9
5.6	CNA/OCNA Member Newspaper Fees and In-kind Contributions.....	9
6.	The Status and Process for Non-Transitioned Communities.....	10
6.1	Roles and Responsibilities of Non-Transitioned Communities .....	10
6.2	Payments to Non-Transitioned Communities.....	10
6.2.1	Calculation of Payments to Non-Transitioned Communities .....	10
6.2.1.1	Figure 2 .....	11
6.2.1.2	Figure 3 .....	11
6.2.1.3	Figure 4 .....	11
6.3	Continuous Improvement Fund.....	11
6.3.1	Use of Funds and Wind-Down .....	12
7.	Transitioning Communities to Full Producer Responsibility .....	12
7.1	Transition Timeline.....	12
7.1.1	Phase A – Transition Planning:.....	12
7.1.2	Phase B – Community Transition:.....	13
7.1.2.1	Figure 5 .....	13
7.2	Timeline Assumptions.....	13
7.3	Program Funding.....	14
7.4	Program Delivery Principles .....	14
7.5	Program Delivery Approach.....	15
7.5.1	Procurement Frameworks.....	15

## CONSULTATION DRAFT – DECEMBER 2017

7.5.2. Catchment Design & Sequencing .....	15
7.5.2.1 Step 1: Community – Preliminary Declaration of Intention to Transition.....	15
7.5.2.2 Step 2: Stewardship Ontario – Development of Catchment Boundaries & Sequence.....	16
7.5.2.3 Step 3: Community – Final Declaration of Intention to Transition.....	16
7.6 Catchment Design & Sequencing.....	16
7.6.1 Community – Evaluation & Preliminary Declaration of Transition Intention.....	16
7.6.2 Stewardship Ontario Principles & Process for Catchment Design in Preparation for Consultation	17
7.6.2.1 Guiding Criteria for Development of Catchments.....	17
7.6.2.2 Process for Defining Catchments.....	18
7.6.2.3 Process for Sequencing Catchments .....	18
7.6.2.4 Figure 6 .....	19
7.6.3. Community – Final Declaration to Transition.....	19
7.6.4. Transition Support.....	20
7.7 Service Procurement Objectives.....	20
7.8 Procurement and Payment for Collection Services .....	20
7.8.1 Community as a Collection Tendering and Contract Management Agent for Curbside and Multi-Family Dwellings.....	21
7.8.1.1 Development of Tendering Instruments.....	21
7.8.1.2 Procurement of Collection Services.....	21
7.8.1.3 Payment for Collection Services.....	21
7.8.2 Community Chooses not to act as a Collection Tendering and Contract Management Agent for Curbside and Multi-Family Dwellings.....	22
7.8.3 Community Self-Delivers Collection and Chooses to Continue to Collect PPP on Behalf of Stewardship Ontario for Curbside and Multi-Family Dwellings .....	22
7.8.3.1 Payment for Collection Services.....	22
7.8.4 Collection from Residential PPP Drop-off at Depots .....	23
7.8.4.1 Payment for Depot Collection Services.....	23
7.8.5 Collection of PPP from Multi-Family Buildings not Serviced by Communities .....	23
7.8.5.1 Multi-Family Expansion Approach and Timing .....	23
7.8.5.2 Payment for Collection Services.....	24
7.8.6 Collection of PPP from Public Spaces and Parks.....	25
7.8.7 Consideration for Additional Expansion of PPP Collection Services.....	25
7.8.7.1 New Communities .....	25
7.8.7.2 Service Level by Community Population .....	25
7.8.7.3 Additional Collection Channels.....	25
7.9 Procurement and Payment of Post-Collection Services.....	25
7.10 Standardized List of Materials Collected.....	27
7.11 Communications, Promotion and Education .....	28

## CONSULTATION DRAFT – DECEMBER 2017

7.12	Minimizing Stranded Assets .....	29
8.	Ensuring Competitive, Fair and Open Markets .....	29
8.1	Promoting Competition and Ensuring Market Fairness .....	30
8.2	Preventing Barriers to Competition Under Individual Producer Responsibility Regulation Under the RRCEA .....	31
8.2.1	Contract design .....	32
8.2.2	Assignment of Collection contracts .....	32
9.	Dispute Resolution Process .....	33
10.	Program Performance.....	33
10.1	Tracking Program Performance for Non-Transitioned Communities .....	33
10.2	Tracking Program Performance for Transitioned Communities .....	33
10.2.1	Method for Calculating the Diversion Target .....	34
10.2.1.1	Figure 7 .....	34
10.2.2	Timeline for Reporting the Diversion Target .....	34
10.2.3	Timeline and Approach to Achieving a 75% Diversion Rate .....	35
10.2.3.1	Figure 8.....	35
10.3	Material-Specific Management Targets for PPP Supplied to Transitioned Communities .....	35
10.3.1	Material-Specific Targets .....	35
10.3.1.1	Figure 9 .....	36
10.4	Other Performance Indicators .....	36
11.	Waste Reduction .....	37
11.1	Timeline for Waste Reduction Initiatives .....	39
11.1.1	Figure 10 .....	39
12.	Program Financing.....	40
12.1	Figure 11.....	40
13.	Registration, Reporting, Record Keeping and Auditing .....	41
13.1	Registration & Reporting.....	41
13.2	Record Keeping .....	41
13.3	Auditing.....	41
Appendix A -	Changes to the 2016 Municipal Datacall User Guide.....	42
Appendix B -	Initial List of PPP Targeted for Collection in Transitioned Communities.....	46
Appendix C -	Sample Terms and Conditions .....	47
Appendix D -	Program Agreement between Stewardship Ontario and The Authority.....	52

## APPENDIX C

### RPRA Commentary on Stewardship Ontario's Draft A-BBPP Proposal



**RPRA Commentary on Stewardship  
Ontario's Draft A-BBPP Proposal**  
December 19, 2017

#### Introduction

On August 14, 2017, the Minister of the Environment and Climate Change sent a letter to the Resource Productivity and Recovery Authority (the Authority) and Stewardship Ontario directing the two parties to develop a proposal for an amended Blue Box Program Plan (a-BBPP). This direction was issued under the *Waste Diversion Transition Act, 2016* (WDTA) S. 13 (1), which allows the Minister to "require the Authority and an industry funding organization to develop a proposal for a change to a waste diversion program". The Minister issued the direction after receiving a letter from a number of municipalities and producers requesting an opportunity to amend the Blue Box Program Plan.

Since receiving this letter, the Authority and Stewardship Ontario have worked jointly to develop and implement a Stakeholder and Indigenous Peoples Engagement and Communications Plan to solicit advice and recommendations on how best to respond to the Minister's direction to transition the Blue Box Program from shared to full producer responsibility.

On December 19, 2017 Stewardship Ontario posted a draft a-BBPP for consultation. It can be found here: <https://stewardshipontario.ca/draft-a-bbpp/>

The purpose of this commentary is to:

- Outline the Authority's role and mandate in this initiative;
- Explain how the Authority has undertaken that role to date;
- Provide an assessment of the consultation process to date; and,
- Outline the actions the Authority will undertake in 2018 to fulfill its mandate and address the Minister's directions.

The commentary also provides context, including the purpose and key terms, for the draft Program Agreement between the Authority and Stewardship Ontario, which is a required element of the a-BBPP. The Authority has posted a draft Program Agreement for consultation, along with an introduction to the agreement, on its website at: <https://rprra.ca/amended-blue-box-program/>. A final Program Agreement will be included with the final a-BBPP proposal if approved by the Authority for submission to the Minister.

As directed by the Minister in his August 14, 2017 letter, the Authority will review the final a-BBPP proposal submitted by Stewardship Ontario to the Authority. The Authority will:

- Assess the a-BBPP for compliance with the WDTA and its regulations;
- Assess the a-BBPP for consistency with the Minister's direction;
- Have regard for the provincial interests set out in the RRCEA; and
- Consider the views of stakeholders and Indigenous Peoples.

If the Authority approves the final a-BBPP proposal, it will submit it to the Minister for consideration by February 15, 2018, along with particulars of any matters that are unresolved at the time of the submission.



## Process to Develop an a-BBPP Proposal

In September 2017, the Authority and Stewardship Ontario jointly released a [Stakeholder and Indigenous Peoples Engagement and Communications Plan](#) for the Development of the Proposed Amendment to the Blue Box Program Plan. This plan defines the agreed roles and responsibilities of the Authority and Stewardship Ontario throughout the consultation process to develop an a-BBPP proposal. It also sets out principles for collaboration with stakeholders and the consultation process to be undertaken.

## The Authority's Mandate and Role

The Authority was established by the Government of Ontario to support the government's objectives to advance a circular economy and achieve a waste-free Ontario, as outlined in the [Strategy for a Waste-Free Ontario: Building the Circular Economy](#). The Authority was established on November 30, 2016, with responsibility to oversee programs continued under the WDTA and enforce compliance with regulations established under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).

## The Authority's Role in the a-BBPP Proposal

Pursuant to S. 13 of the WDTA and as further outlined in the Engagement and Communications Plan, the Authority's role to date has included:

- Working closely with Stewardship Ontario on all aspects of the engagement process;
- Reviewing draft documents prepared by Stewardship Ontario, providing comments and suggesting revisions;
- Meeting with stakeholders and ensuring that all stakeholder comments received by the Authority are provided to Stewardship Ontario;

**WDTA S. 13 (1)** - The Minister may require the Authority and an industry funding organization to develop a proposal for a change to a waste diversion program.

(2) The Authority and the industry funding organization designated for the waste diversion program shall consult about any proposed change with,

- (a) representatives of municipalities;
- (b) representatives of persons who are designated under rules made by an industry funding organization under section 33 or regulations made under subsection 73 (3) as stewards in respect of the designated waste to which the waste diversion program applies; and
- (c) any other persons the Authority and the industry funding organization consider to be affected by the proposed change.

(4) If the Authority approves the proposed change, it shall submit the change to the Minister for his or her consideration and shall include particulars of any matters that are unresolved at the time of the submission

(5) After reviewing the Authority's submission, the Minister may approve the proposed change or make such changes to the program as he or she considers advisable in the public interest for the purposes of this Act and shall give the decision in writing.

(6) If no submission is received under subsection (4), the Minister may make such changes to the program as he or she considers advisable in the public interest for the purposes of this Act.

- 
- Reviewing all stakeholder comments submitted to Stewardship Ontario;
  - Participating in and monitoring consultation activities;
  - Meeting regularly with Stewardship Ontario and Ministry of the Environment and Climate Change staff to review the status of the initiative and discuss stakeholder concerns and other related issues; and
  - Preparing a draft Program Agreement for the a-BBPP for negotiation with Stewardship Ontario.

### **How the Authority Has fulfilled its Role to Date**

Since receiving the Minister's direction on August 14, 2017, the Authority has shared information on key issues with Stewardship Ontario and relayed the views of stakeholders who have communicated with the Authority. The two organizations have met at least weekly since the Minister's direction was received in August. The Authority provided comment to Stewardship Ontario on the following key matters:

- Compliance with the WDTA and applicable regulations;
- Consistency with the Minister's directions; and
- Responsiveness to the issues of concern to stakeholders.
- Authority staff attended all formal consultation sessions and presented on the Authority's role and mandate in the first round of consultations.

The Authority has met directly with numerous individuals and organizations during the consultation process.

### **Comments on the Consultation Process to Date**

Many stakeholders have commented on the challenges presented by the limited timeframe for consultations on this initiative and the Authority acknowledges those concerns.

The Authority is appreciative of the participation of organizations and individuals in the consultations to date. Valuable advice and recommendations have been provided to inform the process. We are also appreciative of the work Stewardship Ontario has undertaken to engage stakeholders in the consultations. We look forward to continuing discussions with stakeholders and hearing views on the draft a-BBPP proposal and draft Program Agreement.

Based on the Authority's assessment of the consultation process to date, the following findings are noted:

- Stewardship Ontario has conducted the consultation process to date consistent with the process outlined in the Engagement and Communications Plan.
- The consultation process to date has been consistent with the Minister's direction letter of August 14, 2017

### **Draft Program Agreement**

Section 10(4) of the WDTA requires that a Program Agreement between the Authority and Stewardship Ontario be included in an a-BBPP. The Program Agreement governs the role of Stewardship Ontario in the operation of the program and the exercise of Stewardship Ontario's powers under the WDTA.

---

The Authority has engaged Stewardship Ontario in negotiating a draft Program Agreement. The Agreement should be read in conjunction with the draft a-BBPP proposal and the WDTA. The Authority seeks feedback on the draft Program Agreement.

#### **Consultation on the Draft Program Agreement**

The Authority has posted the draft Program Agreement along with a summary to assist stakeholders in reviewing the Agreement on its website at: <https://rpra.ca/amended-blue-box-program/>

The Authority will present the Program Agreement as part of Stewardship Ontario's Phase 2 Consultation meeting on January 8, 2018. Registration details are available at: <https://stewardshipontario.ca/draft-a-bbpp>

#### **Next Steps in Developing an a-BBPP Proposal**

The Authority will participate in formal consultations and meet with stakeholders to seek feedback and comments on the draft a-BBPP and the draft Program Agreement during Stewardship Ontario's Phase 2 Consultations between December 19, 2017 and January 15, 2018.

The Authority will consider comments from stakeholders received during the next phase of the consultation process and continue to engage with Stewardship Ontario as Stewardship Ontario develops its final a-BBPP proposal.

The Authority will consider stakeholder comments on the draft Program Agreement and negotiate any revisions that may be appropriate.

After completion of the consultation process, the Authority will formally review the final a-BBPP proposal submitted by Stewardship Ontario and determine whether to approve it for submission to the Minister. The Authority will report to the Minister by February 15, 2018 on the outcome of the process including particulars of any matters that are unresolved at the time of the submission.