



Request for Comments on the Draft Amended Blue Box Program Plan



Civic Works Committee
January 9, 2018



Overview

1. Council has commented several times on producer responsibility to MOECC
2. Part of the Waste-Free Ontario legislation and Provincial Strategy from February 2017
3. Individual Producer Responsibility is enshrined for designated materials (by 2023)
4. August 2017, Minister's Request to amend the Blue Box Program Plan (2003) to expedite the transition of this program




Background - Legislation



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graph TD
    A[Waste Free Ontario Act, 2016] --> B[Schedule 1. Resource Recovery and Circular Economy Act, 2016]
    A --> C[Schedule 2. Waste Diversion Transition Act, 2016, replaces Waste Diversion Act, 2002]
    B --- D[Strategy for a Waste-Free Ontario: Building the Circular Economy]
    
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What is the Draft Amended Blue Box Program Plan?


The Draft a-BBPP highlights the steps: that it would take to go from:


1. **Start with** . . . Ontario's recycling program as it exists today (shared cost model, municipally run)
2. **Transition** through Full Producer Responsibility (cost and operation paid by Stewards/Producers/ Industry) through the a-BBPP
3. **To arrive at** Individual Producer Responsibility program (2023; although a-BBPP indicates 2025)

 Timeline – Industry Province	
Date	Action
Fall 2017	SO/RPRA run consultation program; comments provided by many including Municipal 3Rs Collaborative
December 19, 2017	SO releases the Draft a-BBPP for comment
January 15	Stakeholder comments submitted to SO and RPRA
January 16 to February 5	SO staff review and/or address comments; RPRA continues assessment against the Minister's Direction Letter
February 6 to 8	SO Board approves the Final a-BBPP, submits to RPRA. . . . RPRA Board reviews
February 15	RPRA submits its comments, amendments, etc. to the Minister

 Background – Recycling Budget		
Recycling Program Expenditures: (Collection & Processing Fees, Recovered Material Payments, Education & Promotion etc.)		\$10 million
Recycling Program Revenues:	Recovered Material Revenue	(\$4.5 million)
	Steward Funding	(\$3.0 million)
	MRF Customer Processing Fees	(\$0.8 million)
Net Budget (Operating) Cost to Taxpayer:		\$ 1.7 million

 Background – Who Pays?	
Financially	Industry(ies) that produce Paper Products and Packaging (PPP) move from 50% to 100% responsibility for items being recycled
Operationally	Industry(ies) assume operational control, under contracts, for the collection, processing and marketing of recyclable materials (move from 0% to 100%)
Municipalities	continue to handle and pay for the remainder 25% to 36% of the materials


 Overview of Report	
Section 1: Potential Impacts to London	
<ul style="list-style-type: none"> • City of London • Service/Program • Residents • IC&I 	
Section 2: Comments on Draft a-BBPP	
<ul style="list-style-type: none"> • Governance • Avoiding stranded assets • Moving to Individual Producer Responsibility (IPR) • Transparency 	

 **Section 1: Potential Impacts**

.... to the City of London

Financial Benefits

- **More certainty**
 - Collection, admin, contract management, P&E
 - 100% funding = \$1.5 to \$1.8 additional
 - Processing costs
 - 100% funding – paid directly by SO
- **Less certainty**
 - Capital assets – MRF, recycling containers

 **Section 1: Potential Impacts**

.... to the City of London

Collection Service Options

1. Transition as a service provider, directly or by contracting the service
2. Transition by opting out of service delivery and have SO deliver
3. Do not transition until the end (stay at 50% funding)


 **Section 1: Potential Impacts**

.... to the City of London

Change in Recyclables Collected

- Some new items and overall more tonnes will be collected
- Some items will be removed, causing confusion, inconvenience and potential penalties to London if residents continue to recycle these.



 **Section 1: Potential Impacts**


.... to the City of London

Future Targets

- 75% province-wide by 2027 (or two years after full transition)
 - 4 materials specific targets

Current Recycling Rates


- 64% Ontario for 2016
- 68% London for 2016



Section 1: Potential Impacts

... to residents


- Potential impacts are variable and depend on how London chooses to transition
- Overall, residents should see minimal to minor changes . . . e.g., minor change in material mix
- Not all details are known at this time



Section 1: Potential Impacts

... to IC&I sector


- Recycling service to this sector not included in Plan . . . impacts schools
- Potential costs to some/many local businesses as “new” costs have to be recovered
- New business opportunities



Section 2 – Comments on a-BBPP

Measuring against the Minister’s Request Letter

- London, others have been assessing
 - Municipal Resource Recovery & Research Collaborative (Municipal 3Rs Collaborative), AMO, OWMA, RCO, Toronto Environmental Alliance
- Focus – solutions to fix the deficiencies



London Comments – 1. Governance

Governance, Decision-making and Dispute Resolution Concerns

- Concern about increased control by SO through transition
- More balanced controls are necessary for all parties, including municipalities
- More details on governance and dispute resolution are needed

London Comments – 2. Avoiding Stranded Assets

Avoiding Stranded Assets Especially MRFs



- Impact on London unclear at this time
- Draft plan is vague with no commitments
- Practical solutions exist to both use and phase out existing infrastructure

London Comments – 3. Moving to IPR

Preparing for the Move to Individual Producer Responsibility and be in Keeping with the Waste-Free Ontario Strategy

- Proposed timeline is too long (by 2 years + 2 years for reporting targets)
- Stronger process required to move to IPR. . . not keep the same

London Comments – 4. Transparency

Ensuring Transparency Through Performance Indicators and Reporting

- Many existing concerns with BBPP have not been addressed
- Improve reporting methods


Revised Timeframe

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



Recommendation Parts a), b), c)


- a) Endorse and submit** Sections 1 and 2 to SO, RPRA
- b) Support** the Minister submission date of February 15, 2018 *to get it right*
- c) Request** more time, if needed, to get it right



Part d) Transitioned Municipality

Why an Option 1 Transitioned Municipality?

- Stewards pay for most if not all program costs
- Minimal disruption to Londoners
- Best Option to help move through this transition process to ultimate Individual Producer Responsibility
- Will assist in understanding role of MRF
- City will be well positioned to assist Londoners if issues develop



Part d) Next steps

Direction . .

- Short term actions (3 to 6 months) with a-BBPP and City's 60% Diversion Action Plan
- Longer term action (3 months to 2+ years) How the transition will be implemented in London final roles, responsibilities, requirements, measurements, outcomes, education and awareness, etc.