



THE REGIONAL MUNICIPALITY OF NIAGARA
WASTE MANAGEMENT
PLANNING STEERING COMMITTEE
FINAL AGENDA

WMPSC 4-2019

Monday, August 26, 2019

9:00 a.m.

Committee Room 4

Niagara Region Headquarters

1815 Sir Isaac Brock Way, Thorold ON

	Pages
1. <u>CALL TO ORDER</u>	
2. <u>DISCLOSURES OF PECUNIARY INTEREST</u>	
3. <u>PRESENTATIONS</u>	
3.1 <u>Nespresso Recycling Program</u>	3 - 15
Caroline Duguay, Director, Communications, Nespresso Canada	
3.2 <u>Modernizing the Blue Box and Special Advisor's Report on the Blue Box Mediation Process</u>	16 - 32
Jennifer Mazurek, Program Manager, Waste Management	
3.3 <u>Multi-Residential Eco-Ambassador Program Update</u>	33 - 41
Emily Hughes, Waste Diversion Coordinator	
4. <u>DELEGATIONS</u>	
5. <u>ITEMS FOR CONSIDERATION</u>	

6. CONSENT ITEMS FOR INFORMATION

- | | | |
|-----|---|----------|
| 6.1 | <u>WMPSC-C 28-2019</u> | 42 - 45 |
| | Councillor Information Request | |
| 6.2 | <u>WMPSC-C 29-2019</u> | 46 - 51 |
| | Q2 Recycling Centre End Market Updates | |
| 6.3 | <u>WMPSC-C 30-2019</u> | 52 - 58 |
| | 2018 Waste Audit Results | |
| 6.4 | <u>WMPSC-C 31-2019</u> | 59 - 66 |
| | Multi-Residential Eco-Ambassador Program Update | |
| 6.5 | <u>WMPSC-C 32-2019</u> | 67 - 142 |
| | Modernizing Blue Box Program | |

7. OTHER BUSINESS

8. NEXT MEETING

The next meeting will be held on Monday, October 28, 2019 at 9:00 a.m. in the Committee Room 4.

9. ADJOURNMENT

If you require any accommodations for a disability in order to attend or participate in meetings or events, please contact the Accessibility Advisory Coordinator at 905-980-6000 (office), 289-929-8376 (cellphone) or accessibility@niagararegion.ca (email).



NESPRESSO CANADA

Who We Are

- Nespresso has been committed to pursuing sustainable solutions for more than 25 years.
- We launched our first recycling program in 1991 and have been investing in sustainability and recycling ever since, collaborating wherever possible with local partners and levels of government.
- Producer responsibility is at the core of Nespresso's business model.
- Our capsules are made of aluminum, an infinitely recyclable material considered one of the most valuable in the recycling ecosystem.



The Opportunity

We are requesting that the government actively support **public-private partnerships** between municipalities and companies like Nespresso, which could mitigate the quantity of single-use products in landfill and help improve waste diversion rates.

- Nespresso pays for the entire program. The province and municipalities would incur zero hard costs by participating in the Green Bag, meaning **taxpayers are off the hook for additional costs or fees.**
- The Green Bag program is an opportunity to **make recycling easier and more straightforward** for consumers, who want to do their part for the environment.
- The program would be an excellent candidate and case study for the government's commitment to cut red tape and clear the path for innovative pilot projects.



Nespresso's 3 Recycling Solutions

Accessible to 95% of Canadian consumers



The Black Bag

In-shop collection; return in-person to a Nespresso boutique or partner.



The Red Bag

Return via Canada Post mailbox or post office. Postage is pre-paid.



The Green Bag

Return capsules curbside by placing them in a sealed Green Bag, which is then placed directly in a blue bin.

Usage of Nespresso's Recycling Programs

% used it before



Directly in the recycling bin or bag at home via the green bag provided by Nespresso

87%



In mailboxes or Canada Post collection points (Uniprix, Pharmaprix, etc.) via the prepaid red bag provided by Nespresso

66%

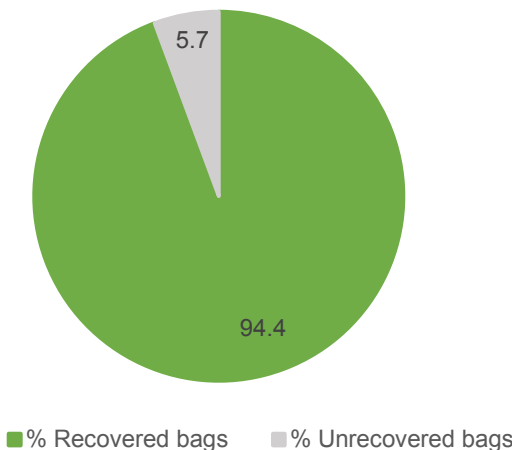


In all Nespresso boutiques or partner collection points (ex: The Bay) via the black bag provided by Nespresso

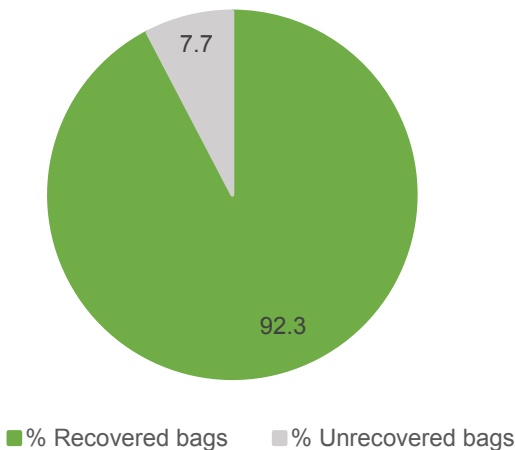
54%

Pilot Project – Recovery Test Results

Recovery Rate
Sorting Center #1



Recovery Rate
Sorting Center #2



- Unrecovered bags
are found in:
- 1) The fibers (paper) 95%
 - 2) Containers 4%
 - 3) Landfill (unsorted bags) 1%

Green Bag in Action (continued)

The Green Bag program does not significantly increase contamination levels in municipal recycling facilities, with unrecovered Green Bags representing less than 0.02% of total treated material.

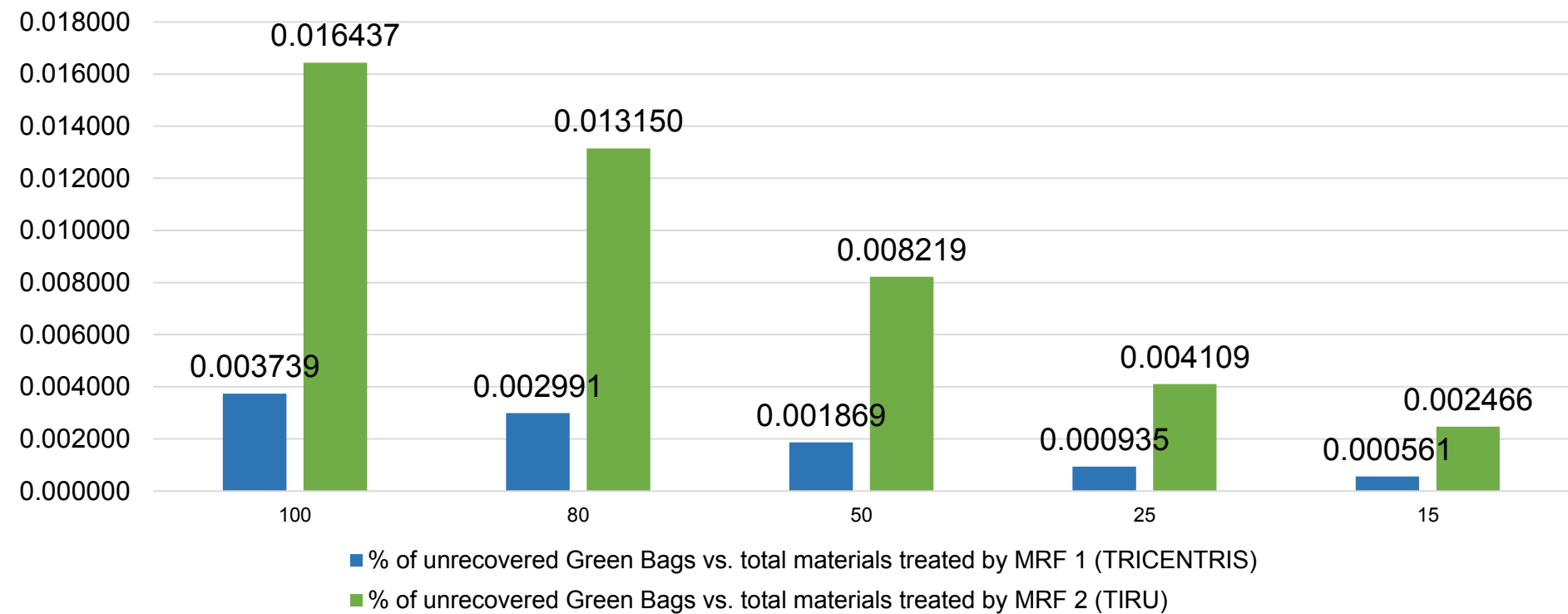


Chart illustrates the percentage of Green Bags that were not recovered compared to the total quantity of treated material, based on pilot data sourced from two Quebec-based MRFs.

Estimated volumes



3 500 Nespresso Club Members

Return Rate	Green Bags FY	Green Bags Monthly	Green Bags Daily	Green Bags Hourly	Tonnes/Year
100%	14379	1198	40	1.664	15.53
80%	11503	959	32	1.331	12.42
50%	7189	599	20	0.832	7.76
25%	3595	300	10	0.416	3.88
10%	1438	120	4	0.166	1.55

Success proof points

- Since its launch in April 2016, the Green Bag avoided **521 tons** of used capsules being sent to landfills, at no costs to Quebec & British-Columbia taxpayers.
- From 2017 to 2018, we noticed a **57% increase rate** of number of capsules returned with the Green Bag solution.
- **100% retention rate** of the solution with sorting centers, since launching.

Testimony

- « At the beginning, we weren't thrilled to receive coffee capsules in our facilities, since their size is problematic to be sorted in a sorting center.
- However, everything changed when we learned that it was more likely that consumers would accumulate their Nespresso capsules and send them to the sorting center in a sealed bag specifically designed for this purpose.
- Collaborating with Nespresso for the design of the green bag we all know today has allowed us to ensure the project takes into account the reality of sorting centers and thus be able to transpose this idea as a successful project. It's even our sorters that determined the color of the bag, which would be easiest for them to spot amongst all the recyclable materials in front of them.
- The vast majority of bags are actually intercepted in the first sorting step, avoiding the rest of the processing chain. The integration of Nespresso capsules recovery requires very little adaptation to daily operations and allows the recycling of aluminum that was once destined to end up in landfills. »

- Frédéric Potvin, Managing Director – Tricentris Sorting Center

Why adopt the Green Bag?

- Simple and accessible solution for the citizens
- Higher recycled capsule rate
- Reduction of waste sent to landfill
- All costs incurred covered by Nespresso
- Contribution to the municipalities sustainability targets



Summary

- The public-private partnerships Nespresso is requesting could help improve waste diversion rates.
- Fully recyclable coffee capsules often end up in the garbage or as contaminants loose in recycling bins, costing governments money.
- Consumers want to be environmentally-friendly, but are much likelier to participate in recycling if it is kept simple and straightforward.
- The more challenging it is for people to access a recycling solution, the less likely they are to participate.
- The Green Bag program is a convenient sustainability solution with a track record of success in boosting recycling uptake.
- The program comes with no additional costs to government or fees for taxpayers.





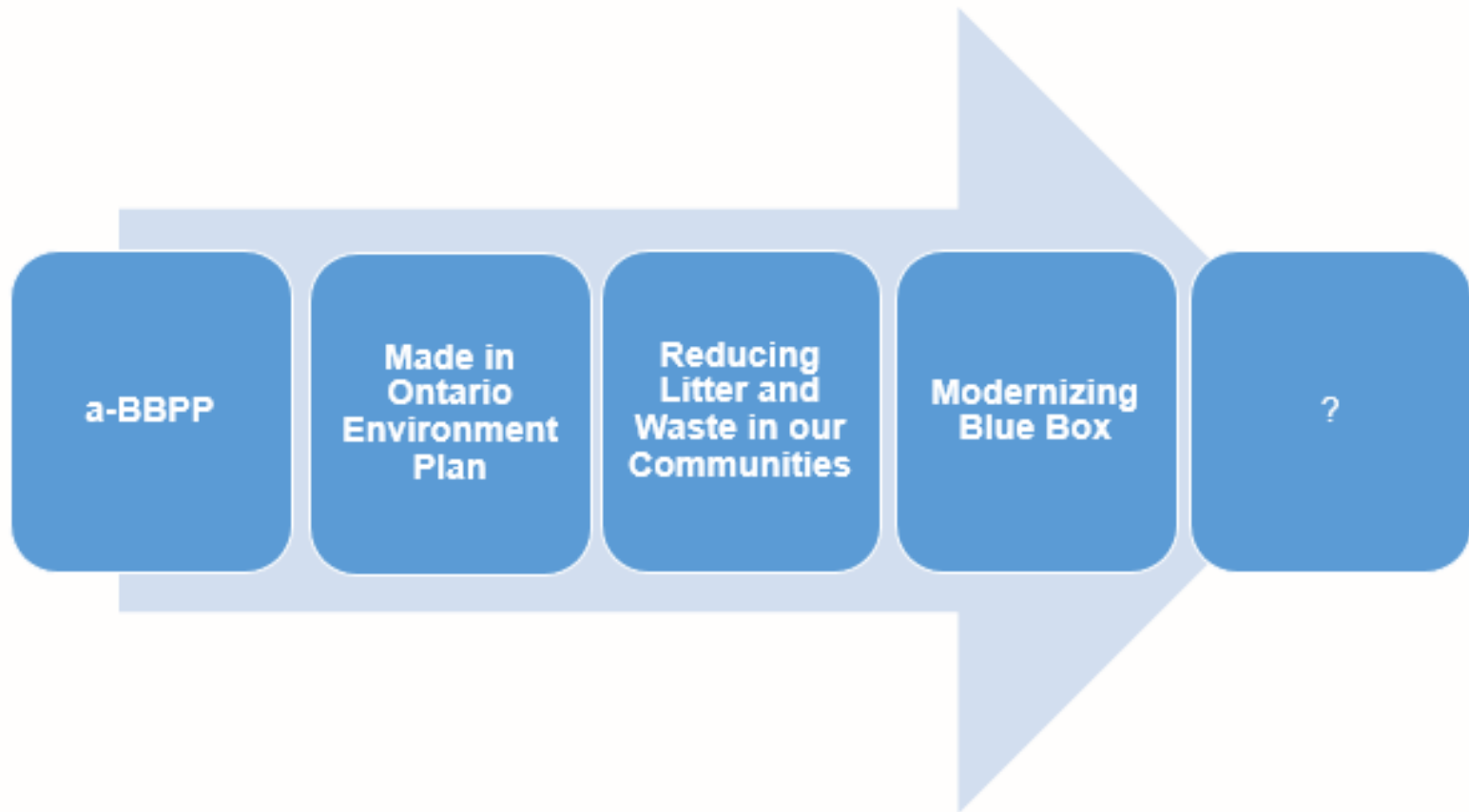
THANK YOU

Modernizing the Blue Box and Special Advisor's Report on the Blue Box Mediation Process

Waste Management Planning Steering Committee

August 26, 2019

History



A Made-in-Ontario Environment Plan

- A Made-in-Ontario Environment Plan was released on November 29, 2018 with a 60 day review period
- Niagara Region's response incorporated input from Planning and Development Services, Public Works, Public Health and Emergency Services, and some Local Area Municipalities
- The plan focused on:
 - Protecting our Air, Lakes and Rivers
 - Addressing Climate Change
 - Reducing Litter and Waste in Our Communities & Keeping Our Land and Soil Clean
 - Conserving Land and Greenspace

Reducing Litter and Waste in Our Communities: Discussion Paper

- Delivering on the Made-in-Ontario Environment Plan, this paper was released on March 6, 2019
- Offers commitments aimed at reducing litter and waste including:
 - Reducing and diverting food and organic waste from households and businesses
 - Reducing plastic waste
 - Reducing litter in our neighbourhoods and parks
 - Increasing opportunities for the people of Ontario to participate in waste reduction efforts

Renewing the Blue Box: Final Report on the Blue Box Mediation Process

- New regulations needed to move the blue box program to producer responsibility
- Outstanding issues need to be addressed for an effective transition
- Mediation process
 - Seven key issues were identified for discussion
 - Modernizing Blue Box Stakeholder Webinar
 - After a six-week mediation, the message was clear – all participants want to begin the transition process

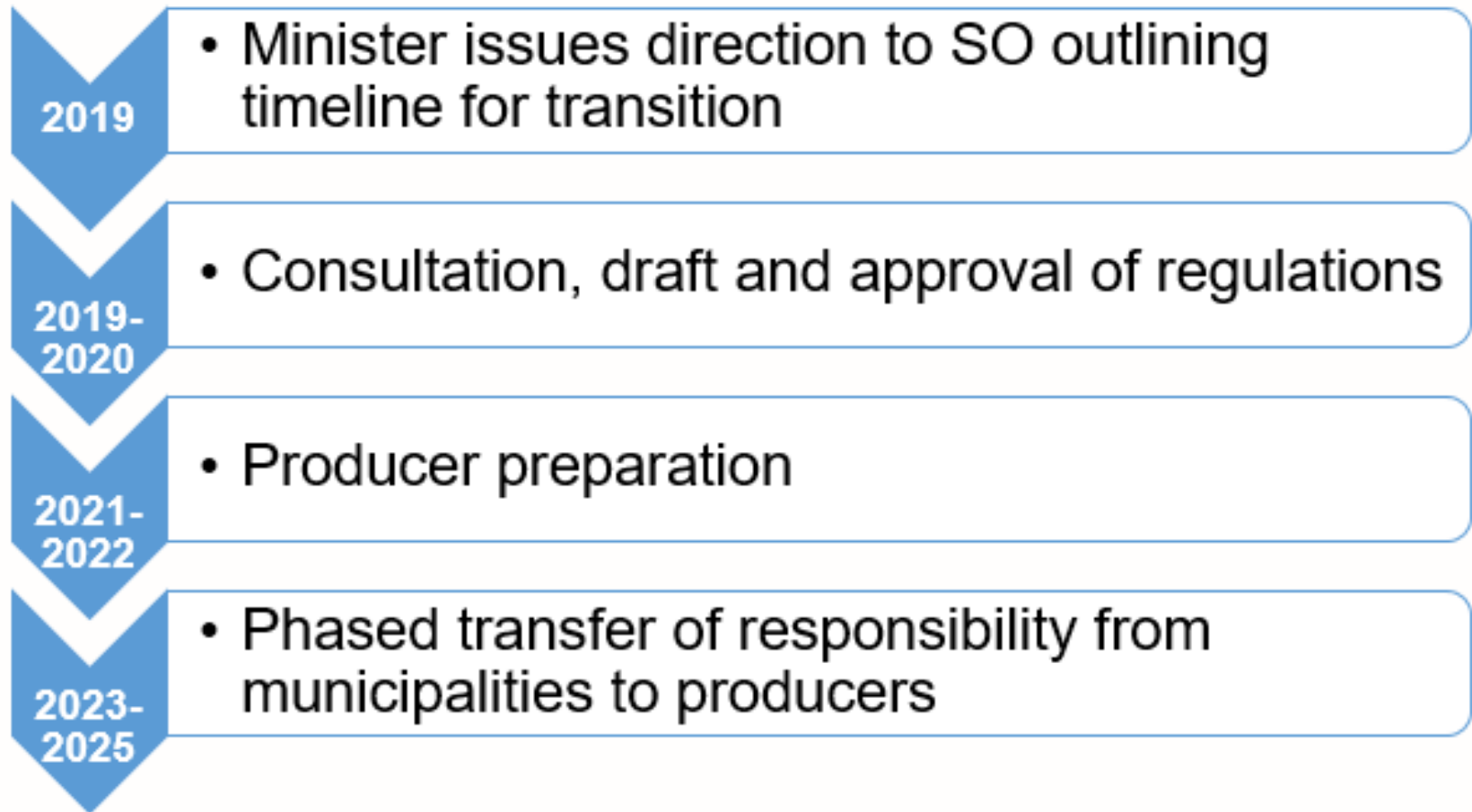
Modernizing Blue Box Stakeholder Webinar

- Presented on June 20, 2019
- Drivers for Change
 - (i) Improving recycling rates in Ontario – citizens and consumers are confused about what can or cannot be recycled
 - (ii) Taking control of escalating Blue Box costs
 - (iii) Both municipalities and producers desire change and support a shift to full producer responsibility
 - (iv) Providing certainty to support new investments and innovation
- Where is Ontario Heading?
 - (i) Mediation
 - (ii) Transition Direction and Regulation Making
 - (iii) Orderly Transition
 - (iv) Modernized Blue Box

Renewing the Blue Box: Final Report on the Blue Box Mediation Process

Recommendations

TOPIC 1: A measured timeframe for transition



TOPIC 2: Ensuring a common collection system

- Uninterrupted service for residents
- Blue Box collection must be maintained but producers need flexibility to collect some packaging through other methods
- Regulation-making process will be a critical step

TOPIC 3: Transitioning municipal assets

- Parties agreed that producers will have control when deciding which assets will be used
- Parties agreed that municipalities must be able to bid fairly on future services for producers and to decide whether, and how, their existing assets may be used as part of bids

TOPIC 4: Standardizing what's in the Blue Box

- Producers should have some flexibility in determining best way to achieve diversion goals, while maintaining responsibility for all printed paper and packaging
- Regulations should identify standard list of Blue Box materials

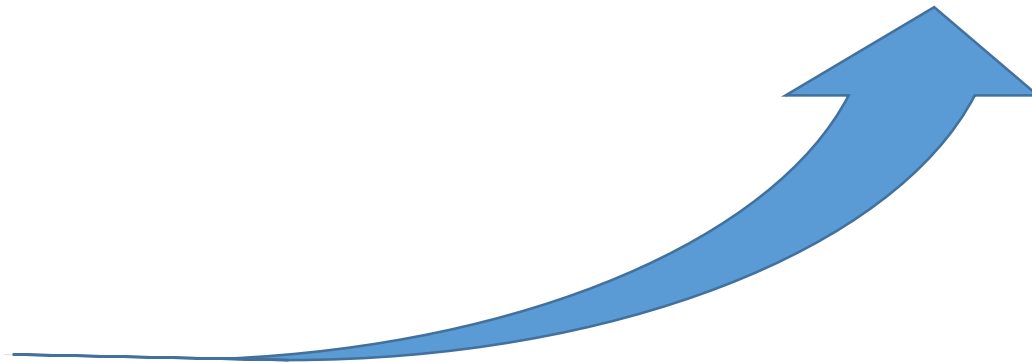


TOPIC 5: Determining eligible sources for Blue Box materials

- Confirmation of scope:
 - Through transition: Every Low-Density Residential (and similar) property with existing curbside service
 - After transition: Expand to Multi-Residential properties, parks and public spaces
 - Excluded: Industrial, Commercial and Institutional Properties

TOPIC 6: Setting effective diversion targets

- Province should consult to identify specific targets for different types of printed paper and packaging material
- Targets should progressively increase over time



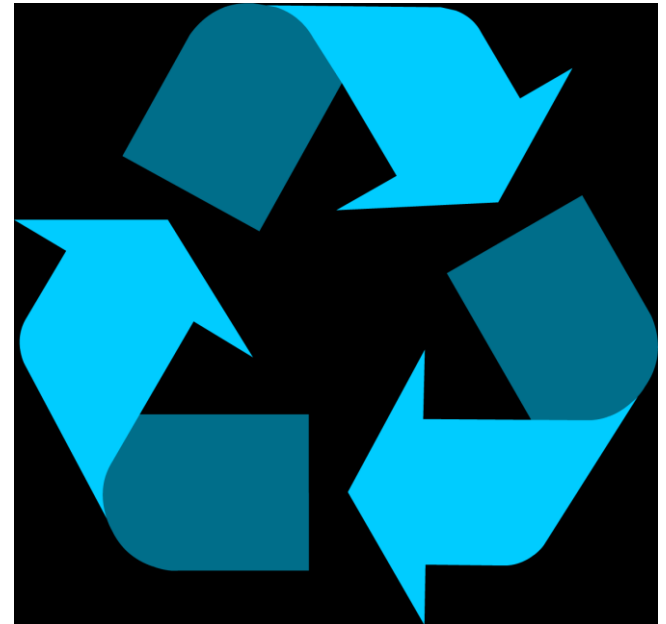
TOPIC 7: Promoting increased diversion from landfill

- Diversion: Reduce, reuse, recycle

“Processes that continue to make materials available as a resource for new products or packaging”

- The Importance of Reduction:
The first “R”

“Where feasible, producer responsibility regulations should recognize and reward producers for reducing waste and improving their environmental performance”



TOPIC 8: Thinking bigger than the Blue Box

- Co-ordinated province-wide promotion and education is critical to make waste reduction part of everyday life
- Action is required at multiple levels of government and across ministries
- Strong action to reduce plastic pollution

Next Steps

- Stewardship Ontario must submit a plan to Resource Productivity and Recovery Authority by June 30, 2020
- The Blue Box Program will begin preparing for transition once the Resource Productivity and Recovery Authority approves the plan, no later than December 31, 2020

Questions?

Multi-Residential Eco- Ambassador Program Update

Waste Management Planning Steering
Committee

August 26, 2019

Program Creation:



- The Eco-Ambassador program was created in 2017 to support community-based volunteers residing in, or managing a Multi-Residential (MR) property.
- MR properties have lower waste diversion rates than Low Density Residential properties due to challenges with disposal accountability.
- Eco-Ambassadors work as liaisons between the building residents and Region staff to identify challenges and barriers to waste reduction.
- The Region's Eco-Ambassador program is similar to the City of Toronto's 3Rs Ambassador MR volunteer program.

Program Objectives:



The Eco-Ambassador program strives to:

- improve recycling participation rates;
- increase the quality and quantity of the resulting recyclable materials;
- support waste reduction initiatives and increases the lifespan of landfills;
- increase environmental awareness
- support a sense of community and cooperation within buildings



Becoming an Eco-Ambassador

Step 1: Receive permission from your building manager or superintendent

Step 2: Meet with Region staff member to receive Eco-Ambassador training

Step 3: Site Visit to complete Baseline Review

Step 4: With ongoing support from Niagara Region, implement programs and provide residents with education to create a greener building

Program Statistics

- 23 properties are participating in the Eco-Ambassador program
- Successfully supported existing waste diversion programs for a combined total of 1,778 units, by arranging for Region staff to provide education and outreach
- Implementation of new diversion programs:
 - Six organics collection programs
 - 11 battery recycling programs
 - Six Waste Electronics and Electrical Equipment (WEEE) programs
 - Nine textile recycling programs

Mill Run Condo Eco-Ambassadors



Condo's Green Team Making a Huge Impact on Reducing Waste!

Mill Run Condo is a 170 unit, high-rise condominium building located on the perimeter of downtown St. Catharines. The building is home to a dedicated team of residents who share a passion for waste reduction and contribute to Mill Run's 'Eco-Ambassador Green Team'. This past February, the Green Team worked with Niagara Region's Waste Management staff to re-launch the organics program at their building. The Green Team, along with Niagara Region staff, visited each unit to provide residents with a free Kitchen Catcher container for organic waste collection, along with associated program information. An evening presentation was also provided by the Region's Waste Management staff for residents interested in learning more about the program.



Mill Run Green Team members (from left to right) Gayle Hastey, Doug Hastey, Bruce Knicley and Frank Schiarizza. (Absent: Julia McLaren and Carol Schiarizza).

doing an excellent job switching out full carts for empty carts throughout the week and take great pride in their efforts to keep the sorting area clean and tidy. As such, they are big proponents of lining their Green Carts with certified compostable bags to keep their sorting area tidy.

Ina Grafton Eco-Ambassadors



Program Costs & Next Steps

- The total cost for this program was just over \$1,000, (split between the 2017 and 2018 operating budget) which includes the complementary t-shirt and hats provided to Eco-Ambassadors for joining the program.
- Recruit new Eco-Ambassadors and follow-up with existing Eco-Ambassadors to drive waste diversion in Niagara's multi-residential sector.

Questions?

Emily Hughes

Waste Diversion Coordinator

905-980-6000 ext. 3092

emily.hughes@niagararegion.ca

MEMORANDUM

WMPSC-C 28-2019

Subject: Councillor Information Request

Date: Monday, August 26, 2019

To: Waste Management Planning Steering Committee

From: Lydia Torbicki, Acting Director

This memorandum is intended to provide Committee members with an update on the outstanding Councillor Requests from previous meetings.

Waste Management Planning Steering Committee

Meeting Date: June 24, 2019

Minute Item #5.1:

Provide information respecting scheduled battery collection from the Niagara Region's comparator municipalities in future reports. (Councillor Diodati)

Follow-up Action: Information on comparator municipalities will be included in future reports

Status: Complete

Minute Item #6.2:

Provide information respecting the breakdown of any forecasted shortfalls and how Niagara compares with municipalities with alternative models such as single stream. (Councillor Witteveen)

Follow-up Action: Memorandum WMPSC-C 29-2019 contains information on the projected budget shortfall in revenue for the Recycling Centre along with a comparison of revenue from single streams facilities.

Status: Complete

Minute Item #7.1: MOTION

That staff **REQUEST** Nespresso to provide a presentation to the Waste Management Planning Steering Committee on their coffee pod recycling program.

Follow-up Action: Nespresso was invited to deliver a presentation and a representative is scheduled to attend the August 26, 2019 WMPSC meeting.

Status: Complete

Meeting Date: Feb 25, 2019

Minute Item #8.1: MOTION

That staff **PROVIDE** options that could be included in the negotiated request for proposal (RFP) and terms of reference for the Material Recycling Facility Phase 4

Opportunity Review to allow for the Waste Management Planning Steering Committee to provide comments prior to the RFP being released to market.

Follow-up Action: A project consultant will be engaged, as per WMPSC-C 12-2018 and PWC 15-2018, to develop the negotiated request for proposal (NRFP) and the options to be included in the NRFP will be submitted to WMPSC for comment prior to release.

Status: In progress

Meeting Date: May 30, 2016

Minute Item #6.6: Provide information outlining options for the Material Recovery Facility pending legislative changes. (WMPSC-C 25-2016) (Councillor Petrowski).

Follow-up Action: An evaluation of opportunities with regard to the Material Recovery Facility (MRF) is in progress as part of 2018-RFP-94, which is for the engagement of the project consultant for Phase 4 of the MRF Opportunity Review. Clauses in the contract agreement with Niagara Recycling allow for early termination.

Status: In progress

Public Works Committee

Meeting Date: April 16, 2019

Minute Item #7.1:

Councillor Nicholson requested staff arrange to have Emterra Environmental attend a future Council Meeting to provide an update respecting Waste Collection.

Status: Emterra Environmental attended the March 19, 2019 Public Works Committee and subsequently Niagara Region Waste Management Services Division staff have been providing intermittent updates to Public Works Committee as required.

A number of reports from the July 9, 2019 Public Works Committee meeting address the status of the collection contract with Emterra Environmental and next steps. These include:

- PWC-C 19-2019 Waste Collection Contract RFP Schedule
- Confidential PW 31-2019 A Matter Of Advice That Is Subject To Solicitor-Client Privilege - 2019 Waste Collection RFP.
- Confidential PW 28-2019 A Matter Of Advice That Is Subject to Solicitor-Client Privilege Supplemental Information To Confidential Report PW 31-2019 - 2019 Waste Collection RFP
- Confidential PW 43-2019 A Matter Of Advice That Is Subject To Solicitor-Client Privilege - 2019 Waste Collection RFP - Next Steps

In addition CWCD 296-2019 was provided as part of the August 2, 2019 Council Weekly Correspondence. It should be noted that next collection contract RFP, which was released on August 1, 2019, will be awarded in October/November 2019 and the commencement of the next contract will be approximately one year after award

(October/November 2020). The RFP schedule was accelerated and the new collection contract will begin three (3) to (four (4) months earlier.

Status: Complete

Budget Review Committee of the Whole

No outstanding waste management related items at this time.

Committee of the Whole

No outstanding waste management related items at this time.

Council

No outstanding waste management related items at this time.

COMPLETED ITEMS

Waste Management Planning Steering Committee

Meeting Date: April 29, 2019

Minute Item #6.6:

Provide the costs and revenues for the Material Recycling Facility.
(Councillor Fertich)

Meeting Date: Feb 25, 2019

Minute Item #4.1:

That Waste Management staff consult with Economic Development as to how to maximize the potential of the Material Recycling Facility (MRF) and the partnership with Niagara Recycling before proceeding with the Phase 4 Opportunity Review RFP.
(Councillor Butters).

Public Works Committee

Meeting Date: March 19, 2019

Meeting Item #5.3:

Include in the request for proposal pricing information related to reducing container limits for Industrial, Commercial and Industrial, and Mixed-use properties, as well as to maintain current container limits (Councillor Nicholson).

Meeting Item #7.1:

That staff **BE DIRECTED** to provide a report respecting the cost to supply Niagara Region residents with recycling and compost bins.

Meeting Date: February 19, 2019

Meeting Item #9.2:

That staff request Emterra present at a future Public Works Committee meeting to provide additional information. (Councillor Foster)

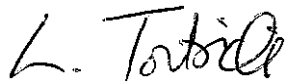
Meeting Date: January 8, 2019

Meeting Item #6.1:

That staff consider closed-top containers as an option for recycling collection. Councillor Ugolini.

Provide information respecting what constitutes the 36% of non-recyclable and non-compostable materials in the garbage bags collected between 2015 and 2016, as described in Report PW 3-2019. Councillor Disero.

Respectfully submitted and signed by



Lydia Torbicki, Acting Director
Waste Management Services

MEMORANDUM

WMPSC-C 29-2019

Subject: Q2 Recycling Centre End Market Updates

Date: Monday, August 26, 2019

To: Waste Management Planning Steering Committee

From: Jennifer Wilson, Supervisor, Collection and Diversion Operations

The purpose of this memorandum is to provide members of the Waste Management Planning Steering Committee with an update on market trends and commodity pricing for Blue and Grey Box material processed at Niagara Region's Recycling Centre from January to June 2019, and to respond to the Councillor Information Request for a comparison of Niagara's revenue and performance to alternative recycling models such as single stream.

Key Facts

- Market pricing for fibre streams continues to be at historically low values, and in some cases in June 2019 was sold at a net loss to the Region.
- Niagara Region continues to experience challenges in marketing curbside collected plastic film (e.g. grocery bags) due to changes in contamination specifications for the domestic end market, lack of demand due to material surpluses and lower cost of virgin material.
- Immediate adjustments were made to the sorting procedures in order to improve the quality of film material being sold, resulting in an increase in the amount of contaminated material entering the landfill.
- As of the end of Q2 2019, it is estimated, based on current market conditions, that there will be a 2019 budget shortfall in revenue for the Recycling Centre of approximately \$3.7 million (\$3.3 million for fibre streams and \$.4 million for container streams).
- Niagara Region purchases recyclable materials under contracts with Waterloo, Haldimand and commercial businesses, and it is estimated that there will be a 2019 budget surplus of approximately \$1.6 million for these purchases as a result of the lower market values, which will partially offset the revenue shortfall.
- It is estimated that single stream MRFs can generate up to 20% less revenue than dual stream MRFs depending on the type of commodity. In comparison to a limited sample of Ontario-based MRF's, Niagara has generated an average of 24% higher revenue for fibre stream materials and 50% for container stream materials than reporting single stream MRFs.

Market Conditions

As previously indicated in WMPSC-C 23-2019, fibre market pricing continues to be at historically low values, and in some cases is being sold at a net loss to the Region. While hardpack was previously only sold to domestic markets, material is continuing to be diverted to export markets due to market surpluses, lack of demand for post-consumer product and domestic mill downtime.

Niagara Region is continuing to experience challenges in marketing curbside collected plastic film (e.g. grocery bags) due to challenges with contamination, market surpluses, lack of demand from the domestic end market and lower cost of virgin material. As a result of the Region's efforts to reduce contamination and improve the quality of marketed film, it is estimated that approximately 20 to 25% (~25 to 30 metric tonnes (MT) per month) more film is entering the residue stream due to high levels of contamination within the bagged film, with estimated disposal costs of \$16,000 for the balance of 2019.

Despite efforts taken to improve the quality of curbside collected film, Niagara Region continues to experience challenges marketing material to the domestic market. The low cost of virgin material is impacting the demand for the post-consumer product, creating surpluses in the market. Currently, Niagara Region is stockpiling baled film while alternatives for moving the material are being considered, including stockpiling at a storage facility, or disposal if market conditions do not improve.

Impact on Niagara Region

Fibre Revenue

Fibre revenue continued to see significant decreases through June 2019. Low market pricing is a widespread issue that is continuing to impact Material Recovery Facilities (MRFs) across the globe due to material surpluses and tightening quality specifications. It is anticipated that market conditions may further decline throughout 2019. Despite current market conditions, Niagara Region continues to market all fibre commodities. Table 1 illustrates the market trends in fibre revenue for Q2 2019. The fibre stream is comprised of the following marketed commodities: newsprint, cardboard (OCC) and boxboard (OBB).

Table 1 - Comparison of budgeted versus actual revenue for fibre stream at Niagara Region's Recycling Centre from January to June (Q2) 2019 (Niagara Region).

Commodity Type	Region Average Monthly Pricing (Q2 2019 \$/MT)	2019 Budget (Average \$/MT)	Region Q2 2019 % Budget Variance (Budget vs Actual)
Cardboard (OCC)	\$107	\$148	-28%
Hardpack (OBB/OCC)	\$59	\$94	-37%
Newsprint	\$58	\$77	-25%

As indicated in Appendix A, since the adaptation of the Chinese National Sword Policy in March 2018, fibre market prices for the Niagara Region have declined approximately 69% as a result of the tightening of specifications and global market surpluses. On a monthly basis, the Continuous Improvement Fund (CIF) releases an estimate of the average commodity prices from a subset of municipalities located across Ontario. Based on the average market pricing from January 2018 to June 2019, the Region for the most part has been receiving above average pricing for all marketed Fibre material.

Based on current market conditions, if there are no changes to market conditions, it is estimated that there will be a 2019 gross budget shortfall for fibre revenue of approximately \$3.29 million.

Container Revenue

Container stream revenue has seen significant decreases from January to June 2019. Table 2 illustrates the market trends in container revenue for Q2 2019. The container stream is comprised of the following marketed commodities: steel, aluminum, Polyethylene Terephthalate (PET) bottles plastics, High-Density Polyethylene (HDPE) plastic, polycoat, plastic film, and hi-grade mixed plastics.

Commodity Type	Region Average Monthly Pricing (Q2 2019 \$/MT)	2019 Budget (Average \$/MT)	Region Q2 2019 % Budget Variance (Budget vs Actual)
Containers	\$300	\$333	-10%

Based on current market conditions, if there are no changes to market conditions, it is estimated that there will be a 2019 gross budget shortfall for container revenue of approximately \$.4 million.

Purchase of Recyclable Materials

Niagara Region has contracts with Waterloo, Haldimand and various commercial businesses to purchase recyclable materials for processing and sale. The majority of

the materials purchased are within the fibre stream, with the purchase prices dependent on market pricing, and as such, there is an estimated 2019 budget surplus of \$1.6 million for these purchases, which will offset some of the budget shortfall anticipated in the revenues.

Single vs. Dual Stream MRFs

Detailed market pricing is proprietary information, however, it is estimated that single stream MRFs can generate up to 20% less revenue than dual stream MRFs depending on the type of commodity. Based on best available composite data from January 2018 to May 2019, dual stream MRFs generated an average of approximately 2% higher revenue for fibre stream materials and 13% higher revenue for container stream materials than reporting single stream MRFs. In comparison, Niagara has generated an average of 24% higher revenue for fibre stream materials and 50% for container stream materials than reporting single stream MRFs. This information is based on a limited sample of Ontario-based MRFs (Continuous Improvement Fund (CIF)).

Next Steps

Niagara Region is looking to undertake various capital improvements at the Recycling Centre in order to improve the quality of outgoing recyclables and, in consequence, generate a higher revenue. With the recommendation approved in Council report PW 48-2019, a drum feeder will be installed to improve the metering of fibre material at the Recycling Centre. Following installation, Niagara Region will evaluate whether further capital investments, such as the installation of a wind tunnel system or additional optical sorters on the fibre line, can increase the quality of outgoing recyclables.

In order to generate additional revenue for the container stream, modifications are being made to the existing HDPE bunker in order to allow for the separation of natural HDPE from coloured HDPE. Natural HDPE has a greater market value than coloured and has the potential to generate approximately \$3,660 per month in additional revenue based on current tonnage.

Staff will provide a further update on the re-forecasted 2019 budget shortfall to members of the WMPSC in Q4 2019 on the financial outcomes of Q3 2019.

Respectfully submitted and signed by,

Jennifer Wilson
Supervisor
Waste Management Services

Appendices

Appendix A – Average market pricing for Fibre commodities from
January 2018 to June 2019 (Region vs. CIF)

Page 6

Appendix A

On a monthly basis, the Continuous Improvement Fund (CIF) releases an estimate of the average commodity prices from a subset of municipalities located across Ontario. Since the adaptation of the Chinese National Sword Policy in March 2018, fibre market prices for the Niagara Region have declined approximately 69% as a result of the tightening of specifications and global market surpluses. On a monthly basis, the Continuous Improvement Fund (CIF) releases an estimate of the average commodity prices from a subset of municipalities located across Ontario. Based on the average market pricing from January 2018 to June 2019, the Region for the most part has been receiving above average pricing for all marketed Fibre material.

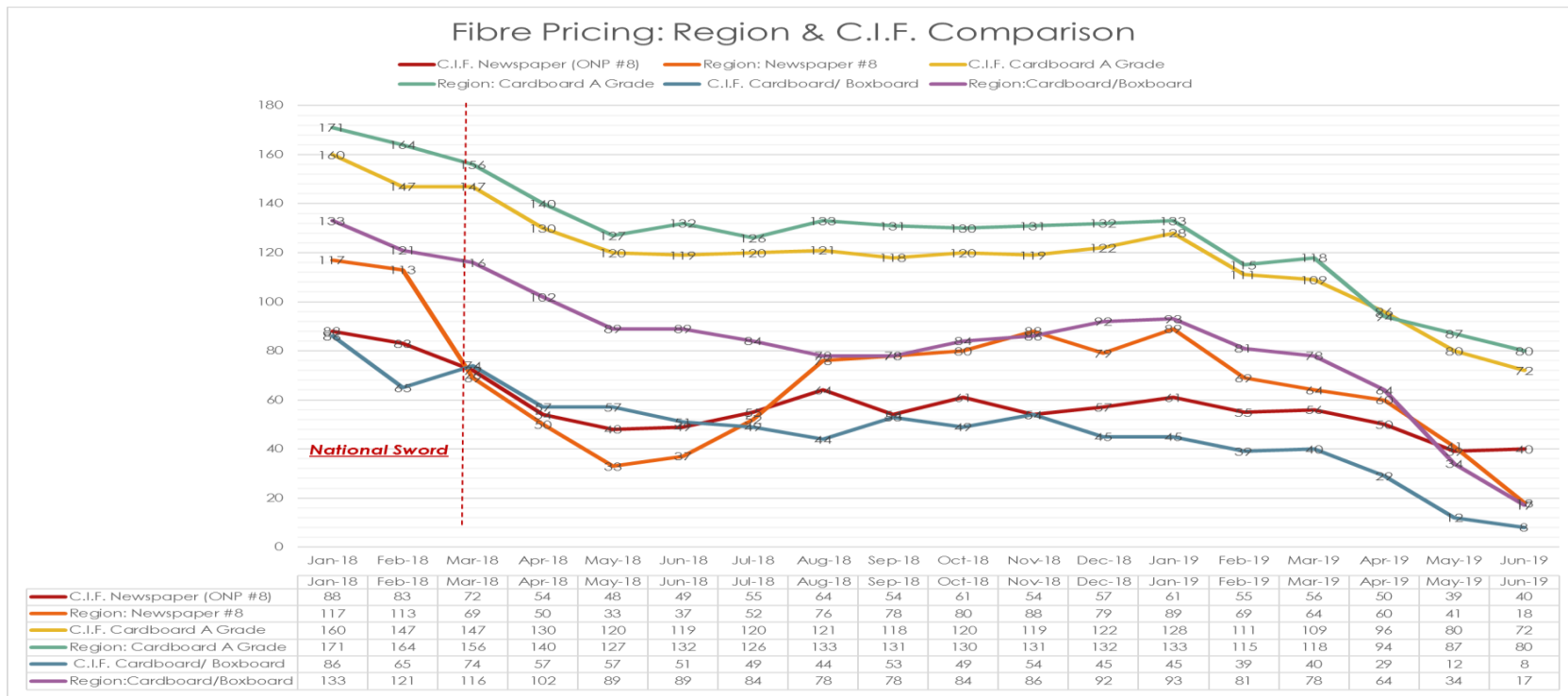


Figure 1 Average market pricing for Fibre commodities from January 2018 to June 2019 (Region vs. CIF).

MEMORANDUM

WMPSC-C 30-2019

Subject: 2018 Waste Audit Results

Date: Monday, August 26, 2019

To: Waste Management Planning Steering Committee

From: Lucy McGovern, Collection and Diversion Program Manager

This memorandum is intended to provide Committee members with the waste audit results for the two Niagara Region facilities obligated to complete annual waste audits as a requirement of Ontario Regulation 102/94. In 2018, the Niagara Regional Headquarters facility in Thorold completed its fourth annual audit, and the Niagara Regional Police Services Headquarters in Niagara Falls completed its second annual audit.

Overview

In accordance with Ontario Regulation 102/94, a waste audit was conducted at the Niagara Regional Headquarters facility, located at 1815 Sir Isaac Brock Way, Thorold, from November 30 to December 6, 2018. A second waste audit of the Niagara Regional Police Services Headquarters facility, located at 5700 Valley Way, Niagara Falls, was conducted from December 7 to December 13, 2018. The waste audits are intended to report on the status of the facilities with respect to current waste management practices and to calculate an overall waste diversion rate based on waste collected and material recycled and disposed by weight.

Diversion Rate vs. Capture Rates:

A *diversion rate* is the total quantity of waste that is diverted for reuse or recycling as a function of the total quantity of all wastes generated. While diversion rates are important to consider, the success of diversion programs can also be seen from the capture rates. A *capture rate* is the total quantity of a recoverable waste that is diverted for reuse or recycling as a percentage of the total quantity of a specific recoverable waste that is generated.

2018 Waste Audit Results:

1) Niagara Regional Headquarters:

The total annual waste generated by the facility was estimated to be 60,273 kg. Approximately 73.5 per cent of the total waste generated was diverted from disposal through recycling, composting and reuse, which represents approximately 44,282 kg

annually. The vast majority of diverted material (by weight) was mixed fine paper (including confidential shredded paper), corrugated cardboard, tissue/toweling and food waste.

The facility had an overall capture rate of 80.5 per cent. This indicates that the waste diversion programs are working well. When considering the capture rates of the individual waste streams, green bin organics at 63.2 per cent and blue box recyclables at 69.9 per cent, have the most room for improvement. Capture rates for grey box recyclables as well as Municipal Hazardous & Special Waste and Waste Electrical and Electronic Equipment are very good at 92.1 per cent and 90.5 per cent respectively. Approximately 10,722 kg of potentially divertible materials are still being sent for disposal annually, and primarily consist of paper packaging and organic materials. See Appendix A for a table of results.

Positive results in the 2018 waste audit report include a 12 per cent reduction in waste generated at Regional Headquarters in 2018 than was seen in 2017. However, results also show that more recyclable and organic materials were disposed in the garbage stream in 2018 and reflects a decline from 2017 results as seen in the Appendix B infographic.

2) Niagara Regional Police Services (NRPS) Headquarters:

The total annual waste generated by the facility was estimated to be 45,998 kg. Approximately 70.1 per cent of the total waste generated is diverted from disposal through recycling, composting and reuse, which equates to 32,258 kg annually. This represents a four per cent (4%) increase over the 2017 results. The vast majority of diverted material (by weight) is confidential shredded paper, non-confidential paper and corrugated cardboard, which together total 50 percent of all collected materials.

The facility had an overall capture rate of 80.2 per cent. This indicates that the diversion programs are working well. When considering the capture rates of the individual waste streams, blue box recyclables at 54.2 per cent and green bin organics, at 55.4 per cent have the most room for improvement. Approximately 7,955 kg of potentially divertible materials are still being sent for disposal annually. See Appendix A for a table of results; and Appendix B for an infographic illustrating the composition of the garbage at the NRPS Headquarters building.

Continual Improvement Measures

Moving forward, the Region has identified a goal of 80 per cent waste diversion at each headquarters facility by the end of 2020. A number of continual improvement measures have been identified at each location to improve upon waste diversion and capture rate

results as we work towards this goal. Please refer to Appendix C for details of continual improvement activities.

Next Steps

The corporate Keen on Green Committee, together with supporting Niagara Region staff at both headquarters facilities, will continue to identify and implement initiatives to minimize waste and increase waste diversion. In addition to the implementation of the audit report recommendations listed in Appendix C, the Keen on Green Committee is also supporting the development of a potential Green Procurement Policy through the Region's Procurement Advisory Committee; is working towards reducing office paper use through collaboration with other Regional departments; will be investigating a ban on the purchase of specific single-use plastics at Regional facilities; and continues to expand the Desk-side Waste Diversion Program across all new eligible Regional buildings to more broadly promote the best practices that demonstrate the Region's commitment to waste reduction.

Respectfully submitted and signed by,

Lucy McGovern
Collection and Diversion Manager

Appendices

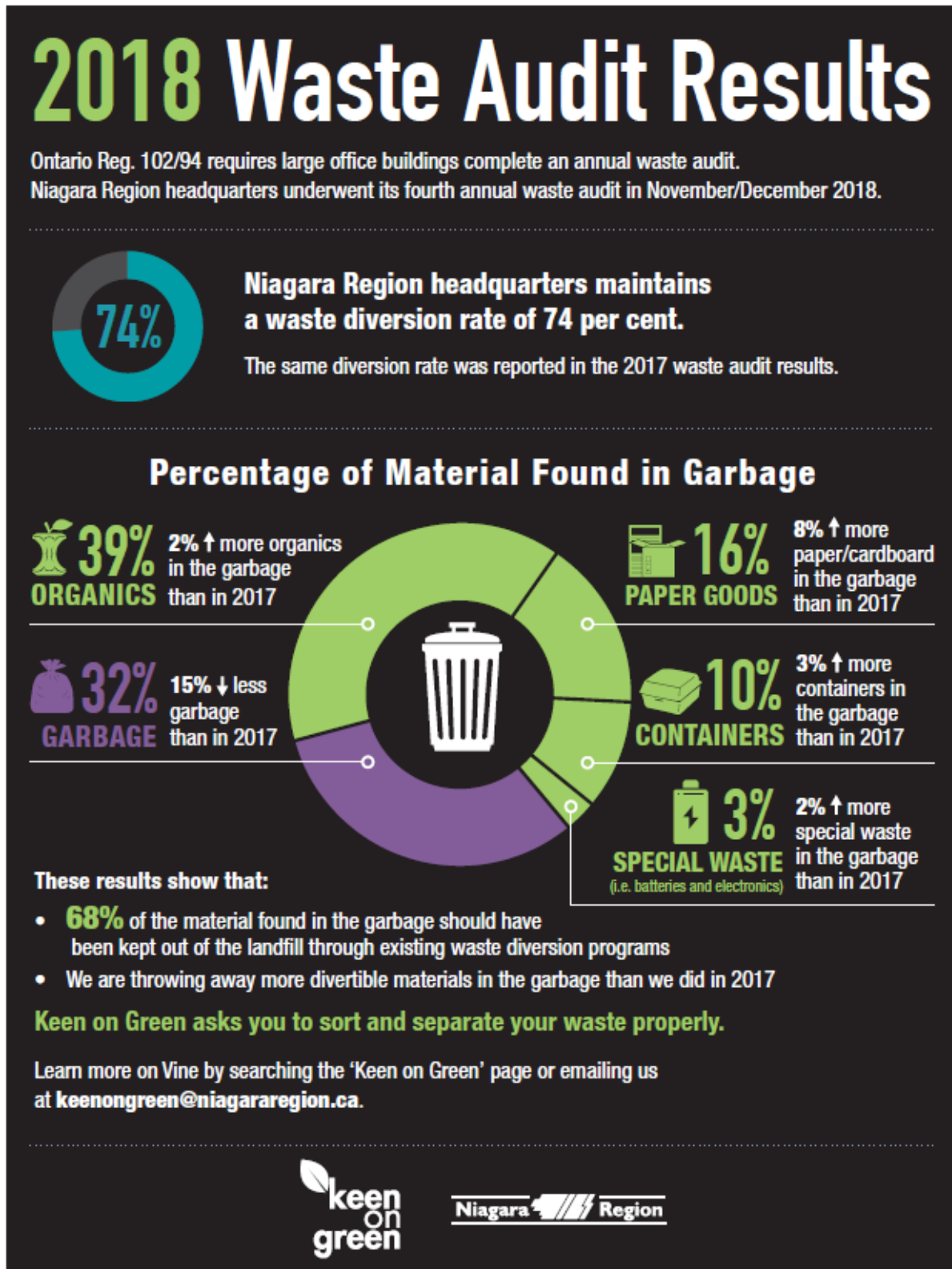
Appendix A	2017 & 2018 Waste Audit Performance Measures	Page 4
Appendix B	2018 Waste Audit Garbage Composition Infographics	Pages 5 - 6
Appendix C	Continual Improvement Activities	Page 7

Appendix A – 2017 and 2018 Waste Audit Performance Measures

Program Performance Measures	Niagara Region Headquarters (HQ, Environmental Centre and EMS Station)		Niagara Regional Police Services Headquarters	
	2017	2018	2017	2018
Waste Generation				
Waste Generated (kg/yr)	68,551	60,273	46,065	45,998
Garbage (kg/yr)	17,548	14,110	15,877	13,740
Recycled Blue Box Material (kg/yr)	2,384	4,682	0	1,292
Recycled Grey Box Material (kg/yr)	31,069	24,167	21,745	23,073
Recycled Specialized Material (kg/yr)	4,911	5,459	2,755	1,825
Composted Green Bin Material (kg/yr)	12,639	11,855	5,688	6,068
Diversion and Capture Rates				
<i>Diversion Rate</i>	<i>74.80%</i>	<i>73.47%</i>	<i>65.53%</i>	<i>70.13%</i>
<i>Overall Capture Rate for all Divertible Materials</i>	<i>84.81%</i>	<i>80.51%</i>	<i>73.88%</i>	<i>80.22%</i>
Capture Rate for Blue Box Recyclables	67.73%	69.87%	0%	54.21%
Capture Rate for Grey Box Recyclables	94.94%	90.51%	92.88%	92.60%
Capture Rate for Green Bin Organics	66.92%	63.23%	46.27%	55.38%
Contamination				
Contamination in the Blue Box Stream	26.82%	21.20%	27.16%	30.72%
Contamination in the Grey Box Stream	5.23%	2.22%	8.72%	2.10%
Contamination in the Green Bin Stream	2.53%	2.96%	1.42%	1.95%

Appendix B

Niagara Regional Headquarters Garbage Composition Infographic



Niagara Region Police Services Headquarters Garbage Composition Infographic

2018 Waste Audit Results

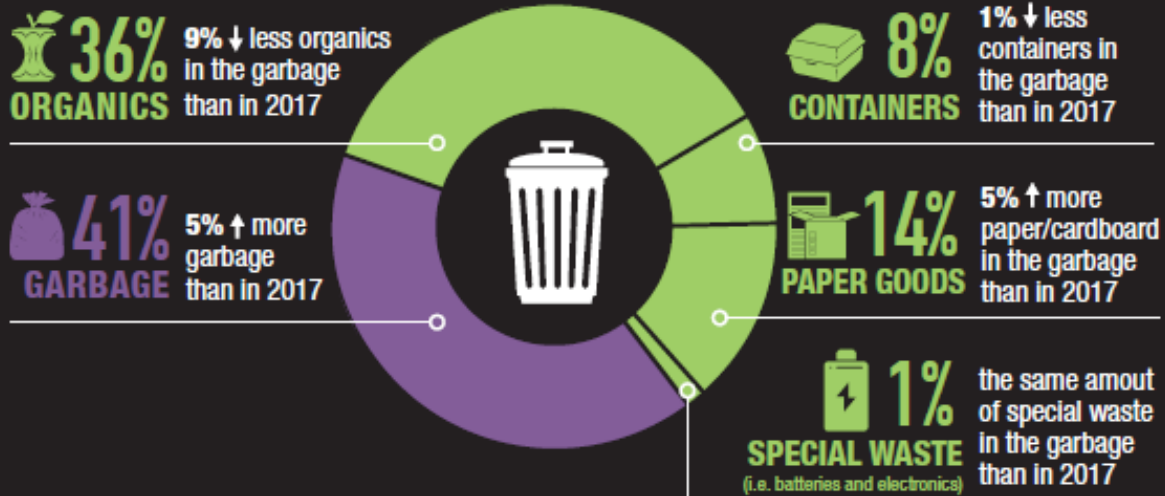
Ontario Reg. 102/94 requires large office buildings complete an annual waste audit. Niagara Region Police Services (NRPS) Headquarters underwent its second annual waste audit in November/December 2018.



**Niagara Regional Police Headquarters
waste diversion rate is 70%**

This is 4% higher than the rate reported in the 2017 waste audit results! Congratulations!

Percentage of Material Found in Garbage



**While an improvement has been made, there is more work to be done.
Keen on Green asks you to sort and separate your waste properly.**

Learn more on Vine by searching the 'Keen on Green' page or emailing us at keenongreen@niagarapolice.ca.



Appendix C – Continual Improvement Activities

Continual Improvement Measures	Both HQ Facilities	Niagara Regional Police Services Headquarters
Development of a Green Procurement Policy	X	
Continue to expand Battery Collection and Recycling program at all Regional facilities	X	
Expand office supply recycling program and awareness campaign	X	
Remove surplus garbage cans that have reappeared since Desk-side program roll-out and redistribute Desk-side Waste Diversion Kits as required	X	
Continue to promote reusable cup awareness to reduce disposal of single use cups	X	
Continue to promote the office binder reuse program and discourage new binder purchases	X	
Work with IT Solutions on new printer contract to determine if PIN or swipe card printing can be the default setting to reduce paper	X	
Promote the Regional HQ Print Shop services as a more sustainable option to general office printing which generates higher paper consumption	X	
Develop a multi-phase plan to ban select single-use plastics from Regional facilities	X	
Offer Keen on Green training e-module for all new employees through HR Welcome Email		X
Confirm sorting stations are fully assembled and complete		X
Map HQ sorting station locations		X
Improve signage on Molok containers to match sorting station signage		X
Initiate a nitrile glove recycling pilot in high generation zones		X
Increase toner cartridge recycling program awareness		X
Improve efficient use of liner bags in sorting stations at NRPS		X

MEMORANDUM

WMPSC-C 31-2019

Subject: Multi-Residential Eco-Ambassador Program Update

Date: Monday, August 26, 2019

To: Waste Management Planning Steering Committee

From: Emily Hughes, Waste Diversion Coordinator

The purpose of this memorandum is to provide an update to the members of the Waste Management Planning Steering Committee on the Region's Eco-Ambassador Volunteer program. A memo was provided to the WMPSC committee on September 12, 2016 outlining the implementation plan for the Multi-Residential Eco-Ambassador Volunteer program (WMPSC-C 48-2016).

Background

The Multi-Residential Eco-Ambassador Volunteer program (Eco-Ambassador) was created to support community-based volunteers, residing in or managing a multi-residential property, in improving the building's waste diversion practices. Multi-residential properties are buildings with seven or more units, and typically have drastically lower waste diversion rates than low-density residential properties. The multi-residential sector presents a couple of significant challenges in achieving high waste diversion rates. Primarily, there is a level of anonymity in the area of waste disposal in a multi-residential building, as waste is typically disposed of down a shared garbage chute, or placed in a shared garbage dumpster. Secondly, there is an absence of a standard garbage limit per unit since most multi-residential buildings utilize front-end dumpster containers for garbage disposal. Both of these factors eliminate the concept of resident accountability for the waste each unit generates.

The Eco-Ambassador program provides an opportunity for individuals passionate about the environment to have meaningful conversations with Niagara Region staff about recycling and diversion in the multi-residential sector. Eco-Ambassadors work as liaisons between the building residents and Niagara Region staff to identify challenges and barriers to waste reduction in each building. Eco-Ambassador volunteers help maximize the use of existing Regional waste diversion programs and support the expansion of the programs offered to the multi-residential sector. These programs include Blue and Grey Cart Recycling, organics collection, battery recycling, Waste Electronics and Electrical Equipment (WEEE) recycling and textile recycling.

Becoming an Eco-Ambassador

To qualify for the Eco-Ambassador program, the volunteers must first obtain approval to participate from their property manager or landlord. Volunteers then meet with a Region staff member who provides training to outline the role of the Eco-Ambassador, including education on the various waste diversion programs available to the multi-residential sector, and information on the support and resources that an Eco-Ambassador can expect from Niagara Region. Region staff have found it beneficial to meet with Eco-Ambassador volunteers on-site at their respective building to get a thorough understanding of the unique needs of the property, their existing waste management practices, and any barriers the residents in the building may face such as limited storage space, improper or absent signage, and inadequate resident understanding of the building's current waste management practices. At the time of the initial site visit, Eco-Ambassador volunteers complete a baseline review of the existing waste management practices at their building. They have an opportunity to highlight any waste diversion programs that are working well, any areas needing improvement, and have an opportunity to identify goals for new green initiatives. At the end of each year, Region staff meet with the Eco-Ambassador volunteers at each building once again to complete a one-year review and measure improvement.

Program Statistics

The Eco-Ambassador program supports overall waste diversion in Niagara's multi-residential property sector. Niagara region is home to just over 690 multi-residential buildings. Niagara Region services 571 of these buildings with Blue and Grey Cart recycling and another 46 buildings with curbside recycling boxes. Of these, 113 buildings also participate in the Green Cart organics waste diversion program. A total of 67 buildings participate in the battery recycling program; 28 buildings participate in the textile recycling program; and 38 buildings participate in the WEEE collection program. Some buildings may be participating in one or more of the Region's waste diversion programs.

Since the inauguration of the Eco-Ambassador program in 2017, 23 properties have joined the Eco-Ambassador program (Appendix A). Eco-Ambassadors have successfully supported existing waste diversion programs in their buildings, serving a combined total of 1,778 units, by arranging for Niagara Region staff to provide education and outreach through presentations, lobby displays, door-to-door visits and distribution of promotional and educational material.

While many of the participating Eco-Ambassador buildings may have already been taking part in some or all of the Region's multi-residential diversion programs, the Eco-

Ambassador volunteers have been instrumental in the implementation of six new organic collection programs, six new WEEE collection programs, 11 new battery recycling programs and nine textile recycling programs.

Program Objectives

The Eco-Ambassador program strives to increase waste reduction and diversion education and awareness to all building residents which ultimately:

- improves recycling participation rates;
- increases the quality and quantity of the resulting recyclable materials;
- supports waste reduction which increases the lifespan of Regional landfills;
- increases overall environmental awareness; and
- supports a sense of community and cooperation within buildings.

Last year, in the 2018 edition of the Multi-Residential Recycler newsletter, Niagara Region highlighted a group of Eco-Ambassadors for their implementation of the organic waste diversion program (Appendix B). This dedicated group of volunteers from a 170-unit high-rise condominium in downtown St. Catharines, rallied support from their condo board to re-launch the organic program at the property. Eco-Ambassadors accompanied Niagara Region staff on door-to-door visits, providing residents with tools, including an organics collection kitchen catcher as well as associated program information. Niagara Region's Waste Management staff also provided an evening presentation on all of the available waste diversion programs available to the condo residents. The Eco-Ambassadors took it upon themselves to organize the recycling and organic cart storage area, improve signage, and communicate to all residents about the new organics diversion program through their internal condo newsletter. In just over a four-month period, this building diverted over 3,500 kilograms of organic material from their garbage stream. Successes such as this show that Eco-Ambassadors provide valuable feedback on tailoring programs specifically to the residents in their respective buildings in order to successfully implement Regional programs and increase waste diversion in the multi-residential sector.

Program Cost and Next Steps

Since 2017, the total cost for this program has been just over \$2,000 which includes the complementary t-shirt and hats provided to Eco-Ambassador volunteers for joining the program. A sum of \$1,044 was spent from the 2016 operating budget, and \$1,026 was spent from the 2018 operating budget. Niagara Region staff will continue to recruit new Eco-Ambassadors and follow up with existing Eco-Ambassadors to drive waste diversion in Niagara's multi-residential sector.

Respectfully submitted and signed by,

Emily Hughes
Waste Diversion Coordinator

Appendix A: Participating Multi-Residential Properties

Page 5

Appendix B: 2018 Multi-Residential Recycler

Page 8

Participating multi-residential properties:

Building Name	Building Address	Diversion Programs	Baseline Review	One-Year Review
Regatta Place Co-op	2 Lighthouse Road, St. Catharines	Recycling - 2011	24-Jul-17	2-Oct-18
		Organics – November 2014		
		WEEE – April 2015		
		Batteries – December 2016		
Leader Lane	4434 Leader Lane, Niagara Falls	Recycling – July 2015	20-Dec-17	26-Dec-18
		Organics – January 2018		
		Batteries – January 2018		
Stone Road Village	453 Hunter Road, Niagara-on-the-Lake	Recycling – November 2012	27-Oct-17	15-Dec-18
		Organics – August 2015		
Ina Grafton – Building A	413 Linwell Road, St. Catharines	Recycling – April 2011	20-Feb-18	19-Dec-18
		Organics – July 2013		
		Batteries – December 2016		
Ina Grafton – Building B	413 Linwell Road, St. Catharines	Recycling – April 2011	20-Feb-19	14-Dec-18
		Organics – July 2013		
		Batteries – December 2016		
Ina Grafton – Bungalows	413 Linwell Road, St. Catharines	Recycling – April 2013	27-Oct-17	1-Jan-19
		Organics – July 2013		
		Batteries – December 2016		
Ina Grafton – Building D	413 Linwell Road, St. Catharines	Recycling – April 2013	27-Oct-17	14-Dec-18
		Organics – July 2013		
		Batteries – December 2016		
Ina Grafton – Building E	413 Linwell Road, St. Catharines	Recycling – April 2013	20-Feb-18	13-Dec-18
		Organics – July 2013		
		Batteries – December 2016		
Ina Grafton – Administration	413 Linwell Road, St. Catharines	Recycling – April 2013	27-Oct-17	13-Dec-18
		Organics – July 2013		
		Batteries – December 2016		

Jubilee Place	278 Vine Street, St. Catharines	Recycling – 2005	2-Nov-17	4-Mar-19
		Batteries – March 2018		
		WEEE – March 2018		
Lookout Village	190-200 Highway 20 W, Pelham	Recycling – 2006	15-Jan-18	10-Jan-19
		WEEE – January 2018		
		Batteries – January 2018		
		Textiles – February 2019		
Mill Run Condo	7 Gale Crescent, St. Catharines	Recycling – 2011	21-Feb-18	20-Mar-19
		Organics – February 2018		
		Batteries – February 2018		
		Textiles – September 2018		
Huron Manor	4520 Huron Street, Niagara Falls	Recycling – 2011	20-Mar-18	24-May-19
		Organics – March 2018		
		Batteries – March 2018		
		WEEE – March 2018		
Prince Court/ Princess Manor	156-158 Fitch Street, Welland	Recycling – April 2011	18-May-18	
		Batteries – February 2018		
		WEEE – February 2018		
		Textiles – September 2018		
Roehampton Apartments	64 Roehampton Ave, St. Catharines	Recycling – July 2016	4-Apr-18	
		Organics – April 2018		
		Batteries – April 2018		
		WEEE – April 2018		
		Textiles – September 2018		
Portview Village	123 Dalhousie Avenue, St. Catharines	Recycling – 2007	3-May-18	30-May-19
		Batteries – April 2018		
		WEEE – April 2018		
Jubilee Apartments	211 King Street, Welland	Recycling – 2004	2-Aug-18	
		Batteries – December 2016		
		WEEE – November 2015		

		Textiles – March 2019		
Birchwood Place – East & West	235 Fitch Street, Welland	Recycling – 2009	2-Aug-19	
		Organics – April 2014		
		WEEE – December 2016		
		Batteries – December 2016		
		Textiles – October 2018		
Agnes McPhail Community Co-operative Homes	2 Ferndale Avenue, St. Catharines	Recycling – April 2011	17-May-18	
		Organics – May 2018		
		Batteries – May 2018		
		WEEE – May 2018		
		Textiles – October 2018		
Community Living – Port Colborne & Wainfleet	750 Fielden Avenue, Port Colborne	Recycling – June 2008	5-Sep-18	
		Organics – September 2018		
		Batteries – September 2018		
		Textiles – June 2019		
Glencourt Condos	215 Glenridge Avenue, St. Catharines	Recycling – 2013	29-Oct-18	
		WEEE – April 2015		
Pine Mansions III	5837 Dunn Street, Niagara Falls	Recycling – September 2017	15-May-19	
		Organics – September 2017		
Queen Street Apartments	4278 Queen Street, Lincoln	Recycling – 2004	22-May-19	
		Organics – November 2012		
		Batteries – May 2019		
		Textiles – July 2019		



Multi-Residential Recycling Guide

For apartments and condominiums with seven or more units

Condo's Green Team Making a Huge Impact on Reducing Waste!

Mill Run Condo is a 170 unit, high-rise condominium building located on the perimeter of downtown St. Catharines. The building is home to a dedicated team of residents who share a passion for waste reduction and contribute to Mill Run's 'Eco-Ambassador Green Team'. This past February, the Green Team worked with Niagara Region's Waste Management staff to re-launch the organics program at their building. The Green Team, along with Niagara Region staff, visited each unit to provide residents with a free Kitchen Catcher container for organic waste collection, along with associated program information. An evening presentation was also provided by the Region's Waste Management staff for residents interested in learning more about the program.

Since March to mid-June, 2018, Mill Run has already diverted over 3.5 tonnes of organic material from landfill. This is equivalent to the weight of two hippopotamuses (www.torontozoo.com)! The Green Team attributes the success of the organics collection program to clear and consistent organic waste signage, face-to-face resident engagement with Niagara Region and Mill Run Green Team staff, a clean and well-kept cart storage area, and a shared positive outlook.

Initially, residents had their concerns. Some were worried about the potential for odours or if the organics program would result in any issues with pests. The Mill Run Green Team and Niagara Region staff were able to alleviate these concerns by providing residents with education and tools to ensure the organics program was successful. Free samples of certified compostable liner bags for Kitchen Catcher containers were distributed and additional Green Carts and a larger cart storage space were made available to handle the increase in the volume of material generated. The Green Team went the extra mile by hanging their waste sorting posters in durable frames above the organics carts. New superintendents, Doug and Gayle, have been



Mill Run Green Team members (from left to right) Gayle Hastey, Doug Hastey, Bruce Knicley and Frank Schiarizza. (Absent: Julia McLaren and Carol Schiarizza).

doing an excellent job switching out full carts for empty carts throughout the week and take great pride in their efforts to keep the sorting area clean and tidy. As such, they are big proponents of lining their Green Carts with certified compostable bags to keep their sorting area tidy.

For other buildings interested in implementing an organics program, the Green Team recommends: a team or an individual to act as an ambassador to aid in generating awareness on proper recycling practices among tenants; superintendents who are committed and supportive; proper signage; and continuous education for residents. Niagara Region Waste Management staff can help to support the building's waste management initiatives.

“ I would have to say the single most important element to make any kind of recycling and organics collection program work is the cooperation and support of the Building Superintendent. Once the Superintendent is on board then it is all about educating the residents in the proper manner in which to dispose of their recyclables and kitchen waste. With the diligence and commitment of the Superintendents, the residents and Niagara Region Waste Management Services, solutions can be found for almost any problem. ”

- Julia, Mill Run Condo Green Team

MEMORANDUM

WMPSC-C 32-2019

Subject: Modernizing Blue Box Program

Date: Monday, August 26, 2019

To: Waste Management Planning Steering Committee

From: Jennifer Mazurek, Program Manager, Policy, Planning & Engagement

This memorandum provides an update on recent actions related to the Blue Box Program's anticipated transition from the current cost-shared model to full producer responsibility, in accordance with the Resource Recovery and Circular Economy Act, 2016 (RRCEA). It also provides Committee with a copy of Waste Management staff comments (attached as Appendix A) directed to the Ministry of Environment, Conservation and Parks (MECP) in regards to the Modernizing Blue Box stakeholder webinar hosted by MECP on June 20, 2019 (slides attached as Appendix B).

Under the current Blue Box Program, municipalities and Stewardship Ontario (SO) each pay 50% of Blue Box-related costs. SO is a not-for profit organization funded and governed by industries that are the brand owners, first importers or franchisors of products and packaging material, including those managed through the Blue Box Program. Under the RRCEA the Province is shifting to a producer responsibility framework for products and packaging, making producers and brand holders accountable for recovering resources and reducing waste associated with products. The Waste Diversion Transition Act, 2016 (WDTA) allows for the products and packaging currently managed under existing waste diversion programs to be transitioned to the new producer responsibility framework. The Resource Productivity and Recovery Authority (RPRA) was created to support the transition to a circular economy and waste-free Ontario through oversight of existing waste diversion programs, including the Blue Box Program, and the transition of recycling programs to producer responsibility models per the RRCEA.

In August of 2017, the province directed SO and RPRA to create a plan by February 15, 2018 to transition the Blue Box Program to full producer responsibility, making producers responsible for all programming and costs associated with collection and recycling of designated products. After issuing a draft of the amended Blue Box Program Plan Proposal (a-BBPP) for comment, SO and RPRA announced on February 15, 2018 that more time was needed to review stakeholder feedback (WMPSC-C 13-2018) and no further action occurred. With the release of the Made-in-Ontario Environment Plan on November 29, 2018 (WMPSC-C 9-2019) and the subsequent release of the Reducing Litter and Waste in Our Communities discussion paper on March 6, 2019 (presentation provided to Public Works Committee on April 16, 2019), the province has renewed its commitment to transition Ontario's existing Blue Box Program to a producer responsibility model.

On June 7, 2019, Rod Phillips, then-minister for MECP, appointed Mr. David Lindsay as Special Advisor on Recycling and Plastic Waste with direction to provide a report, due on July 20, 2019, outlining a path forward for transition of the Blue Box Program to full producer responsibility. The report was to provide the Minister with advice on how to improve recycling by modernizing the Blue Program and how to better manage plastic pollution, guided by the following objectives:

- Standardization across the province of what can be recycled in offices, parks public spaces and homes;
- Improve diversion rates and increase what materials can be recycled;
- Reduce litter and waste in communities and parks;
- Improve Ontario's Blue Box Program by requiring producers to pay for the recycling of the products they produce, through achieving producer responsibility;
- Maintain or improve frequency of Blue Box collection.

Mr. Lindsay held a series of focused meetings with key stakeholders to discuss timing of transition, how to address stranded municipal assets, harmonization of materials managed by Blue Box after transition, definition of eligible sources, recycling targets, definition of diversion, and seamless transition and operation under producer responsibility. The webinar on June 20, 2019 provided the opportunity for all stakeholders, including Niagara Region, to comment.

Niagara Region comments, submitted on July 11, 2019, reflect previously approved positions and align with those put forward by the Association of Municipalities Ontario (AMO). Niagara Region supports a phased approach and places importance on increasing payments to un-transitioned municipalities until the process is complete. The transition plan must clearly address provision of fair market compensation for stranded municipal assets and maximize use of existing infrastructure. Niagara Region supports a harmonized list of materials, reflecting the comprehensive programs that currently exist in many municipalities. Convenience and program accessibility must be maintained for all residents and include sectors that are traditionally more difficult to service, such as multi-residential properties.

On July 22, 2019, Jeff Yurek, current Minister of MECP, issued a statement stating that Mr. Lindsey's report will inform MECP's next steps for improving the Blue Box Program to reduce costs, increase diversion rates and reduce plastic waste and litter. The report was publicly released on August 6, 2019 (attached as Appendix C) and AMO has summarized the recommendations from the report (attached as Appendix D). Key recommendations are:

- A six-year transition period from 2019 through 2025 that includes a one to one-and-a-half-year period for consultation and regulation development and a two-

year period for producer preparation, followed by a phased three-year period from 2023 to 2025 for transfer of responsibility from municipalities to producers;

- Flexibility for producers through both continuation of Blue Box collection and allowing for collection of some packaging through other methods;
- Establishment of specific targets that progressively increase over time, for different types of printed paper and packaging material;
- As producers assume responsibility, collection must be provided to every low-density residential property and similar location that had previously received municipal Blue Box service. There will be no expansion of services during the transition period and afterward, collection should expand in multi-residential properties, parks and public spaces, but would not include Industrial, Commercial and Institutional (ICI) properties. Rather, the province should modernize the regulatory framework for ICI properties to improve diversion rates and better align with materials recycled in through the Blue Box Program.

Regulations, not yet developed, will provide the details needed by all stakeholders and the report highlights the complexity of this requirement. Mr. Lindsay suggests that the regulation-making process begin with collection and analysis of information on the existing Blue Box Program and recycling system in Ontario, with finalization of the regulations complete by early 2021.

On August 15, 2019, Minister Yurek issued a direction letter (Appendix E) requiring SO to begin transition by submitting a plan to RPRA by June 30, 2020. A letter to RPRA (Appendix F) was also issued on the same day instructing RPRA to oversee SO's development and implementation of the plan, along with providing approval of the plan no later than December 31, 2020. It is expected that the first group of municipalities or First Nations will transfer responsibility of programs to producers starting in January 2023, with producers fully responsible for Blue Box service province-wide by 2025.

Niagara Region will continue to monitor progress and to participate in opportunities for stakeholder input, supporting transition to a producer responsibility model for the Blue Box Program.

Respectfully submitted and signed by

Jennifer Mazurek,
Program Manager, Policy, Planning & Engagement

Appendices

- Appendix A Niagara Region Response to Modernizing Blue Box Stakeholder Webinar
- Appendix B Modernizing Blue Box Webinar Slides
- Appendix C Renewing the Blue Box: Final Report on the Blue Box Mediation Process
- Appendix D AMO Summary – Renewing the Blue Box: Final Report on the Blue Box Mediation Process (Excerpts from the Report)
- Appendix E Ministry of the Environment, Conservation and Parks Direction Letter to Stewardship Ontario
- Appendix F Ministry of the Environment, Conservation and Parks Letter to the Resource Productivity and Recovery Authority

July 11, 2019

VIA EMAIL

David Lindsay
c/o Ministry of the Environment,
Conservation and Parks,
Resource Recovery Policy Branch
40 St. Clair Avenue West
8th Floor
Toronto, ON
M4V 1M2

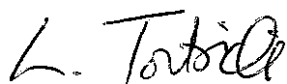
RRPB.Mail@ontario.ca

Dear Mr. Lindsay:

RE: Modernizing Blue Box Stakeholder Webinar

Niagara Region is submitting the comments below in response to questions posted in the June 20, 2019 webinar, Modernizing Blue Box: Saving Taxpayers Money and Dealing with Plastic and Paper Waste in our Communities. We thank you for the opportunity to share our municipal perspective and look forward to continued engagement with the province.

Regards,



Lydia Torbicki
Acting Director, Waste Management Services

Encl.

Niagara Region Comments – Modernizing Blue Box Stakeholder Webinar

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

The transition process should take place in a phased approach. Niagara Region supports the Association of Municipalities of Ontario's (AMO) previously proposed three year transition period with the option for municipalities to self-nominate following a one year regulatory start-up period, during which time producers would register and prepare. This would allow for one-third of municipalities to transition at a time, helping to modulate the cost of the program for producers. While some municipalities may have contracts (processing and/or collection) that expire during the transition period, other municipalities may choose to terminate contracts early. Regardless of whether a contract has naturally expired or a municipality chooses to terminate, the option to transition to the new framework should be available.

Transition to the new framework should start in advance of the next provincial election to ensure continued momentum on the shift to producer responsibility and avoid potential periods of uncertainty for both producers and municipalities. To reduce financial impact on any municipalities who do not transfer in the early phase, payment of net verified costs (actual municipal costs) from Stewardship Ontario (SO) should be increased to 75% in year one increasing annually until transition is complete, through authority by the Minister. Niagara Region also does not support application of in-kind advertising (funding) for newspapers for either non-transitioned or transitioned municipalities.

2. How to address 'stranded' assets - i.e. recycling facilities, buildings, vehicles and other equipment that may not be used in a full producer responsibility system

The transition plan must clearly address provision of fair market compensation for stranded municipal assets. Provisions for maximizing use of existing infrastructure should be included. For example, the plan should clearly incentivize use of existing facilities or otherwise potentially stranded assets (i.e. equipment, rolling stock, carts and boxes) and/or any amortized capital costs that extend beyond the transition date, should be factoring into municipal considerations for compensation.

Niagara Region owns and operates (in partnership with a non-profit organization) a Material Recovery Facility (MRF). Municipalities, including Niagara Region, that own these facilities may wish to compete with the private sector for the opportunity to provide processing services. This bid process would be challenging to Niagara Region if producers apply the proposed catchment area approach (larger geographical service

areas). If Niagara Region is not successful, the MRF could be a potentially devalued asset as a result of the transition. As such, municipalities will require ample time to prepare and decide how they wish to handle these assets.

The province's plan must provide appropriate details (e.g. catchment areas if applicable) and timelines so that municipalities can make an informed decision whether to bid on processing services, divest themselves of facilities or formulate public/private partnerships.

In preparation for a shift to producer responsibility, some municipalities, including Niagara Region, have included or will be including clauses in future collection and/or processing contracts to allow for early termination. Many of these clauses require a significant period of notice to contractors (e.g. six months to a year), placing further importance on the province to provide appropriate notice, details and timelines for municipalities.

3. Harmonization of materials managed by Blue Box after transition

Niagara Region supports a harmonized approach to material collected throughout the province as this will help reduce confusion for residents and increase efficiencies related to Promotion and Educational material (P&E). At the same time, the list of materials must reflect the comprehensive programs that currently exist in many municipalities. Removal of obligated materials from the program is not supported, including any that are difficult to recycle or have a limited market. If any material is removed, municipalities must be compensated for continued management in waste management systems (other programs). Additionally, indirect administration costs related to managing any designated material that is disposed of improperly, ending up in municipal landfills or illegally dumped, for example, must still be managed.

Regulations to manage compostable products and packaging are equally important for consideration and the province must continue moving forward with the action plan for Ontario's Food and Organic Waste Framework while also working on the Blue Box transition. Fibre such as paper products intended for hygienic use (paper towels) diverted as part of the organics stream or other obligated/targeted materials diverted through other systems should be an eligible program cost for which municipalities should receive payment and appropriate targets/measurements should be developed.

Regulations should allow for addition of obligated materials as technology advances and products continue to evolve. Newly added materials should have management targets in early years to ensure they are not disposed at the expense of municipalities.

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

In addition to Low Density Residential (LDR) properties, Niagara Region currently collects Blue Box material from parks and public spaces, multi-residential properties, eligible small and medium sized Industrial, Commercial and Institutional (ICI) facilities, and Mixed-Use (MU) properties that contain ICI and residential units, as part of the residential collection system.

ICI facilities generate a diverse range of waste, including Blue Box material for which producers must be responsible in order to increase overall diversion rates in the province. The Recycling Council of Ontario cites Statistics Canada estimates that only 19% of the 25 million tonnes of waste generated annually in Canada by the ICI sector is diverted. In contrast, the residential sector already has a diversion rate of more than 65%. With the implementation of producer responsibility, regulations and enforcement of targets will motivate producers to ensure programs focus on the ICI sector.

Multi-residential properties in Niagara Region include facilities that generate residential type Blue Box material and have seven or greater self-contained units (bedrooms) including: (i) Long term care facilities and nursing homes; (ii) Group homes, homes for adults, and home for assisted living; (iii) Boarding houses; and (iv) Cottage properties. MU properties with one or more residential units also receive the same level of service as multi-residential properties. Niagara Region offers Blue and Grey Cart collection service to these locations and also provides support to improve the quality of the recycled material through Promotional and Education (P&E) material and presentations. It is important to not only maintain current levels of service but to expand convenience and accessibility at these locations. Niagara Region recommends the expansion of program service levels at multi-residential locations notwithstanding the challenges that may be presented including older buildings not designed for multiple waste streams and with space restrictions. Funding for upgrades supporting diversion in existing locations would encourage participation and new buildings should reflect design for proper waste diversion through approval processes. In many urban centres an increasing amount of the population resides in multi-residential locations and these residents must have access to the same programs as residents in the low-density residential sector. This also applies to residents in MU properties.

Niagara Region has traditionally placed a high value on recycling at public spaces and offers Special Events Recycling and Organics programs throughout the year to all public events within Niagara Region. All community events should be mandated to have diversion programs and the province should provide funding for volunteers to help sort waste properly at events. Public events should be waste-free and generate only acceptable recyclable and compostable material.

In addition, schools should be an eligible source, whether or not they are collected as part of a residential collection route.

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

Niagara Region's position is that individual sectors should have their own measurable targets and metrics (LDR, ICI and Multi-Residential). Targets should be reassessed at defined intervals to promote continued improvement of diversion rates. Creation of data collection mechanisms to measure progress in waste reduction and resource recovery is vital. Development of standards and targets that reflect a minimum of the current state i.e. minimum diversion targets set for the LDR (that are at least as high as current achievements) should be maintained during the transition.

To increase program effectiveness, Niagara Region supports individual recovery targets for individual materials. Despite the current challenges associated with recycling certain materials, such as multi-layer packaging, and the widespread use of single-use packaging, producers must be held accountable. In the MECP's webinar on June 20, 2019, it was suggested that plastics targets may need to recognize the diversity of plastic sources. Producers should be held accountable for all material, including different plastics, to avoid scenarios in which producers switch to or use product and packing materials with low or no obligation for waste management. Accountability supports innovation and design of better products. Although details are currently limited, the federal government has announced a ban on single-use plastics as early as 2021, mirroring the list of items from the European Union model and will serve to further support provincial actions and targets. The federal and provincial levels of government should work together with municipalities and producers, thereby reducing confusion for residents and increasing success and awareness of programs.

Niagara Region encourages inclusion of positive incentives to go beyond minimum targets in addition to penalties for producers not meeting targets. Incentives supporting the use of secondary materials over virgin material such as tax incentives or other financial benefits would support and recognize producer efforts. Targets should be re-assessed on a pre-defined schedule and progress monitored to ensure continual improvement.

In terms of recovery rate calculations, if material-specific targets have to be met by catchment area or by municipality, it should be noted that the allocation of tonnes of Blue Box material supplied (tonnes reported to SO by stewards) by percentage of

population will not reflect regional differences, for example fewer newspapers in circulation.

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

Waste reduction (avoid waste generation) followed by reuse, and recycling (including composting) should continue to take priority in the definition of diversion. Targets to address reduction and reuse should also be developed as higher value objectives. Use of alternative recovery methods such as energy or chemical recovery is preferable to landfilling materials.

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

Niagara Region agrees that curbside collection systems must remain in place for the existing programs and expanded where possible. Access and convenience must be maintained for residents to ensure continued participation and support. If catchment areas include municipalities with varying programs, planning considerations need to include strategies to help residents adjust to, for example, a shift from the current collection method (e.g. from single stream to dual-stream), the addition of new materials to the program or other changes that could lead to contamination in other streams and ultimately the municipalities would have to deal with the complaints/customer service for these issues.

As previously noted, a phased approach with one-third of municipalities transitioning each year over a three year period will support producers, municipalities and residents. Catchment areas may increase collection efficiencies but municipalities that are ready to transition early should be permitted to do so and municipalities who do not transition in the first phase should receive payment of 75% of net verified costs in year one, increasing annually until transition is complete. Municipalities must be engaged when determining transition order.

RPRA is well positioned to collect, store and analyze data related to the transition and to ensure continuity of service and achievement of targets.



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



Stakeholder Webinar – June 20, 2019

Overview

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

Ontario's Blue Box Program

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

Drivers For Change in the Blue Box Program

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

Where We're Going

Mediation

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

Transition Direction and Regulation Making

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

Orderly Transition

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

Modernized Blue Box

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

The Mediation Process

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

Participation by Stakeholders

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

Key Mediation Issues

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

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

Considerations

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

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

Considerations

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

Key Mediation Issues – Continued

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

Considerations

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

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

Considerations

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

Key Mediation Issues – Continued

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

Considerations

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

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

Considerations

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

Key Mediation Issues – Continued

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

Considerations

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

Next Steps

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

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Renewing the Blue Box: Final report on the blue box mediation process

The Special Advisor on Recycling and Plastic Waste report outlines recommendations for transitioning the management of Ontario's Blue Box Program to producers of plastic and other packaging. The report, written by advisor David Lindsay, includes results from consultations with municipal and industry stakeholders and offers ways to improve recycling and increase the number of products that can be recycled, while making sure the program continues to be accessible and convenient.

Letter of transmittal

Minister Yurek:

In a mandate letter I received from Minister Phillips on June 8, 2019 (Appendix A) I was asked to provide the government with advice and recommendations by July 20, 2019 on how to improve recycling through the Blue Box Program and better manage plastic pollution.

This report is a product of a series of meetings I had the honour to facilitate between representatives of the municipal sector and the producer sector over a period of six weeks during the months of June and July 2019.

This report is designed to assist you in developing a path forward. This public policy journey will require careful implementation over a reasonable timeline to ensure continuity of service for residents and effective and efficient delivery of sound economic and environmental outcomes.

I was not able to meet with all those who asked but did receive valuable input from a broad range of stakeholders. Some of that input is reflected in the body of this report but ministry staff have a complete record of the submissions received and I know they will draw upon that input as they work with you to develop the next steps in this process.

This is a very complex issue and I thank all those who participated in this process for helping to identify areas of consensus and areas which will require further work. I particularly want to thank the staff of the Resource Policy Recovery Branch who helped gather the background information, worked tirelessly to help prepare the meeting materials and put in the extra effort to deliver this report on time.

This report, and the six-week mediation process that preceded it, is only one small step in a complex process which will require the co-operation and input of literally hundreds of municipalities, Indigenous communities, producers, haulers and processors. But, based on the participation of those

involved in this process, and others with whom I spoke, I believe there is a strong momentum and genuine will to succeed.

While engaged in these consultations I was also pleased to hear the commitment and interest of family, friends and work colleagues when they learned of my involvement in this project. Many people told me stories of going on trips to some states south of the border and being surprised that there is not an option to recycle waste. They spoke with pride about the Ontario blue box. I also heard from other Ontarians that the Europeans have strong targets for waste diversion that could be considered in Ontario. The culture of wanting to do good for the environment is strong in Ontario and this sense of pride and commitment to the Ontario Blue Box program by all citizens will be important for the ongoing success of our recycling efforts.

We have a unique opportunity to help rebuild the blue box. Citizens value the blue box program and want to do their part to reduce waste. Producers embrace responsibility for the packaging they produce. Municipalities are ready to transition blue box programs. People of goodwill are ready to take the next steps. I hope you find this report helpful.

Thank you for the opportunity to make a contribution.

David Lindsay
July 20, 2019

Executive summary

The people of Ontario are committed to doing their part to keep our communities clean and protect our environment and wildlife. They recognize that we create too much waste and don't recycle enough. They want products and packaging that result in less waste, and they want to do their part in diverting waste from landfill. They believe that every time they put something in the blue box, they are reducing litter and waste and improving the environment.

However, with the rapidly evolving mix of printed paper and packaging, the materials that go into the blue box have changed. The economics of blue box recycling are more challenging than ever before. As a result, Ontario's recycling rates have been stalled for 15 years and up to 30 percent of what is put into the blue box can sometimes be sent to landfill. Ontario's blue box system needs creative and sustainable solutions if it is to continue to have Ontarians' confidence and pride as a world-leading recycling system.

Making producers responsible for the waste generated from their products and packaging is a key commitment of this government's [Made-in-Ontario Environment Plan](https://www.ontario.ca/page/made-in-ontario-environment-plan) (<https://www.ontario.ca/page/made-in-ontario-environment-plan>). Municipalities and producers agree that producers are best suited to find innovative and cost-effective ways to divert the printed paper and packaging they use.

New regulations are needed to move the blue box program to producer responsibility, however, some outstanding issues need to be addressed before the province can set the stage for an effective transition.

This mediation process was established to help the municipalities and producers see past prior disputes and re-focus on solutions for a successful transition to producer responsibility.

Seven key issues were identified for discussion by the parties:

- A measured timeframe for transition
- Ensuring a common collection system
- Transitioning municipal assets
- Standardizing what's in the blue box
- Determining eligible sources for blue box materials
- Setting effective diversion targets
- Promoting increased diversion from landfill

Parties were able to achieve consensus in many areas, and some topics will need more time than was available to reach agreement. Based on the consensus achieved, and on the conversations and perspectives shared by all participants in this mediation process, I am providing the province with recommendations that will help inform a planned, successful transition to producer-run recycling services for Ontarians.

Transitioning the blue box program will be a multi-stage process that will involve many opportunities for stakeholder and public input. This mediation process is only the first step to identify and develop a common understanding of key operational issues that need to be addressed to provide a clear path forward for transition. After this mediation process, the province will need to consider the advice given and chart a path for blue box transition that will include further public consultation.

A measured timeframe for transition

A clear and consistent timeline is needed to make it easier for all parties to effectively manage change.

Recommendations

- Transition should occur over a six-year period according to the following approximate timelines (i.e., from 2019 through 2025):
 - Before the end of 2019: Minister issues transition direction to Stewardship Ontario outlining the timeline for transition.
 - Over a one to one-and-a-half-year period (e.g., 2019-2020): Government consults on, and finalizes, regulations that specify how the blue box will move to producer responsibility.
 - Over a two-year period (e.g., 2021-2022): Producers prepare to assume responsibility for the blue box and engage all parties, including municipalities and service providers.
 - Over a three-year period (e.g., 2023-2025): Phased transfer of responsibility from municipalities to producers that transitions a similar amount of waste over each year.
- The province should provide transition direction and begin gathering the necessary information as early as possible to help all parties plan for the new producer responsibility framework.
- The province should issue a consultation document to provide additional information and clarification when consulting on the draft regulations.
- To provide the certainty needed to kick-start planning for transition, the timeline should provide early notification of the government's plan for producer responsibility, expedited development of producer responsibility regulations, and sufficient time for municipalities and producers to prepare.

Ensuring a common collection system

The province has been clear that transitioning the blue box to full producer responsibility must not negatively impact the recycling services that the people of Ontario use every day.

Recommendations

- Regulations should maintain blue box collection as an essential part of any collection system, but also allow producers the flexibility to collect some packaging through other methods.
- Taken together, the blue box and other methods will create a common collection system that will give producers access to the materials they need to recycle and will ensure that the people of Ontario have uninterrupted service across the province during the transition period.
- The regulation-making process will determine how this collection system is to be established. The complexity of doing so should not be underestimated, which is why I recommend that the first step must be to collect and analyse the information on the existing blue box and recycling system in Ontario. This information could include:
 - Programs and collection methods operated by municipalities.
 - Populations serviced by blue box programs.
 - Expiry of municipal collection contracts and lifespan of waste facilities.
 - Municipal readiness to transition.
 - Location of waste transfer, sorting and processing facilities.
 - The volumes and flows of collected printed paper and packaging.
- The province should consider retaining expert advice to analyse the collected information and provide a recommendation on how best to proceed with transitioning services. This information will inform regulation development and facilitate producer preparation.

Transitioning municipal assets

Municipalities have made significant investments in facilities and equipment to collect, sort, transfer and process blue box materials. As producers develop an efficient province-wide collection system, some municipal infrastructure may no longer be needed. The certainty on timing and the ability for municipalities to fairly bid in a competitive process on future services for producers was key to achieving consensus on how to deal with transitioning municipal assets.

Recommendations

- Parties agreed that if producers are given full responsibility and accountability, they must have control to decide which assets will be used in a future collection and management system. Producers should not be forced to use, or pay for, municipal assets they do not need.
- Parties agreed that municipalities must be able to bid fairly on future services for producers, and municipalities may decide whether, and how, their existing assets may be part of their bids.

Standardizing what's in the blue box

It should be easier for Ontarians to understand what's recyclable and what's not. A common collection system should have a standard list of materials.

Recommendations

- Regulations should make producers responsible for all printed paper and packaging they put into the market by setting clear goals for diversion from landfill, but they should provide flexibility for producers to identify the best way to achieve these goals.
- Regulations should establish a standard list of blue box materials that must be collected through blue boxes across Ontario, and also allow producers to use other methods to meet or supplement diversion requirements.
- Regulations should establish a transparent process that will allow producers to change which materials are collected in the blue box versus other methods.
- Producers should be encouraged to use other methods to divert materials that cannot be recycled by the blue box or that might contaminate collected materials.

Determining eligible sources for blue box materials

Ontarians generally associate blue boxes with curbside or depot collection, but in most communities the blue box program extends to multi-residential buildings, some businesses, and sometimes parks and other public spaces. Transition must consider whether and when it makes sense for producers to be responsible for blue box services beyond curbside or depot collection.

Recommendations

- Producers should provide blue box collection wherever it was provided by municipalities or Indigenous communities as of a specified date, and going forward they will provide blue box service for new residential developments.
- After completing transition, producers should gradually expand collection in multi-residential buildings, as well as parks and public spaces where municipalities provide waste collection.
- Blue box services should not be expanded to industrial, commercial and institutional establishments as these facilities already have their own waste servicing arrangements and existing contracts for diversion. In addition, recycling in these facilities is covered by a different regulatory framework at this time.
- It is important that Ontarians have similar opportunities to recycle whether they are at home, work or out in public. The province should review and modernize the regulatory framework for industrial, commercial and institutional facilities to improve overall diversion rates in Ontario and to better align the kinds of materials recycled in this sector with the materials that are recycled through the blue box.

Setting effective diversion targets

Regulated and enforceable targets are necessary to set a level playing-field and ensure that the blue box system strives to achieve meaningful environmental outcomes.

Recommendations

- A single, overall blue box target is neither workable nor effective. The province should consult to identify specific targets for different types of printed paper and packaging material.
- The categories should be specific enough that they can be used to identify materials that have low diversion rates, so that action can be taken to improve diversion.

- The province should set targets that will drive diversion and challenge the ingenuity of Ontario's industry to innovate and find new efficiencies and cost-savings.
- Targets should progressively increase over time to ensure that Ontario's recycling services continue to innovate and evolve.

Promoting increased diversion from landfill

What goes in the blue box should be reused or recycled – and not go to landfill. A producer-run blue box system must motivate producers to maximize reuse and recycling, while leaving room for innovative ways to divert emerging and problematic materials from landfill.

Recommendations

- Reduce, reuse, recycle should count as diversion. That is, processes that continue to make materials available as a resource for new products or packaging should be considered diversion.
- Incineration and energy-from-waste should not count as diversion.
- Don't lose sight of the first R – reduction. Where feasible, producer responsibility regulations should recognize and reward producers for reducing waste and improving their environmental performance.

Thinking bigger than the blue box

The transition of the blue box to producer responsibility is an opportunity for additional actions to increase waste diversion, reduce litter, and build a recycling economy in Ontario.

Recommendations

- Co-ordinated, province-wide promotion and education is critical to build upon our blue box culture, reduce litter, and make waste reduction a part of everyday life.
- Ontario should take strong action to reduce plastic pollution and be a voice for decisive, focused, and co-ordinated action at both the national and international level. All parties must not lose sight of the fact that packaging is only one part of our plastics problem.
- The province should ensure that all ministries work together to develop a collaborative plan for Ontario to become a leading jurisdiction for innovation and economic growth in the recycling industry.

1. Introduction

The people of Ontario are concerned about waste.

Ontarians take great pride in their natural environment and are dismayed when they find litter and plastic waste polluting our parks and waterways.

Residents want to create less waste and see the waste they do create recycled into new products. But the goods they use every day often can't be reused, are confusing to recycle, or end up in the environment or a landfill. Ontarians want to take meaningful action to keep plastic and litter out of our environment, and they want those responsible for the products and packaging to take real steps to

help them do this. They believe that recycling should be convenient, accessible, and understandable. I think they're right.

The people of Ontario are not alone. Global momentum is building as governments, businesses, and citizens look to reduce waste, increase diversion, and improve how we recycle.

Major multi-national corporations have adopted strong commitments to make their products more recyclable and make the use of plastics more sustainable. Governments around the world are looking at ways to drive permanent shifts in behavior that make recycling systems self-sustaining and our economies more competitive.

Producer responsibility is an essential tool for changing waste into a resource that can be reused and recycled into new and valuable products.

Making producers responsible for the waste generated from their products and packaging is a key commitment of this government's Made-in-Ontario Environment Plan.

When producers – the companies that design, create, and market products and packaging – are responsible for diverting the waste from their goods, they have incentives to redesign their products, make them easier to recycle, and use more recyclable materials. Producers can reintegrate these wastes into new products from reliable streams of recovered materials.

Ontario is home to the world's first curbside recycling systems. The blue box program began in Kitchener in 1981 and over the last 38 years the program has become a source of pride for Ontarians. Municipalities and Indigenous communities across Ontario deliver the blue box services, funding 50 percent of the program costs. Producers fund the other half.

All parties agree that it is time to transition the blue box to producer responsibility. This way, producers can build on our history of curbside recycling to make services more efficient, return materials back into the economy, and reach our common goals to reduce waste and increase recycling. Municipalities and Indigenous communities will continue to have access to recycling programs that help residents send less to landfill.

New regulations are needed to move the blue box program to producer responsibility, however, some outstanding issues need to be addressed before the province can set the stage for an effective transition.

I was retained by the province to act as an impartial mediator to foster discussion and help producers, municipalities and other stakeholders move closer to or reach agreement on key issues. I was also tasked with providing advice on how these issues may be best addressed to ensure our recycling system is more consistent, reliable and cost-effective for Ontarians. This report contains my findings and recommendations on both the blue box mediation and broader improvements to recycling in Ontario.

Over the course of these discussions it became clear that improving the blue box program is bigger than landing the next steps for the transition to producer responsibility. It is an economic opportunity for our province. All participants agreed that the waste generated here in Ontario has the makings of an important economic resource. When we do it right, the transition of the blue box program will support innovation, job growth, and a strong recycling economy in Ontario.

The people of our province want to do their part in finding solutions to some of our most pressing environmental concerns, including the issue of plastic litter and waste, and they believe that optimizing the blue box program is a part of the solution.

They believe that every time they put something in the blue box they are reducing litter and waste and improving the environment. I think these expectations are reasonable and commendable. Ontario's government, municipalities and industry are committed to doing more with waste and demonstrating leadership in recycling.

We must recognize the complexity of transitioning the blue box to producer responsibility.

Municipalities, producers and residents all want to make sure that this transition not only maintains continuous blue box service, but also sets up the system to create better recycling outcomes and divert more materials from landfill.

2. Where Ontario is now – background on the blue box

I was proud to learn that the blue box is an Ontario innovation. Throughout the mediation process, I was impressed at the ingenuity and commitment of municipalities and businesses in pioneering recycling in Ontario.

Ontario's municipalities set up the world's first curbside recycling systems, beginning in Kitchener in 1981. This sparked demand for curbside recycling across the province and other municipalities followed suit. In 1994, the province issued [Ontario Regulation 101/94](https://www.ontario.ca/laws/regulation/940101) (<https://www.ontario.ca/laws/regulation/940101>) which requires municipalities with a population of at least 5,000 to operate blue box services.

Curbside collection in Ontario

Ontario Regulation 101/94 under the *Environmental Protection Act* (<https://www.ontario.ca/laws/statute/90e19>) sets out requirements for municipalities to establish and operate curbside blue box programs to collect five standard materials including newspapers, glass bottles/jars, steel cans, aluminium cans, plastic PET bottles as well as a minimum of two other materials e.g., boxboard, cardboard, fine paper, plastic film, rigid plastic). In 2017 the Blue Box Program recovered 61.3 percent of blue box materials.

Financial support was formalized through the *Waste Diversion Act, 2002*, which required producers of printed paper and packaging managed by the blue box to fund up to 50 percent of municipal net operating costs. This arrangement, operationalized by the Blue Box Program Plan, remains in effect to this day under the *Waste Diversion Transition Act, 2016* (<https://www.ontario.ca/laws/statute/16w12>). The producers' funding obligation for 2019 is \$126.4 million.

At the mediation table, I heard strong agreement that the time is right for the blue box to evolve. Participants agreed that recycling has changed since these systems began in the early 1980s. The blue box needs to be modernized to address today's demands and challenges, and to set the stage for this province to benefit from the resources in our waste.

Our diversion rates have stalled

The people of Ontario expect the blue box program to keep printed paper and packaging out of their communities and environment.

Ontario's blue box program used to be a world leader. But blue box diversion rates have stalled around 60 percent for more than a decade. That's a system-wide number averaged across all materials collected. For some hard-to-recycle materials, the diversion rate can be less than 10 percent of what was supplied into Ontario; for these materials, a lot of this packaging is ending up in our landfills or our environment.

Printed paper and packaging materials have evolved

Ontario Regulation 101/94 – the regulation that sets the minimum collection list – hasn't changed since 1994, but the materials we want to divert every day have evolved. For many items, glass or steel containers have been replaced by plastics. And as packaging has evolved, much of it has become harder to recycle by traditional methods.

From collection to contaminant: Materials that cause problems for blue box systems

Black Plastic: Many recycling systems cannot sort and remove black plastics.

Plastic Films: Films, wraps, and bags can disrupt recycling equipment and are costly to recycle.

Laminates: Packaging made up of multiple layers of different materials is difficult to recycle.

Polystyrene: Foam-based food packaging is often too lightweight and too soiled for cost-effective recycling.

The economics of recycling have changed

Selling collected materials was supposed to cover the costs of recycling. Changes in markets for collected materials, however, make this a challenge. Whereas newspaper was once the mainstay of blue boxes across the province, the digital revolution has vastly reduced the volumes and markets for newspaper in North America. Plastic films are expensive to recycle and revenues do not cover costs. Adjusting for inflation, the average cost of recycling a tonne of blue box materials increased by 50 percent from 2003 to 2017.

Today, materials are sent across the world for processing. This means that municipalities are affected by the ups and downs of economic events well beyond their borders.

Some countries are restricting the import of recyclables. China banned 24 materials from being imported for recycling, effective January 1, 2018. As China represents the largest end-market for the world's scrap materials, this ban has created cost pressures for blue box programs as municipalities have limited options for processing their collected materials. As part of the ban, China also announced a new 0.5 percent contamination rate standard for materials which it will accept. Contamination rate refers to the percentage of non-grade or resin-specific materials that are contained in the bale or container of materials.

When foreign jurisdictions restrict imports of collected materials or require higher-quality materials, as was recently done in China, municipalities can be left with materials they can't sell. One oily pizza box can make a bale of paper too contaminated to recycle. If Ontario is going to continue to run the blue box system, it needs to be cleaned up so that the materials it collects can go back into our economy.

Price Drop: Impact of import restrictions on prices for recyclables

Price Changes for Blue Box Materials
2017-2019

Material	Price Change
Plastic film	-62%
Newspaper	-53%
Corrugated cardboard	-52%
Aluminum cans	-21%

The people of Ontario want to do more

Building confidence in recycling is about building a better blue box. Participants in the mediation recognized that the people of Ontario want to recycle as wide a range of printed paper and packaging as possible – not only the materials they grew up recycling but also the ones they generate today. But in some cases, up to 30 percent of what's collected in some blue boxes can be sent to landfill.

Citizens are confused as to why they can't use the blue box to recycle the same materials in different communities. Residents want to know that what goes in the blue box gets recycled. They want their recycling efforts to have environmental benefits and economic value. We need to clean up the blue box so that the people of Ontario can be confident that when they recycle they are diverting waste from landfill.

Consistency is key: Managing a take-out coffee cup in Ontario

Municipality	Paper Cup	Plastic Lid
Hamilton	Green bin	Garbage
Burlington	Green bin	Blue box
Mississauga	Garbage	Garbage
Toronto	Garbage	Blue box (black plastic not accepted)
Markham	Blue box	Garbage

Both municipalities and producers recognize the opportunity to create new markets for recyclables here in Ontario. By collecting higher quality materials – with less contamination – we can make recyclables more valuable. As collected materials become worth more, recyclers will invest in the infrastructure needed to recycle more right here in Ontario.

3. Where Ontario wants to go – producer responsibility

Producer responsibility

Making producers responsible for diverting waste is based on the idea that the companies that design, create, and market products and packaging are in the best position to divert these materials when they become waste. By diverting products and packaging, producers keep materials in the economy to be used in new products or processes – rather than landfill.

Ontario has the legislation needed to make producer responsibility a reality. Both municipalities and producers support the province's policy direction to transition the blue box to producer responsibility under the *Resource Recovery and Circular Economy Act, 2016* (<https://www.ontario.ca/laws/statute/16r12>). This act allows for the province to revitalize the blue box by creating regulations that specify how producers must manage the printed paper and packaging they sell or distribute in Ontario.

Producers can help people keep waste out of their environment and their landfills

Most residents want to recycle more and send less to landfill. When producers are responsible for diverting their products and packaging, residents benefit from more opportunities to recycle. Producer responsibility will make producers legally responsible for providing consistent, convenient, and accessible recycling options for the residents that use their products and packaging.

The people of Ontario understand that they have a big role to play in diverting the right materials and keeping recycling streams clean. Producer responsibility would harmonize what can be recycled across different communities, so producers can have consistent, reliable, and clean streams of recyclable materials. A more co-ordinated and integrated province wide system will allow for better education and awareness, so Ontarians can more easily understand what materials to put in the blue box.

Municipalities recognize that producers can control costs and deliver good services

Municipalities want to see more waste diverted from landfill. They recognize, however, that costs are increasing, and they have no control over the materials that end up in the blue box. Municipalities support shifting responsibility to those that can control how packaging is designed and maintain the consistent, high-quality services their citizens have come to expect.

Producers see more responsibility as a strategic economic shift

Producers accept that taking on more responsibility means they will pay more to recycle their printed paper and packaging. Producers support this shift, however, because it gives them full control, from design and production all the way through to collection and recycling.

Producers are willing to take on new responsibilities and costs because this full control is part of a long-term strategy that allows them to innovate, compete, and reduce costs. They want producer responsibility applied broadly and fairly, to create a level playing-field where innovators are rewarded for their efficiencies and free-riders are penalized for not following the rules.

Making producers responsible for blue box materials can help drive changes in packaging design, use and recycling. When producers are responsible for collection, sorting, and diversion, they have the financial incentive to make their products as efficient to manage as possible.

This can result in producers designing packaging that uses fewer problem materials, that is easier to recycle, and that contains more recyclable content – because when packaging is easier to recycle, it saves them money. Taking control of how their products and packaging are managed when they become waste can drive them to make collection and processing more efficient.

Improving product design: producers facilitating recycling

In the past, the composition of different resin types contained in Unilever's deodorant sticks prevented them from being recycled. The company worked with the Association of Plastic Recyclers to modify the packaging for its deodorant sticks in order to make them recyclable. By adjusting the proportion of polypropylene to other plastic resins, deodorant sticks can now be recycled in Canadian recycling programs.

Producer responsibility will help producers meet their national and international commitments

The mediation sessions revealed that many producers have adopted international commitments to reduce problem plastics, increase plastic recycling, and use more recycled plastics in new products.

Producers and businesses associations, such as Unilever, PepsiCo, Nestlé, Procter and Gamble, and the Food and Consumer Products of Canada have endorsed the Ellen MacArthur Foundation's New Plastics Economy Initiative that sets broad goals for reducing plastic waste and increasing recycling. Many also have their own strategies, such as Walmart Canada's Charter on Plastics and Loblaw's commitments to achieve national diversion rates of 80 percent at corporate stores and 95 percent at distribution centres by 2030.

The blue box program reaches 95 percent of Ontario's households. This coverage is a competitive advantage for companies that need to recover their printed paper and packaging waste and makes Ontario an attractive place to meet their diversion needs.

Global momentum: the new plastics economy initiative

The Ellen MacArthur Foundation launched the New Plastics Economy Global Commitment in 2018 to create "a new normal" for plastic packaging. The targets, to be reviewed every 18 months, include:

- Eliminating problematic or unnecessary plastic packaging and moving from single-use to reusable packaging models.
- Innovating to ensure 100 percent of plastic packaging can be easily and safely reused, recycled, or composted by 2025.
- Circulating the plastic produced, by significantly increasing the amounts of plastics reused or recycled and made into new packaging or product.

4. Mediation process

Producers and municipalities have a long history of working together to deliver and fund blue box services. While participants recognized that this relationship has its ups and downs, there is strong consensus from all sides about the need to move the blue box program to producer responsibility and to do so in a timely manner – it is time for change.

Unfortunately, annual disputes over blue box costs led to tensions between producers and municipalities that stood in the way of moving to producer responsibility. In the past, this made it difficult to resolve some of the key issues about when and how to transition the blue box.

This mediation process was established to help the parties see past their disputes and re-focus toward solutions for a successful transition to producer responsibility. In the brief consultation, I asked municipal and producer representatives to help us address seven broad questions and reach consensus on as many subjects as possible.^[1] Their participation and ongoing engagement will help ensure that transferring responsibility for blue box recycling from municipalities to producers is as smooth as possible.

At the same time, it was equally important that the consultation process be transparent and clear to all. At the onset of this process, I hosted an open webinar for all interested stakeholders to attend and learn about the scope of the mediation and the seven questions that would be discussed. Additionally, although it was not possible to accommodate everyone around the mediation table, I was pleased to meet with individual municipalities, producers, haulers, processors, and other stakeholders, to ask for their perspectives and advice. I welcomed and invited written submissions from any stakeholders that wished to provide feedback and suggestions. Their input has been invaluable in helping to frame the discussions at the mediation table and to inform my final recommendations.

As I facilitated the mediation sessions, it was apparent that producers and municipalities have made significant progress in finding common ground on transition. By and large, producers and municipalities are not far off and share more items of agreement than disagreement. Mediation was required to build consensus on a few outstanding issues needed to start the process of writing the regulations that will be the next big step in moving towards producer responsibility.

Key issues addressed by mediation

Transition concern	Desired outcomes
A measured timeframe for transition	A clear and consistent timeline is needed to make it easier for all parties to effectively manage change. The transition process must provide for sufficient time and certainty for producers to prepare for their new responsibilities and for municipalities to transfer their recycling services to producers.
Ensuring a common collection system	The province has been clear that transitioning the blue box must not negatively impact the recycling services that the people of Ontario use every day. Municipalities and producers require certainty to ensure the transition avoids a patchwork of services, and that it creates an efficient and effective province-wide collection system.
Transitioning municipal assets	Municipalities have made significant investments in facilities and equipment to collect, sort, transfer and process blue box materials. The transition process must allow producers to make decisions on whether they will use some of these assets to deliver efficient services while allowing municipalities time to repurpose them or develop other strategies that minimize impacts on municipal budgets.
Standardizing what's in the blue box	It should be easier for Ontarians to understand what's recyclable and what's not. Blue boxes across the province should collect a more consistent set of materials to make recycling easier for citizens, make more efficient for processors, and more cost-effective for producers.
Determining eligible sources for blue box materials	We generally associate blue boxes with curbside or depot collection, but in most communities the blue box program extends to multi-residential buildings, some businesses, and sometimes parks and other public spaces. Transition must consider whether and when it makes sense for producers to be responsible for blue box services beyond curbside or depot collection. In a new producer-led system, producers may also identify innovative ways to collect materials.
Setting effective diversion targets	Regulated and enforceable targets are necessary to set a level playing-field and ensure the blue box achieves meaningful environmental outcomes. Targets must be measurable and achievable, striking a balance between the need to reflect existing diversion rates while driving real improvements.
Promoting increased diversion from landfill	What goes in the blue box should get recycled – and not go to landfill. A producer-run blue box system must motivate producers to maximize reduction, reuse and recycling, while leaving room for innovative ways to divert emerging and problematic materials from landfill.

This intensive six-week process is only one step in a complex transition. To paraphrase the words of Winston Churchill, I would advise that this report should not be viewed as the beginning of the end. It is not even the end of the beginning. It is the beginning of the beginning.

Transitioning the blue box program will be a multi-stage process that will involve many opportunities for stakeholder and public input. This mediation process is only the first step to identify and develop a common understanding of key operational issues that need to be addressed to provide a clear path for

transition. After this mediation process, the province will consider the advice given and chart a path for blue box transition that will include further public consultation.

Although my role as Special Advisor ends with the submission of this report, there will be many more opportunities for conversations to inform future decision-making. The transition will rely on stakeholder contributions at every stage to ensure its success.

The challenge in this transition will be for the province to provide enough clarity and certainty of direction through regulations that will allow the municipalities and the producers to make informed decisions, but the process cannot be so prescriptive that it precludes flexibility and opportunity for innovation. We cannot make the blue box recycling program better if we don't make room for process change and continuous improvement.

5. Mediation results

The mediation process identified a number of considerations and issues, some of which were touched upon in my mandate letter and others which were identified in submissions, through individual meetings, or during the course of the mediated sessions. The results of this consultation process are outlined in the following pages of this report.

For each of the seven mediation topics, this section identifies the considerations discussed, areas where the parties agreed, and areas where consensus was not achieved. My recommendations are presented in section 6.

5.1 A measured timeframe for transition

A clear and consistent timeline is needed to make it easier for all parties to effectively manage change.

The transition process must provide for sufficient time and certainty for producers to prepare for their new responsibilities and for municipalities to transfer their recycling services to producers.

A measured and orderly transition will help ensure a balance between the need for comprehensive planning and sufficient progress so that Ontario's producer responsibility approach has a solid foundation for an effective, competitive future.

Considerations

Transition is about producers taking operational control of delivering blue box services, and municipalities ending or transferring existing contractual relationships.

Transition should be done in a way that does not disrupt blue box services. All parties need sufficient time to understand their regulatory obligations and their options for establishing contracts in an orderly manner.

Transition should strike a balance to mitigate costs for all parties. A gradual handover of blue box operations to producers over a number of years, while at the same time steadily eliminating the existing shared funding program, can help producers better manage the take-up of these new costs.

Areas of consensus

The first major step would be Ministerial direction that sets out clear transition dates, and the beginning of the regulation development process.

This regulation-development period would begin when the Minister issues direction to Stewardship Ontario and the Resource Productivity and Recovery Authority signaling when municipalities can start transferring responsibility to producers and when responsibility from all municipalities should be fully transferred. To achieve this transfer of responsibility two concurrent actions must occur:

- Stewardship Ontario must develop a plan to gradually eliminate the shared funding program for blue box materials under the *Waste Diversion Transition Act, 2016* (<https://www.ontario.ca/laws/statute/16w12>) .
- The province must put in place producer responsibility regulations for the blue box materials under the *Resource Recovery and Circular Economy Act, 2016* (<https://www.ontario.ca/laws/statute/16r12>) .

The Minister has full discretion when to issue direction to Stewardship Ontario and the Resource Productivity and Recovery Authority.

After the Minister has issued direction and set clear timelines, the regulation development process can begin. Parties would like to see finalized regulations by late 2020/early 2021. Although approval of final regulations is a government decision and is subject to several factors, parties agree that regulation-development should aim for completion by the end of 2020.

Parties agree on actions that would be required to prepare to transition after finalizing the regulations; some actions may be concurrent with others:

- Producers and service providers must register with the Resource Productivity and Recovery Authority.
- Municipal Councils need to review the final blue box regulations and indicate they will be ready to transition.
- There is a need to align municipalities' transition timing with the goals of having approximately one-third of the total blue box tonnage transition each transition year.
- Although municipalities will identify when they prefer to transition, there are many factors to consider. What is crucial is providing certainty of timing.
- Municipalities that did not get allocated to their preferred transition year will need to reconsider and re-plan their transition for the year they are allocated.
- Producers will establish contracts to assume responsibility and:
 - allow municipalities to bid to provide collection services;
 - where not working with municipalities, arrange for collection services; and
 - arrange for post-collection services (producers may or may not work with municipalities for material management services).

Parties agree that transition to the new producer responsibility framework should be staggered over three years, with approximately one-third of total blue box tonnage to transition in each of the three years. Parties agreed that determining which municipalities would transition in each 'third' would be a complex task and would require further consideration. Parties agreed that municipalities that have transitioned would no longer be bound by mandatory blue box program requirements under Ontario Regulation 101/94 under the *Environmental Protection Act*

(<https://www.ontario.ca/laws/statute/90e19>) that requires them to run curbside recycling programs. As producers take over municipal programs they would have full responsibility for blue box materials under the *Resource Recovery and Circular Economy Act, 2016* (<https://www.ontario.ca/laws/statute/16r12>) .

Areas without consensus

Parties did not agree on the time required to prepare for transition, i.e., after finalizing the regulations but before producers begin to take responsibility. Perspectives ranged from one to three years. Several key concerns prevented consensus on this point:

- There were differing opinions on how much preparatory work could overlap with regulatory development. It was noted that conversations would continue between producers and municipalities to assist producers' preparations, but it was not known how concrete those conversations could be until details of the regulations were finalized and all parties understood the framework they would be operating in.
- Similarly, there were differing expectations over the degree that producers would utilize existing municipal assets after transition, and the extent to which producers would need time to establish and contract new capacity.

Although the parties agreed that approximately one-third of Ontario's total blue box tonnage would transition in each year, parties did not agree on what criteria would be used to select the municipalities that would transition in each year. Municipalities could be selected based on clusters of geographic proximity, cost-effectiveness of operational logistics, readiness for transition e.g., expiry of waste management contracts, or municipal ability to end those contracts early), or other factors. The criteria used must result in transition groupings that are cost-effective and efficient to run.

5.2 Ensuring a common collection system

The province has been clear that transitioning the blue box must not negatively impact the recycling services that the people of Ontario use every day.

Both municipalities and producers require certainty in the collection requirements that the regulations may set. Municipalities want to ensure there will be continuity of service for residents and how to communicate these expectations to residents; producers need certainty on their obligations in order to establish the collection system and provide the required service. This will help create an efficient and effective province-wide collection system.

Considerations

Producer responsibility should result in a convenient and effective collection system for collecting materials for recycling. This system would include a combination of the existing blue box collection and other collection methods, depending on future regulations.

Regulations need to allow for competitive procurement of collection services so that producers can find the most efficient way to organize the collection system. Regulations must also contain sufficient requirements so that accessibility for residents is maintained. The ability for municipalities and others to compete to offer collection and processing services is key to achieving a cost-effective system; this

competition should occur in the context of regulated requirements that result in a common level of collection services for Ontarians.

Regulations need to ensure that residents who currently receive municipal blue box services will continue to receive collection services once transition occurs. It must be clear who will provide collection services and who procures the service for each municipality. The regulations would identify basic collection requirements across the province and outcomes that must be met.

To meet their regulatory obligations, it is anticipated that producers will contract with producer responsibility organizations that will contract out services and fulfill producer regulatory obligations. There may be one or more producer responsibility organizations.

As noted earlier, a staggered transition, based on producers accepting responsibility for collecting a proportional quantity of waste each year, reduces risk of service disruption by spreading the procurements over more time. Consolidating municipalities into collection clusters could improve efficiency and reduce costs – clusters could be geographically based, arranged by municipal readiness or a combination of other factors.

Areas of consensus

Parties agreed that a common collection system can result from clear regulatory requirements.

Mediation participants recognize that Ontario's producer responsibility framework enables more than one producer responsibility organization to exist for printed paper and packaging.

There was concern around the table that the entrance of more than one producer responsibility organization could make transition complicated. Producers expressed concern that having too many moving parts during the transition phase could increase the complexity of taking on blue box services. Regulations would need to specify the outcomes – a common collection system – and the producer responsibility organizations would need to work together to achieve that goal without duplication or gaps in service.

There was extensive discussion how duplication or gaps would be avoided; all parties agreed this was a complicated issue that required further time to identify a clear path forward.

Areas without consensus

While mediation participants agreed that blue box collection should be a common system, there was less certainty about what rules are needed to make it happen. Participants did not agree which clearly regulated outcomes would be required to allow stakeholders to self-organize, or whether there would need to be more prescriptive regulated roles during the transition.

Some participants strongly believe in allowing producers to self-organize with appropriate regulatory direction and incentives to deliver on outcomes.

Some participants thought that a more directive approach would be needed. Without a body to direct collection or oversee the system, transitioning from a municipally-run blue box system to a cohesive and accessible producer-run system could be a challenge. The parties discussed whether, to facilitate this challenge, government should mandate a single producer responsibility organization for the duration of the transition period.

5.3 Transitioning municipal assets

Municipalities have made significant investments in facilities and equipment to collect, sort, transfer and process blue box materials.

As producers develop an efficient province-wide collection system, some municipal infrastructure may no longer be needed.

The transition process must allow producers to make the decisions they need to deliver an efficient service while promoting strategies that minimize stranded collection and recycling infrastructure.

Effectively dealing with stranded assets is critical to ensuring a competitive and efficient market for diversion services that helps producers meet their obligations at the lowest cost and positions Ontario to be a North American leader in collection and recycling.

Considerations

Producers need choice in how they meet their obligations – they may choose to use some existing municipal facilities, while others may be unsuitable or unnecessary for producers to use in a larger, more regionalized recycling system.

Transition should be undertaken in manner that mitigates municipal stranded assets since the remaining value of assets declines each year. For example, timing can help mitigate lost value for municipal assets, as wear and tear and general use over time means that the remaining value of these assets decline each year.

Allowing municipalities to continue existing contracts or establish collection or management contracts on behalf of producers (if producers want) can reduce the risk of stranded assets.

Areas of consensus

Parties agreed that if producers are given full responsibility and accountability, they must have control to decide which assets will be used in a future collection and management system for blue box materials.

Producers should be free to optimally design the future system, and should not be forced to use, or pay for, municipal assets they do not need.

Parties agreed that municipalities must be able to bid fairly on future collection or processing services for producers, and municipalities may decide whether, and how, their existing assets may be part of their bids.

A predictable and measured transition will provide clarity to both producers and municipalities. Clear timelines will help parties determine which assets may be needed or useful and will help mitigate the risk of stranded assets.

5.4 Standardizing what's in the blue box

It should be easier for Ontarians to understand what's recyclable and what's not. Ontarians are given a different list of recyclable materials almost everywhere: at home, in the office, in schools, shopping malls, parks, and public spaces.

Recycling across the province should be made consistent with a standard list of blue box materials that can be collected. This would make recycling easier for Ontarians, more efficient for processors, and more cost-effective for producers.

Consistent, high-quality, high-volume streams get top dollar and attract recyclers. Standardizing what's collected in the blue box can make Ontario's waste streams more valuable and recyclers more efficient. This can foster economic opportunities and make Ontario a global leader in recycling.

Considerations

Residents expect a standardized list that is easy to understand and that maintains or expands upon the materials they already recycle today.

Collecting the same materials across the province can reduce contamination, improve sorting and support end-markets. Processors need sufficient and reliable volumes of specific waste materials to make investments in recycling technology cost-effective. Standardizing blue box materials helps them anticipate waste flows and plan for investments.

Areas of consensus

There should be a broad list defining all the printed paper and packaging materials that producers put into the Ontario market for which they should have responsibility. This list will likely be defined in regulations.

The regulations will identify which materials on the list must be accepted for collection in blue boxes at home, regardless of whether they currently receive their blue box services curbside, in a multi-residential building, or at a depot. This standard list of blue box materials would be the same across Ontario so residents in every community that has blue box services would be able to recycle the same material.

The standard list of blue box materials would likely exclude packaging materials that cannot be cost-effectively recycled through the blue box without potentially contaminating other collected materials. For these excluded materials, and to provide flexibility for producers, there should be the option for materials to be included in other collection channels. The regulations should not be too prescriptive or constrain producers in determining how to fulfil their obligations. For example, producers may set up a take-back system for their material instead of, or in addition to, participating in the blue box system.

It is expected that the standard list of blue box materials should be adaptive as products, markets and technology change. Materials that currently may not be effectively managed under blue box may be considered in the future as collection and processing methods improve. The following principles should be considered when establishing the review process:

- Regulations should set criteria for timing, and basis of mandatory reviews, instead of leaving it open and undetermined.

- The standard list of blue box materials should be reviewed on a regular, frequent, and transparent basis.
- Outcomes and decisions of the review should be clearly communicated to residents, governments and stakeholders.
- Responsibility for undertaking the review should be clearly assigned; producer input should be a significant driver of the review process.

The following are potential criteria that may be used when determining whether to change the standard list of blue box materials:

- Clarity and ease of understanding for residents
- Increasing the total amount of material recycled
- Ease of recyclability for processors
- Cost to manage
- Availability of alternate recovery options
- Reducing litter

Notwithstanding the standard list of blue box materials, producers should have the opportunity for pilot projects to trial new collection and management approaches for other materials.

Areas without consensus

Although parties agreed that producers should have significant input and the freedom to innovate in reviewing the standard list of blue box materials and how those materials are managed, parties did not reach agreement on how the review process would be defined or what level of input or oversight there should be from other bodies. Producers want control over deciding what materials are collected via blue box, as part of their rationale for being made responsible for these materials. Municipalities expressed a desire for some third-party oversight in list decisions.

Getting it back: alternate collection methods

In Ontario, Nespresso provides a red bag to allow customers to return used coffee capsules. Red bags can be returned via Canada Post.

5.5 Determining eligible sources for blue box materials

We generally associate blue boxes with curbside or depot collection, but in most communities the blue box program extends to multi-residential buildings, some businesses, and sometimes parks and other public spaces.

Transition must consider whether and when it makes sense for producers to be responsible for blue box services beyond curbside or depot collection. In a new producer-led system, producers may also identify innovative ways to collect materials.

Considerations

Many blue box materials are also generated by residents in privately-serviced residential buildings, municipal parks, public spaces, offices, and other sources.

Expanding sources eligible for blue box collection could help improve diversion rates but also could result in an increase in program costs.

Areas of consensus

During the three-year staggered transition period, as producers assume responsibility from municipalities, producers would be required to provide blue box services to every place that received municipal blue box services prior to transition.

For clarity – this means there would be no expansion of blue box services during the three-year staggered transition period.

Once the three-year staggered transition is complete, blue box collection should gradually expand in multi-residential buildings, parks, and additional public spaces. This would expand access to recycling as well as provide producers with more freedom to optimize their blue box system and achieve economies of scale.

Parties agreed that further discussions are needed to identify the right approach to implement producer responsibility for collection from these areas, to make sure efforts target the right materials for collection and limit the contamination of recyclables.

Offices, institutions and other commercial sectors should not be included in a producer responsibility framework.

Recycling in industrial, commercial and institutional facilities is governed by Ontario's 3Rs Regulations under the *Environmental Protection Act* (<https://www.ontario.ca/laws/statute/90e19>). Ontario Regulations 102/94, 103/94, and 104/94 require facilities to identify the amount and types of waste they generate, develop plans to reduce waste (and sometimes packaging), separate certain wastes at source and make reasonable effort to ensure that separated wastes are sent for reuse or recycling. In these sectors, waste generators - facility owners and operators - are responsible for source separating.

Generator responsibility in the 3Rs Regulations could be an effective way to ensure recycling and diversion from these sectors; those regulations should be reviewed to ensure they align with and support the materials being diverted under the producer responsibility framework.

Areas without consensus

Parties have not landed on a timeframe for expanding producer responsibility to blue box materials from other sources.

From bottle to bottle: Ontario's recycling industry

Keeping collected materials in Ontario creates jobs and adds value to our economy. Ice River Springs, one of the largest water bottling companies in North America, has 5 facilities in

Ontario employing 400 staff. The company currently purchases approximately 85 percent of all polyethylene terephthalate (PET) captured through the blue box program in Ontario and can take even more. Ice River Springs turns material that was once discarded as waste into a renewed plastic bottle, manufactured using 100 percent post-consumer recycled content, which can be recycled repeatedly. Their in-house recycling system can maximize recovery rates and contributes to the development of recycled content products.

5.6 Setting effective diversion targets

Regulated and enforceable targets are necessary to set a level playing-field and ensure that the blue box achieves meaningful outcomes. Targets must be measurable, achievable, and inspirational, striking a balance between the need to reflect existing diversion rates while driving real improvements.

Considerations

Targets should incent changes in packaging to improve recyclability and help address the broad problem of plastic waste and litter.

Some materials (e.g., multi-layer packaging, some plastics) are more difficult to recover. Targets should drive achievable and meaningful environmental outcomes for problematic, hard-to-recycle materials, and push producers to improve recycling of, or make changes to, packaging materials over time.

Areas of consensus

A single overall target for all blue box materials was not seen as desirable or workable in an individual producer responsibility framework. There need to be material-specific targets to drive environmental outcomes, and these targets should progressively increase over time while continuing to pose an achievable challenge.

Regulations will need to define how targets are measured and what material classes should be used.

Areas without consensus

Parties did not reach consensus on how to define or set the targets, or which specific materials or material classes should have targets.

Parties suggested a variety of different ways to measure targets to show meaningful diversion. Weight is the most straightforward way of measuring diversion but may not necessarily be the ideal metric in the future. Defining the outcomes by emissions or energy may be viable metrics. Parties did not agree on a particular metric or combination of metrics.

Other jurisdictions worldwide have already implemented, or committed to, high material-specific diversion targets.

British Columbia: Overall target
of 78% by 2022

Materials	Target ^[2]	Year
Paper	90%	2020
Plastic	50%	2025
Rigid Plastic	55%	2022
Flexible Plastic	20%	2022
Metal	67%	2020
Glass	75%	2020

European Union

Materials	2025 Target	2030 Target
Paper/Cardboard	75%	85%
Ferrous Metals	70%	80%
Glass	70%	75%
Aluminum	50%	60%
Plastic	50%	55%
Wood	25%	30%

5.7 Promoting increased diversion from landfill

What goes in the blue box should stay in the recycling stream – and not go to landfill. A producer-run blue box system must motivate producers to maximize reduction, reuse and recycling, while leaving room for innovative ways to divert emerging and problematic materials from landfill.

Getting the most recycling from materials collected in Ontario not only helps us reduce landfilling, but also sets the foundation for a cost-effective and efficient recycling industry that drives continual improvement.

Considerations

Ontario's limited landfill capacity and the impact of waste and litter on the environment is driving a need for innovative waste and recycling solutions.

Some chemical recycling or thermal treatment technologies provide a commodity that can be used in other products or packaging. These technologies should be viewed as recycling, as opposed to other approaches which use waste to create energy.

Once recycling has been maximized, including chemical recycling, there may be a role for energy recovery using thermal treatment technologies.

Reduction, reuse, and recycling should remain priorities over energy recovery.

Public acceptance of many energy recovery technologies and facilities is a challenge and requires a robust and transparent framework and standards to build trust.

Allowing waste to be used to create energy may be perceived as a reduced incentive to recycle – there may need to be limits placed on what materials, or how much, can be managed in this way.

Areas of consensus

Regulations should make reduction, reuse, and recycling the only activities that count towards diversion.

Regulations should use the principle of "keeping the molecule in play". "Keeping the molecule in play" is about extending the life and use of materials as long as possible. Technologies and processes that "keep the molecule in play" to create new products should be recognized as diversion.

Incineration and energy-from-waste should not count as diversion because these technologies involve the destruction of the molecule.

All parties acknowledged that energy recovery will have a role to play in reducing the amount of waste that is sent to landfill after all efforts have been made to achieve reduction, reuse, and recycling.

Targeting the first two Rs: Reduction and Reuse

Loblaw has announced that it will bring Loop to Canada as a pilot in 2020. Loop, a program from Terracycle, partners with retailers and brands to create sustainable, reusable packaging for products in order to reduce packaging waste. The products are delivered in unique, reusable packaging and once they have been used, are returned to Loop for reuse.

6. Mediation recommendations

After a six-week mediation, the message was clear – all participants want to begin the transition process. Producers and municipalities agreed that moving the blue box to producer responsibility is an opportunity to improve recycling, reduce waste going to landfill, and put waste materials back into the economy for productive use.

Through transition, Ontario has the chance to harness the innovation and knowledge of the private sector to create a recycling system that delivers uninterrupted services for residents, more efficient collection and management of materials, and more valuable end products that add value to our economy.

The discussions around the table convinced me of both the need for immediate action and the importance of the task at hand. Producers will be responsible for delivering blue box services across Ontario. More than 240 municipal and Indigenous blue box services need to move to producer responsibility. More than 1,200 producers need to organize and prepare for their obligations. This is a complex process that needs time, a clear path forward, and multiple opportunities for consultation and engagement.

I am confident the province can move quickly to set the wheels in motion and create a process that allows all stakeholders to work together for a successful transition. My recommendations on this path forward are outlined in the sections below.

6.1 A measured timeframe for transition

Clear direction from the province will help producers and municipalities plan for producer responsibility.

I recommend that transition occur over a six-year timeline that includes early notification of the government's plan for producer responsibility, expedited development of producer responsibility regulations, and sufficient time for municipalities and producers to set up the contracts they will need for an orderly transfer of responsibility. This will help provide the certainty needed to kick-start planning for transition.

Phase 1: Minister issues transition direction

Ontario should take clear steps to inform stakeholders of its plans for producer responsibility before the end of 2019.

The Minister should signal Ontario's intent to begin the blue box transition process by instructing Stewardship Ontario to develop a plan to eliminate the shared funding program and begin planning for producer responsibility. The Minister's transition direction can identify key transition principles as well as timelines for the transition process.

This direction will help give producers the certainty they need to start planning for producer responsibility and individual municipalities and Indigenous communities the signal to begin identifying when they would prefer to transition.

Phase 2: Government finalizes regulations

All parties agreed that the province should begin the regulation-drafting process as quickly as possible upon the issuance of the Minister's direction to Stewardship Ontario. Plain language explanations and a clear articulation of government objectives should be included at every stage of the process. The province should issue draft regulations within a year of the Minister's direction. The finalization of the regulations should be complete by early 2021 if not sooner.

During the mediation process it was made clear to me that producers and municipalities need as much information as early as possible to make their decisions. It is imperative the province set legal requirements early so participants have maximum time to consider their roles in the new system.

Regulations are required to set the rules for producer responsibility. These regulations will finalize the nuts and bolts of the producer responsibility system, including materials for collection, collection and recycling targets, environmental outcomes, service standards, and timelines. The province will need to consult widely, both as the regulations are being written and once drafts have been released.

I recognize this timeline is both ambitious and aggressive. It is imperative that the common collection system is established as soon as possible to ensure a smooth transition without service disruption.

Having the regulations complete as early as possible will help municipalities and producers manage complexity and expectations. I have faith in the capability and creativity of our public service to meet these timelines.

Phase 3: Producers prepare for producer responsibility

After regulations are finalized, producers and municipalities should have two years to prepare for when producers first assume responsibility from municipalities by the start of 2023.

This is a very busy phase for producers. They need to decide how to organize themselves and administer responsibility. One or more producer responsibility organizations will have to incorporate and hire staff. Procurement also must occur, to run bid processes and award contracts to municipalities and other service providers. Decisions will need to be made to determine which party undertakes procurement and how all the parties interact. Waste transfer and processing networks need to be created and there may need to be investments in collection infrastructure to make sure producers are ready for producer responsibility.

I recognize that preparing for producer responsibility is a complex process and appreciate calls for more time. With producers preferring three years and municipalities wanting one, this was the only stage where producers and municipalities disagreed on timing. But if the province issues early transition direction, puts regulations in place by 2021, and collects the right information to inform the process, parties should be ready to act decisively to make transition a reality. Some elements of preparation may even begin in 2020.

Producers and municipalities have been discussing the transition for many years. Municipalities and producers will need to continue to work collaboratively for this transition to be successful. My experience as blue box mediator has shown me that Ontario's municipalities and producers have significant common ground and are willing to work together in a spirit of openness and goodwill. I am confident this can continue as transition proceeds.

I also am confident in the flexibility and adaptability of our private sector to learn from experiences implementing producer responsibility in other jurisdictions, such as British Columbia, and prepare for their obligations. I expect producers and municipalities would start preliminary conversations as soon as the Minister issues transition direction in late 2019.

Phase 4: Municipalities transfer responsibility

Municipalities should transition to producer responsibility over a three-year period, by 2025, transferring approximately one-third of Ontario's blue box tonnage each year. Municipalities should hand over their responsibilities in groups to reduce disruption and ensure service continuity.

Municipalities should be grouped to facilitate the creation of a common collection system across the province. These groupings should be determined by criteria set out in regulation, informed by further data and analysis as identified in 6.2 below.

Recommendations

- Transition should occur over a six-year period according to the following approximate timelines (i.e., from 2019 through 2025):

- Before the end of 2019: Minister issues transition direction to Stewardship Ontario outlining the timeline for transition.
- Over a one to one-and-a-half-year period (e.g., 2019-2020): Government consults on, and finalizes, regulations that specify how the blue box will move to producer responsibility.
- Over a two-year period (e.g., 2021-2022): Producers prepare to assume responsibility for the blue box and engage all parties, including municipalities and service providers.
- Over a three-year period (e.g., 2023-2025): Phased transfer of responsibility from municipalities to producers that transitions a similar amount of waste over each year.
- The province should provide transition direction and begin gathering the necessary information as early as possible to help all parties plan for the new producer responsibility framework.
- The province should issue a consultation document to provide additional information and clarification when consulting on the draft regulations.
- To provide the certainty needed to kick-start planning for transition, the timeline should provide early notification of the government's plan for producer responsibility, expedited development of producer responsibility regulations, and sufficient time for municipalities and producers to prepare.

6.2 Ensuring a common collection system

During the mediation, I found that participants were committed to the goal of providing continuous services for residents and fair access to recyclables for producers.

Producers understand that the people of Ontario have come to rely on the blue box and view it as an important service. The transition process must ensure there is no fragmentation or gaps in service as producers take control. All communities must be transitioned fairly, regardless of their size, location, or density, with the result being convenient and accessible services for residents.

Municipalities understand that Ontario has a long history of competition for waste collection. Many blue box services are currently delivered by the private sector. Producer responsibility must build on this market. The transition process must ensure that producers of all sizes can get the recyclables they need to meet their targets.

Producer responsibility regulations should establish a common collection system across the province. This system should include a single blue box collection in each community, with supplementary collection channels or methods developed by producers to collect additional materials.

While both producers and municipalities understood the benefits of establishing a common collection system during the transition period, there was less certainty about what rules are needed to make it happen. Many participants felt that clear rules and strong enforcement could create the legal environment that would ensure a common blue box collection system during transition.

The province will need to make regulations that create the conditions for a common collection system that works in the public interest. This means regulating performance standards, so producers make blue box services convenient and accessible for the people of Ontario, including specifying the type and frequency of service.

These regulations will also need to make blue box services fair for producers. Much like all energy generators use the same wires to get power to consumers, all producers will need access to the blue box to get the materials they need to meet their targets. Where this common blue box collection system is different from the electricity system is that the producers are paying. Producer responsibility

is about producer say and producer control. A clear regulatory framework will be necessary to protect the public good of having a common collection system while providing sufficient flexibility and control to respect producers' business needs.

We know that producer responsibility regulations will need to set strong collection and recycling outcomes that drive producers to collect high volumes of material from all corners of the province.

What else is needed is less clear. Regulations could set outcomes relating to providing open access to the blue box collection systems. We may need to consider consolidation and economies of scale during the transition phase. There may be a need to establish outcomes for collaboration, to make sure we don't have multiple producer responsibility organizations operating separate collection services.

The first step in creating the right rules is having the right information. Markets work best when all participants have access to the information they need to make informed choices. Improved data is necessary to help producers plan for blue box services, including ensuring full coverage of services across the province. With transparent information and access to data, most producers believe that they will be better placed to foster competitive markets and fair contracts for collection services.

An orderly and measured transition must consider how much waste we generate and where we generate it to balance costs throughout the process. Knowing when municipal collection contracts expire and where printed paper and packaging go for recycling will help plan for continuity of service. Ontario must allow for time to gather and assess the state and location of waste facilities to make smart decisions on what is needed. Only then can the province know what type of rules are needed to ensure continuous service and access. This information is necessary to decide how municipalities should be grouped for transition and the factors that need to be regulated in a new market for recycling in Ontario.

Information on current blue box operations should be consolidated and made publicly available. The province should also consider retaining experts to provide advice on how best to make blue box a shared public service for recycling printed paper and packaging in Ontario.

The province needs information on how the blue box is working right now to assess the rules needed for an orderly transition.

Producers need transparent and accessible information to make informed investments and business decisions.

These are complex decisions and this six-week mediation process did not allow me to arrive at a recommendation for a best approach. But I do think that when both province and producers have access to the same information they can both make informed decisions on the best way to move forward.

Once this information is assessed, the province will be in a better position to know what type of rules are needed and how to plan transition.

Recommendations

- Regulations should maintain blue box collection as an essential part of any collection system, but also allow producers the flexibility to collect some packaging through other methods.

- Taken together, the blue box and other methods will create a common collection system that will give producers access to the materials they need to recycle and will ensure that the people of Ontario have uninterrupted service across the province during the transition period.
- The regulation-making process will determine how this collection system is to be established. The complexity of doing so should not be underestimated, which is why I recommend that the first step must be to collect and analyse the information on the existing blue box and recycling system in Ontario. This information could include:
 - Programs and collection methods operated by municipalities.
 - Populations serviced by blue box programs.
 - Expiry of municipal collection contracts and lifespan of waste facilities.
 - Municipal readiness to transition.
 - Location of waste transfer, sorting and processing facilities.
 - The volumes and flows of collected printed paper and packaging.
- The province should consider retaining expert advice to analyse the collected information and provide a recommendation on how best to proceed with transitioning services. This information will inform regulation- development and facilitate producer preparation.

6.3 Transitioning municipal assets

While I understand that this issue has raised some tensions and concerns in the past, it was less contentious at the mediation table. The clarity on timing of transition will allow municipalities to make informed decisions which will further reduce this concern.

The parties were in broad agreement on this issue. I recommend that the Minister give considerable weight to this consensus. The certainty on timing and the ability for municipalities to fairly bid in a competitive process on future services for producers was key to achieving consensus on how to deal with transitioning municipal assets.

Recommendations

- Parties agreed that if producers are given full responsibility and accountability, they must have control to decide which assets will be used in a future collection and management system. Producers should not be forced to use, or pay for, municipal assets they do not need.
- Parties agreed that municipalities must be able to bid fairly on future services for producers, and municipalities may decide whether, and how, their existing assets may be part of their bids.

6.4 Standardizing what's in the blue box

Mediation participants agreed that producers should be responsible for the printed paper and packaging they put into Ontario, with flexibility to decide the best way to collect and recycle that material. A common collection system should have a standard list of blue box materials and the flexibility to collect materials through other channels or methods.

This standard list of blue box materials will help ensure that what goes in the blue box can be recycled. The blue box system should be able to produce an uncontaminated, high-quality, high-value stream of recyclables that can find markets and be used in new products, keeping materials in the economy as long as possible. Recycling the same materials everywhere will help build a consistent stream.

Ontario's blue box list should also be adaptable. Producers and municipalities agreed the list should be open to evolution. The standard list of blue box materials should not prevent producers from finding new or innovative ways to fulfil their obligations. Producers should be allowed to decide the best way to get the recyclables they need to meet their targets. Producers should be allowed to use other channels or methods to collect their printed paper and packaging, where appropriate. Producers should also be able to evolve and change the standard list of blue box materials to reflect changes in packaging and new methods of collection.

Any process that has the potential to change what goes in the blue box must be transparent, accessible, and have oversight. A list of materials set in regulations might not provide the requisite flexibility; I recommend that the regulations establish a flexible, transparent, and predictable listing and review process.

Recommendations

- Regulations should make producers responsible for all printed paper and packaging they put into the market by setting clear goals for diversion from landfill, but they should provide flexibility for producers to identify the best way to achieve these goals.
- Regulations should establish a standard list of blue box materials that must be collected through blue boxes across Ontario, and also allow producers to use other methods to meet or supplement diversion requirements.
- Regulations should establish a transparent process that will allow producers to change which materials are collected in the blue box versus other methods.
- Producers should be encouraged to use other methods to divert materials that cannot be recycled by the blue box or that might contaminate collected materials.

6.5 Determining eligible sources for blue box materials

Municipalities and producers agreed that all communities that have blue box services must continue to have access to recycling during and after transition. This includes Indigenous communities that operate blue box systems. Multi-unit residential buildings, parks, and public spaces that currently receive blue box service should also be included. It was also understood that as new residences are built, these homes will be included in the producer responsibility system.

Over time, the system should gradually expand to more multi-residential buildings, and to parks and public spaces where municipalities collect waste, to increase diversion and take advantage of efficiencies and economies of scale. Ontario needs to have a larger conversation about where and how to improve recycling, particularly in public spaces. Further data is needed to make sure public space diversion targets the right materials and results in viable recycling streams.

Recycling outside the home is important to the people of Ontario. Ontarians get frustrated when offices, shopping malls, or institutions recycle in different ways from what they experience in their homes.

The industrial, commercial and institutional sectors have their own regulations and arrangements for diversion. In these sectors, the 3Rs Regulations make facility owners and operators responsible for source separating wastes. But diversion rates are low, and municipalities and producers agreed that the current rules, which are more than 20 years old, need to be updated.

Ontario has committed to review the 3Rs Regulations and develop a recycling framework that applies low-burden, outcomes-based rules fairly across these sectors.

Changes to the regulations for recycling in the industrial, commercial and institutional sectors should build on existing waste diversion and recycling practices in order to increase recycling rates. The types of industrial, commercial, and institutional facilities vary widely across the different sectors, making a one-size-fits-all approach to recycling unsuitable. The province needs to engage these sectors to develop recycling rules that target the right establishments and materials.

A key objective in updating these rules should be that Ontario citizens see a better alignment between the materials they recycle at home and the materials collected at work, in commercial locations, and at institutions.

Recommendations

- Producers should provide blue box collection wherever it was provided by municipalities or Indigenous communities as of a specified date, and going forward they will provide blue box service for new residential developments.
- After completing transition, producers should gradually expand collection in multi-residential buildings, as well as parks and public spaces where municipalities provide waste collection.
- Blue box services should not be expanded to industrial, commercial and institutional establishments as these facilities already have their own waste servicing arrangements and existing contracts for diversion. In addition, recycling in these facilities is covered by a different regulatory framework at this time.
- It is important that Ontarians have similar opportunities to recycle whether they are at home, work or out in public. The province should review and modernize the regulatory framework for industrial, commercial and institutional facilities to improve overall diversion rates in Ontario and to better align the kinds of materials recycled in this sector with the materials that are recycled through the blue box.

6.6 Setting effective diversion targets

An effective common collection system needs access to large volumes of high-quality materials.

Regulated targets drive high recycling rates and can help create a recycling economy in Ontario. Targets for collection and recycling are important to making sure producer responsibility results in usable materials that can be used in new products and packaging. Regulated targets create competition for innovative and cost-effective collection and processing methods, unleashing the creativity of the private sector.

Ontario's producer responsibility rules need to work in harmony with those in other jurisdictions. This way producers should have a level playing-field and Ontarians can aspire to be a world-class recycling economy. Where possible, producer responsibility rules should include or reward the use of recyclable and recycled materials in packaging to promote recycling.

Leading jurisdictions in Europe and North America have committed to high-level targets and timelines for specific-material types. As I noted earlier in my report, major multinationals have made commitments to sustainability, many of which involve targets for the recyclability of products and

packaging. If Ontario is to achieve the best possible diversion outcomes, it should recognize and leverage these commitments in its target-setting.

Our efforts need to be focused. Targets need to reflect the diversity of materials in the blue box system and the differences in how they are managed. For example, a target that includes all plastic packaging would rely on the highly recyclable PET bottles and ignores the low current diversion rates for plastic film or polystyrene. Detailed material-specific targets will help spark action on the materials that need it most.

In determining how targets will be measured (e.g., weight, emissions, or otherwise), the province should consider metrics that will be relevant for years to come and tightly linked to the environmental and economic outcomes that the blue box system will deliver.

Recommendations

- A single, overall blue box target is neither workable nor effective. The province should consult to identify specific targets for different types of printed paper and packaging material.
- The categories should be specific enough that they can be used to identify materials that have low diversion rates, so that action can be taken to improve diversion.
- The province should set targets that will drive diversion and challenge the ingenuity of Ontario's industry to innovate and find new efficiencies and cost-savings.
- Targets should progressively increase over time to ensure that Ontario's recycling services continue to innovate and evolve.

6.7 Promoting increased diversion from landfill

Ontario has a strong history with reducing, reusing, and recycling. Municipalities and producers remain committed to the 3Rs as one of the core principles for producer responsibility.

Participants agreed that the province should make waste reduction a priority. Producers want to be recognized for the work they've done to reduce waste. And municipalities have often led the way in promoting waste reduction to the people of Ontario.

The province should explore options that get the best environmental results. In some cases, reuse may be more energy-efficient and offer greater cost savings compared to recycling and remanufacture. The regulations should consider ways to recognize producers that have innovated to implement reusable packaging, and to incent others to make similar design choices.

Regulations should be responsive to new advances in recycling technology. The province should use the principle of "keeping the molecule in play" when considering which recycling technologies should count as diversion. "Keeping the molecule in play" is about extending the life and use of materials as long as possible. Technologies and processes that go beyond traditional recycling methods to turn materials into new products should be encouraged.

Technologies that involve the destruction of the molecule to create energy-from-waste should not count as diversion. However, there may be a role for this as part of the solution for diverting the amount of waste that is sent to landfills where reduction, reuse, and recycling efforts have been exhausted.

Recommendations

- Reduce, reuse, recycle should count as diversion. That is, processes that continue to make materials available as a resource for new products or packaging should be considered diversion.
- Incineration and energy-from-waste should not count as diversion.
- Don't lose sight of the first R – reduction. Where feasible, producer responsibility regulations should recognize and reward producers for reducing waste and improving their environmental performance.

7. Thinking bigger than the blue box

The blue box helped create a culture of recycling in Ontario. We can build on this to do more to reduce waste, make recycling easier and reduce plastics and litter in our communities.

A responsive, effective and efficient curbside recycling system has the potential to drive investment in new technologies and make Ontario a leader in the recycling industry.

Mediation participants agreed – this transition, if done right, presents a unique opportunity to help clean up our communities, foster innovation, create good jobs and grow our recycling economy at home, in Ontario.

Blue box is only one part of improving recycling in Ontario.

Everyone around the mediation table agreed that Ontario needs to divert more waste from industrial, commercial and institutional facilities. And with diversion rates in our businesses and institutions reported at 17 percent, I agree.

As I identified earlier in my report, these sectors have their own recycling rules, in the 3Rs Regulations. They also have their own networks for recycling waste. Some participants suggested that these factors make applying producer responsibility in these sectors a challenge, however, they all agreed that modernizing the rules for recycling in these sectors is of utmost importance. As noted earlier, these regulations should better align with the materials that go in the blue box to ensure a co-ordinated approach to recycling in Ontario.

Improving recycling is about helping people do the right thing.

Residents have a strong role to play in making the best use of waste materials. Co-ordinated, province-wide promotion and education is critical to build and strengthen upon our blue box culture and make waste reduction a part of everyday life.

It is important that residents put paper and packaging in the right place when they generate waste. As we all know, that doesn't always happen. Governments, producers, and the waste sector all play a part, and so do individuals. We need concerted efforts to change this behaviour.

Residents have a role to play in rebuilding the blue box. When we recycle the right way, we increase diversion, reduce litter, and keep recycling streams clean. Strong producer responsibility targets will help drive producers to maximize diversion and help the public do the right thing. A standardized list of materials will reduce confusion and contamination.

The promotion and education required as part of producer responsibility will raise awareness of where and how we can recycle. These are important steps. But it won't be successful if residents don't do their part. We must all work together to achieve success.

When it comes to litter, we need to change behaviour before and after we generate waste

Understanding why and where litter occurs is fundamental to keeping our communities clean. Municipalities have extensive experience in tackling litter; many have audits and studies that can help us better understand litter behaviour. The province should continue to work with the beverage industry to learn from their litter and public space recycling initiatives and pilot best practices in public spaces and parks.

The province's commitment for a province-wide litter clean-up day is another building block. The producers and municipalities around the mediation table expressed their support for these initiatives. I encourage the province to partner with producers and businesses to promote clean-up days to maximum effect, and co-ordinate with municipalities to build on their existing clean-up efforts.

Recycling on the go: improving diversion in public spaces

Manitoba's producer-funded Recycle Everywhere Program promotes beverage container recycling away from home. More than 60,000 recycling bins have been installed on streets, in parks, community centers, arenas and other public buildings around the province. The program has increased Manitoba's beverage container recovery rate from 42 percent to 70 percent from 2010 to 2016. Coupled with a strong public education campaign, some communities have seen litter reductions as high as 87 percent since the start of the program.

Ontario has a unique opportunity to show leadership on plastics

We've all seen the reports of plastic in our oceans and harming our marine life. Up to 8 million tonnes of plastic enters the world's oceans annually. Closer to home more than 80 percent of litter collected during volunteer shoreline cleanups is plastic waste. An estimated 10,000 tonnes of plastic debris enter the Great Lakes each year.

Governments around the world have recognized the need to act. The European Union has issued a directive that sets a target of recycling 90 percent of all plastic beverage containers by 2029. They intend to mandate the use of more recyclable materials in plastic packaging and ban single-use products where alternatives exist. In 2018, G8 countries agreed to a challenge to address marine plastic pollution by managing plastics more sustainably throughout the whole life-cycle.

Here in Canada, the federal government announced its intent to potentially ban harmful single-use plastics as early as 2021. The Canadian Council of Ministers of the Environment recently released Phase One of their Canada-wide Action Plan on Zero Plastic Waste. This first phase focuses on the design, use, collection, and recycling of plastics along with the development of markets for the recycled products.

I urge the province to take strong action to reduce plastic pollution and to be a voice for decisive, focused, and co-ordinated action at both the national and international level, working co-operatively with the federal government and other Canadian jurisdictions. It is critical that residents and businesses are not faced with competing initiatives that create a confusing patchwork quilt of requirements and commitments.

Improving the recycling of plastic packaging isn't the only answer to our plastics problem, but it is certainly one of the most important solutions. Ontario's blue box program reaches the most people and manages the most materials of any curbside program in Canada. Transitioning the blue box to producer responsibility is not only a chance for Ontario to get things right – it is also a chance to lead the way on recycling in Canada and abroad.

Action on plastics must be comprehensive. We must recognize that packaging is only one part of the plastic problem. Packaging accounts for 47 percent of plastic waste in Canada and is one of the most frequently recycled plastic materials. In fact, plastic packaging makes up 88 percent of the recycled plastic resin that was used to make new products in 2016. This shows that recycling is critical to keeping plastics out of our environment. With the right steps toward producer responsibility, we can recycle even more.

Single-use plastics include a wide variety of items, uses, and materials. Action on single-use plastics must be surgical to ensure these measures target the right product with the right requirements. Studies will help us understand where, when, and how these products are used, and that their alternatives are widely available and beneficial for our environment. The province, where possible, should act as a broker to link our university researchers with producers, the plastics industry, and recyclers to help get innovative and sustainable solutions to problem plastics into the market.

Rethinking recycling: chemical recycling

GreenMantra Technologies of Brantford, Ontario uses a chemical reaction to transform recycled materials, such as certain complex plastics, into higher value polymers. This process drives economic value by opening new applications and additional outlets for waste plastics where conventional recycling cannot provide an adequate solution.

Ontario can reap the economic benefits of being a top recycler – if we have a co-ordinated provincial strategy

Ontario's residential waste collection systems manage literally hundreds of thousands of tonnes of waste. Our first objective should be to reduce that overall amount of waste; our second objective should be to reuse as much as possible; our third objective should be to recycle. It is at this third step – recycling – that we should think of this as mining resources out of the waste stream. Improving diversion from landfill and the efficiency of collection systems over time will create a volume of recyclable material that will be an input into the creation of new products, jobs and economies in Ontario.

One of the things that surprised me was how much blue box plastic is recycled right here in Ontario. Under the right conditions, waste can truly be a resource. Ontario's waste sector has the experience in collecting, managing and processing recyclables.

Feedback from the mediation sessions indicated that Ontario's waste management sector wants to invest in processing facilities and that producers are ready to help support those investments. Ontario can capitalize on the restrictions on the import of recyclables in Asia to become a leading processor for the Great Lakes region. It is imperative that Ontario establish the right conditions to capitalize on producer responsibility for the benefit of our economy.

Building a recycling economy is broader than just producer responsibility. It is through the reclaimed and reused material that we can create increased economic opportunity. Investment in research and innovation to create the jobs from the recycled materials should be an interministerial responsibility. Garbage and recycling are not just an environmental issue – they are also economic opportunities. The province should ensure that ministries collaborate across government to develop a plan for how we as Ontarians might maximize the economic benefits of being a leading recycling jurisdiction.

Recycling at home: keeping materials in the Ontario economy

More than 99 percent of the plastics collected by the city of Toronto are sold to recyclers right here in Ontario, going to facilities in Shelbourne, Sarnia, and Toronto. Steel and glass collected by Toronto's recycling programs are processed in Hamilton and Guelph, respectively. This is a prime example of recycling creating jobs and adding value to Ontario's economy.

Recommendations

- Co-ordinated, province-wide promotion and education is critical to build upon our blue box culture, reduce litter, and make waste reduction a part of everyday life.
- Ontario should take strong action to reduce plastic pollution and be a voice for decisive, focused, and co-ordinated action at both the national and international level. All parties must not lose sight of the fact that packaging is only one part of our plastics problem.
- The province should ensure that all ministries work together to develop a collaborative plan for Ontario to become a leading jurisdiction for innovation and economic growth in the recycling industry.

Conclusion

In closing my report, I want to recognize those that helped me get here. The commitment of Ontario's businesses and municipalities for a transitioned blue box program has been impressive and is highly commendable. Every person that attended the mediation sessions came willing to engage, question, answer, and discuss. The sessions were both collegial and thoughtful. I have enjoyed facilitating sessions and becoming immersed in the complex but fascinating world of waste management over a very intense six weeks.

I know I am not alone when I say that Ontario is on the cusp of a once-in-a-generation opportunity to improve our environment and build our economy. I know this, because this was frequently expressed by the participants in the sessions.

All participants agree that Ontario needs to make producers responsible for diverting their products and packaging. Municipalities are willing to transfer their recycling programs to producers. Some of the world's largest companies are willing to take on the full cost of recycling to help us better control costs and improve products. This is all happening in the midst of a global focus on reducing waste and improving recycling. This is a unique opportunity for Ontario. The conditions are right to rebuild the blue box into a recycling system that will help us reduce waste, protect our environment, and contribute to our economy not only for us, but also for our children.

At every stage of the mediation, I heard that transitioning to producer responsibility is bigger than the blue box.

The people of Ontario expect pristine waterways and wilderness, so wildlife can thrive. They expect parks to be free of litter and garbage. Pride and respect for our natural environment is a part of the fabric of living in Ontario.

It's my opinion, however, that the people of Ontario want more than clean communities. They want a society that recycles more and needs fewer landfills. They want an economy that rewards competitors for avoiding waste and using waste materials to create new products. They want every opportunity to reduce waste; and where waste is unavoidable, they want products and packaging that are designed to be easier and cheaper to recycle.

I think these expectations are fair and they are within our grasp.

Moving the blue box to producer responsibility is a first step in an important path that will help rebuild the blue box, protect our environment, and build our economy. Landfills bury resources in the ground. Recycling returns them to productive use. I truly believe that, with the right steps to optimize our recycling systems, Ontario can become a leader in recycling. Ontario can be an attractive place for the recycling industry to invest, create jobs and compete nationally and internationally.

Transitioning the blue box is a complex endeavour. The next steps will require considerable additional effort on the part of all participants. Given the commitment I have seen demonstrated by all participants during this process, I am convinced that Ontario's blue box services and the broader waste management system will continue to improve and respond to changing technology and increasing demand by consumers for responsible packaging, enhanced recycling and waste diversion.

Appendix A – Mandate letter

Ministry of the Environment, Conservation and Parks

Office of the Minister

777 Bay Street, 5th Floor

Toronto, ON M7A 2J3

June 7, 2019

Dear Mr. Lindsay,

I would like to express my appreciation to you for agreeing to volunteer as a Special Advisor on Recycling and Plastic Waste to help the people of Ontario and their government tackle the serious problem of plastic pollution, a key commitment in the Made-in-Ontario Environment Plan.

Ontario families take pride in doing their part for the environment. Ontarians are national leaders in reducing greenhouse gas emissions, and our own city of Kitchener was the birthplace of the world's first Blue Box program. Knowing this, I was disappointed to learn that, while Ontario families do their part by diligently sorting their recycling, government and industry are failing them.

Today, Ontario's recycling rates have been stalled for 15 years and up to 30% of what is put into blue boxes is sent to landfill. Some of Ontario's plastic litter and waste is being shipped across the ocean to the Philippines and Malaysia. Meanwhile, plastic and other litter is increasingly plaguing our parks, highways, rivers and lakes.

This is unacceptable—both industry and government must do better.

It is for these reasons I look forward to you providing advice on how to improve recycling through the Blue Box Program and better manage plastic pollution.

In addition, I ask that your work be guided by the following public policy objectives:

- Standardization across the province of what can be recycled in offices, parks, public spaces and homes;
- Improve diversion rates and increase what materials can be recycled;
- Reduce litter and waste in communities and parks;
- Improve Ontario's Blue Box program by requiring producers to pay for the recycling of the products they produce, through achieving producer responsibility; and
- Maintain or improve frequency of blue box collection.

When increasing diversion in the residential sector, consider how these policies can also enable diversion in the institutional, commercial and industrial sector.

Your work will consist of two roles: a mediation role where you, as an impartial mediator, will foster discussion and help producers, municipalities and other stakeholders to move closer to or reach agreement on key issues; and an advisory role, where you will provide me with advice on how these issues may be best addressed to ensure Ontario's recycling system is more consistent, reliable and cost-effective for Ontarians.

To assist you in this work, I have also requested a jurisdictional review on how leading jurisdictions are employing innovative technologies to improve recycling efficiency and diversion rates for you to consider.

The current Blue Box Program has been in place since the 1980s and had great early, world-renowned success in recovering residential printed paper and packaging for recycling. In recent years, however, waste diversion rates have stalled in Ontario and been surpassed in other provinces. Meanwhile the costs to operate the program are rising.

While many countries used to take our recycled material, they are increasingly shutting their doors. In 2018, China launched "National Sword," a policy which bans the importation of many recycled plastics and other materials – including from Ontario. This has resulted in increased recycling costs, increased material being sent to landfill, and more plastic litter and waste in our communities.

Mandating producer responsibility will obligate producers across Ontario to pay for and manage their materials. It will also enable a single common list of what can be recycled across the province. This system is a cost-effective and accountable way to promote innovation and to make sure Ontarians' recycling efforts are more effective, resulting in increased recycling and diversion rates.

At the conclusion of your work, please provide me with a report that outlines where the parties reached agreement and your recommendation on how to address any outstanding issues by July 20, 2019.

Thank you again for volunteering your time to help government and industry live up to the expectations of Ontarians when it comes to plastic pollution and recycling.

Regards,

Rod Phillips
Minister

Appendix B – Mediation participants and process

Over June and July 2019, I held consultations with stakeholders from municipal and industry sectors that will be most affected by transitioning the Blue Box Program to producer responsibility, including:

- Association of Municipalities of Ontario
- Canadian Beverage Association
- Canadian Federation of Independent Business
- Canadian Newspaper Association
- City of Toronto
- Food & Consumer Products of Canada
- Loblaw
- Magazines Canada
- Proctor & Gamble
- Regional Public Works Commissioners of Ontario
- Retail Council of Canada
- Unilever Canada
- Walmart

Meeting Date	Session
Wednesday, June 19	Mediation session to discuss a measured timeframe for transition and transitioning blue box assets.
Thursday, June 20	Public webinar to describe the mediation process, timelines, key issues to be discussed, and the process to provide submissions to the mediation process.
Monday, June 24	Mediation session to discuss standardizing the list of materials and determining eligible sources of blue box materials.
Wednesday, July 3	Mediation session to discuss setting effective diversion targets and promoting increased diversion from landfill.
Tuesday, July 9	Mediation session to discuss ensuring a common collection system.

Meeting Date	Session
Wednesday, July 17	Mediation session to provide a summary of mediation findings and discuss next steps.

The mediation also received 37 written submissions.

Updated: August 6, 2019

Published: August 6, 2019

Footnotes

- [1] ^ Please see Appendix B for a list of mediation participants and an overview of mediation sessions.
- [2] ^ Recycle BC's 2018 P&PP EPR Plan commits to propose a new target for each category two years after maintaining the existing target.

Renewing the Blue Box: Final Report on the Blue Box Mediation Process (Excerpts from the Report) / August 6, 2019

A list of the recommendations from Mr. Lindsay's report, by topic:

Topic	Report Recommendations
A measured timeframe for transition	<ul style="list-style-type: none"> • Transition should occur over a six-year period according to the following approximate timelines (i.e., from 2019 through 2025): <ul style="list-style-type: none"> ◦ Before the end of 2019: Minister issues transition direction to Stewardship Ontario outlining the timeline for transition. ◦ Over a one to one-and-a-half-year period (e.g., 2019-2020): Government consults on, and finalizes, regulations that specify how the blue box will move to producer responsibility. ◦ Over a two-year period (e.g., 2021-2022): Producers prepare to assume responsibility for the blue box and engage all parties, including municipalities and service providers. ◦ Over a three-year period (e.g., 2023-2025): Phased transfer of responsibility from municipalities to producers that transitions a similar amount of waste over each year. • The province should provide transition direction and begin gathering the necessary information as early as possible to help all parties plan for the new producer responsibility framework. • The province should issue a consultation document to provide additional information and clarification when consulting on the draft regulations. • To provide the certainty needed to kick-start planning for transition, the timeline should provide early notification of the government's plan for producer responsibility, expedited development of producer responsibility regulations, and sufficient time for municipalities and producers to prepare.
Ensuring a common collection system	<ul style="list-style-type: none"> • Regulations should maintain blue box collection as an essential part of any collection system, but also allow producers the flexibility to collect some packaging through other methods. • Taken together, the blue box and other methods will create a common collection system that will give producers access to the materials they need to

Topic	Report Recommendations
	<p>recycle and will ensure that the people of Ontario have uninterrupted service across the province during the transition period.</p> <ul style="list-style-type: none"> • The regulation-making process will determine how this collection system is to be established. The complexity of doing so should not be underestimated, which is why I recommend that the first step must be to collect and analyse the information on the existing blue box and recycling system in Ontario. This information could include: <ul style="list-style-type: none"> ◦ Programs and collection methods operated by municipalities. ◦ Populations serviced by blue box programs. ◦ Expiry of municipal collection contracts and lifespan of waste facilities. ◦ Municipal readiness to transition. ◦ Location of waste transfer, sorting and processing facilities. ◦ The volumes and flows of collected printed paper and packaging. • The province should consider retaining expert advice to analyse the collected information and provide a recommendation on how best to proceed with transitioning services. This information will inform regulation development and facilitate producer preparation.
Transitioning municipal assets	<ul style="list-style-type: none"> • Parties agreed that if producers are given full responsibility and accountability, they must have control to decide which assets will be used in a future collection and management system. Producers should not be forced to use, or pay for, municipal assets they do not need. • Parties agreed that municipalities must be able to bid fairly on future services for producers, and municipalities may decide whether, and how, their existing assets may be part of their bids.
Standardizing what's in the blue box	<ul style="list-style-type: none"> • Regulations should make producers responsible for all printed paper and packaging they put into the market by setting clear goals for diversion from landfill, but they should provide flexibility for producers to identify the best way to achieve these goals. • Regulations should establish a standard list of blue box materials that must be collected through blue

Topic	Report Recommendations
	<p>boxes across Ontario, and also allow producers to use other methods to meet or supplement diversion requirements.</p> <ul style="list-style-type: none"> • Regulations should establish a transparent process that will allow producers to change which materials are collected in the blue box versus other methods. • Producers should be encouraged to use other methods to divert materials that cannot be recycled by the blue box or that might contaminate collected materials.
Determining eligible sources for blue box materials	<ul style="list-style-type: none"> • Producers should provide blue box collection wherever it was provided by municipalities or Indigenous communities as of a specified date, and going forward they will provide blue box service for new residential developments. • After completing transition, producers should gradually expand collection in multi-residential buildings, as well as parks and public spaces where municipalities provide waste collection. • Blue box services should not be expanded to industrial, commercial and institutional establishments as these facilities already have their own waste servicing arrangements and existing contracts for diversion. In addition, recycling in these facilities is covered by a different regulatory framework at this time. • It is important that Ontarians have similar opportunities to recycle whether they are at home, work or out in public. The province should review and modernize the regulatory framework for industrial, commercial and institutional facilities to improve overall diversion rates in Ontario and to better align the kinds of materials recycled in this sector with the materials that are recycled through the blue box.
Setting effective diversion targets	<ul style="list-style-type: none"> • A single, overall blue box target is neither workable nor effective. The province should consult to identify specific targets for different types of printed paper and packaging material. • The categories should be specific enough that they can be used to identify materials that have low diversion rates, so that action can be taken to improve diversion.

Topic	Report Recommendations
	<ul style="list-style-type: none"> • The province should set targets that will drive diversion and challenge the ingenuity of Ontario's industry to innovate and find new efficiencies and cost-savings. • Targets should progressively increase over time to ensure that Ontario's recycling services continue to innovate and evolve.
Promoting increased diversion from landfill	<ul style="list-style-type: none"> • Reduce, reuse, recycle should count as diversion. That is, processes that continue to make materials available as a resource for new products or packaging should be considered diversion. • Incineration and energy-from-waste should not count as diversion. • Don't lose sight of the first R – reduction. Where feasible, producer responsibility regulations should recognize and reward producers for reducing waste and improving their environmental performance.
Thinking bigger than the blue box	<ul style="list-style-type: none"> • Co-ordinated, province-wide promotion and education is critical to build upon our blue box culture, reduce litter, and make waste reduction a part of everyday life. • Ontario should take strong action to reduce plastic pollution and be a voice for decisive, focused, and co-ordinated action at both the national and international level. All parties must not lose sight of the fact that packaging is only one part of our plastics problem. • The province should ensure that all ministries work together to develop a collaborative plan for Ontario to become a leading jurisdiction for innovation and economic growth in the recycling industry.

**Ministry of the Environment,
Conservation and Parks**

Office of the Minister

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**Ministère de l'Environnement,
de la Protection de la nature et des
Parcs**

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August 15, 2019

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

Dear Mr. Coyne:

The Blue Box program has been providing Ontarians with a convenient option for collecting and recycling printed paper and packaging for many years. In recent years, it has become apparent that the growing challenges in delivering and funding the program must be addressed. After hearing from many interested parties, I believe the time has come to modernize and improve Ontario's Blue Box services by transitioning from the existing program that provides industry funding to reimburse a portion of municipalities' costs to a full producer responsibility model where industry will be responsible for both funding and operations. The transition to producer responsibility will ensure Ontarians' experience and access to existing Blue Box services will not be negatively impacted and that there are province-wide services available, including for Northern, rural and Indigenous communities.

As a necessary complementary step to transitioning to a producer responsibility model, pursuant to Section 14 of the Waste Diversion Transition Act, 2016 (WDTA) I am directing Stewardship Ontario (SO), to develop a plan in respect of the funding program for blue box materials under the WDTA (the SO Program) and for SO itself. SO must submit the plan to the Resource Productivity and Recovery Authority (the Authority) for approval no later than June 30, 2020.

This direction will begin the process by which Ontario will implement a modern, producer-operated system that will provide consistent province-wide recovery of Blue Box materials under the Resource Recovery and Circular Economy Act, 2016, and ensure there is no disruption to Blue Box services.

The development of the plan must be conducted in accordance with this direction as well as the provisions of the WDTA and its regulations, including O. Reg. 357/17.

I am directing that the plan describe a mechanism for determining the steward fees necessary to provide for payments to municipalities and First Nation communities until the time they transfer responsibility for providing Blue Box services to producers. The plan will establish criteria for a three year period in which municipalities and First Nation communities will no longer be eligible to receive funding under the SO Program, starting on January 1, 2023 and ending on December 31, 2025, which is the date that SO Program will end and the new producer responsibility framework will be fully implemented.

It is in the public interest that the plan is consistent with the following principles:

Demonstrate transparent communications and meaningful consultation

- Parties affected by the transition should be consulted and have opportunities for meaningful engagement during the development and implementation of the plan.
- The public, Indigenous peoples and affected stakeholders, including stewards, municipalities and service providers (e.g. collectors, haulers, processors, recycled product manufacturers) will receive transparent and clear communications from SO on a regular basis during development and implementation of the plan.

Support competition and prevent conflict of interest

- The plan shall support competition in, and not adversely affect, Ontario's current and future marketplace for the collection and recovery of paper products and packaging. The plan shall not provide for unfair or preferential treatment of the public or any affected parties, or barrier to competition during or following the transition of the program.
- SO shall take all necessary steps to ensure there is no real, potential or apparent conflict of interest when developing and implementing the plan.
- SO's sharing of data and information to parties other than the Resource Productivity and Recovery Authority (the Authority) must be done through a fair, open and transparent process that does not result in preferential treatment of one person or group over another or release of any confidential information.

Demonstrate Fairness to Stewards and Protect Consumers

- The assets, liabilities, rights and obligations of SO related to the SO Program must be dealt with in a fair, open and transparent process in accordance with applicable law.
- All monies held in trust by SO related to the SO Program shall be treated appropriately in accordance with the WDTA and its regulations.

Maintain Program Performance

- There shall be no disruption in payments made by SO to a municipality or First Nation community under the SO Program until the time when that municipality or

First Nation community is no longer eligible to receive funding based on criteria established in the plan.

- Ontarians' access to and experience with the Blue Box program shall not be negatively impacted. It is my expectation that, while allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities and First Nation communities shall not reduce or expand existing levels of Blue Box services that are eligible for funding under the SO Program.

An addendum to this letter provides specific direction related to the details that SO must include in its plan for the SO Program and for SO.

The implementation of the plan shall begin on the date on which the Authority approves the plan. It is my expectation that the Authority will approve the plan no later than December 31, 2020.

It is expected that SO will engage and work cooperatively with the Authority in implementing any policy direction issued to the Authority pursuant to Section 29 of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA). This includes ensuring that real, potential or apparent conflict of interest concerns have been addressed prior to and during the development of the plan.

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

Lastly, SO shall make publicly available on SO's website this direction letter, as well as the complementary policy direction letter issued to the Authority.

Sincerely,

Jeff Yurek
Minister

c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks
Ms. Glenda Gies, Chair, Resource Productivity and Recovery Authority

Addendum to the Minister's Direction Letter for the Blue Box Waste Diversion Program and Stewardship Ontario

Stewardship Ontario (SO) is directed to develop a plan for the funding program for blue box materials (the SO Program) under the Waste Diversion Transition Act, 2016 (WDTA) and for SO itself that includes the following:

- A description of the designated wastes that are covered in the Blue Box program.
- A description of how the SO Program will be operated while the plan is being implemented, acknowledging the following:
 - The funding for municipalities and First Nation communities to participate in the SO Program shall end over a three-year period between January 1, 2023 and December 31, 2025.
 - SO's role in transferring payments to a municipality or First Nation community under the SO Program shall end on the date that obligated producers have assumed full responsibility for the collection and management of blue box materials from that municipality or First Nations community.
 - The plan shall recognize, and be responsive to, the fact that a future regulation under the *Resource Recovery and Circular Economy Act, 2016* will set the criteria and process by which municipalities and First Nation communities will transfer to full producer responsibility.
 - The calculation of the funds due to be paid to each municipality and First Nation community under the SO Program shall be proportional to the number of months in a calendar year in which the municipality or First Nation community remains under the SO Program.
 - The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.
- A proposed timeline according to which key aspects of the plan will be implemented.
- A description of and a proposal for dealing with the assets, liabilities, rights and obligations of SO in relation to the SO Program including:
 - All monies held in trust by SO related to the SO Program pursuant to Section 35 of the WDTA.
 - An approach that outlines how SO will deal with any information technology systems related to the SO Program to ensure fair and equitable access to all users, as an alternative to disposing of these assets for fair market value.
 - Any other assets of SO related to the SO Program, including, and without limitation, any intellectual property, physical assets or real property.

- Any liabilities incurred by SO during the development and implementation of the SO Program and anticipated to be incurred during the development and implementation of the plan.
 - A detailed account of anticipated costs arising from the plan, and a detailed account of how SO will finance these costs.
 - A detailed account of how SO proposes to equitably apportion its assets, liabilities, rights and obligations among stewards of Blue Box materials.
 - The plan shall set out a proposal to deal with any residual funds after the SO Program has ended and SO has finished its final financial reconciliations for the program and organization.
- A description of all data and information that is within SO's custody or control and that is related to the operation of the SO Program since the Minister's program request letter of September 23, 2002, and a proposal for transferring all data and information to the Resource Productivity and Recovery Authority (the Authority), including:
 - The process for transferring all the data and information to the Authority within any timeframes specified by the Authority.
 - The data and information that is to be transferred to the Authority, including, but not limited to:
 - A list of all registered stewards, including their business addresses and contact information; the nature of each steward's designation under the WDTA (e.g. whether designated because the steward is a brand holder, a first importer, or other person); the type and amount of Blue Box materials supplied by the steward into the Ontario marketplace; and,
 - Other additional data and information requested by the Authority.
 - Data and information related to the SO Program that is in SO's custody or control shall not be for sale.
- A proposal for identifying confidential or personal data and information and indicating how such data and information will be supplied in confidence when transferring it to the Authority, which will assist the Authority in determining its treatment of such data and information based on applicable law and policies.
- Demonstration and documentation that any party currently having access to SO data and information only retain data that is equivalent to the information that will be shared through a fair, open and transparent process
- The procedures that SO is putting in place to ensure there is no real, potential or apparent conflict of interest in respect of the plan's development, contents or implementation. Without limiting the scope of these procedures, the plan should address:
 - Any real, potential or apparent conflict of interest in respect to SO's relationship with the Canadian Stewardship Services Alliance (CSSA)

- Any necessary steps to ensure that the CSSA does not receive preferential treatment over other potential market participants in respect of Blue Box resource recovery markets that may be created under the RRCEA.
- A description of changes to the SO Program that are anticipated to be necessary to implement the plan.

I am further directing that the plan include the following:

- A detailed report of SO's communications with affected parties and the public during the development of the plan.
- A detailed proposal for a communications plan for all affected parties and the public during the implementation of the plan, if approved, including:
 - The process by which SO will provide information to the affected parties and the public on a regular basis.
 - A description of the key steps that will be taken related to the plan and show how affected parties and the public will be affected by the transition.
- A detailed report of how SO has met the consultation requirements of subsection 14(13) of the WDTA during the development of the plan, including:
 - A list of the stewards, municipalities, Indigenous peoples, service providers and other affected parties that were consulted during the development of the plan.
 - A summary of comments received by SO from affected parties.
 - A report of how the comments were considered by SO in the development of the plan.

**Ministry of the Environment,
Conservation and Parks**

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**Ministère de l'Environnement,
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August 15, 2019

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

Dear Ms. Gies:

The Blue Box program has been providing Ontarians with a convenient option for collecting and recycling paper products and packaging for many years. In recent years, it has become apparent that the growing challenges in delivering and funding the program must be addressed. After hearing from many interested parties, I believe the time has come to modernize and improve Ontario's Blue Box services by transitioning from the existing program that provides industry funding to reimburse a portion of municipalities' costs to a full producer responsibility model where industry will have control of both funding and operations. The transition to producer responsibility will ensure Ontarians' experience and access to existing Blue Box services will not be negatively impacted and that there are province-wide services available, including for Northern, rural and Indigenous communities.

As a necessary complementary step to transitioning to a producer responsibility model, I have issued direction to Stewardship Ontario (SO), pursuant to Section 14 of the Waste Diversion Transition Act, 2016 (WDTA), to develop a plan in respect of the funding program for blue box materials under the WDTA (the SO Program) and for SO itself.

This direction will begin the process by which Ontario will implement a modern, producer-operated system that will provide consistent province-wide recovery of Blue Box materials under the Resource Recovery and Circular Economy Act, 2016 (RRCEA), and ensure there is no disruption to Blue Box services.

Pursuant to Section 29 of the RRCEA, I am issuing policy direction to the Resource Productivity and Recovery Authority (the Authority) with respect to its duties relating to the SO Program under the WDTA.

This policy direction is complementary to my direction letter dated August 15, 2019 to SO issued pursuant to Section 14 of the WDTA to develop a plan in respect of the SO Program and SO.

I am directing the Authority, further to its duties under the WDTA related to its oversight of the SO Program and SO; determine the amount of money required by SO to carry out its responsibilities related to the SO Program under the WDTA; and monitor the effectiveness of SO while the plan is being implemented. To undertake these duties, the Authority should conduct the following activities.

- Ensure that real, potential or apparent conflict of interest concerns have been addressed prior to and during the development of the plan.
- Review the 2020-2025 program budgets for the SO Program jointly with SO to:
 - Develop an approach to ensure sufficient funds are available in relation to the plan.
 - Review SO's proposal to apportion assets, liabilities, rights and obligations among stewards of paper products and packaging and ensure the apportionment is fair and equitable.
- Administer the Datacall, calculate the annual steward obligation, and allocate steward funding to municipalities and First Nation communities including through the administration of the Continuous Improvement Fund in such a way that reflects the following expectations and conditions:
 - While allowing for natural growth of Blue Box services to new residential development or redevelopment, municipalities shall not reduce or expand existing level of Blue Box services that are eligible for funding under the program.
 - The funding for municipalities and First Nation communities to participate in the SO Program shall end over a three-year period between January 1, 2023 and December 31, 2025.
 - SO's role in transferring payments to a municipality or First Nation community under the SO Program shall end on the date that obligated producers have assumed full responsibility for the collection and management of blue box materials from that municipality or First Nation community.
 - The plan shall recognize, and be responsive to, the fact that a future regulation under the RRCEA shall set the criteria and process by which municipalities and First Nation communities will transfer to full producer responsibility.
 - The calculation of the funds due to be paid to each municipality and First Nation community under the SO Program shall be proportional to the number of months in a calendar year in which the municipality or First Nation community remains under the SO Program.
 - The Continuous Improvement Fund shall receive no additional contributions and shall end as soon as practical prior to December 31, 2025.

To facilitate such activities, it is expected that the Authority will obtain quarterly reports from SO within four weeks of the end of each remaining quarter in 2019-2025 regarding SO's revenues and expenditures in order for the Authority to oversee SO's development of the plan and, if approved by the Authority, the implementation of the plan.

When reviewing the plan, the Authority shall assess whether it is consistent with the direction letter issued to SO and its compliance with the WDTA and its regulations.

I also expect that the Authority will consult with representatives of municipalities, Indigenous peoples, stewards and other affected parties when assessing SO's proposed plan, as required by subsection 14(14) of the WDTA.

It is my expectation that the Authority shall approve the plan for the SO Program and SO no later than December 31, 2020.

I trust the Authority will engage with SO on an ongoing basis to ensure management of SO's affairs in accordance with the WDTA and its regulations, having regard to the plan for the SO Program and SO.

Lastly, the Authority shall make publicly available on the Authority's website my direction letter to SO as well as this policy direction letter.

Sincerely,

Jeff Yurek
Minister

c: Mr. Serge Imbrogno, Deputy Minister, Ministry of the Environment, Conservation and Parks
Mr. John Coyne, Chair, Stewardship Ontario