
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

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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