

July 11, 2019

VIA EMAIL

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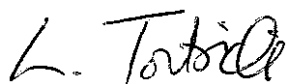
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Dear Mr. Lindsay:

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.