

CSSA Annual Steward Meeting Q&A, October 31, 2013

Question	Answer
Canadian Stewardship Services Alliance	
1. Under the new structure who will issue stewards' invoices and who will stewards pay their invoices to – the provincial programs or CSSA?	CSSA will provide the invoicing and collection services to stewards on behalf of all member stewardship organizations. Payments, once received, are applied directly to the appropriate stewardship organization, never to CSSA. Each member stewardship organization, e.g. MMSM, MMBC, SO remains a distinct legal entity within the financial system.
2. How will you prevent double reporting for a steward that was exempt in a previous reporting year, but is now obligated, should a first importer have been reporting on my material while I was exempt (as a brandowner/manufacturer)?	<p>The de minimis thresholds in Ontario and Manitoba only apply to resident stewards, and therefore no first importer is involved at any time. Consequently, in this scenario there is no double counting.</p> <p>Currently, MMBC does not have a finalized policy for its small business members. It is currently being discussed with business associations with the view to reduce the reporting burden on MMBC's low volume stewards. However, if the proposed small business policy is approved, it will apply to both resident and voluntary stewards. First importers should not be affected by either group because BC-resident low volume stewards are at all times responsible for paying and reporting on their own packaging and printed paper. Similarly, registered low-volume voluntary stewards will always be responsible for paying their fair share through the payment of annual flat fees. Consequently, there is no reason in either of these scenarios for a BC first importer to report and pay for a registered low volume voluntary stewards' packaging and printed paper.</p>
3. Why is Quebec's PPP program not within scope of CSSA? Why won't they join CSSA?	EEQ has a tremendous level of expertise and knowledge about the Quebec Packaging and Printed Paper (PPP) stewardship program. They have signaled their desire to work with CSSA and it is our hope that in time CSSA and EEQ will work much more closely together.
4. Does Post-consumer Pharmaceutical Stewardship Association (PCPSA) fall under the CSSA harmonization?	No. At this time CSSA only focuses on managing PPP programs, not pharmaceutical products, although any packaging associated with pharmaceutical products is part of CSSA's programs. The only exception to the PPP focus is in Ontario where Stewardship



Question	Answer
	Ontario's Municipal Hazardous or Special Waste (MHSW) Program is also serviced by CSSA.
5. What efforts are being made to harmonize the recycling categories and sub-categories among provinces? Having a harmonized list for reporting would greatly simplify the data collection process.	The material list against which you reported your BC PPP was a subset of the national list of materials which CSSA has developed in an effort to harmonize the list of materials across jurisdictions. In 2014, stewards in British Columbia, Manitoba and Ontario will be able to report for all the PPP programs they participate in using one national list and through one central reporting window.
6. What is the relationship between CSSA and Product Care?	At this time there is no formal relationship between CSSA and Product Care. CSSA's focus is on packaging and printed paper, while Product Care focuses on paints, pesticides, lighting products etc.
7. What are the next provinces to come on-line with CSSA and when?	Saskatchewan is the next province in line to implement an extended producer responsibility program for packaging and printed paper. A Program Plan was submitted in accordance with the government's requirements in August 2013 and we are awaiting approval of that plan from the Minister of Environment. We anticipate receiving that approval in the next few months with a go-live date of early 2015. CSSA is also ready to engage in Alberta and Nova Scotia as these provinces prepare to introduce EPR legislation in the near future.
8. In the interest of harmonization, can CSSA look at the possibility of all provinces filing on the same date?	As part of CSSA's harmonization imperative, we are working towards establishing a common reporting date of May 31. Subject to a rule change in Ontario and Manitoba, that harmonized reporting date will be used for the first time for stewards' 2014 reports. A May 31 st report due date will allow CSSA to analyze the data to develop fee schedules and issue them in the early fall of each year.
9. Filing all reports on the same date would be very hard for stewards. That is a lot of data to get all together at the same time - especially at that time of year.	Thank you for your feedback. While harmonized reporting may cause issues for some stewards, establishing a common date and a national material list will, in the longer term, make steward participation in multiple programs easier to manage as well as help simplify the reporting process.
10. When and where will the National Reporting list be available?	To assist stewards in preparing their 2014 reports, the National Material List will be published on the CSSA website along with a comprehensive multi-jurisdictional Guidebook. Watch your inbox for announcements.
11. Is there a reporting methodology specific to magazines? What would CSSA like to see being	There is no reporting methodology specific to magazines beyond that fact that stewards of magazines are requested to report in kilograms the quantities of magazines that they



Question	Answer
used as tools for reporting? Canada Post statements of mailings? Audit statements? In the event of an audit it would be good to know what documents will be required.	supply to residential consumers in each jurisdiction. For more specific information or assistance for individual companies, please contact our Steward Services department on 1-888-9802-9549 or stewards@cssalliance.ca
12. When it comes to measuring and metrics, I would suggest adding the metric of kg of disposal/ capita. With the current metrics, it is difficult to measure reduction through thin-walling or light-weighting. Kg of disposal per capita would enable you to measure how much less is going to landfill each year.	This is a very good suggestion and something that we will look at to ascertain the quality of the information that informs the metric and whether its publication would prove useful.
13. Do you envision a change in the legal context and legal arrangements between the stewards and either the provincial agencies or CSSA moving forward?	The legal relationships between stewards and the provincial recycling agencies do not change. The relationship between CSSA and the recycling organizations such as Stewardship Ontario, MMBC and MMSM is that of a service provider, providing administrative services to these organizations. There is not a legal agreement between CSSA and the stewards. Your current confidentiality agreements between stewards and the provincial recycling agencies remain in place.
14. CSSA is not free. Will stewards see the details of the funding arrangements between the provincial steward organizations and CSSA?	CSSA provides a support service to MMBC, MMSM and Stewardship Ontario through negotiated contracts. These costs are identified in the program management costs of each stewardship organization.
15. When it comes to e-commerce companies, which are becoming more prevalent in Canada selling directly to consumers and are therefore putting packaging into the marketplace with no financial obligation for that packaging, is there a way for these companies to be obligated to contribute to the stewardship programs?	E-commerce companies that are resident in a province where a stewardship regulation is in place and which sells directly to residential consumers are obligated to contribute to the various packaging and printed paper programs. Canadian based e-commerce companies are also welcome to join MMBC and MMSM as voluntary stewards if they do not have residency in those provinces. Because currently in Canada there are stewardship obligations in some provinces but not in all, we want to discourage e-commerce companies from choosing to establish operations in provinces where there are no stewardship obligations. CSSA, as a national organization, can play a role in trying to prevent this and work towards ensuring a level playing field across all types of businesses.
16. There might be an opportunity to reduce costs in the supply chain, particularly around plastics	While resin codes are used extensively in many countries, including Canada, their use is voluntary. CSSA does not have the authority to legislate the use of resin codes, but we



Question	Answer
<p>recovery if resin codes were mandated. Is CSSA considering such a move?</p>	<p>agree their widespread use would help in plastics recycling.</p>
<p>Multi-Material Stewardship Manitoba</p>	
<p>17. For 2013 in Manitoba the first payment is due April 30, 2013 – 30 days after the filing deadline of March 31, 2013. If the reporting deadline next year is May, when would our first payment be for our commitment for Manitoba?</p>	<p>The MMSM invoice due dates will not change for 2014. Your April 2014 invoice will be due on April 30, 2014. The MMSM 2014 quarterly invoices are based on the reports submitted in 2013 using your 2012 sales data. This is a reuse of your 2013 steward report.</p> <p>MMSM stewards will be reporting their 2013 sales data by May 31, 2014. This information will be used to inform 2015 fees and invoices.</p>
<p>18. When you are referring to 2013 data, is that our 2012 data we submitted this year on March 31, 2013?</p>	<p>We are making a change this year to harmonize invoicing and reporting processes with MMBC and Stewardship Ontario. With respect to invoicing, in 2014, MMSM steward invoices will be calculated by re-using the quantities reported in 2013 (using 2012 data) and multiplying by your 2014 fees.</p> <p>With respect to your 2014 reporting, MMSM stewards will report by May 31, 2014, using your 2013 data. This information will be used to calculate your 2015 fees and invoices.</p>
<p>19. I collect and submit data as a voluntary steward to MMSM on behalf of my company. The time and cost of collecting the necessary data exceeds the fees remitted to MMSM. Would it be possible to pay a flat fee without the requirement to submit data annually? We would be willing to pay a higher fee to avoid the time and cost of collecting the data.</p>	<p>In Manitoba, the de minimis threshold of \$750,000 does not apply to voluntary stewards. We have noted your suggestion and may consider it as part of our wider efforts to harmonize packaging and printed paper programs going forward.</p>
<p>20. How does CSSA plan on incorporating the relationship between MMSM and CBCRA (if at all) into the uniform reporting? Should we expect to see the relationship between beverage container recycling organizations and multi material</p>	<p>CBCRA stewards in Manitoba will be able to report their data through CSSA’s WeRecycle portal in 2014.</p>



Question	Answer
organizations in other provinces?	
21. We are an Ontario company and we participate as an Ontario steward. We do not have a distribution centre or warehouse in Manitoba, however, we sell product to Manitoba. Does this mean we are obligated to participate as a steward in the Manitoba program?	If you are not resident in Manitoba, you are not obligated as a steward. However, you can register as a voluntary steward to take responsibility for the materials you put into the Manitoba residential waste stream.
22. The three factor formula that you are using has a number of advantages, however, it is susceptible to cross-subsidization of material categories. Have you done any testing to understand and prevent any cross-subsidization between material categories?	The three factor formula is designed to fairly and equitably allocate costs to each of the material categories based on their recyclability rates , by having materials with low recycling rates share part of the cost of recycling materials with high rates. We undertake detailed cost allocation studies carried out by third party suppliers that allow us to determine the cost to manage each material through the whole recycling process. We also undertake detailed “waste audits” to determine how much of each material is successfully recycled. This is the data we use to inform our cost allocation to each material.
Multi-Material British Columbia	
23. Why did BC choose 100% EPR?	The decision to make BC’s packaging and printed paper program a full EPR program was made by the BC Government. In July 2004, BC enacted the Environmental Management Act and then, in October 2004, the Recycling Regulation, which transitions responsibility for managing end-of-life products from local governments and their taxpayers to industry and its consumers. The Recycling Regulation was amended in May 2011 to include Schedule 5 which defined packaging and printed paper (PPP) and requires stewards of PPP to develop and implement a stewardship plan by May 2014. MMBC developed a stewardship plan on behalf of BC businesses, providing business with the option of either joining MMBC to fulfill their obligations under the regulation, or to develop their own stewardship plan to manage the PPP they supply into the BC residential marketplace.
24. How is MMBC determining the one-time fee to stewards? Are they taking the entire business environment that should be remitting into consideration in order to determine this?	There is no one-time fee. However, there are one-time costs (program start-up costs and Year 1 working capital accumulation) which are components of MMBC’s 2014 fee rates. The 2014 fees were calculated based on the estimated costs to manage 75% of MMBC’s member companies’ reported tonnage. It is important to note that late-joiners to



Question	Answer
	MMBC's program will be required to pay their fair share of the start-up costs and working capital accumulation for the first year. The MMBC membership agreement stipulates that late joiners to MMBC will pay their share of costs back to the beginning of the program.
25. Do you know what the initial one-time fee will be yet?	MMBC's budget for 2014 includes start-up costs of \$7.5 million and working capital accumulation of \$16 million. MMBC's steward obligation is available on page 14 of the CSSA paper available here: http://www.cssalliance.ca/wp-content/uploads/2013/11/CSSA-Discussion-Paper-for-Annual-Steward-Meeting-October-31-2013.pdf .
26. Why are the MMBC fee categories "lumped" together?	<p>In BC for the first time, three categories of plastic packaging and two categories of paper packaging were introduced - each priced in accordance with their recyclability. The intention is to provide a clear signal that high performing materials attract a lower fee than low performing (hard-to-recycle) materials. We understand that stewards would like to see the fee rate published against the material list you used to report your material quantities to MMBC in September. That list has been published on the MMBC website.</p> <p>In addition MMBC members can log onto the WeRecycle portal to see the fees applied against your reported quantities. You will be able to see the amount for which you will be invoiced next year.</p>
27. CSSA posted a new National List of Materials which called for a broader breakdown of materials when reporting. Why are the new fees lumped together? How are the fees truly representative of their recyclability and/ or volume if they are not specific to each material type as they are in Manitoba or Ontario? For example: PET vs. HDPE bottles, magazines and catalogues vs. telephone books and other printed paper?	Please see answer above.
28. When will a complete fee list for BC be sent to registered MMBC stewards?	See answer above.
29. Assuming that the cost of collection is currently	MMBC does not have any authority over how local governments set up their budgets or



Question	Answer
<p>being paid by taxpayers, what assurances have you received from contracted municipalities that property taxes will decrease by \$55 million in the first year?</p>	<p>use revenues realized from the savings associated with industry assuming the cost of residential recycling services. It is up to local governments to decide how they will redirect those funds. However, MMBC has included a clause in the contract that prohibits local governments from charging residents for collection services that are paid for by MMBC.</p>
<p>30. What is MMBC doing to register the almost 385,000 small businesses or the over 140,000 businesses in BC? Currently only 623 companies have registered with MMBC. What is being done to protect the few from paying for those who are freeloading?</p>	<p>Not all businesses in BC actually supply packaging and printed paper to residential consumers. Many (the majority) of organizations are business-to-business, and therefore the Recycling Regulation does not apply to them.</p> <p>In terms of the free rider issue, as was discussed in the presentation, MMBC will only purchase the equivalent of 75% of our members' reported tonnes, and therefore from that perspective there are no free riders. That said, you will want to know that your competitors in BC are paying for their material, just as you are, and that there is a level playing field from a compliance perspective. It is the responsibility of the Ministry of Environment staff to ensure that legally obligated organizations pay their fair share. MMBC posts its member list on our website and we update it weekly so that the Ministry knows who is compliant and who is not.</p>
<p>31. We still have concerns that we as members of MMBC who plan to live up to our obligations and pay fees, will be supplementing businesses that have not signed up to be a MMBC member but who are required to be a steward under the regulation. I understand you are saying that in the future those businesses will have to pay their fees back to the beginning and that will benefit businesses that complied in the beginning, but in the short term, our fees will be much higher next year than it should be if everyone was compliant.</p>	<p>MMBC members will not be burdened with the costs of free riders because we will only manage the amount of material put into the marketplace by our members. This said, we recognize that current members will be paying for the start-up costs and working capital accumulation, and as pointed out, new members will pay their fair share of these costs when they join, in addition to the equivalent of their fees had they joined from the start of the program. This money will be applied to offset future costs, which will benefit members.</p>
<p>32. CSSA was created to help save on administrative costs. With Ontario having a much larger scope to</p>	<p>The main reason is the fundamental differences between the programs. Ontario's program is a transfer payment program, meaning that Stewardship Ontario reimburses</p>

Question	Answer
<p>cover, why are administrative costs in Ontario \$4,989 million while in BC the administrative costs are \$4,375 million?</p>	<p>municipalities for costs already incurred, it does not manage the recycling supply chain. In BC, MMBC will be managing its own supply chain, through nearly 500 individual contracts, resulting in a more complex program to manage, which brings with it increased administrative costs.</p> <p>Please also note that the MMBC cost of \$4.375M represents costs for the 7.5 active program months of 2014.</p>
<p>33. How does MMBC know that the cost of the program is \$84 million when the processing RFP is just now on the street?</p>	<p>MMBC conducted research on recycling costs in BC to help inform our estimates on supply chain costs.</p>
<p>34. Is MMBC charging fees based on last year's sales?</p>	<p>Yes. Using last year's sales data provides the most complete data on which to base fees. MMBC members were asked to report their 2012 data to MMBC by September 20, 2013. In 2014, MMBC members report their 2013 data to MMBC. The submission due date for that data will be May 31, 2014. This will keep MMBC sales data period and reporting periods harmonized with Ontario and Manitoba.</p>
<p>35. When you spoke about Encorp's deposit program were you hinting that it would be in your interest to eliminate this program and have the material flow to MMBC?</p>	<p>There was no intention to hint. We are merely explaining that the existence of the deposit system in BC is a significant cost driver for MMBC because it excludes a significant amount of valuable material from MMBC.</p>
<p>36. Is anyone talking about the deposit program and whether that could be folded into MMBC's program since that would increase the volume of materials collected?</p>	<p>It is not MMBC's role to get involved in a policy discussion with the government on the beverage deposit program in British Columbia. If stewards have an opinion on this issue they should raise it with the Ministry of the Environment.</p>
<p>37. In the face of the glass deposit program is there a case for MMBC at some point in time to encourage a change of policy so that beverage glass can be rolled into the MMBC program to improve overall efficiencies?</p>	<p>Please see above answer.</p>
<p>38. We are a utility company in B.C. and we send out bills and promotional materials to residential</p>	<p>MMBC's program is for residential packaging and printed paper only and not IC&I. Therefore, you are only required to report on the paper that is sent to residential</p>



Question	Answer
<p>homes and to the ICI sector (institutional, commercial and industrial). For our PPP reporting data, do we only report on the bills/ promotional material that we send out to the residential homes and NOT to the ICI sector? Secondly, do we report the paper we use in our offices?</p>	<p>customers and will likely end up in the residential waste stream.</p> <p>Provided that the paper you use in your office does not end up with residents (such as pay slips for example) and is disposed of in the office, not in employees' homes, you don't need to report on that paper.</p>
<p>39. When did this program start? We've learned about MMBC only 2 months ago and now CSSA a couple of weeks ago but it seems that some programs have been going on for years.</p>	<p>The MMBC Program officially starts in May 2014 and stewards start paying fees in January 2014. MMBC undertook significant outreach to stewards throughout the last year to inform them about the BC Recycling Regulation, how it impacts them and what MMBC was doing to help BC businesses fulfill their legal obligations. As part of our outreach efforts, we distributed registered letters and emails to over 8,300 businesses. Several communications were sent out to businesses over the course of the past year. We also developed a website containing all the information businesses need to know and we established a customer service facility to answer businesses questions, so we made every effort to ensure that businesses were informed.</p> <p>While MMBC is a new PPP program, other stewardship programs for PPP have been operating for several years. Ontario's Blue Box Program has been in operation since 2003, Manitoba's since 2010 and Quebec's since 2005. More Extended Producer Responsibility programs for PPP are set to come online over the next few years including in Saskatchewan, expected to launch in early 2015, and the governments of Alberta and Nova Scotia have also indicated their intentions to introduce programs.</p> <p>CCSA is fairly new; it was incorporated as a non-profit in late 2012 to provide harmonized services to the businesses paying into the numerous PPP stewardship programs across the country. Stewards have already started to see the impact of CSSA's harmonization of PPP programs, and more benefits will be realized over the coming years.</p>
<p>40. Two quarterly payments will be made before the start of the collection in B.C. in May 2014. Why is working capital of \$16M needed?</p>	<p>\$16M of working capital is required so that MMBC is able to immediately start paying its bills when it assumes responsibility for the PPP recycling system in May 2014 and to pay off the debts incurred while developing and implementing the program plan.</p>



Question	Answer
	MMBC's program differs from existing stewardship programs in that it is not a transfer program; rather MMBC manages the complete supply chain in real time, meaning contractors need to be paid on an on-going basis throughout the year, rather than the transfer of funds to municipalities once a year for collection services delivered over the previous 12 months, as occurs in Ontario and Manitoba.
41. Looking through the list of stewards on the MMBC website, we are the only manufacturer in our industry listed. What about our competitors who have not registered – joining and participating will put us at a financial disadvantage. What if we know of competitors who do not participate?	<p>Please tell us if you know of companies that are not registered with MMBC that you believe should be. MMBC will follow up with them and ensure they understand the value of participating in our program. We also encourage you to advise the Ministry of Environment of competitors who are not registered yet so that the MOE can use their compliance power to ensure a level playing field for all businesses obligated under the Recycling Regulation.</p> <p>MOE contact: Julia Bates, Senior Policy Advisor, Environmental Standards Branch, BC Ministry of Environment, Telephone: 250-356-9089</p>
42. Why is the Ministry of Environment not doing anything to ensure that our competitors are registered with MMBC as well?	It is the responsibility of the Ministry of Environment staff to ensure that legally obligated organizations pay their fair share. MMBC posts its member list on our website and updates it weekly so that the Ministry knows who is compliant and who is not.
43. How many businesses does MMBC think are still outstanding to sign up? While there are not 300,000 as already discussed, how many are there?	To date, MMBC has signed contracts with 678 stewards which is clearly not the total universe of obligated businesses in B.C. It is difficult to estimate the total number of obligated businesses, but as part of MMBC's outreach efforts, registered letters and emails were distributed to thousands of businesses in BC. In addition, many industry associations (both national and BC-based) have notified their members. Compliance with the regulation falls to the B.C. Ministry of Environment and it is up to them to take action to bring obligated businesses into compliance.
44. In BC, if a municipality opts out of the program and goes it alone, how will this be communicated to members so we can remove those communities from our total tonnage calculation?	MMBC members must report all their quantities to us every year for all materials supplied in BC, and based on our members' quantities we will procure the necessary tonnes of material to meet the 75% target. Whether or not a municipality decides to opt in or opt out does not affect how stewards report their quantities to MMBC.
45. If stores (stewards) are paying 100% of the fees, does MMBC have a choice of opting out of municipal collection if they can identify a more	MMBC contacted all BC local governments that were currently providing PPP curbside recycling, and those providing garbage collection but not recycling collections, with the option to continue to provide those services for MMBC effective May 2014 for a set



Question	Answer
efficient supplier?	financial incentive rate – essentially a first right of refusal. Municipalities that were willing to provide services for that rate have entered into contracts with MMBC to provide services for a set cost on a per household basis. Regardless of the costs incurred by the municipality or the private sector service provider (in the event that the municipality declined the incentive offer) MMBC and the stewards’ collection costs are fixed.
46. Will MMBC adopt a de minimis model based on revenue as Stewardship Ontario and MMSM have in exempting small volume generators?	As part of MMBC’s commitment to reducing the administrative burden on small businesses who wish to participate in the packaging and printed paper program, MMBC is consulting with industry associations that represent the small business community to develop a Small Business Policy for its members. It is important to note that the Recycling Regulation does not exempt any class of businesses and MMBC itself is not authorized to exempt businesses. However, we are working to develop a policy for our members that is fair to all MMBC participants while relieving those businesses that produce a low volume of packaging and printed paper of much of the administrative burden This policy will be implemented effective January 2014. .
47. There is a lot of confusion amongst small business/retailers as to who is impacted by these regulations and who is not (as evidenced by the media attention this has recently received and the response to the letters small businesses received urging them to sign up). Clearly, the current material you have published has not communicated the plan clearly. Any further plans to reach out to and educate businesses on this new system?	MMBC has been meeting with a number of business associations representing small businesses on an ongoing basis and is working collaboratively with these organizations to develop a small business policy that is fair to all MMBC participants, while also relieving those businesses that produce a low volume of packaging and printed paper of much of the administrative burden. The small business policy will be implemented in January 2014 and we will work with business associations to ensure this policy is widely communicated.
48. Has MMBC made a stance on small businesses outside B.C. that put PPP into the system?	Small businesses outside of BC that wish to join MMBC as a member will also be subject to the small business policy.
49. Much of the costs of the MMBC program are in the collection costs. Can you please assure us that you are not committing to just one system i.e./ a bus	Where local governments have accepted the curbside collection incentive, the choice of collection container remains with the local government. Where local governments that were providing PPP curbside collection service in November 2012 have accepted the

Question	Answer
<p>system or a cart or a bag but that all systems are up for consideration as the program matures over time.</p>	<p>incentive and have historically used single-use plastic bags, they may continue to do so. Where local governments that were providing garbage curbside collection service in November 2012 have accepted the incentive to introduce a new PPP curbside collection service, they may choose to use single-use plastic bags.</p> <p>For those areas where the local government has declined the curbside collection incentive and MMBC will be assuming responsibility to provide curbside collection, the request for proposals does specify that carts or boxes are the acceptable container options. Three of these areas, as you note, currently use single-use plastic bags and this use will transition to carts or boxes when MMBC is responsible for delivering the service in order to avoid the cost of debagging the PPP and the cost to manage the resulting single-use plastic bags as commodities or residue as these bags are not obligated packaging under the PPP Stewardship Plan.</p>
<p>50. You have indicated that we will be billed soon. Will we be billed for the entire year?</p>	<p>On January 2 stewards will receive the first of four quarterly invoices. Each invoice will represent 25 per cent of your annual fees for MMBC.</p>
<p>51. Is there a penalty for late joiners to MMBC?</p>	<p>Late joiners will be required to report and pay fees back to the start of the program as long as they were doing business in BC at that time. The 2014 fees include the one time start-up costs, which late joiners pay their fair share. If a surplus is generated due to these additional fees being paid, those surplus funds will be applied against fees in future years or in the following year.</p>
<p>52. Which municipalities have not signed up to the MMBC program? How does this effect the MMBC members? How do we expect the program to operate properly if MMBC is not collecting for all of BC</p>	<p>The Recycling Regulation states that MMBC must reach a 75 per cent recycling rate within a reasonable time. MMBC has contracts in place that will allow it to provide recycling services to 80 per cent of BC households that currently have access to recycling services. Providing services to these communities will result in the collection of 75% of the packaging and printed paper put into the marketplace by MMBC members.</p>
<p>53. Can you comment on how the fees compare to other provinces? Aluminum aside, it appears that the fee for some categories are substantially higher (up to 10x) than in other jurisdictions. (eg newspapers)</p>	<p>The 2014 fee rates in BC are the highest of all jurisdictions because BC is a full EPR program, meaning stewards are responsible for 100 per cent of program costs. BC's program has a higher recycling target (75 per cent) than other provincial programs and has higher supply chain costs due to a number of factors including: a requirement to include multi-family buildings and depots as collection channels, over and above curbside collection, increasing the number of collection sites compared to other provincial</p>



Question	Answer
	<p>programs; geography: the presence of mountains, islands and bridges make transportation more complicated and costly; population density –MMBC has a commitment to make recycling services accessible to as many BC residents as possible, many of which are in rural areas, which presents transportation challenges, which in turn increases costs; BC carbon tax adds a 10 – 20 per cent premium on fuel prices; beverage containers are on deposit, which means the program loses out on economies of scale and commodity revenues, especially in relation to the loss of high value commodity materials including aluminum and PET.</p>
<p>54. Where was non-bottle PET packaging classified under the fee schedule? For example PET clamshells – is it classified as low grade packaging?</p>	<p>MMBC has classified non-beverage PET thermoform containers, e.g., clamshells as high grade plastic and therefore the 2014 fee rate is 31 cents/kg.</p> <p>When the fee rates were initially presented to MMBC stewards in late October the thinking was that PET Thermoform should be classified as low grade plastic packaging based on historical Ontario experience. Low grade plastics have a 2014 fee rate of 54 cents/kg. The Ontario data showed that it was a challenge to sort PET thermoform from other general plastic containers resulting in PET thermoforms ending up in lower grade plastic bales. However, over the last few years national retailers, working with Retail Council of Canada, Stewardship Ontario and others have been actively promoting a shift towards the use of PET thermoform. The expectation is that when MMBC launches its program in May 2014 PET thermoform will be present in significant volumes in the waste stream and MMBC, through its post-collection contracts with processors, will receive revenue payments based on the assumption that it is managed and marketed with bottle grade PET.</p> <p>The impacts to other provincial programs will be considered during fee setting for 2015. For example, Ontario material composition studies conducted in 2013 indicate that increasing volumes of PET thermoform are being accepted by the larger Ontario municipalities and managed with PET bottles and therefore it would be appropriate to reflect this in the 2015 fee rates which will be calculated based on the materials stewards</p>



Question	Answer
	put into the marketplace and which Ontario municipalities marketed in 2013.
55. Does a cost benefit analysis get completed for each location to confirm it is economically responsible to service that area? Do we look at the energy required to service those areas?	The BC Recycling Regulation requires MMBC to achieve a 75 per cent recycling target and provide recycling services to as many BC residents as possible. Because of these requirements, MMBC must provide services to remote and hard-to-reach locations not just to the large urban centres.
56. Will costs in B.C. go down in year 2 based on the fact that startup and working capital costs are \$23 million of total costs?	Not necessarily. While supply chain costs only cover seven and a half months of operations in 2014, members' fees include the one-time start-up costs for the MMBC program and working capital accumulation, making total program costs of \$84,387,500 for 2014 (of which \$55,512,500 is expected supply chain costs incurred once the program launches). We expect the program costs for 2015 to come in around the same, taking into consideration the exclusion of one time start-up and capital accumulation costs, which together are expected to off-set the four and half months of supply chain costs not included in the 2014 fees.
57. We have located newly posted stewards on the MMBC website. Can we re-file? Please ensure the downloaded version of the steward list is consistent with the list posted on the website, as we have seen discrepancies. It is imperative that the steward list be maintained and up-to-date. An incorrect list will result in inaccurate data reported which may result in added costs for both stewards and MMBC.	There are two steward lists on the MMBC website. The first list is businesses that signed letters of intent with MMBC. The second list is the list of businesses that have actually joined MMBC, meaning they have signed a membership agreement and submitted their material quantity reports. We update this second list every week. Please note that not all businesses that signed and submitted letters of intent actually followed through and joined MMBC.
58. MMBC has indicated that it needs to collect 185,000 tonnes of material in order to meet its members' obligations. Does that mean that you would stop collection services after September if you meet that goal before the end of the year?	The estimates of the current supply chain contracts in place equals 185,000 tonnes achieving a 75 per cent recycling target on an annual basis. MMBC's collection costs are not based on a per-tonne basis, rather a per household basis. Whether or not we reach 185,000 tonnes of collected material within a 12 month period will not affect our collection costs because we are reimbursing municipal collectors on a per-household basis so there is no incentive or reason to stop collecting once we reach a certain threshold.



Question	Answer
59. Who is MMBC accountable to? And who is CSSA accountable to?	<p>MMBC is accountable to its members and is responsible for discharging its members' obligations in accordance with the BC Recycling Regulation. CSSA was created by and is funded by stewards and is therefore accountable to stewards.</p> <p>MMBC is fully controlled by CSSA, and as a steward-led and funded organization, CSSA has a board of directors that consists of representatives from manufacturers, retailers and fast service restaurants. The board is skills based and represents a robust steward sectoral mix. Currently there are seven board members, which in 2014 will increase to 14 to increase steward representation. 10 directors will be representatives of steward organizations, and five directors will be nominated by key industry associations from among their membership.</p>
60. How can we make sure that whatever costs CSSA is incurring are not increasing without checks and balances because eventually stewards will be paying these costs?	<p>Every year, CSSA will meet with its steward community across the country to review its performance, as well as its costs and budget and associated fee schedules for the coming year. Also every year, CSSA will publish an annual report, complete with audited financial statements that set out how we have spent stewards' money to ensure they remain in compliance with provincial EPR regulations.</p>
61. Does Vancouver island, particularly North Vancouver Island and the Gulf Island pose a specific challenge to MMBC in meeting the 75% target?	<p>The BC Recycling Regulation requires MMBC to achieve a 75 per cent recycling target and provide recycling services to as many BC residents as possible. This means that MMBC must provide recycling services to many remote parts of the province. The general landscape of BC including islands, remote and northern communities and mountainous areas all combine to contribute to MMBCs costs</p>
62. If 40% of MMBCs costs are associated with processing of materials, as the tonnage of materials captured increases will the costs of program increase as well?	<p>MMBC has standardized the contract framework so costs can be better managed. As MMBC is procuring the supply chain, and we know what our members are supplying into the market, we therefore have better predictability of cost. As we acquire more tonnes of material processing costs associated with those materials will increase. As new communities join the MMBC program, MMBC will face additional costs to collect those materials as well.</p>
63. You speak of multi-family dwellings as a contributor to higher system costs. Are, multi-family dwellings not less expensive to service due to their higher density of residences?	<p>Studies indicate that the capture rate from multi-family buildings tends to be lower, and contamination rates tend to be higher than materials collected from single family dwellings. These two factors make multi-family building more expensive to service.</p>



Question	Answer
64. MMBC members reported 247,000 tonnes of material put into the BC marketplace. In order to meet the obligation of 75% you are aiming to recover 185,000 tonnes. Is that for the 7 months of the program in 2014 or for the whole year?	MMBC is attempting to secure the collection of 185,000 tonnes on an annualized basis to meet the recycling target of 75 per cent. As we will only be operating for seven and a half months in 2014, we will recover a portion of that amount. We estimate that we will recover perhaps as much as two-thirds during that time period.
Stewardship Ontario	
65. Can you explain the nature of the anomaly you that you referred to in your presentation?	The anomaly refers to the magazines and catalogues category. In 2012, had we aggregated the 2013 fee rates for magazines and catalogues, telephone directories and other printed paper (which was standard procedure) it would have resulted in magazines and catalogues stewards paying more than the actual cost of managing their materials. In consultation with those stewards, Stewardship Ontario partially aggregated the 2013 fees by 50% for those three printed paper sub-categories, which more fairly addressed the issue. In 2013 Stewardship Ontario, along with a working group of printed paper stewards commissioned a third party review to determine if improvements could be made to the fee setting methodology to avoid these kinds of anomalies in the future. The review identified opportunities to improve fairness of the fee methodology for all stewards. For the 2014 fees, Stewardship Ontario again partially aggregated the fees for these three printed paper categories to ensure that magazines and catalogues stewards did not pay more than it cost to manage their material. In 2014 there will be an opportunity for CSSA to resolve this issue on a national basis.
66. Do you have trending figures for Ontario outside of 2011 & 2012?	Yes, historical performance data for Stewardship Ontario's Blue Box Program is available here: http://www.stewardshipontario.ca/blue-box-performance/ .
67. What approach is CSSA taking toward Bill 91 in Ontario which will surely hamper CSSA's harmonization efforts?	As currently drafted, Bill 91 would hamper harmonization efforts and is not consistent with the principles of extended producer responsibility. However, Bill 91 is not yet law. The steward community has provided feedback to the Minister of Environment and provided suggested amendments to the Bill that would result in a legislative framework more consistent with the principles of extended producer responsibility.
68. Is a registered stewards list available for Ontario and Manitoba? MMBC and EEQ have been updating their registered steward lists?	A list of registered stewards for Ontario can be accessed by stewards on the WeRecycle Portal. A list of Manitoba stewards can be found on the MMSM website: http://www.stewardshipmanitoba.org/stewards/steward_list.php
69. Are Stewardship Ontario projected fees decreasing	There are no costs transferred from Stewardship Ontario to other provincial programs.



Question	Answer
due to off-loading to CSSA requiring MMSM, MMBC and potentially MMSW to pay more into CSSA than they will get out? (ie/ get less of their share of P&E than they pay in?)	All members of the CSSA “collective” benefit to differing degrees. Everyone shares one information system rather than creating new IT systems every time a new provincial program starts up. One collective administrative infrastructure or back office doing providing services to stewards results in administrative savings of approximately \$3.6M.
70. You reference cost increases last year – was that because the City of Toronto operated three facilities rather than two? Do you see that as being a long-term trend going forward – operating three with higher costs?	Toronto has made some investments in re-engineering its program which are going to drive performance improvements over the long term but the cost increases are not a reflection simply of what is happening in Toronto but there are many factors contributing to those cost increases.
71. Investments in Promotion and Education and research and development have disappeared this year. What does it mean to have no R&D investment in Ontario next year?	Over the last few years Stewardship Ontario has accumulated an R&D fund primarily for the purpose of investments in plastics recycling in addition to \$1.6 million raised in a general transition fund. Given the current uncertainty about the future of supply chain management responsibilities in light of Bill 91, a decision was made to hit the pause button on setting funds aside for R&D for 2014.
72. How are residuals treated in Ontario?	There are very specific protocols municipalities use in reporting their cost data and the costs associated with the blue box materials. Municipalities can only claim costs associated with materials successfully marketed. There are costs associated with handling residual materials but we work hard to keep those to a minimum.