

PPSReview

**Product & Packaging
Stewardship Review**

MANAGING WASTE RESPONSIBLY

An information service for municipal governments

Vol 5, Issue 2, September 2004

OTS website says WDO has approved scrap tire plan

According to the Ontario Tire Stewardship (OTS) website, the Waste Diversion Ontario (WDO) board has approved the latest version of the OTS Scrap Tire Diversion Program for Ontario.

In an announcement posted to its website on September 27, OTS says the WDO will forward the plan to the Minister of the Environment.

"After extensive consultation with industry, government and non-government stakeholders this program was carefully developed to benefit Ontario both environmentally and economically," Glenn Maidment, chair of the OTS board, is quoted as saying.

A previous plan, submitted by OTS earlier this year, was sent back after the WDO board received word that Environment Minister Leona Dombrowsky had rejected the OTS request to redefine stewards.

At the time, the minister declined the OTS request to redefine stewards as retailers, stating "the program stewards will remain as indicated in the original program request letter to WDO."

Previous postings had indicated

OTS was seeking a meeting with the minister and it anticipated having to redraft the plan.

The revised plan still has retailers as stewards, an approach vigorously opposed by the Ontario Tire Dealers Association (OTDA). In a September 1, 2004, position statement included among the 144 pages of appendices to the 56-page tire plan, OTDA says: "This plan has clearly been developed to protect the interest of Brand Owner/First Importers by recommending Retailer as Steward. Brand Owner/First Importers are attempting to avoid responsibility for the products they produce or cause to be produced."

Another appendix (#25) includes among the processing incentives a special rate of \$40 per tonne for tire derived fuel (TDF). This would appear to run contrary to Clause 25 (2) 2 of the Waste Diversion Act, 2002:

A waste diversion program developed under this Act for a designated waste shall not promote any of the following:

1. The burning of the designated waste.

2. The landfilling of the designated waste.

3. The application of the designated waste to land.

4. Any activity prescribed by the regulation.

In a press conference on hazardous waste incineration, held in Guelph, September 28, Minister Dombrowsky was reported as saying she would not rule out the possibility of Ontario incinerating tires, and that she was "awaiting a report" on the issue.

In the meantime, the Ontario Used Oil Management Association (OUOMA) continues to seek a meeting with the minister after having its plan turned down by the WDO in July. In late September, OUOMA interim board chair Gail Bebee sent a follow-up letter to its July 30 correspondence, expressing concern that the minister may be looking at other options for managing used oil.

A question of confidentiality

"PPSReview reports what people in the industry are already saying. The WDO does not operate in an ivory tower, nor should it."

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Briefly...

PACKAGING ACCORD SIGNED IN NEW ZEALAND; TARGETS ARE SET

Manufacturers representing 85% of New Zealand's packaging production have committed to a new partnership to reduce packaging waste, Environment Minister Marian Hobbs has announced. The commitment to the voluntary accord by more than 200 organizations showed industry was listening to peoples' concerns about waste. As well as packaging manufacturers, the accord has the support of 80% of supermarket business through Foodstuffs and Progressive Enterprises, major brand owners such as McDonald's and Coca-Cola, and retailers such as The Warehouse. Two years in the making, the accord was developed by the Ministry for the Environment and the Packaging Council of New Zealand, with support from Recycling Operators of New Zealand and Local Government New Zealand. Key packaging sectors involved are steel, plastic, aluminum, glass and paper, as well as brand owners and retailers. New Zealanders reportedly discard about 83 kilograms each of used packaging a year. Under the accord, producers and brand owners say they will give higher regard to using less materials and using recycled rather than virgin materials when developing new packaging. The following recovery targets have been set for 2008: aluminum, 65%; glass, 55%; paper, 70%; steel, 43%, and plastic, 23%. For more information, visit <http://www.mfe.govt.nz/publications/waste/packaging-accord-pamphlet-jul04/packaging-accord-pamphlet-jul04.pdf>

*Resource Recovery Forum, August 18, 2004
(rrf@residua.com)*

BEER, WINE PRODUCERS LOOK TO ALUMINUM BOTTLES

In an effort to be more competitive against imported brands, Pittsburgh Brewing Co. plans to introduce its flagship Iron City Beer in long-neck, 12-ounce aluminum bottles. The brewer invested \$300,000 to convert bottling equipment to

handle the new aluminum container. Earlier in the year, a California winery (Niebaum-Coppola Estate) launched its sparkling Sofia Blanc de Blancs brand in a pink, metallic four-pack at \$20. The 6.4 ounce cans also include a mini-straw to encourage sipping. Each can is lined with a polymer seal to prevent interaction between the aluminum and the liquid. The cans are not just lighter than traditional glass; they chill faster and can be easily crushed when empty. Anheuser-Busch Cos. confirmed that it is adding an aluminum bottle to its packaging line-up for its high-end brews, including Michelob, Michelob Light and Anheuser World Select.

Wall Street Journal, August 24, 2004

SOME UK PLASTICS REPORTS FALSE, INVESTIGATION FUNDS

A UK Government investigation has revealed that some reprocessors and exporters of plastic packaging waste have been failing to meet government requirements on recycling, incorrectly issuing compliance documentation during 2002 and 2003. This documentation made it appear they were recycling more plastic packaging waste than they were. In a limited number of cases the police have been notified and investigations are under way. As a result of the investigation and taking into account also the Agency's monitoring work, the figures for plastic packaging waste recycled in 2002 will be reduced by 34,790 tonnes. Figures for 2003 will be reduced by 80,885 tonnes. The investigation was carried out by the Department, in conjunction with the Department of Trade and Industry, the Scottish Executive, the Welsh Assembly Government, the Northern Ireland administration, the Environment Agency, the Scottish Environment Protection Agency and the Environment and Heritage Service in Northern Ireland. Environment Minister Elliot Morley said no individual reprocessor or exporter will be named following this exercise as it was noted that police and government investigations are still ongoing.

UK Government press release, September 15, 2004

Product & Packaging Stewardship Review is published by Ben Bennett Communications as part of the Fair Comment Project. It is faxed or emailed to municipalities as a communications service aimed at providing a broad range of stewardship and associated information from Canada, the United States and overseas.

The current issue of PPSReview, and past issues, are available for viewing on the Internet (www.productstewardship.org).

Anyone wishing to support the Fair Comment Project may email Ben Bennett (bbc@albedo.net). Confidentiality is guaranteed.

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NOTICE: this publication, AND the views expressed, have NO connection with the Association of Municipal Recycling Coordinators of Guelph, Ontario.

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STEWARDS ARE TOLD

Less material generation means less revenue and fee increases in 2005

First, the good news: data for the 2003 blue box program in Ontario released at the Stewardship Ontario (SO) steward consultation meeting, August 31, showed a decrease in generation and an increase in recovery.

There were 100,000 fewer tonnes reported as generated and recovery of recyclables increased by 52,000 tonnes. The overall recovery rate has gone from 46% to 53%.

And now the bad news: with fewer tonnes recovered to spread the cost, steward fees are going up.

The results of the 2003 Datacall indicate 779,844 tonnes of recyclables were diverted via Ontario's blue box program in 2003, up from 2002's total of 726,726.

Gross costs were reported as \$182,409,970. With the gross revenues of \$65,601,658, the net cost of Ontario blue box programs in 2003 was stated at \$117,548,166.

Projected generation by for 2002 was 1,578,500 tonnes; 2003 figures were estimated at 1,470,000 tonnes—more than 100,000 tonnes lower.

The largest decreases were in the projected generation of printed paper (from 732,000 to 635,200 tonnes) and plastics (from 238,700 to 219,000 tonnes).

The only sector seeing an increase in generation was glass (up from 179,400 to 194,700 tonnes).

All sectors show an increase in recovery, except aluminum cans (down

6.2%) and steel cans (down 2.7%). Paper-based products showed a 16.2% increase in recovery, according to the SO estimates. The numbers are based on a combination of steward reporting and waste audits.

the deficit it will reduce some of its unexpended expenses and increase 2005 fees by 2%.

Fee increases for 2005 vary from small to very large, with some fees up over 100%. For example, "other printed paper" has gone from 1.3 ¢/kg to 10 ¢/kg. Plastics have gone from 10 ¢/kg to 14 ¢/kg. The credit for aluminum is down from 3-¢/kg to 0.12 ¢/kg. Even newsprint will have to pay more—about \$300,000 above and beyond their in-kind contribution of \$1.3M. For the first time, the newspaper industry is writing a cheque for blue box programs.

It is noted on the website (www.stewardshipontario.ca) that the Stewardship Ontario Board of Directors approved the release of draft preliminary fees for 2005 and the basis on which they were calculated for review as part of the August 31 Phase II Consultation. The board was to consider issues raised at the meeting before recommended fees were forwarded to Waste

Diversion Ontario. These issues include: making up a shortfall in fees collected from the 2003 and 2004 program years, how this shortfall would be distributed, calculating fee rates over a reduced generation base (tonnes) and potential disaggregating of fee rates.

As of September 30, the website says the SO board has not yet made decisions on these issues nor the fee rates.

STEWARDSHIP ONTARIO ADMIN. & PROGRAM COSTS 2004/2005		
	2004	2005
Administration costs	2,739,000	2,465,000
Market development	2,500,000	100,000
Enforcement and compliance	300,000	400,000
Other programs	462,000	270,000
Start-up costs	750,000	894,000
WDO contribution	710,000	700,000
Totals	7,461,000	4,829,000

While some of those attending the August 31 meeting questioned the apparent anomaly of a reduction in generation while the economy grew and the population increased, these figures mean less money is being recovered and this will have an impact on steward fees.

SO now finds itself with a fee deficit of about \$1.1 million. To cover

Electronics likely next on WDO list

A special workshop hosted by the Ontario Ministry of the Environment, September 29, to address issues around electronics product stewardship attracted about 35 participants.

The director of the MOE's Waste Management Policy Branch, P.K. Misra, advised the various stakeholders invited to attend that the minister "is

considering designating electronic waste materials and requesting that Waste Diversion Ontario develop a diversion program."

On the agenda for the workshop, were whether or not the designations should be phased in, the timetable and how to address goods sold on the Internet.

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LETTER TO THE EDITOR

“Big-Mart” responds to Jay Arthur

By Andrew Horsman
Manager of Environmental Affairs
Wal-Mart Canada

Jay Arthur’s Opinion Piece in the July issue of PPS Review (*‘Big-Mart’ makes its suppliers an offer they can’t refuse*) begs a response. As the intended target of the article (the company referred to in the article is clearly Wal-Mart Canada, and the Manager of Environmental Affairs is me) I am uniquely positioned to point out all the ways Mr. Arthur’s article gets things seriously wrong.

Unfortunately for Mr. Arthur, he has misinterpreted both Environment Minister Dombrowsky’s comments and our business relationships. By doing so, he wrongly labels Wal-Mart’s vendor-partnership process as an abuse of the voluntary steward provision—exactly what Minister Dombrowsky has sought to eliminate with the help of Stewardship Ontario (SO), suspending new voluntary stewards until rules are developed.

Minister Dombrowsky, in her letter dated May 31, 2004 to the Waste Diversion Ontario (WDO) Chair, requests the suspension of “...the acceptance of further categories of voluntary stewards,” further stating, “In the meantime, I would ask that WDO, in consultation with SO, organize a meeting with affected stakeholders to develop a policy and rules for the acceptance of

voluntary stewards and identify how it may be applied under the following two parameters: **out of province brand owner companies**; and Franchisors who may want to volunteer for their franchisees.” (Bold mine.)

To educate Mr. Arthur: out-of-province brand owner companies and franchisors were expressly recognized as having the closest commercial connection to the products and packaging covered by the Blue Box Program Plan (BBPP). Further, out-of-province brand owner vendors meet

“As an environmentally conscious retailer and a Steward under the BBPP, Wal-Mart sought to sensitize these vendors to the costs associated with recycling their product packaging.”

- Andrew Horsman

the definition of stewards, and are specifically identified by both the Ministry of the Environment (MoE) and SO as the party that should bear the financial responsibility for funding the BBPP.

The Minister’s proposed suspension of further voluntary steward categories is built on concern for material suppliers or packaging manufacturers. Neither, she suggests, should be expected or pressured by brand owners to take on a steward’s

role—and under proposed BBPP rules, they wouldn’t. (Before we are criticized for violating these groups too, it should be noted that Wal-Mart Canada does not deal with material suppliers or packaging manufacturers, we deal with brand owners).

As a retailer, our involvement with the BBPP is primarily as a **first importer**, through relationships with out-of-province brand owners. As an environmentally conscious retailer and a Steward under the BBPP, Wal-Mart sought to sensitize these vendors to the costs associated with recycling their product packaging. In effect, Wal-Mart was extending the reach of the Waste Diversion Act (WDA) beyond the borders of Ontario and keeping true to its spirit.

We reached out to vendors in our efforts to meet the BBPP-imposed filing date of April 20. Vendors unable to meet this deadline were accommodated until June 11—at Wal-Mart’s cost. We were routinely contacted by Ontario brand owner vendors who hadn’t heard of the BBPP and those who had tried to contact Stewardship Ontario to no avail. In the spirit of the program, we shared information and provided direction where we could, driving WDA compliance and supporting the objectives of the BBPP.

In spite of his many flawed premises Mr. Arthur’s opinion piece makes a single valid point: the BBPP rules are complex and bureaucratic. Nevertheless, Wal-Mart Canada is 100-% compliant with the BBPP and will continue to drive compliance among our vendor partners.

BC container recovery up slightly

The Annual Report by the Director of the Beverage Container Stewardship Program Regulation in British Columbia indicates that the overall recovery rate in 2003-2004 was 83.8 %, up marginally from 83.7% in 2002-03.

Encorp Pacific Canada (Encorp) is responsible for non-alcoholic beverage containers, representing 56% of total containers. Encorp’s overall recovery rate increased by 1.4 % compared to last year, with marginal to modest increases in the recovery rate for all categories but one.

Liquor Distribution Branch (LDB) is responsible for wine, spirit, non-refillable beer, cider and cooler containers, representing 9% of total containers. LDB’s overall recovery rate increased marginally by 0.2% compared to last year.

Brewers Distributors Ltd. (BDL) is responsible for refillable glass bottles and aluminum cans for beer, ciders and coolers, representing 35% of total containers. BDL’s overall recovery rate decreased by 2% compared to 2002, with decreases in all categories, chiefly cans and non-industry standard refillable bottles.

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Waste group urges LCBO take-back

One of Ontario's leading municipal waste organizations has added its voice to those calling for a take-back system for liquor and wine bottles.

On June 10, the Ontario Government released *Ontario's 60% Waste Diversion Goal: A Discussion Paper* to seek input from stakeholders and the public on ways to help Ontario divert 60% of waste from disposal by the end of 2008.

In its August 9, 2004, response to the 60% challenge, the Municipal Waste Integration Network (MWIN) says the Province should take another look at how glass is handled.

"With the current difficulty in marketing mixed and non-source separated glass, the requirement for glass recycling should be re-examined," states the MWIN report.

MWIN notes that while there was "a general consensus" among its members that a deposit return system would be the preferred option for glass, they did not feel that the deposit-return system should be extended to other materials.

"A deposit-return system for LCBO containers, a centrally run body with the infrastructure potential for cost-effective recovery, would remove the vast majority of coloured glass from the system, thus improving clear glass recovery in municipal programs."

The report says Ontario should learn from other jurisdictions.

"Although Ontario is not unique in its need for a more sustainable waste management system, a made-in-Ontario solution should borrow from successes in other jurisdictions where they fit.

THEY DON'T CONFLICT

In every other province, except Manitoba, and in many states south of the border, there are deposit-return systems for beverages, MWIN notes, "and they don't conflict with curbside and other recycling programs."

The depots can also be used for other waste diversion programs. Many of the depots for beverages have become waste diversion centres for batteries, and for other hard-to-manage goods, the report notes.

"It is also clear from the Edmonton and Halifax experiences that significant investment must be made to develop sufficient processing capacity that is centralized, cost effective to operate and improves the diversion rate. Coordinating this will be a major challenge for the Province."

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COMING EVENTS

October 3 - 6

2004 Counties and Regions and Single-Tier Municipalities Conference,
Waterloo, ON
Call (519) 884-0220

October 6 - 8

Recycling Council of Alberta's 2004 Fall Conference and AGM,
Jasper, AB
Call (403) 843-6563

October 19 - 20

E-Scrap 2004: The North American Electronics Recycling Conference,
Portland, OR
(503) 233-1305
www.e-scrapnews.com

November 3 - 5

Coast Waste Management Association Annual Conference & Trade Show
"Working Together for Less"
Victoria BC
Call: (250) 386-2962
www.cwma.bc.ca

Talking of take-back....

An Ottawa company has started collecting empty wine bottles, rewashing them and selling them for reuse.

Bottles Up is currently collecting three tonnes of empties each week and after processing is selling them through a local glass wine bottle wholesaler to small wineries, home wine-making stores and artisans.

The company is collecting from commercial sources such as restaurants and hotels, using reusable, stackable totes. The bottles are then sorted, washed and processed for resale.

For more information, contact Ralph Dick at (613) 692-3400.

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Editorial

The opinions expressed in this column are exactly those of PPSReview

Publish and be damned

NOTE: I have asked Jay Arthur to step aside for this issue.

Ever since the days of William Caxton, there has been a tension between those who “make” the news and those who report on it.

It has come to *PPSReview*’s attention (via the Waste Diversion Ontario (WDO) board minutes, ironically) that some members of the WDO board are concerned that their discussions are being published before they have formally approved the minutes (at a subsequent meeting, usually 30 days or so hence).

When more than 20 people sit down in a room and have a meeting, and then return to their respective workplaces to carry out whatever was agreed, any expectation of secrecy is unrealistic. People do not stop communicating with each other merely because the secretarial record of their discussions has not been endorsed.

PPSReview reports what people in the industry are already saying. The WDO does not operate in an ivory tower, nor should it.

While we respect matters that are truly “confidential”, the general proceedings of a WDO meeting cannot be considered as such.

The actions agreed upon at such meetings are not delayed until the minutes are approved; it would be unworkable. Once those actions are carried out, it is clear what was agreed.

A good example of this would be the approval of the apparently new and improved scrap tire plan from Ontario Tire Stewardship (OTS). It had been previously stalled on the issue of who the stewards should be and because of concerns about incineration. Evidently, those concerns have been suitably mitigated to the satisfaction of those in the minister’s office, and it sailed through at the WDO level. All that remains now is for the Province to find

1.5 Confidential Information

Confidential information (which may be paper-based, electronic, or in other formats) is information that is not available generally to the public. Such information belongs exclusively to the Corporation, and includes but is not limited to, data and information received by the Corporation from industry funding organizations, municipalities and others, programs and policies of the Corporation prior to public disclosure and the financial position of the Corporation. The Corporation may from time to time, in its discretion, consent to the use or disclosure by Board members or others of information or categories of information in the possession or control of the Corporation and such information shall thereafter cease to be considered confidential information.

Confidential information does not include

- (i) information which has become known to the public without any breach of the restriction on the disclosure of such information by a party who owes a duty of confidentiality to the Corporation,*
- (ii) information developed independently by another party as evidenced by written documentation in its possession,*
- (iii) information received by a party from another party who was not under a duty of confidentiality to the Corporation, and*
- (iv) information which is required to be disclosed by applicable law or by an order of a court or regulatory tribunal with jurisdiction over the party disclosing such information.*

(Excerpted from BY-LAW NUMBER 2003-2, a by-law relating to the Code of Conduct of WASTE DIVERSION ONTARIO—see www.wdo.ca)

a way of back-tracking on its previous objections and signing on the dotted line. No doubt the discussions that led to the said mitigation were truly confidential and we’ll never know the details. It is fairly safe to assume there were not 20 people in the room when that little negotiation went down.

While stern warnings about confidentiality had been issued at the September 15 WDO meeting, to absolutely no-one’s surprise, including the issuer of the warning, I’m sure, the plan’s approval quickly became the worst-kept secret in town.

After being inaccessible for perhaps a week or so, the OTS website (www.ontariotirestewardship.ca) was reactivated in late September and on September 27, the plan’s approval was proudly announced, and the revised plan itself posted for anyone to download.

In this case, we respectfully suggest that confidentiality is based on content, not on the passage of time.

The notion that nothing can be said until the paperwork is done is archaic,

and runs contrary to the WDO’s mandated “transparency”. The whole point of establishing *PPSReview* was to ensure a public debate could take place about what is happening not about what has already happened.

We invite our readers to add their views to this issue (email us at bbc@albedo.net).

In the meantime, we shall continue to report what we can, as soon as we can. We recognize it is not in some people’s interest that this discussion take place. We make no apologies for this. We believe this work is very important.

Ben Bennett, publisher PPSReview

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