

PPSReview

**Product & Packaging
Stewardship Review**

MANAGING WASTE RESPONSIBLY

An information service for municipal governments

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NEGOTIATIONS TO START ON NET COSTS

Quebec announces blue box reg

More than 350 delegates eagerly awaited an announcement from Quebec Minister of Environment Thomas Montclair at the *Rendezvous 2004* conference in Quebec City, November 18, and he didn't disappoint them.

Minister Montclair told delegates that the regulation for a shared financing scheme for Quebec's "Collect Selective" residential multi-material recycling program has been passed. Negotiations on definitions of the

net costs (i.e., which municipal costs are eligible and which are not) will begin immediately between Quebec municipalities and Eco-Entreprises Quebec (the Quebec version of Stewardship Ontario).

Mr. Montclair said he expects that the new financing agreement will provide municipalities with at least \$20 million to support their programs.

The new regulation covers containers, packaging, printed media and printer materials, but unlike Ontario it calls a maximum of 50% financing of the net costs by industry (as opposed to "equal to 50% of the next cost" which is how it's described in the press releases issued by both Stewardship Ontario and Collecte Selective Quebec (CSQ).

In addition to the blue box announcement, Mr. Montclair announced another regulation that imposes a landfill tax of \$10/tonne. This is expected to bring in a significant amount of revenue (about \$118 million) over the next five years.

AMO urges members to counter industry lobby on recycling

The Association of Municipalities of Ontario (AMO) has responded swiftly to industry calls to revise the Blue Box Program Plan (BBPP). It wants municipalities to join the lobby game.

In a letter written October 20 to WDO chair Bas Balkissoon, Stewardship Ontario (SO) chair Dennis Darby noted that getting an agreement by the SO board for the 2005 fees "has proven extremely challenging". While the industry board did approve the fees, there are calls for changes in the whole set-up.

The obligated amount has increased, Mr. Darby pointed out, from \$62.5 million in December 2003, to \$84 million (an increase of 34%) for the program year 2004, and from \$84 million to \$117.5 million (an increase of 40%) for the program year 2005.

"Even though half of this increase was due to the fact that \$84 million was a negotiated number, the real increase in municipal operating costs (20%) was still very high," he said.

"Furthermore, the staff of Stewardship Ontario has warned that more increases are expected next year."

These increases are a "hardship" to both municipalities and industry, and "aggressive action is required" to control them.

Mr. Darby's letter warned continuing industry support for the Waste Diversion Act and the BBPP "is seriously at risk". Individual companies cannot project and budget for cost increases of this magnitude, "which from the outside seem to be without control," he wrote.

SO is calling for changes to both the Blue Box Program Plan and to the cost containment measures approved earlier in the process.

On November 1, AMO sent a bulletin to its members urging them to write to Ontario Premier Dalton McGuinty, Environment Minister Leona Dombrowsky and various other ministers in support of the 50/50 cost share that forms the basis of the blue box plan.

AMO notes the WDO board approved the 2005 fees at its October 27 meeting and they have now been forwarded to the minister for her

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Briefly...

PLASTIC FROM BEER

The Japan-based Akita Research Institute of Food and Brewing claims to have successfully produced biodegradable plastic from beer residue. The institute produced 150 kilograms of L-lactic acid, a biodegradable plastic material, from 1,000 kilograms of beer residue. The institute has applied for a patent on the technology, which is expected to lead to a sharp reduction in the cost of producing L-lactic acid. Following up on this success, the institute is now working to produce L-lactic acid from vegetable waste discarded by other types of food factories.

*Resource Recovery Forum, October 12, 2004
(rrf@residua.com)*

PET BOTTLE RECYCLING RATE DROPS FURTHER BELOW 20% IN U.S.

The recycling rate for PET bottles dropped slightly in 2003, from 19.9 % to 19.6 %, according to a new report from the Charlotte, NC-based National Association for PET Container Resources. PET use continues to grow, mainly in bottled water and isotonic drinks, but recycling is falling way behind. In 1995, the recycling rate was 39.7%. In successive years, the rate has slipped to 31.7%, 27.1%, 24.8%, 23.7%, 22.3%, 22.1%, 19.9%, and finally to last year's figure of 19.6%. As production of PET bottled products has doubled in the past nine years (the weight of bottles on US shelves was 1,950 million pounds in 1995, and 4,292 million pounds last year), the total recovery at 841 million pounds represents fewer than one in five bottles, half the rate in 1995.

*National Association for PET Container Resources
www.napcor.com/reports.htm*

LOTS OF FOOD TOSSED OUT BY BUSY UK RESIDENTS

A new report from a Lancaster University team suggests that one in six people throws away more than 10% of their

weekly grocery purchases because the goods are either past their sell-by date or are no longer fresh. Salad and fresh vegetables are the most likely items to be tossed. Cary Cooper, a professor of organizational psychology at Lancaster University Management School, said two out of every three couples are now working couples, and he claims, *(though some would dispute the claim - editor)* Britons work the longest hours in Europe and the second longest in the developed world behind the United States. People don't have time to go shopping, so they go once a week and buy all their groceries at once. But they don't have time to cook, eating a proportion of the food they buy, and throwing out the rest. The report said nearly two-thirds of the population refuse to eat left-over food, something unthinkable two generations ago. Now, nearly four in ten simply throw it away and 23% give it to the dog.

The Scotsman, November 3, 2004

EXCESS PACKAGING RESULTS IN FINE FOR UK COMPANY

Stationery company Office World has been fined in the United Kingdom for using an excessive amount of packaging. Northamptonshire County Council's Trading Standards Service carried out three test purchases from the company via its website and each was found to have excessive packaging. Products filled just 19% of the packaging in November 2003, and were 7% and 29% of the packaging in January 2004. The company pleaded guilty at magistrates court to one offence regarding the 7% full box. The company was fined £2,000 plus £550 costs. The 2003 Packaging (Essential Requirements) Regulations require that companies use the minimum amount of packaging, both in terms of weight and volume, to maintain the necessary levels of safety, hygiene and acceptance for the packed product and for the customer.

*Resource Recovery Forum, October 17, 2004
(rrf@residua.com)*

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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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New BC Reg is passed

Nine months after the passage of the enabling legislation, new regulations concerning residuals and beverage containers were issued by the British Columbia Government, October 7.

Once again, milk containers have been exempted, despite ongoing lobbying from various sides. Electronic waste was also not included.

The new amalgamated regulation defines the producer and the "duty of the producer", which includes submitting a stewardship plan for products it sells that meets the requirements or targets established by the Director. The new regulation reduces the beverage container recovery target from 85% to 75%, and the maximum containers by type returned to retailers per customer per day to 24, or to 6 of each container type per day if adequate redemption facilities exist in that region.

One step forward, two steps back for oil, tire plans

Question marks continue to hang over the future of the Ontario Used Oil Material Association's (OUOMA) and Ontario Tire Stewardship (OTS) plans.

At the October 1 Waste Diversion Ontario (WDO) meeting, executive director Glenda Gies indicated that a stakeholder meeting was being arranged for mid-October to review a number of issues related to design of an alternate plan for used oil.

(The minutes also indicate she also reported on a confidential meeting with representatives of the **Competition Bureau** regarding the OUOMA program plan.)

At its September meeting, the WDO board was told it was faced with working with OUOMA, whose plan it rejected earlier this year, causing a new industry funding organization (IFO) to be set up, or revising the current plan and submitting it to the minister for

approval.

It subsequently sought a legal interpretation of its role and authority in relation to used oil material.

In October, WDO's legal counsel Paul Brace (Miller Thomson) indicated that the Waste Diversion Act requires it to develop a diversion program plan in co-operation with an IFO and to enter into a program agreement with that IFO when the plan is approved by the WDO board. Mr. Brace also stated that WDO does have the power to establish an alternate IFO and to develop a diversion program for used oil. But he recommended further clarification be sought from the minister.

The WDO board did approve the OTS scrap tire plan, September 15, subject to a number of conditions, and sent the proposal on to the environment minister.

In October, representatives of the Ontario Tire Collectors Association (OTCA) met with ministry staff and sent a follow-up letter to the minister on October 20, reaffirming their objections to the OTS plan.

The OTCA reminded the minister the OTS plan is not only contrary to Section S. 5(c) of the Waste Diversion Act in that it does not, "...affect Ontario's marketplace in a fair manner", but also runs against Section S. 25 (2)1, because it promotes the burning of tires.

As of press time (November 22) there was nothing posted on the ministry's Environmental Bill of Rights registry about the OTS plan, or the application by Lafarge Cement to add the burning of tires to its certificate of approval.

Write to the minister, AMO urges

(continued from front page)

approval, pending a 30-day Environmental Bill of Rights registry posting.

Between January and June 2004, AMO and Stewardship Ontario "negotiated in good faith" on a cost containment strategy notes the AMO bulletin.

"Stewardship Ontario is now asking the WDO and the Minister to force us to renegotiate both the definition of Net Costs and the Cost Containment Strategy," it continues.

Not only are municipalities responsible for financing 50% of the \$117.5 million net blue box costs, "they are also responsible for 100% of the cost of disposing of the blue box materials that are not captured by the system, which is in the order of \$25-40 million," AMO writes.

"Industry has been very vocal at the Ministerial level and will continue to assert its platform. The Minister is not however hearing from the municipal sector on these issues, and

needs to know what the interests and concerns are from the municipal group," concludes the AMO bulletin.

Stewardship Ontario has approved the 2005 fees but makes a number of recommendations to the WDO board, focusing on renegotiation of the cost containment strategy to include taking a look at the "acceptable cost categories to be included within the calculation of net municipal costs", the beefing up of technological assistance and increasing the amount of funds allocated to the Effectiveness and Efficiency Fund.

"At the direction of the Stewardship Ontario Board, I am notifying the WDO Board that it is our intention to revise the BBPP incorporating these and other required changes to the BBPP prior to submitting to the WDO appropriate fees for the 2006 program year," notes the SO chair.

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E-waste added to WDO target list, covers anything requiring electricity

On October 26, the Ontario Government announced it had posted a draft regulation for comment on the Environmental Bill of Rights (EBR) registry with regard to electronic wastes. And the list is a lot longer than computers and associated hardware.

The regulation covers “any device that requires an electric current to operate”. It identifies more than 200 items that could be designated, including computers, telephones, broadcast equipment, televisions and CD players, children’s toys, power tools, lawn mowers, and navigational and medical instruments. These are separated into the following categories:

- appliances
- information technology equipment
- telecommunications equipment
- audio-visual equipment,
- toys, leisure and sports equipment

- electrical and electronic goods and
- navigational, measuring medical and control instruments.

As with blue box material, used oil and scrap tires, the regulation gives the minister of the environment the authority to direct Waste Diversion Ontario to develop a program to reduce any of the “e-wastes” in the regulation from going to landfill.

The program would be developed in cooperation with an organization representing the electronics and electrical equipment industry.

The Recycling Council of Ontario (RCO) held an extremely well-attended “E-bate” on electronics recycling on October 29 in Mississauga.

It featured presentations on experiences in Holland, Belgium, France and California, as well as from Beverley Thorpe from the Clean

Production Action in Montreal.

One of the companies who will be affected by e-waste stewardship felt RCO has no place organizing the workshop and contacted the three workshop sponsors—Sony Canada, Hewlett Packard and even the Ministry of the Environment to suggest they should be not supporting the event.

RCO wrote to the company (Wal-Mart Canada), pointing out the organization has been central in Ontario stewardship discussions since the 1990s, and led the Roles and Responsibility process. (Indeed, the author of the *Roles and Responsibility* report was Glenda Gies, a former RCO chair and now executive director of the WDO.)

Rather than try to derail the event, the RCO suggested Wal-Mart attend the event, which the company did, and participate in the discussion, which it also did.

One billion aluminum cans, worth \$25.5 million are still heading to landfill each year—ECO

One thousand million aluminum soft drink cans in Ontario are making one-way trips to the landfill, something the Environmental Commissioner for Ontario (ECO) Gord Miller finds “troubling.”

In his annual report issued this fall, Mr. Miller says that based on audits of residential garbage, Waste Diversion Ontario (WDO) estimates that only 42% of aluminum cans were recovered in the blue box program in 2002.

“This means that approximately one billion cans—worth about \$25.5 million—escaped collection in the blue box system and may have ended up in landfills. The manufacturing of rolled-aluminum sheet to make those cans is equivalent to 900 billion watt-hours of

energy, equalling the total output required to power 125,000 Ontario homes for one year. In addition, about 54,000 tonnes of greenhouse gas emissions could be avoided if all of these cans were recycled.”

The ECO’s 2001/2002 annual report noted recycling programs in the multi-residential and IC&I sectors “are underdeveloped and, in some cases, non-existent”, in contravention of Ontario Regs. 102/94 and 103/94 under the *Environmental Protection Act*.

The State of Michigan, which has had a deposit-refund system for containers since 1976, passed legislation in March 2004 allowing inspectors to ban imports of solid waste from Ontario if the shipments

contain large quantities of recyclable containers. Enforcement of this law was to begin in October of this year.

The ECO believes that environment ministry should set an ambitious recovery rate for aluminum cans based on those rates achieved by deposit-refund systems in other Canadian jurisdictions.

HHW JOB POSTED

What does CSR know that we don't know?

Household hazardous waste (also known as household special waste or HSW) has yet to be designated by the Ontario Minister of the Environment under the Waste Diversion Act but CSR:Corporations Supporting Recycling is already looking for staff to supervise the stewardship program.

Although not designated as the industry funding organization (IFO) for HHW, and known primarily for its involvement in recycling programs (it is, as Stewardship Ontario, the IFO for blue box materials), CSR's website (www.csr.org) is currently carrying the following job advertisement.

CSR Household Special Wastes Program Manager (Reports to CSR Director of Technical Services)

Key Responsibilities

* Provide lead technical support to the design and implementation of programs for the stewardship and management of household special wastes (HSW), including

- tracking waste HSW management issues across Canada
- identifying effective approaches to manage HSW
- estimating the quantities of each type of waste and the cost of management
- identifying appropriate funding mechanisms
- identifying measures to ensure continuous improvement and the cost-effectiveness of HSW programs
- identifying measures to ensure HSW programs meet all safety, health and environmental standards
- developing protocols for effective monitoring

The successful applicant will work closely with industry and government stakeholders to develop effective and efficient HSW programs, keep CSR members apprised of all activities relating to the management of HSW, and promote CSR activities by speaking at conferences, symposia and workshops as required.

Also listed is the following position: **CSR System Cost and Funding Analyst**. Its key responsibilities: *Provide quantitative analysis and support in all CSR service areas, particularly Stewardship Ontario, **Electronic Waste Management**, Household Special Waste (HSW) and other provincial stewardship programs.*

No IFO for electronics has been designated by the minister, but it is expected to happen soon.

There is no deadline for the positions, says a note on the CSR website.

COMING EVENTS

December 1-2, 2004

Canadian Waste & Recycling Expo/Canadian Public Works Expo, International Centre
Toronto, ON
(770) 984-8016

February 16-18, 2005

AMRC Spring Workshop
Hockley Valley Resort, near Orangeville, ON
(519) 823-1990
www.amrc.guelph.org

February 20 - 23, 2005

Rural Ontario Municipal Association (ROMA)/
Ontario Good Roads Association (OGRA)
Combined Conferences
Fairmont Royal York Hotel, Toronto, ON
(905) 795-2555

April 27- 30, 2005

Northern Ontario Municipal Association (NOMA)
Conference
Lakeside Inn, Kenora, ON.
(807) 626-0155

May 4 - 6, 2005

Recycling Council of Ontario Annual Conference,
Mississauga, ON
www.rco.on.ca

May 4 - 7, 2005

Ontario Small Urban Municipalities (OSUM)
Conference
County of Huron
Maitland Recreation Centre, ON
(416) 971-9856

May 11-13, 2005

Federation of Northern Ontario Municipalities
(FONOM) Annual Meeting
Parry Sound, ON
(705) 669-0135

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Opinion Piece

The opinions expressed in this column are not necessarily those of PPSReview

Okay, industry, you do it....

by Jay Arthur

Maybe it's the coming winter, or the black cloud drifting up from the south, but it seems to me that the old stewardship business is having some dark times.

If Leona Dombrowsky were to address the province on the State of the Waste Diversion Act (WDA) Initiatives this week, it would not be a happy tale.

The blue box program is in a shambles as the poor staff at Stewardship Ontario try to explain to their industry members why those numbers just keep getting higher. Thank heavens some dollars to offset municipal costs are flowing now, even if they are falling short.

The oil program, which you would think would be the best lubricated of all the stewardship juggernauts, is going nowhere fast. And the tire plan could well founder on a legal reef as the those pesky collectors and dealers keep pointing out that it runs counter to the Province's own legislation (the WDA). Ironically, both plans are proposing diversion rates less than is currently in place and bring a whole bunch of troubles along for the ride. So, other than the boys in the back room I'm not sure anyone else is in a big hurry to see either approved, and would be quite happy if both were sent back to the drawing board. (Oops, they were, weren't they? So why do they look the same?)

And now, with great fanfare, we have the announcement that anything with a cord or a battery will be scooped up by the new e-waste regulation. I think they forgot plug-in air fresheners but I'm sure they'll be added. Good luck finding a stewardship organization for that little lot. (I do notice, however, that CSR is hovering in the wings, although given the current spat on blue box costs I can't see any municipalities

in too big of a rush to sit down with those guys on e-waste. Too bad they just lost their best ambassador.)

The ongoing reality of blue box costs is becoming a bitter pill for industry to swallow. Every time the guys at Stewardship Ontario call a general meeting the mood gets blacker and the attendees more upset.

And while it would be easy to blame it all on the inefficiency of municipalities, it just ain't so.

The trouble is that everyone was in a big hurry to get something agreed upon at the outset (having finally agreed to share the cost on the same

Every time the guys at Stewardship Ontario call a general meeting the mood gets blacker and the attendees more upset. And while it would be easy to blame it all on the inefficiency of municipalities, it just ain't so.

basis as was on the table in the late 1990s.....but I digress). Not having all the numbers at hand, it was agreed by the municipal reps and the industry reps to "negotiate" a number that would represent net municipal costs. It was, of course, pure fantasy, but it was easier to get agreement on a lower number; so that's what we ended up with for Year One.

Then the surveys were done and the real numbers came in. Big numbers.

And then to add insult to injury, because the whole thing is based on recovery, not recovery *and* disposal (oh, that was a good idea wasn't it?), guess what happened when recovery increased.

If we then remove from the pile the dozens of "little guys" who escape paying anything because the administration costs would outweigh

the revenues, we end up with stewardship fees that just keep going one way.

Understandably, the howling got pretty intense. But it should be pointed out that as these fees went up, it wasn't as a result of some spectacular increase in municipal inefficiency. We should think of it more as a tribute to the design of the stewardship program. (Perhaps "tribute" is not the right word.)

So here's a thought. As of the first of January, let's make a switch in the who-does-what department.

All those municipalities who contract out their collection and processing to private companies, which would be most, should hand over the program to industry.

Think of it a New Year's gift. The accompanying card will say:

"You are now the proud owner of a recycling contract. Here is the agreement with the private company that looks after the blue box program here. Here are our brochures and the extra blue boxes we keep for replacement. We'll redirect all our calls to you, now, and we'll be happy to pay half of whatever it costs you to look after the program. We assume it will be less than the current number and we look forward to seeing the number decrease as the efficiencies kick in.

Oh, by the way, here's the provincial legislation that says what you have to collect.

Good luck, and Happy New Year!"

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