

## General Questions

1.	Where can I find the Report to Stewards that you are referring to?	The <a href="#">Report to Stewards</a> can be found on the CSSA website under the Information Sessions tab.
2.	Can steward numbers be released in the National Steward List in 2020? The number would be very helpful for us to match our vendors to the list when figuring out obligated vendors as retailers.	We understand stewards are looking for ways to determine whether they are the obligated party for reporting and are looking into potential solutions. We hope to be able to provide an update on this early in 2020.
3.	I have obsolete packaging film which the local recycling company says has no value and has declined to pick it up. If this is indicative of this product and program, why am I being charged a recycling fee when I understand this material will end up in the garbage?	The definition of designated materials for which stewards must pay fees is determined by provincial regulation and not by the stewardship program. Under all four provincial regulations, stewards are required to report and pay fees on all designated materials supplied to consumers regardless of whether that material will be managed through the recycling stream or the waste stream.
4.	Is unaddressed mail considered other printed paper?	Yes, unaddressed mail (which would include flyers, inserts, promotional materials and letters distributed to consumers) is designated in all programs and should be reported under Other Printed Materials.
5.	Is the 2020 fee rate what will be paid in 2020 calendar year based on 2019 sales?	No, the fees that stewards pay in 2020 invoices are developed on the reports submitted by stewards in 2019 based on sales data from 2018, not 2019. As a result, the 2020 invoice is based on the 2019 report of 2018 data.
6.	Kindly confirm if our understanding is correct: fees are based on the Stewards report for the year, and the fee set prior to the year could change?	The process for fee setting is as follows: Stewards submitted their reports by May 31, 2019 based on sales in 2018. The quantities reported by stewards in 2019 are used to calculate the 2020 fee rates (the 2020 invoice is based on 2019 report of 2018 data). Although the programs do retain the right to modify a fee rate within a year in the event of an extraordinary situation, this would be a very rare occurrence.
7.	In every program, management costs are increasing by much more than inflation; what are the reasons?	The increase in management costs attributed to Recycle BC and MMSW programs are the result of the renegotiation of office leases at the end of their term as well as cost of living salary adjustments. MMSM's program management increased by 1% - less than inflation in the 2020

		budget. For Stewardship Ontario, the majority of the increase is attributed to one-time costs for professional services.
8.	Clear Polypropylene is more environmentally friendly plastic yet there is no category for it so we are paying the higher price in the "Other Plastics" category. Will CSSA create a separate reporting category for clear polypropylene?	There are no current plans to create a separate reporting category for clear propylene because this material is managed through the recycling system in the same manner as other materials in the Other Plastics category. When using the Four-Step fee methodology clear polypropylene attracts the same costs as the other materials in this material category. The Material Cost Differentiation project has undertaken a full review of material categories that will be part of the consultation with stewards in 2020.
9.	The Material Fee Rate data Excel file is very useful. Could you please add another page which would include the reporting portal site, due date of report and due dates for the quarterly payments?	Thank you for the suggestion. We will consider including this information in future versions of the fee rate data file.
<b>General Questions regarding Fees/ Fee Setting</b>		
10.	What is the average fee rate increase for each program?	The average fee rate increases are as follows: 26% for Recycle BC; 20% for MMSM; 11% for Stewardship Ontario and 0% increase for MMSW. Increased fee rates largely reflect increases to program budgets that are primarily due to declining commodity revenues.
11.	Have any of the programs discussed the idea of including an adjustment for the product fees based on collection % (i.e. products with higher collection rates will get a reduced fee rate in the future). The argument that reduced market resale prices will increase the fee rates for products disincentivizes producers to strive for increased recycling rates as increased rates will increase the supply of the materials which will reduce resale prices (as higher supply with no change in demand will reduce price).	The Four Step Fee Methodology does apply this logic in the setting of fee rates because only those materials that are managed in the system are credited with the commodity revenue earned through the sale of these materials to recycling end markets (Step 2 of the methodology). Non-recyclable materials receive no such credit against their fee rates. So, while commodity revenues have declined recently those non-recyclable materials receive no share of the total revenue.

12.

Are the recovery rates by specific sub categories available? Right now it is hard to determine what specific package material sub-category provides the highest recovery rates. If one wanted to determine if a polypropylene bottle has a higher or lower recovery rate than an aseptic Tetra Pak this is not possible and I believe this information must be available as it is an input into the fee setting formula.

-The recovery rates for the material categories for Stewardship Ontario are available here: <https://stewardshipontario.ca/stewards-bluebox/fees-and-payments/>  
- The recovery rates for the material categories for MMSM are available on the Four Step Fee Model Manitoba link here: <https://stewardshipmanitoba.org/stewards/fees-and-payments/>  
-Recycle BC now publishes recovery rates at the category level in accordance with its program plan commitments. The rates can be found in the [Recycle BC Annual Report](#) on page 4 as follows:

Paper	86%
Plastic	42%
- Rigid Plastic	54%
- Flexible Plastic	19%
Metal	67%
Glass	78%

13.

BC has an increase of 85.7% in Magazines. EEQ caps their annual increases at 50%. Should CSSA also consider implementing a cap to limit the increases each year? PPP is becoming a rather large financial burden.

The Four Step Fee Methodology used to set Recycle BC fee rates is based on a set of principles established by the Steward Consultation Committee (SCC). The principles adopted by the SCC are designed to ensure that recycling costs are fairly allocated to each material based on how it impacts costs in the recycling system and how it contributes to the commodity revenue earned by the program. Capping fee rate increases is not one of the principles adopted by the SCC as part of this process and has not been considered as part of the fee setting process.

### Recycle BC

14.

Is Recycle BC doing anything to support a circular economy for any of the recycle streams?

Recycle BC's full producer responsibility system, which has resulted in the creation of an integrated provincial recycling system, provides a foundation upon which a circular economy for PPP is being built. For example, Recycle BC has identified a local end market for its plastics which directly supports the emergence of a circular economy for this

		material by keeping it in BC for processing and making it available to local end markets.
15.	Regarding the 23.4% increase in budget in 2020 over 2019, what cost controls does Recycle BC have in place to ensure we don't see year over year increases of this magnitude going forward?	<p>Recycle BC manages contracts with terms anywhere from 4–5 years and these contracts include cost escalation management. For 2020, a number of significant contracts came up for renewal and these new costs are in line with the trends in the marketplace, including increasing pressure on quality and contamination reduction to ensure the materials collected find their way to a recycling end market. Market demand for cleaner material adds to system costs</p> <p>Stewards can also anticipate cost increases due to the requirements included in the new Program Plan such as streetscape collection, compostable PPP and achieving the new material specific recovery rates.</p> <p>Another major factor for current increases in program cost is the reduced commodity revenue Recycle BC earns from the sale of its recyclables. Globally, the commodity markets are down to unprecedented levels and Recycle BC has no control over this.</p>
16.	When will the municipalities accept compostable 'plastic-like' packaging?	<p>The municipal programs in BC decide what they will and will not allow into their organic collection programs. The only non-fiber material we know of that is currently accepted by some programs is PLA (polylactic acid). Timing for the acceptance of the other items is not known.</p> <p>Recycle BC completed a baseline study in 2018 quantifying the amount of Packaging and Paper Product (PPP) collected in municipal residential organic collection systems and you can access that report <a href="#">here</a>.</p>
17.	Regarding the 50% increase in the fees of gable top and aseptic cartons in BC, I understand this is driven by an update to ABC studies. Is it possible to access this information? I would like to understand how the density of these materials could have so drastically changed from one year to the next.	<p>Activity Based Costing (ABC) per tonne is not only impacted by changes in density factors (which converts weights to volume). There are other factors that impact the cost/tonne to manage different materials. For Polycoat containers, the ABC cost/tonne was most impacted by the fact that these materials were seen in higher quantities in more costly bales. We see less Polycoat in the Old Newspaper (ONP) bales and more in Polycoat bales. We assume this is a direct impact of the changing</p>

		quality demands resulting from the China import ban which is driving requirements for more purity in the ONP bales. We will continue to monitor this in the years ahead.
18.	What is the \$2.6 million in promotion/education in BC being used for? Why is it only \$410,000 in Ontario?	<p>As a full producer responsibility program, Recycling BC is responsible for communicating with residents across BC on the availability of the recycling program and how to recycle properly. Promotion and education includes creation and distribution of items such as recycling guides, contamination tags, cart decals, a recycling app, and community-specific campaigns.</p> <p>The budget for P&amp;E in Ontario is much lower because Stewardship Ontario is not responsible for direct communication with residents; most of this information comes from local governments as they are responsible for the delivery of their own recycling programs. Stewardship Ontario does develop communication and promotional campaigns that can be adopted by local governments for use in their communities but the level of responsibility for communicating about the recycling program is much different compared with Recycle BC.</p>
19.	Where does the surplus accumulation come from in Recycle BC?	<p>During its initial years of operation, Recycle BC accumulated a reserve fund from steward fees to provide financial stability and to support its ability to meet ongoing supply chain commitments.</p> <p>The surplus is reviewed annually during the fee setting process and the Board determines whether surplus funds can be utilized to mitigate the impact of unusually high cost increases. For 2020, the Board of Directors determined that \$10M of the program’s reserves could be applied to mitigate fee increases.</p>
20.	Why is the BC Flat and Low-Volume Fees so much more than if you look at the normal rates? For example, if you look at 4,900 kg it works out to approximately 43 cents per kg rather than 26 cents /kg	When calculating low volume and flat fees, the fee budget percentage increase calculated for the program is applied to the previous year’s flat fees. This results in an average flat fee rate change very close to the average fee rate change. For example, the average fee rate change for

		<p>all materials in BC is 26%, while the average flat fee rate change is also 26%. Thus, both fee types are aligned.</p>
<p>21.</p>	<p>Can you please respond to the CBC Marketplace story that aired in September, that found that plastics collected by Recycle B.C. were being sent to energy from waste facilities and not to recycling end of markets.</p>	<p>As stated on our <a href="#">website</a>, Recycle BC is extremely disappointed in the Marketplace story which analyzed one-time, business-to-business commercial transactions that are outside of the Recycle BC residential program. Unfortunately, Marketplace reported this as a reflection of the entire BC program which was very misleading. We feel that this type of inaccurate and incomplete reporting does a disservice to the residents of British Columbia and undermines the integrity of Recycle BC.</p> <p>As a full producer responsibility program, we track the end market destination for all our collected materials through a chain of custody process. Our process demands full traceability and auditability of all shipments to end markets or disposal, using documentation to verify where materials are shipped from and where they are sent.</p> <p>In 2018, 87.3% of the materials we collected were managed by recycling. A portion of the material we collected could not be recycled, but we were able to move it up the pollution prevention hierarchy by turning it into an engineered fuel which is a replacement for coal in industrial processes. This represents 3% of our materials, the majority of which was plastic that could not be recycled. About 8% of the material we collected was sent to landfill because of contamination. The remaining material, accounting for less than 2%, is unshipped inventory at year's end. All of this information is in our 2018 Annual Report.</p>
<p><b>MMSM</b></p>		
<p>22.</p>	<p>MMSM has reported that the cost for operating in 2018 increased by 37.2% from 2017 primarily due to the City of Winnipeg's increased costs for collection and processing. Does MMSM have any ability to limit the annual cost</p>	<p>Although MMSM does not negotiate the contracts that the municipalities have with their service providers, it does have oversight through the program plan of what are considered eligible costs. All municipal annual cost submissions are carefully reviewed prior to payment being approved. MMSM also fosters close working</p>

	increases associated primarily with Winnipeg’s operation of its recycling program?	relationships with the municipalities, Winnipeg included, to ensure we have a voice in decisions that will impact operations and program costs.
23.	Is Manitoba still moving towards a 100% producer-funded program? I believe I read somewhere that they have to submit a plan for review by 2020. What work is underway on this?	The Minister’s 2018 letter approving MMSM’s updated plan included a request that MMSM provide the Ministry with a plan in 2020 for a 100% industry funded model for collection and recycling of packaging and printed paper in Manitoba. MMSM committed to providing a discussion paper on the pros and cons of the various funding models. This work is ongoing.

### Stewardship Ontario

24.	What would have been the impact of using the Four-Step Fee Methodology on SO fee rates	Use of the Four Step Fee Methodology would have resulted in a redistribution of fees, with some material categories having higher fees and others lower fees compared with the Three Factor Formula. Aggregate fees across all material categories would be unchanged. Stewardship Ontario was directed by the Minister to include a mechanism for determining steward fees during the Blue Box transition period. This direction is viewed as an opportunity to adopt the Four Step Fee Methodology. Stakeholders will be consulted on any proposed changes.
25.	Do we need to submit our Blue box report by June 30, 2020?	Stewards are required to submit their 2020 material reports by May 31, 2020. (In case you are referring to the Blue Box wind up, Stewardship Ontario is to submit its plan to RPRA by June 30, 2020.)
26.	When will RPRA provide finalized municipal costs.	At this time, we don’t have a date for receiving finalized municipal costs from RPRA. We are hopeful that RPRA will have final costs before the end of the calendar year.
27.	After wind up how will household recyclables be collected?	Based on the Minister’s direction letter, municipalities in Ontario will transition to full producer responsibility between 2023 and 2025. Stewardship Ontario stewards will continue to pay 50% of the municipal costs for services delivered by those municipalities that have not yet transitioned. For those communities that have transitioned, the methods by which recycling services will be provided by producers will be in accordance with the forthcoming provincial regulation.

<p>28.</p>	<p>With the Program Plan going until 2023 do you anticipate moving towards Full EPR and if so, when?</p>	<p>The move to full producer responsibility was set in motion when Stewardship Ontario received the <a href="#">direction letter</a> from the Minister of Environment, Conservation and Parks (MOECP) in August of this year requiring the Blue Box Program transition. We understand that the government is moving forward with a regulation under the Resource Recovery and Circular Economy Act which will outline steward obligations and how they are to be fulfilled both during and after transition. During the transition period, Stewardship Ontario stewards will continue to pay 50% of the municipal costs for services delivered by those municipalities that have not yet transitioned to full producer responsibility. The first communities will be transitioned beginning January 1, 2023, with the entire province operating under the new framework by December 31, 2025.</p>
<p>29.</p>	<p>If we report to the AMS for Ontario (for PPP) and not to the Stewardship Ontario will the move to RPRA effect reporting to AMS? Will everyone have to report to RPRA for PPP reporting?</p>	<p>Automotive Materials Stewardship (AMS) is the stewardship organization for automotive products including antifreeze and antifreeze containers, oil filters and oil containers (automotive materials). AMS is not involved in the stewardship of packaging and paper products (PPP). If you are a steward that reports your PPP to Stewardship Ontario, you will be kept informed about your obligations and the options for fulfilling your obligations as Ontario transitions to full producer responsibility for PPP. Please note that RPRA is an oversight body for waste diversion programs not a producer responsibility organization (PRO).</p>