



Disaggregation & Material  
Category Project



# Proposed Changes to Steward Reporting Categories

**Annual Steward Meeting**  
**October, 27, 2021**



# Content of this section

1. Fee setting harmonization journey – a quick review
2. Change Decision-Making Criteria
3. Proposed changes to steward reporting categories
  - i. For all programs
  - ii. For specific programs
4. Consultation Process



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# Modernizing and Harmonizing Fee Setting



# It's a Journey

**Four-Step Fee  
Methodology**

**Material Cost  
Differentiation  
Methodology  
(MCD)**

**Reporting and  
MCD Category  
Alignment**



## Proposed Timing of Reporting Category Changes

- Stewards would **collect** data throughout **2022**
- **Report** their new 2022 data into new reporting categories **by May 31, 2023**
- New data will be used to **set 2024 fees.**



# Category-change decision criteria

- 1) Does the change align with the fairness principles of the Four-Step Fee Methodology and the MCD Methodology?
- 2) Does it increase fairness and accuracy in fee setting?
- 3) Can stewards operationalize the reporting category change?
- 4) Does the change balance benefit to fee setting while minimizing impacts to stewards?
- 5) Does the change support other important initiatives such as the Canada Plastics Pact?



## Four-Step Fee Methodology's Fairness Principles

1. All obligated materials should bear a fair share of the costs to manage the packaging and printed paper program, irrespective of whether a material is collected, because all obligated stewards who put obligated materials into the marketplace should contribute to the recycling system.
2. The material management costs allocated to each material should reflect the material's impact on the cost to collect and manage it in the recycling system because a material's unique characteristics can drive costs in distinctive ways.
3. The commodity revenue should be attributed only to the materials that earn that revenue because materials that are marketed have value and should benefit from their earned revenue.



## Size, weight and colour matter because they drive cost

- **Size** affects how materials move through the system and the resources needed to transition them from collection to a state of ready to be repurposed.
- **Lightweight** materials can have relatively higher cost impacts than heavy dense materials because it can take more time to sort and they use more space on carts and collection trucks.
- **Colour** can affect the visible detectability of materials and the resources necessary to manage them in the system.
- Majority of proposed reporting changes reflect these factors



## Proposed category changes for ALL programs (1 of 2)

Current Reporting Category	Reporting Category Change
Corrugated Cardboard (CC)	Report based on size in categories: <ul style="list-style-type: none"><li>• Large Format CC</li><li>• Small Format CC</li></ul>
Box Board and Other Paper Packaging	Report in categories: <ul style="list-style-type: none"><li>• Boxboard</li><li>• Other Paper Packaging</li></ul>
Paper Laminates	Report in categories: <ul style="list-style-type: none"><li>• Paper Laminates</li><li>• Poly coated Paperboard</li></ul>



## Proposed category changes for ALL programs (2 of 2)

Current Reporting Category	Reporting Category Change
HDPE	Report based on colour (natural or coloured): <ul style="list-style-type: none"><li>• HDPE Coloured (Opaque)(including black)</li><li>• HDPE Natural (Translucent)</li></ul>
PET	Report in categories: <ul style="list-style-type: none"><li>• Lightweight Bottles</li><li>• PET Thermoforms</li></ul>
Other Plastic Packaging	Report in categories: <ul style="list-style-type: none"><li>• Large Format Polyethylene (PE) and Polypropylene (PP)</li><li>• PE Rigid Containers and Lids</li><li>• PP Containers and Lids</li><li>• Other Rigid Plastic Packaging</li><li>• Other Plastic Packaging</li></ul>

## Proposed Program-Specific Changes

Program	Current Reporting Category	Reporting Category Change
Recycle BC & MMSW (SK)	Purchased Posters, Calendars, Greeting Cards and Envelopes	Report in categories: <ul style="list-style-type: none"> <li>• Calendars</li> <li>• Purchased Posters, Greeting Cards and Envelopes</li> </ul>
MMSM (MB)	Kraft Paper	Report as a unique category
MMSM (MB)	Polystyrene	Report in categories: <ul style="list-style-type: none"> <li>• Expanded Polystyrene</li> <li>• Rigid Polystyrene</li> </ul>



# Nature of the proposed changes: A deeper dive



## Small and Large Format Corrugated Cardboard

- Two new size-related categories are proposed:
  - Small Format CC
  - Large Format CC
- Small Format CC means **flattened dimensions** of  $< 2,200 \text{ cm}^2$ 
  - e.g., pizza boxes
- Large Format CC means **flattened dimensions** of  $\geq 2,200 \text{ cm}^2$ 
  - e.g., e-commerce transport boxes
- MCD studies show that Large Format can be separated from other fibre materials using a CC screen, while Small Format CC requires additional sorting resources, which causes additional cost impacts



## Box Board and Other Paper Packaging

- Two new categories are proposed:
  - Boxboard
  - Other Paper Packaging
- Boxboard examples include tissue and cereal boxes
- Other Paper Packaging covers all other paper packaging not reported in any other category
- MCD studies show that Boxboard and Other Paper Packaging have different cost impacts on the recycling system



## Paper Laminates

- Two new categories are proposed:
  - Polycoated Paperboard
  - Paper Laminates
- Polycoated Paperboard examples include ice cream containers and polycoated drink cups
- Paper Laminates examples include laminated paper where paper is the main component, e.g., pet food bags
- MCD studies show that Boxboard and Other Paper Packaging have different cost impacts on the recycling system



## HDPE Natural and Colour

- Two new colour-related categories are proposed:
  - HDPE Natural
  - HDPE Colour
- Natural means clear or semi-translucent
  - e.g., a vinegar bottle
- Coloured means opaque
  - e.g., milk jugs, detergent bottles
- MCD studies show that natural HDPE that is clear and semi-translucent has a relatively higher cost impact on the recycling system than coloured HDPE





## PET Lightweight

- An additional category is proposed:
  - PET Packaging – Lightweight PET Bottles
- Lightweight means a volume of  $\leq 500$  ml weighing  $\leq 15$  grams
  - e.g., water bottles
- All plastics are sorted using mechanical sorting techniques. MCD studies show small lightweight PET bottles require special optical sorting which causes additional cost impacts.



## Other Plastic Packaging

- This reporting category is traditionally a ‘catch all’ category for plastics not captured by other existing categories.
- The proposed new reporting categories will more accurately reflect the diverse plastic formats and their cost impacts:
  - Large Format Polyethylene (PE) and Polypropylene (PP)
  - Polypropylene (PP) Containers and Lids
  - Polyethylene (PE) Rigid Containers and Lids
  - Other Rigid Plastic Packaging, e.g., coffee pods and bottles
  - Other Plastic Packaging, e.g., hand cream and toothpaste tubes
- Large Format PP and PE means  $\geq 9.24L$ 
  - e.g., detergent bottles, pails and buckets
- MCD studies show that Large Format PP and PE containers have a relatively high cost impact because they must be sorted manually at the front of the sorting line. Otherwise, their size can disrupt other sorting activities.



## Program-specific proposed changes - MMSM

- New category proposed for **Kraft Paper**
  - Currently reported with Corrugated Cardboard
  - MCD studies show that Kraft Paper is sorted separately from Corrugated Cardboard due to its low area weight and therefore has a greater cost impact
  
- New categories proposed for Expanded **Polystyrene** and **Rigid Polystyrene**
  - Currently reported as Polystyrene
  - MCD studies show that Expanded Polystyrene has the greatest impact on the cost of the recycling system activities
  
- New category proposed for PET **Thermoforms**
  - Currently reported as Other Rigid Plastic
  - PET Thermoforms have the lowest density (highest impact) among PET packaging, and also require additional optical sorting
  - Examples include egg cartons, bakery clamshell containers etc.



## Program-specific proposed changes - Recycle BC and MMSW

- New category proposed for **Calendars**
  - Currently reported as Purchased Posters, Calendars, Greeting Cards and Envelopes
  - MCD studies show that bound documents impact the system differently than unbound documents.
- Name change proposed for Milk and Milk Substitutes
  - “Non-deposit” added to the reporting category to reflect regulatory changes



# Implementation Timing



## Proposed Timing of Reporting Category Changes

- Stewards would **collect** data throughout **2022**
- **Report** their new 2022 data into new reporting categories **by May 31, 2023**
- New data will be used to **set 2024 fees.**



# Steward Community Consultation



## All proposed changes are available for steward review

- The WeRecycle List (formerly known as the National Material List) enables Stewards to report against the very same materials for multiple programs.
- Some stewards opt to use the Program material lists to prepare data (formerly known as the Provincial material lists).
- Excel Worksheets illustrating all proposed reporting category changes in both the WeRecycle Material List and each Program Material will be sent to all stewards.





## A consultation survey will be issued and will pose these questions

1. Are the reasons for the proposed reporting category changes clear and understandable?
2. Do you support the proposed reporting category changes?
3. Will you be able to make these changes and gather the relevant data in 2022 in preparation to report by May 2023?
4. Do you have any additional feedback on any of the proposed reporting category changes?

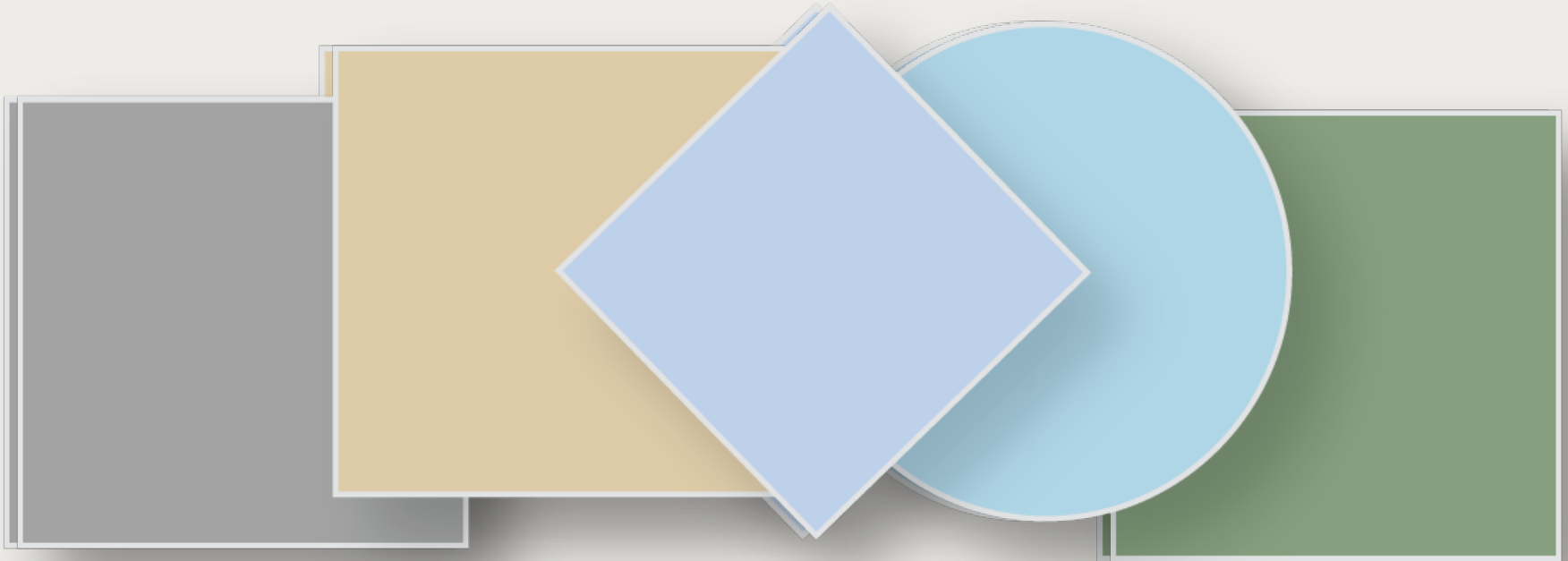


## Steward Feedback on Proposed Reporting Categories Needed

- Please send your feedback to:
  - [Dmc@cssalliance.ca](mailto:Dmc@cssalliance.ca)
- Please provide feedback by: November 26, 2021



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# Parking Lot



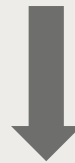
# Annual Fee Setting Process

Processes that  
determine supply chain  
and program expense



Annual Program Budget

Processes that  
determine cost impacts  
on the recycling system



Material Cost  
Differentiation

Processes that calculate  
fees and fee rates



Four-Step Fee  
Methodology



# Material Cost Differentiation (MCD) Principles

1. Relativity counts
2. All designated materials count
3. All material characteristics count
4. All activities count
5. Value counts
6. System design and operations count
7. Emerging trends count
8. The material mix counts