

**Questions and Answers pertaining to the Municipal Hazardous or Special Waste (MHSW)
Revised Program Plan Presentation on August 23, 2012**

1. Would you mind clarifying the relationship between MHSW and Blue Box regarding containers, and its impact on stewards' reports? Do we report container volume in both programs, therefore paying twice, or does it work differently?

Essentially, Blue Box stewards report all packaging that they supply into the Ontario market. MHSW stewards report all MHSW designated materials that they supply into the Ontario market. However, there are some additional nuances that should be noted:

- Oil containers are an MHSW designated waste and therefore should only be reported into the MHSW Program.
- Paints and Coatings products sold in cans and aerosol containers must be reported into MHSW Program as numbers of units supplied and the weight of steel and plastic paint containers must be reported into the Blue Box Program.

Depending on where the waste is recycled, those costs are calculated and attributed to that program. In other words, the material that is handled through Blue Box becomes a component of the Blue Box waste stream and associated costs are attributed to Blue Box Program costs. Similarly, the costs for waste material and packaging that is handled within the MHSW system is attributed to MHSW Program costs. In short, stewards report in both streams and the two come together to make a whole. However, there is no double payment. Stewards do not pay fees into one program for costs incurred in the other program. Stewardship fees are calculated to reflect only the costs attributed to the Blue Box Program or the MHSW Program – not both.

Below is a chart that lists all materials under MHSW and clarifies the situation as to what containers fall under MHSW and Blue Box.

MHSW	Report under Blue Box Program	Blue Box Fees Pay for Management of	Report under MHSW Program	MHSW Fees Pay for Management of
Antifreeze	Antifreeze packaging	Empty packaging placed into Blue Box collection system	Antifreeze product	Antifreeze and containers used to deliver antifreeze to MHSW collection sites
Fertilizers	Fertilizer packaging	Empty packaging placed into	Fertilizer product	Fertilizer and containers used to deliver fertilizer to MHSW collection sites



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MHSW	Report under Blue Box Program	Blue Box Fees Pay for Management of	Report under MHSW Program	MHSW Fees Pay for Management of
		Blue Box collection system		
Oil containers	Do not report	Oil containers are not collected in Blue Box program so no costs for oil containers in Blue Box steward fees	Oil containers	Oil containers delivered to MHSW collection sites
Oil filters	Oil filter packaging	Empty packaging placed into Blue Box collection system	Oil filters	Oil filters delivered to MHSW collection sites
Paints and coatings	Paints/coatings packaging	Empty packaging placed into Blue Box collection system	Paints/coatings product and aerosol cans (by units supplied)	Paints/coatings product and containers used to deliver paints/coatings to MHSW collection sites
Pressurized containers	Do not report	Pressurized containers are not collected in Blue Box program so no costs for pressurized containers in Blue Box steward fees	Pressurized containers	Pressurized containers delivered to MHSW collection sites
Single use dry cell batteries	Single use dry cell battery packaging	Empty packaging placed into Blue Box collection system	Single use dry cell batteries	Single use dry cell batteries delivered to MHSW collection sites
Solvents	Solvent packaging	Empty packaging placed into	Solvent product	Solvents and containers used to deliver solvents to MHSW collection sites

MHSW	Report under Blue Box Program	Blue Box Fees Pay for Management of	Report under MHSW Program	MHSW Fees Pay for Management of
		Blue Box collection system		
Pesticides	Pesticides packaging	Empty packaging placed into Blue Box collection system	Pesticides product	Pesticides and containers used to deliver pesticides to MHSW collection sites

2. Taking oil containers as an example, will stewards report under Blue Box as the container is packaging, or under MHSW as oil containers fall in this program?

Oil containers are an obligated material under MHSW, so oil containers come back only through MHSW.

3. What is the perceived variance from changing the collection target methodology?

We are changing the target methodology to enable Stewardship Ontario to determine the target in advance of the year. This will allow us to publish it for stakeholders, which in turn will make known the target for the upcoming quarter. The target itself, expressed as a percentage, is unchanged, but it is the translation into tonnes that is being simplified and made more transparent by using a published supplied-into-market amount that everyone can view. This approach also ensures that the target is known in advance of reporting on what has been collected, therefore enabling Stewardship Ontario to address any shortfall before the end of the year.

4. How are stewards supposed to submit good comments when they don't know the expected costs of these improvements; i.e. the 1,000 more sites, expanding the definitions for paint, the increase in P&E. If, as an example, the increase is ten times the current cost, my comments might be completely different than if it's a 2% cost increase. I was surprised to not see the expected costs in the draft plan. Was there not a cost benefit done?

Firstly, some of the site expansion is for materials like batteries to help achieve the targets for collections, which requires the expansion of collection sites. For other materials, there is also an accessibility mandate and the need to increase accessibility as targets increase.

In terms of knowing the costs, each year the cost of the program relates to the achievement of targets; that's how the program plan is developed. The budget for 2013 has been developed and will go before the Stewardship Ontario Board in the October

board meeting, following initial review by the Finance Committee. The Stewardship Ontario Board ultimately sets and determines Stewardship Ontario's budget for each year. In the last program plan, there was over the life of the five years the plan covered, a 63-65% increase in tonnes required from Year One to Year Five to meet targets, and the costs associated with achieving those targets was built in.

- 5. We are selling oil and oil filters to Ontario and we are paying the environmental handling charges based on what we sell to Ontario. After we sell and get the money from the customer, we learned that you are charging us 30% more than what you used to for environmental handling charges. How are we going to cover these costs; this 30% more? We have already collected the money from our customers.**

The obligation for paying the program costs rests with the steward, and the steward can choose to pass costs forward. There is nothing that stops fees from being passed along that are the correct and appropriate fee. However, the obligation at the end of the day rests with the steward, whether or not they pass that fee forward. And so it becomes part of stewards' cost of goods sold. Extended Producer Responsibility means that industry has a responsibility to pay for the cost of the program.

- 6. If we sell oil in drums, do we have to pay into Stewardship Ontario?**

No, oil is not an obligated material.

- 7. If it's oil in drums, what will happen in terms of it being recycled?**

Oil is managed through municipalities. Oil and oil sludge are municipal wastes, and stewards would need to speak to their municipality to find out whether it is a business cost or a residentially-generated cost.

- 8. If costs exceed the budget, who makes up the shortfall?**

Costs incurred by Stewardship Ontario to manage the MHSW program are recovered through the Steward Share Assessment (SSA), so if there is a variance to the budget and in the event that costs do exceed that budget, those costs are recovered through the SSA.

- 9. I'm looking at the oil containers themselves. Last year your numbers show you collected approximately 70% of what was available, and your target for 2013 is 40% of what's available. So you're already at 70% and now your targets have dropped to 30%? Am I reading that correctly?**

The targets are taken from Year Three, Four and Five of the 2010 Consolidated Program Plan as directed by the Minister of the Environment. The 42% target for Year One of the revised MHSW Program Plan is Year Three of the Consolidated MHSW Program Plan. Stewardship Ontario has extended the Consolidated MHSW Program Plan targets for Years Four and Five. Those targets for Oil Containers are 57% and

62% respectively. Collections on automotive plastics are above target and there are no plans to scale back collection; over-collection will continue, but the targets are an extension of the original targets in the consolidated plan.

10. So being over target is a good thing?

Yes. Stewardship Ontario is always looking to work with stakeholders to divert more waste from landfill and waterways, creating a more sustainable environment.

11. With respect to Section 2.1, what if the municipal recycling program does not collect identified items in the Blue Box Program; examples are aerosol and paint cans?

The MHSW program covers the costs of containers returned through MHSW collection sites. If a municipality does not collect additional packaging, then that is a municipal choice; however, aerosols and empty paint cans are quite common materials within the Blue Box and Stewardship Ontario encourages municipalities to have a common basket of goods for the Blue Box.

In terms of empty paint cans, they can join either the steel stream or the plastic stream if they're put in a Blue Box. If they are empty, they should be going into the Blue Box rather than to an MHSW collection site. If some residual material remains in the container, then they should be managed through the MHSW program.

12. Where may a steward find the definitive definitions effective October 1st, 2012?

The definitions, which you were consulted on in 2011, and which the Minister recently approved, are on Stewardship Ontario's website [[follow this link to access them](#)]. The October Rules will be posted on the website once they are approved by Waste Diversion Ontario's Board in September. A notice will be sent out to stewards as soon as the October Rules are posted.

13. Can you confirm whether Freon is back in the program or if it's still excluded. The wording in Section 2.8, and with it being a TC39M code, indicates it would be in the program.

The definition of Pressurized Containers consists of a list of Transport Canada TC codes and is not related to the contents of the cylinders. If Freon is in a cylinder that meets the definition then the MHSW program will manage the cylinder and the contents.

14. Are materials still comingled in the revised plan as in Phase 1, or are they all separated into individual materials?

The four materials that were comingled: aerosols, pesticides, fertilizers and solvents continue to be comingled, meaning that municipalities pack each of these materials with other non-obligated MHSW materials due to the complexity of sorting them at a

collection site. Single-use dry cell batteries are also commingled with rechargeable batteries when collected at events.

15. Could you please explain what is meant by saying that pesticides, fertilizers, and solvents are comingled?

It is impossible or impractical at the collection site to determine if certain materials (aerosols, pesticides, fertilizers and solvents) meet the Phase 1 definition or not. These materials are packed in drums that contain other non-obligated MHSW. For example, solvents may be packed with other flammables, which are a Phase 3 MHSW.

Audits are conducted to determine the share of Phase 1 material versus non-obligated material based on the package that it's been handed in, or some other identifying way of determining it under close scrutiny. An allocation methodology is then used to determine what stewards should be paying as part of the defined definitions for those materials that are packed as comingled MHSW at collection sites. The remaining material is paid for under general municipal costs or by the not-for-profit organization that will be disbursing funds for Phase 2 MHSW.

We say that pesticides, fertilizers and solvents are comingled because they get packed together in one drum and an allocation factor is used.

16. When will the municipalities find out that split?

A meeting with the municipalities will be held on September 12 when the Phase 1 to Phase 3 split will be discussed.

17. Do you have a forecast of the percentage change in the future per unit rates by product compared to the published rates under the old program?

The fee rates were published on July 1, 2010 within the consolidated plan. Those were the last fee rates that were published. Since that time, fee rates have not changed, but some materials went into a deficit situation. Therefore, those fee rates became inaccurate. Fee rates going forward will not be published as this methodology has been replaced by O. Reg. 11/12 where fees are calculated quarterly on a steward share assessment basis. Each steward needs to use the calculator tool made available by Stewardship Ontario if they wish to look at their budgeted cost. Using their own inputs, stewards can determine what would be a cost equivalent for them per 1,000 units. It will be up to each individual steward to determine how they break out and budget their fees at a per unit rate.

18. Is there any consideration being given by Stewardship Ontario to increase those diversion rates to better reflect what's actually happened in the diversion marketplace, and to fulfill the mandate under the Waste Diversion Act to drive diversion?

These are the rates that are being proposed. Stewardship Ontario is committed to maintaining the same level of access and to increase it, so if a material is growing in excess of its target Stewardship Ontario will not do anything to slow the growth down. If it is felt that Stewardship Ontario has understated what a target could be, and stewards wish to put forward another proposal, that option is certainly open.

19. Are aerosols still going to be part of Phase 1 under the pressurized container category, and are paint aerosols to be included under paint?

Aerosols that are a part of one of the Phase 1 MHSW materials will be reported as part of that host material. Aerosol paints would be reported under the paints and coating materials not under pressurized containers, and they would be managed that way and the costs allocated in that fashion. Phase 1 MHSW material that is supplied into the market in an aerosol format is part of that host material.

20. From what we understand of our market share, it is a proportion of the total volume reported of that specific product in the preceding quarter. How accurate is that total? Has Stewardship Ontario done studies to identify free riders? What are your plans to actually go after those that are not reporting at all, or those that are reporting so late into the game that our market share is going to get higher because of that? What are your plans for the next couple of months/year to actually make sure that our market share represents the reality, and prevent some numbers from going up and down quarter after quarter?

With regard to free riders, behind the WeRecycle reporting portal is a list of registered stewards that every steward can use to determine who is registered. As an enhancement to that list, a new matrix is being developed that will enable stewards to look up other registered stewards by MHSW material, providing a clearer idea of not only who is reporting, but what material they are reporting against. Stewards are best placed to know who their competitors are, and Stewardship Ontario looks to stewards to tell us who they may believe should be reporting. Stewardship Ontario has a process for going out and contacting those organizations and ensuring that they come into the collective fold.

In addition to reacting to leads provided by steward, Stewardship Ontario's service and compliance activities focus on identifying non-registered stewards as well as ensuring proper reporting by registered stewards. With the O. Reg. 11/12, it became critical that all reports were submitted before the SSA calculation to ensure fairness for all compliant stewards. Stewardship Ontario has the authority under the Rules to create a report for a late reporter to ensure the total quantity reported is as complete as possible.

21. Could you provide some clarity on expanding foam and whether or not it's included, and what the handling is of it in cutting off the tip etc.?

The definitions for pressurized containers are specific to the container type. It's defined as the TC codes. If expanding foam is contained in a pressurized container that has one of the obligated TC codes, then it is included. It is not included because it's expanding foam, nor is it included because it's Freon, but because it is in one of the obligated pressurized containers as set out in the definition.

Regarding the appropriate protocol of handling the different types of materials as they come in, this can be found by looking at the [vendor standards](#) on the Stewardship Ontario website where information on all different types of materials that are part of the program can be found.

22. With respect to the reporting obligations, now that we have Phase 1, Phase 2, Phase 3 being handled separately, municipal MHSW reporting obligations are now to three different parties. Has there been any effort to harmonize the reporting process among the three parties. If, for example, a single monthly submission to WDO, which then distributes the applicable data to the appropriate parties.

Each organization has its own data requirements and own architecture to support it. So while Stewardship Ontario is open to making the process as simple and straight forward as possible for the service providers reporting in, Stewardship Ontario has certain data requirements that needs to be considered in any changes made.

While open to these conversations, it's not possible to wholly rely on another organization and their data collection opportunities to provide the data requirements needed by Stewardship Ontario and vice versa. There are various sets of reporting from different service providers that don't cross over to what other organizations are collecting, and only a subset would be gleaned from there.

23. To follow-up to a response regarding aerosol reporting where it was indicated that paint aerosols would be reported under paint and coatings, and also a comment that indicated that lab pack factors are being utilized to separate comingled materials such as aerosols, pesticides, and fertilizers; wouldn't aerosols be reported as aerosols and paid out based on the lab pack factor for the Phase 1 component?

From a steward reporting perspective, a paint that is supplied into the market in an aerosol format is reported under the paint category. From a municipal reporting perspective, when the material is collected at one of our collection sites, a municipality for example, that aerosol is packed with other aerosols and gets shipped with the 331 waste class . A lab pack factor would be used to determine what share of the cost of that drum of aerosols would be allocated to the paints and coatings costs.

24. Regarding the new Phase 2 and 3 being removed from the program, some clarification on what stewards are no longer obligated would be useful.

Updated information will be available on the Stewardship Ontario website on the effective date. Currently, we are still managing the program, Phases 1, 2, and 3, until September 30, 2012. However, stewards have not been reporting Phase 2/3 nor paying fees on Phase 2/3. Once the program is handed over October 1, 2012, the Stewardship Ontario website will change to reflect the nine materials being collected. Until then, everything is as it's always been for consumers or residents. For the interim, Stewardship Ontario does not want any materials to be missed and not handled properly and end up in the waste stream.

25. Regarding the free riders that we're supposed to let Stewardship Ontario know about, when the system started in 2008 we did report a number of suppliers that said they weren't in the program, and those people still aren't in the program. It doesn't look like Stewardship Ontario did anything to get them into the program. And now we're fighting against products coming in from the States, across border. It doesn't look like these organizations are charged any stewardship fees. How do you propose to do anything with the people coming across the border, like those selling oil?

If any organization or group was reported to Stewardship Ontario, they would have received a notification. If they've not responded to their notification there is an escalation process. Ultimately, if they do not report then their case is sent to the Ministry of Environment for enforcement to ensure that they do come into the program. Every lead that Stewardship Ontario receives is acted on. If there are specific cases or organizations that stewards know about and feel Stewardship Ontario needs to follow-up on, please pass those names on again and they will be investigated. It may be the case that those names that were passed on are currently being investigated.

For products coming in from the United States., the receiver, otherwise known as the first importer, of the product is the steward for that material. However, if the product is sent from a company in the United States directly to the consumer via direct mail order, then this presents an extremely difficult situation to enforce because the MHSW program does not extend outside of Ontario and it does not apply to residents/consumers. The MHSW Program applies to businesses resident in Ontario.

26. Say there are people coming in from Windsor all the way up to London selling oil to a Garage. That Garage isn't going to phone Stewardship Ontario and voluntarily pay them money.

If materials are coming into a business then that business is the first importer, and needs to join the program and pay its share. If the materials are coming in directly to Mrs. Smith, who mail ordered a single item then Stewardship Ontario cannot act because the program does not apply to residents/consumers.

When Stewardship Ontario is informed of a commercial entity that might be supplying MHSW product into the Ontario market, but is not part of the program, we notify the commercial entity of their obligation. Once notified, the commercial entity must begin reporting to Stewardship Ontario and paying their fair share of the costs. The way the Waste Diversion Act is written, Stewardship Ontario is required to notify the organization of its obligations under the law. Once notified, they become obligated to be part of the program. That is why it is so important that stewards let us know if there are companies in Ontario that they believe should be part of the MHSW Program.

27. If Stewardship Ontario has been provided with names of importers that should be in this program that are not in this program, and then it is escalated up through the MOE, are they billed retroactively for any volume metrics that were not reported? And is that funding that you then receive retroactively put back into the fund as a credit towards those folks that you've been paying all along?

The notification period starts the clock on the importer organization, therefore if it chooses to delay its payments while it goes through the escalation process, it is required to pay back to the date of the notification. The clock starts when Stewardship Ontario notifies the organization. The money collected from them does offset the cost for everyone.

28. You've just recently sent out billing telling us that your expenses were higher, so therefore we have to pay more retroactively, so to speak. We've been receiving billing that we didn't expect to get. Your answer was that becomes part of the cost of goods. I don't know many other situations where a year or so after an event I might be asked to provide a fee that would have been related to cost of goods the year after the event. It seems like bad business practice. You need to look forward, not backwards.

Since July 2010 until Ontario Regulation 11/12 came into effect on April 1, 2012, Stewardship Ontario, along with Ontario's other Industry Funding Organizations (IFOs) have been constrained in our ability to raise stewardship fees to fully cover the costs of operating our programs. However, during that period in the MHSW program there was a combination of factors, such as higher than planned collection rates and higher actual costs per tonne versus original estimates that resulted in accumulating deficits for most MHSW material classes.

29. Has that mandate changed at all going forward? Is that going to be something we can expect to see in the future?

In February, 2012 the Minister of Environment issued Regulation 11/12 which changed the way Stewardship Ontario is allowed to recover the cost of managing the MHSW Program on behalf of Ontario businesses. Prior to Regulation 11/12, Stewardship Ontario set fees annually on a per unit/volume basis. Once the Regulation came into

effect on April 1, 2012 Stewardship Ontario was required to apply a steward share methodology to recover from stewards both ongoing operating costs and any deficits that had accumulated over the course of the program. Many stewards now receive two quarterly invoices. One invoice refers to the three year amortization of the deficit that has accumulated, because stewardship fees did not change since 2010. The second quarterly invoice relates to the current operating program costs.

30. Are there provisions under the revised MHSW program to deal with the IC&I sector that are small producers, or small quantity generators, particularly the companies that are generating such small quantities that they're not registered with the Ministry of the Environment as a generator under Reg 347?

The scope for some materials has expanded into small quantity IC&I. Some materials were always small quantity IC&I, such as batteries, paint and some automotive. As the scope changes, channel programs are developed for the materials. Right now there is a very small number of IC&I collection locations and these will be reviewed based on the need and the quantity of waste coming in. There are also some municipalities that take small quantity IC&I, and as more is learned about this new scope of waste, Stewardship Ontario will work with municipalities so that waste generators know which municipalities accept small quantity IC&I.

31. With regards to the definition of orphan waste; when is it considered to be a waste that you are not interested in? And how would that impact on the responsibility of the service provider who may have picked up that waste and it is now at a location that has determined that that waste is orphaned and that Stewardship Ontario was not interested in taking it over?

Please note that orphan waste to this point has not been material in its nature. Typically its presence would be identified when waste audits are conducted. However, there could be a situation in the future where something that is a very large known name brand becomes a non-stewarded product, and if that happened Stewardship Ontario would instruct those organizations collecting it to exclude it from the collection, or if it was something that couldn't be excluded, then a new audit would be done to determine the amount of waste how it should be handled.

32. So it would probably reside at the collection point, like a municipality. So they would be responsible to having received it to dispose of it?

Municipalities are one collection point that could theoretically receive orphan waste. In the event that a collection site is packing orphan waste, and the amount is deemed to be material, then Stewardship Ontario would provide notice that they will no longer pay the costs of that orphan waste and would request that it be packed separately. The collection site would bear the cost of any further orphan waste collected. It would no longer be the responsibility of Stewardship Ontario. But it would, given the amount of

tonnage that is collected, need to be a very major occurrence for it to be considered material.

33. Are the lab pack audits available?

The results of the lab pack audits have not been made public.

34. In the past, most of the lab pack pick-ups were based on a factor, a lab weight factor, and that was used for reporting purposes. Under the current revised program under the section Material Specific Costs there's a reference for transportation and that weighing now becomes the responsibility of the transporter, which is contrary to what's happened to date. Wouldn't it be more logically placed in responsibility of the collection site, because the collection site is receiving it, and by the definitions in the plan, are preparing it for transport including sorting and packing? Wouldn't that be an extension that they would include, sort, pack, identify, and weigh at the same time?

The collection sites are paid for their hours of accessibility. They don't have the tools or scales on site to accurately weigh the material, and they are not paid for that type of material management. They collect only, and they're not paid for that. It's a voluntary arrangement.

Therefore, it is the transporter who must have the actual weight on the manifest and normally the processor has the facilities for measuring the actual weights, which then go on the documentation. To have the transportation and processing service providers do the actual weighing is a very normal supply chain activity. They are the ones who are required to report it on their manifest.

35. If you're saying that the processor has the capability and needs to weigh it, so wouldn't that then be transferred to the processor versus the transporter? The transporter's not being paid to weigh at this point.

The actual weight needs to go on both documents. It needs to go on the transportation manifest and it needs to also be what the processor reports, particularly for diversion reporting of handling. Therefore, weighing is a requirement for both of those service providers. It's not a requirement for collection. We have posted an interpretive memorandum on weighing on our [website](#).

36. Will the comments that are to be submitted by September 7 and Stewardship Ontario's responses be made public?

Stewardship Ontario will prepare a summary of the consultation process including the comments submitted and its responses to those comments, and that becomes a second document to accompany the revised MHSW Program Plan when it's submitted to WDO and ultimately to the Ministry of Environment.

Questions and Answers Pertaining to the Section of the Presentation on Ontario Regulation 11/12

1. Is there a surplus for oil filters, and if so, when and how will that surplus be distributed to the stewards?

Yes, there is a surplus for oil filters. When the Regulation first came into effect and deficits were heavily discussed, the oil filter surplus was identified. It is several million dollars. As Stewardship Ontario is a not-for-profit group, there is a need to collect deficit monies before paying out surpluses. However as promised, Stewardship Ontario will be moving forward to draw down the surplus accrued by Oil Filter stewards by an amount designed to deplete the surplus over the next 10 quarters in a manner that ensures Stewardship Ontario maintains a sound financial status. You will begin to see these cost offsets in your October 2012 invoices and each net quarterly invoice will reflect your organization's quarterly SSA. Please also note that going forward the Oil Filter section of MHSW Quarterly Performance to Budget Report will be amended to include an accounting of reductions in the surplus.

2. There's been a lot of discussion about the retroactive assessment of fees. but how does one go back retroactively to assess a customer?

Under Regulation 11/12 the cost of the program is to be incurred by the stewards and it is a steward's choice whether or not they want to pass that cost onto their customers.. Regulation 11/12 required Stewardship Ontario to recover historical material deficits, as well as ongoing MHSW operating costs on a steward share basis rather than a per unit/volume basis. Ontario businesses obligated by the MHSW program must determine for themselves how and if they want to pass stewardship costs down through their supply chain.

If you do not agree with the Regulation, feel free to pass your comments to Stewardship Ontario, and in turn those comments will be sent along to MOE. It was not a popular decision to put the Regulation in place, but now it is there, it is important to fairly apportion the deficit cost amongst MHSW stewards.

It is also important to note, that although retroactive solutions are unlikely, stewards have access to two pieces of information that help them estimate costs from Stewardship Ontario. The first is your Deficit Recovery report identifying your quarterly expense and the second is the calculator available via the WeRecycle portal. The calculator presents the annual budget by material category and helps you determine your likely annual expense. Once budgets are approved for 2013, these budgets will be updated.

- 3. When the program first started, the fees were \$0.05 a litre on oil containers. That's the amount that was initially stated should be charged as a specific line item on an invoice. Then it changed this year, and what is now being asked is for us to pay you the amount that was based on our sales in a previous quarter. Why?**

With oil containers and automotive plastics, the initial stewardship fee was set to enable Stewardship Ontario to achieve the oil filter target. That target was very quickly exceeded and currently Stewardship Ontario is collecting and recycling approximately double what the target is, which increased program management costs for oil containers. However, since 2010 Stewardship Ontario has been constrained in its ability to increase stewardship fees to address growing costs in this material category. The first invoice oil container stewards received under Ontario Regulation 11/12 was a reflection of the actual costs to manage oil containers.

- 4. We are selling oil and oil filters to Ontario, but not exclusively. We are selling all over Canada. We cannot have different prices for different provinces. We have one price list and we sell at that price all over Canada. Not only has Stewardship Ontario increased its prices compared to what used to be charged, but those costs are 30%, 40% higher than what other provinces are charging us. We cannot back-charge to our customer, as that is not common practice. If I come and tell you after a month you have to pay me 30% more, will you? You won't. We cannot pay for your mistakes. We are not responsible for you not calculating the prices right.**

As we have already discussed, this situation has not occurred because Stewardship Ontario did not calculate the prices correctly, it is because the fees could not be increased to cover the program costs in a timely way.

- 5. Who is responsible then?**

It was a political decision.

- 6. Whom can I speak to at the Ministry of Environment about our concerns?**

John Armiento, Supervisor, Waste Management Policy Branch.

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- 7. Who will be managing or funding the Phase 2 portion of MHSW?**

The Phase 2 MHSW which is being handled by municipalities will be funded by the Ministry of the Environment, and it will be managed by a non-profit organization that will shortly be officially announced by the ministry.