

**Summary of Stakeholders' Comments Submitted  
Blue Box Information Session September 27, 2012**

<b>Topic</b>	<b>Question/Comment</b>	<b>Stewardship Ontario Response</b>
ABC Study	We request you to share the 2012 Activity Based Costing (ABC) study so we can better understand the rationale behind greater share of obligation to printed paper category.	Stewardship Ontario intends to provide stewards with a summary of the research that we initiated this year and we will notify stewards when it is available.
ABC Study	Stewardship Ontario needs to provide stewards with more information regarding the density factors being used for the 2013 fee allocation methodology, including the rationale for any differences in density factors vis-à-vis the values used in other similar multimaterial stewardship programs. Stewardship Ontario needs to provide stewards will all information regarding the ABC cost allocation methodology, and all assumptions/parameters etc. used within that methodology. Stewardship Ontario should also plan to undertake a more fulsome and open review of the ABC cost allocation methodology in the very near future.	Stewardship Ontario intends to provide stewards with the results of the research we initiated this year and we will notify stewards when it is available.
Blue Box Management Budget (2013)	With \$1.65M allocated to Blue Box transformation and \$900k dedicated to overall promotion and education in 2013, we question whether this amount is sufficient to accomplish both a transformation to a standardized basket of goods and accelerated collection of composite paper packaging. Given that \$3M was allocated in 2012 to the market development for mixed plastics, these amounts may fall short of delivering on these two commitments in 2013.	Stewardship Ontario agrees that it will take more than \$1.65 million, but we need to start somewhere, and the amount we are proposing in the budget for next year represents the resources we need to get that process going. The \$1.65 million will be dedicated to starting that journey in 2013
Blue Box Management Budget (2013)	Stewardship Ontario needs to provide stewards with all information regarding the Stewardship Ontario "program management" cost, including all parameters used to determine that total cost.	The pre-read discussion document sent to stewards prior to the September 27 information meeting provided the provisional 2013 budget. That budget sets out the various constituents of program management costs including measures we will take this year to support standardization of the Blue Box basket of goods, and to take the first steps on our Blue Box transformation journey. As the budget indicates there will be no net increase in the program management budget for the Blue Box Program for 2013.
Blue Box Management Budget (2013)	We are opposed to paying system improvement fees earmarked for educational initiatives or other developmental projects oriented towards the handling of new and/or difficult materials, problems quite unrelated to the handling of magazines.	Comment noted. For 2012 funds will be dedicated to improving the standardization of the Blue Box basket of goods and to initiating the Blue Box transformation journey, resulting in improvements that benefit all stewards.
Blue Box Transformation Plan	Stewardship Ontario needs to undertake a full consultation with impacted stewards regarding what is appropriate for any "BB System Transformation"	Stewardship Ontario's Board of Directors, on behalf of all stewards, governs budget setting and the implementation of the Blue Box

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	and/or "Promotion & Education initiatives, consent of the impacted stewards on how much to invest in any such project(s), and complete accountability to the impacted stewards on what final benefit was derived from the project(s) once completed.	Transformation Plan. In addition, over the past year Stewardship Ontario has been meeting with stewards and their industry associations, individually and in groups to discuss the elements of the Blue Box Transformation Plan. Stewards interested in learning more about the transformation plan should not hesitate to contact us.
Blue Box Transformation Plan	CIF and "In-kind" monies must be leveraged to promote "blue box transformation" and P&E projects.	There's a growing recognition that more can be achieved in reaching out to the consumer to raise awareness of stewards' involvement in the Blue Box Program. There is also growing recognition that Stewardship Ontario and municipalities need to work together to advance this program going forward, for which there is a collective belief and purpose.
Common Costs	Stewards Ontario's 2013 fees model must allocate common costs based on the agreed-upon weighted tonnage and volume factoring method, without any arbitrary allocation of common costs through "hard-coding" of certain parts of the fee calculations.	Common costs are calculated as follows: 40% weight + 60% volume of generated material divided amongst percentage of stewards of each material category.
Composite paper packaging	We were pleased with Stewardship Ontario's commitment to accelerate the collection and diversion of composite paper packaging such as coffee cups. We have advocated this matter for years and are very much looking forward to increased progress in this area.	Stewardship Ontario will continue to work with composite paper packaging stewards, municipalities and material processors to increase collection and recovery rates of all packaging in this category, including aseptic and gable top containers as well as hot and cold drink cups.
Composite Paper Packaging fee aggregation	[We] call on Stewardship Ontario to immediately disaggregate the "Aseptic containers" and "Gabletop" packaging categories from the "paper laminates" category for the 2013 fees. Ideally all three of these packaging types should remain separate and fully disaggregated with their own separate fees.	The Carton Council and stewards of the composite paper packaging category agreed to base the decision to aggregate or disaggregate fee rates on the results of the research conducted this year. The data showed that all three materials are being processed together in the supply chain. Therefore in keeping with the principle of handling "like with like" Stewardship Ontario in discussions with stewards and members of the Carton Council agreed to keep the composite paper packaging fees aggregated this year.
Consultation on the fee setting methodology	It is imperative that Stewardship Ontario provide stewards with clear, detailed options as well as the criteria against which those options should be measured, so that stewards can then make informed decisions concerning which option might be preferable to them. Stewardship Ontario would then need to assess steward	In 2012 Stewardship Ontario held a series of iterative consultations with stewards to determine how to make the fee setting methodology more fair, simple and understandable. The discussion began in May with a principled based discussion, the feedback from which Stewardship Ontario

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	feedback in light of how the various options proposed align with the principles regarding blue box fees paid by stewards as outline in the WDA.	was then able to offer stewards two options to consider plus three options for calculating common costs. Both options presented – Option 1 as the status quo and Option 2 as a new approach both aligned with the WDA. However, steward feedback on those options indicated that there was not a clear consensus on how to move forward, and therefore the decision was made to remain with the status quo for 2013. In 2013 we will continue to engage stewards in our efforts to improve the fee setting methodology.
Consultation on the fee setting methodology	We concur with Stewardship Ontario's decision to remain with the current fee setting formula for 2013 while continuing to work with stewards on possible changes to future years.	Comment noted.
Consultation on the fee setting methodology	We are pleased that based on the 12 submissions provided to SO after July 2012 BBPP consultations, SO has decided to stay with Option #1 of the 3-factor fee setting methodology.	Comment noted.
Fee Rates	The fees for all other materials should not be negatively impacted as SO discusses fees with printed paper category stewards.	Stewardship Ontario is committed to applying the fee setting methodology in the fairest manner possible for all Blue Box stewards.
Harmonization	We propose that any work towards increased diversion of composite paper packaging and a standardized basket of goods be done in collaboration with other stewardship organizations to allow for harmonization of efforts and progress while seeking to mitigate costs.	Stewardship Ontario is committed to working to promote harmonization amongst stewardship programs across the country.
Harmonization	<p>We reiterate our two requests:</p> <p>(a) support and encourage consistency of materials collected across municipalities</p> <p>(b) engage with other provinces in harmonizing the PPP plans.</p> <p>The current fragmented approach to managing stewardship programs across Canada is administratively burdensome, time consuming and costly. The gain in efficiencies will be by working together are potentially enormous. Ontario, Manitoba and Québec are all working to divert waste from landfill and increase recycling but each program operates differently, making it difficult for stewards who have to comply with different program requirements. With BC in the early stages of starting their own program, there is another opportunity to harmonize</p>	Stewardship Ontario is committed to working to promote harmonization amongst stewardship programs across the country.

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	at the front end.	
In-Kind Contribution for newspapers	While we understand that the contribution is made to the municipalities in lieu of payments, we would suggest that Stewardship Ontario can play a greater role in coordinating the types of messages being communicated. This will be particularly important as your organization works towards a standardized basket of goods model.	There is a growing recognition that more can be achieved in reaching out to consumers to raise awareness of stewards' involvement in the Blue Box Program. There is also growing recognition that Stewardship Ontario and municipalities need to work together to advance this program going forward, for which there is a collective belief and purpose.
Material revenues	[We] call on Stewardship Ontario to immediately fix the 2013 fee setting methodology to apply the revenue generated by each material/package type separately against only that particular material/package type.	Stewardship Ontario will continue to work with stewards on improving the fee setting methodology, but our consultations this year with stewards did not yield a clear consensus on a way forward and therefore 2013 fee rates were calculated using the status quo method. Indeed, additional comments received after the September 27 information session provided above express continued support for the status quo option.
Printed Paper Disaggregation	From the PIM.xls documents available from Stewardship Ontario website, it seems clear that the disaggregated fees for telephone directories and magazines/catalogs have been similar over the years in that they are much lower than the aggregated fee. Similar to our comments in 2009 and in 2010, [we] continue to believe that any free riding issue or other attribution problem should either be attributed to the proper material subcategory or attributed to the whole printed paper category. Can an explanation be provided on how aggregation is determined and in particular the partial aggregation of newspapers?	The partial aggregation of the printed paper group was reviewed and approved by the Ministry of the Environment in 2006. This approach was the result of a full public review and consultation on the fee-setting methodology as requested by the Minister herself in 2005. The decision for the partial aggregation was based on the premises of treating "like with like" and the need to equally "spread" the effects of de minimis, non-compliance and imprecision of data equally amongst the printed paper stewards.
Printed Paper Disaggregation	The recent reallocation of system costs is, yet again, requesting magazine publishers to pay substantially higher fees (+55.8%); fees acknowledged as being much higher than the actual cost of handling magazine papers. One of the contributing causes of this latest increase stems from aggregation with other printed papers. This situation is unfair, unsupportable and must be dealt with. We continue our strong support of a disaggregated fee scenario that more fairly	Stewardship Ontario's ABC study this year revealed that the printed paper category should be allocated a greater share of costs which in turn revealed two key consequences: an increase in the in-kind contribution to municipalities from the CAN/OCNA stewards and an anomaly in the total fee contribution from the magazine category. Your comment is therefore noted. Stewardship Ontario is committed to working with all stewards of

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	reflects system costs.	the printed paper category to come up with a mitigation strategy that is as fair as possible to all.
Reporting deadline change	We support SO's change in reporting deadline from July 31 to July 30 which will commence in 2013.	Comment noted.
Reporting deadline change	We are in favour of the recommendation to change the 2013 Steward reporting deadline by one month to better deal with increasing system complexities.	Comment noted.
Telephone directory factors	Can you provide information on how the current approach takes into consideration (if it can), some of the particularities of telephone books in the context of the Blue Box program: high density (550 kg/m <sup>3</sup> ), very high recycling rate and high average weigh for printed paper (a bit less than 1 kg)?	Stewardship Ontario will follow up directly with this steward to answer this question.
Telephone directory factors	Can you address how SO takes into consideration the sampling challenges related to the once a year distribution of directories in any given market (with spike of directories in Blue Box for 3-4 weeks a year)	Stewardship Ontario will follow up directly with this steward to answer this question.