

Blue Box		
<u>Issue</u>	<u>Description (Summarized and/or Paraphrased)</u>	<u>Stewardship Ontario Response</u>
Fee Rates	Concern about 58% increase in 2010 fees for gable top, aseptic and paper laminate packaging category; aggregation is unfair and inappropriate; SO should disaggregate the category; additional comments re: current initiatives	This is the intent of the SO fee-setting methodology. As data gets better, and more accurate, and as the program evolves over time, SO will strive to link fees to recycling performance. The last review took place in 2006, and SO will internally review aggregation and factor weightings to appropriately balance the fees charged. An analysis of the implications and an assessment of the merits of disaggregating these categories will be undertaken as part of the process to revise the BBPP.
Reusable Bag Reporting	CCGD will not comply with WDO's request to track reusable bags as most members use polypropylene in their reusable bags and these are not textiles as covered under the WDA. This will cause unnecessary financial and administrative burden on CCGD members.	Textiles are designated under O.Reg. 273/02 and the rules made under the BBPP require reporting and payment of a fee for textile packaging and the current approved rules could require reporting and payment of fees for cloth bags. However, given the objective of the WDA and BBPP to encourage reuse and recycling, that Stewardship Ontario not require reporting of re-usable cloth bags intended to replace one-way packaging, revise the rules accordingly and insert direction in the guidebooks to exclude these items from reporting.
Classification & Fees: PET & Non PET plastics	CCGD members are effectively being punished for their efforts to use more recyclable plastics in their packaging, as these are generally in the "other" plastics category for which fees are higher.	The PET Bottles category includes all PET bottles and jars, and is not only PET soft drink containers. Please refer to www.stewardshipontario.ca/bluebox/pdf/materialcategories.pdf for a full description of what constitutes a PET Bottle. PET thermoform containers are not generally recycled currently because of a lack of markets to handle this material. However SO is working with the plastics recycling industry and municipalities to identify market solutions for this material.
Fee Rates	Magazines: foreign publishers account for 60% of magazines in Ontario but do not pay; recommend that commodity prices be averaged over five years with top and low prices removed; adjust Ontario magazines' obligation to 40% to reflect market share.	When calculating the obligation, SO already uses a three year average of revenue to mitigate large swings in revenue year over year.
WDA changes	Municipal costs represent 90% of program costs; concern about how industry will control systemic inefficiencies.	Stewardship Ontario does have limited control over system design and implementation. However, Stewardship Ontario continues to work closely with the Continuous Improvement Fund to implement improvements to efficiency. SO is also implementing a plastics market development strategy approved by the Board

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		in July, and it is working with municipalities to tie funding increasingly to implementation of best practices. Under full EPR, Stewardship Ontario likely would have greater ability to control these factors.
WDA changes	Recommend: provide industry option for recycling beyond municipal systems.	This is in the scope of BBPP review and in context with full EPR.
Fee rates	Recommend disaggregation of gable top and aseptic containers from paper laminates category due to several reasons; eliminate \$2.75M cross-subsidization of paper laminates by gable top and aseptic containers; treat like as like in same manner as OCC and OBB	This is the intent of the SO fee-setting methodology. As data gets better, and more accurate, and as the program evolves over time, SO will strive to link fees to recycling performance. The last review took place in 2006, and SO will internally review aggregation and factor weightings to appropriately balance the fees charged. An analysis of the implications and an assessment of the merits of disaggregating these categories will be undertaken as part of the process to revise the BBPP.
Categories: disaggregation of gabletop and aseptic packaging from "paper laminants"	Continued aggregation of the Gabletop/Aseptic materials with the 'Paper laminants' grouping will perpetuate the cross-subsidization that currently occurs between these material categories.	This is the intent of the SO fee-setting methodology. As data gets better, and more accurate, and as the program evolves over time, SO will strive to link fees to recycling performance. The last review took place in 2006, and SO will internally review aggregation and factor weightings to appropriately balance the fees charged. An analysis of the implications and an assessment of the merits of disaggregating these categories will be undertaken as part of the process to revise the BBPP.
Reusable Bag Reporting	RCC sees reusable bags as a durable product that would not be subject to packaging requirements and recommends that they be treated as such with no reporting requirements for 2010.	Textiles are designated under O.Reg. 273/02 and the rules made under the BBPP require reporting and payment of a fee for textile packaging and the current approved rules could require reporting and payment of fees for cloth bags. However, given the objective of the WDA and BBPP to encourage reuse and recycling, that Stewardship Ontario not require reporting of re-usable cloth bags intended to replace one-way packaging, revise the rules accordingly and insert direction in the guidebooks to exclude these items from reporting.
Fee Rates	Magazines: Ontario publishers continue to subsidize foreign magazines; recommend that foreign publishers be compelled to pay their share	Stewardship Ontario continues to work with the MOE and publishers to identify and register stewards of these materials, but it is the provincial and federal governments which must deal with this issue.

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Fee Rates	Concern about new proposed fee structure for aggregated category of paper laminates and proposed increase for gable top/aseptic/paper laminates (from to 21.3¢/kg from 13.5 ¢/kg); unfair & inappropriate. Wide discrepancy in fee levels in each of three aggregated materials including 14.33 ¢/k for aseptic containers - half that of paper laminates (28.32 ¢/kg). Recommend immediate disaggregation to enable levies to reflect reality: 14.33-14.79¢/kg instead of 21.3 ¢/kg.	This is the intent of the SO fee-setting methodology. As data gets better, and more accurate, and as the program evolves over time, SO will strive to link fees to recycling performance. The last review took place in 2006, and SO will internally review aggregation and factor weightings to appropriately balance the fees charged. An analysis of the implications and an assessment of the merits of disaggregating these categories will be undertaken as part of the process to revise the BBPP.
Categories	Changes in categories related to other paper packaging increases fees; disproportionate increase for stewards remaining in other paper packaging category; when many municipalities do not collect these and during economic difficulty, increase is too much; consider phased approach and increase transparency.	SO has a contractual obligation to pay municipalities for the current operating year costs. A phased approach to payments is not possible at this time.
Categories (Question)	Why did packaging categories change for 2010?	Packaging categories did not change for 2010 with the exception of adding aluminum aerosol containers.
Fee Rates (Question)	What is the rationale for increasing fees by 166% for other paper packaging?	Other paper packaging fee rates increased by 58%, not 166%. The key driver for this increase is a greater allocation of paper packaging products to gabletop and aseptic containers due to new product composition data; increase in per-tonne gross cost to manage these materials resulting from new material-specific cost data offset by strong fibre commodity prices
Fee Rates	Magazines: adjust Ontario magazine fee rate to account for imports (40%) to address 'foreign publisher payment inequity'	When calculating the obligation, SO already uses a three year average of revenue to mitigate large swings in revenue year over year.
WDA changes	With municipal costs being 90% of program; what steps will be taken to limit these costs?	Stewardship Ontario does have limited control over system design and implementation. However, Stewardship Ontario continues to work closely with the Continuous Improvement Fund to implement improvements to efficiency. SO is also implementing a plastics market development strategy approved by the Board

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Funding for hard-to-recycle materials	Polluter pay principal should apply to funding for hard to recycle materials; companies that do not introduce the materials should not subsidize those who do; if the materials are truly problematic, implement a ban on them or increase fees to cover incremental investments & future liabilities.	The shift to these materials is only one of many factors affecting the cost. The fee setting methodology is designed to allocate costs to those materials which are responsible for them, specifically through an activity based cost data and through the recycling rate performance. The cost data are improving, but cannot at this time account for all differences among materials and link them to individual stewards. Stewardship Ontario will continue to refine the basis of the calculation based as data become available
Category	Encourage to review fee structure in printed materials category; aggregating the categories of magazines & catalogues, directories and other printed papers is not in keeping with CCME's principle of 'no cross-subsidization;" recommends that "Other Printed Materials free riding" costs be shared as a common cost across all materials or all Printed Material stewards.	This is the intent of the SO fee-setting methodology. As data gets better, and more accurate, and as the program evolves over time, SO will strive to link fees to recycling performance. The last review took place in 2006, and SO will internally review aggregation and factor weightings to appropriately balance the fees charged. An analysis of the implications and an assessment of the merits of changing the disaggregation of these categories will be undertaken as part of the process to revise the BBPP.
Rounding (Blue Box and MHSW program)	Recommend adjusting fees to 2 decimal places; many members' systems do not accommodate 3 decimals.	This is currently being considered and a recommendation will come from the Board.
Overall fee increase (Blue Box and MHSW program)	Need cost-containment program; after 6 years of Blue Box program efficiencies should be put in place; some costs (e.g. oil filters) are higher than in other jurisdictions and it is not clear why (and these have already increased 19% in one year).	Stewardship Ontario does have limited control over system design and implementation. However, Stewardship Ontario continues to work closely with the Continuous Improvement Fund to implement improvements to efficiency. SO is also implementing a plastics market development strategy approved by the Board in July, and it is working with municipalities to tie funding increasingly to implementation of best practices. Under full EPR, Stewardship Ontario likely would have greater ability to control these factors. This year, SO negotiated the net system cost down 3% (\$3.6M) to reflect the system operating at best practices.