

July 7, 2017

The Honourable Glen Murray
Minister of the Environment and Climate Change
77 Wellesley Street West
11th Floor, Ferguson Block
Toronto, Ontario
M7A 2T5

Dear Minister Murray:

Re: Request for support towards beginning the transition to a circular economy for paper products and packaging in Ontario

Over the last several months leaders from Ontario's brand holder and municipal government sectors have been discussing the future of Ontario's Blue Box within the context of the vision of a circular economy as set forth by the Ministry of Environment and Climate Change in its *Strategy for a Waste Free Ontario: Building the Circular Economy (February 2017)* ("Strategy").

This discussion has led us to the conclusion that the time to begin building a circular economy for paper products and packaging ("PPP") is now.

A critical first step in the evolution towards such a circular economy is to implement extended producer responsibility (EPR) – that is, the transfer of the obligations and responsibilities to collect and manage PPP from Ontario municipal governments to brand holders and other persons with a commercial connection to the supply of PPP into Ontario.

Consistent with the Strategy's desire for an orderly and smooth transition of the Blue Box to EPR we have agreed that such a transition must:

- Not negatively impact Ontarians' experience with and access to existing recycling services;
- Improve environmental outcomes;
- Create a consistent recycling experience for all Ontario residents;
- Ensure a fair and open marketplace; and
- Address the provincial interests listed in the *Resource Recovery and Circular Economy Act 2016* (RRCEA) thus becoming the blueprint for the future development of a producer responsibility PPP regulation under the RRCEA.

Consistent with these objectives, the parties have reached accord regarding the following:

- The transition plan should be the subject of an amended Blue Box Program Plan pursuant to provisions under the *Waste Diversion Transition Act 2016* (WDTA) that provide for such an amendment;
- The amended plan should provide for the obligation for the collection and management of PPP to transfer to Stewardship Ontario upon the expiry, early termination or potentially through a suitable

amendment of municipal contracts with their service providers. Municipal governments will be fully determinant in deciding whether they wish to act on behalf of Stewardship Ontario for the procurement and contract oversight of PPP collection services. Municipal governments will have an opportunity to participate in the post collection management of PPP in transitioned municipalities;

- In transitioned municipalities, the plan will obligate Stewardship Ontario to provide for the collection and management of PPP generated by residents/households and, working with relevant affected municipalities, consideration will also be given to accommodating associated public spaces, parks and other related services provided by those municipalities;
- For those municipalities not immediately transitioning to EPR, the plan will address payments to be made under S. 11 of the WDTA based on a municipality's verified net cost of operating its existing blue box program. The plan will define the eligible costs to be included in calculating the net cost. The plan will also describe any agreements between Stewardship Ontario and recipient municipalities for the reporting and verification of costs reported by municipalities; and
- The plan should establish the arrangement with Stewardship Ontario by which the Canadian Newspapers Association and Ontario Community Newspapers Association (CNA OCNA) will meet their members' EPR obligation for old newsprint (ONP) in such a manner that is without cost to transitioned municipalities.

Given our concurrence on these significant issues and the important opportunity that is presented by the parties' positions, we believe your request to amend the existing BBPP would be timely and are seeking your support in this regard.

We would be most pleased to meet with you to discuss our views regarding the transition to EPR.

In the interim, if you have any questions or concerns regarding our request please do not hesitate to reach out to Mac Bain at 705 498 9510 or John Coyne respectively at 416 963 4009.

Sincerely,

On behalf of Municipal Governments:



Mac Bain
Chair, AMO Waste Task Force



Jim McKay
General Manager, Solid Waste Management Services, City
of Toronto



Fred Jahn, P.Eng.
Chair, Regional Public Works
Commissioners of Ontario



Karyn Hogan
Chair, Municipal Waste Association

On behalf of the Directors of Stewardship Ontario:



John D. Coyne,
Chair, Stewardship Ontario

Copy: Mr. Arthur Potts, MPP
Parliamentary Assistant, Environment and Climate Change

Mr. Colin O'Meara
Policy Advisor, Environment and Climate Change

Ms. Wendy Ren
Director, Resource Recovery Branch