



Sent via fax
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July 26, 2007

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Waste Management Policy Branch
Ministry of the Environment
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7th Floor
Toronto, ON M4V 1P5

Dear Ms Mychajluk:

Re: EBR Registry number 010-0420

The Association of Municipal Recycling Coordinators (AMRC) and the Association of Municipalities of Ontario (AMO) are pleased to submit comments on the *Policy Statement on Waste Management Planning: Best Practices for Waste Managers*, EBR #010-0420. The Policy Statement provides an excellent opportunity to address issues related to waste management planning in Ontario. The document presents well founded waste management principles that should be adopted among all those involved in generating, regulating and managing waste.

Overall, AMO and the AMRC support the document. The Policy Statement provides the groundwork for effective waste management planning in Ontario. The following are comments and recommendations to enhance the current draft of the Policy Statement, to make it an effective tool for all waste managers.

GENERAL COMMENTS:

- Coordinating waste management planning across Ontario is a challenging but vital task. The MOE is commended for putting forward this document, recognizing the ongoing and future waste diversion and disposal challenges facing municipalities.
- The type of planning outlined will facilitate much needed and meaningful dialogue and strategizing between municipal land use planners and waste management professionals.

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- To establish effective long term planning, greater cooperation and broader direction must be given to all stakeholders including the Industrial, Commercial & Institutional (IC&I) sectors, producers, stewards, municipalities and the Province. To this end, the Province should include equivalent policy statements for the non-governmental parties as listed. By developing similar policy for the remaining interested parties, the Province can increase reduction efforts and promote concepts such as Extended Producer Responsibility (EPR) and Design for the Environment (DfE). Incorporation of these concepts in Provincial policy development in Ontario will ensure our mutual goals of maximized diversion and effective residual waste management are achieved.
- Integration of existing Waste Management Plans (WMMP) needs to be addressed as some municipalities prepare WMMPs on a regular basis in accordance with Certificate of Approval (CofA) conditions.
- Rather than being placed under the Planning Act, this Policy Statement should be integrated into broader legislation – an overall piece of legislation which would encompass all waste management legislation, policies, procedures, guidelines, etc.

SPECIFIC COMMENTS:

PART I: INTRODUCTION:

The AMO and AMRC support Part I of the document with the addition that the Province articulate its responsibility for issues facing waste management infrastructure. The issues listed on page eight are not only a result from municipalities' failure to plan, but also due to the lack of provincial guidance in waste management. Past Provincial policies and legislation have contributed to the decline of waste management infrastructure. The AMRC has submitted comments on this issue in the past (comments on the Proposed Growth Plan for the Greater Golden Horseshoe) and it should be recognized that the Province has not yet acted on these concerns (please refer to Appendix A).

PART II: FRAMEWORK FOR WASTE MANAGEMENT DECISIONS

The AMO and AMRC support the waste management principals and recommend they be adopted by all parties involved in waste management.

The AMO and AMRC recommend that the Roles and Responsibilities section be used as a basis from which appropriate policy statements can be established for all parties involved in waste management. The following recommendations are intended to achieve this:

- Under "The Province" it should be recognized that municipalities need provincial and federal support to increase reduction efforts, which was stated as the 'first priority' to waste managers in the Waste Value Chain. Waste reduction is beyond the scope of municipalities and requires initiative from all levels of government. Please consider our recommendations stated in the *AMO/AMRC Discussion Paper on Strengthening Extended Producer Responsibilities in Ontario's Blue Box* (see Appendix B).

- The Province is, as “the regulator”, responsible for monitoring the IC&I sector as a whole and in particular, packaging producers and stewards for compliance applicable regulations such as Ontario Regulation 103/94 and Ontario Regulation 104/94. To date, there has been insufficient enforcement of these key pieces of legislation. Further efforts are required. It is recommended that the Ministry develop a public action plan to address this shortcoming.
- Under “IC&I sectors” the first bullet states “Plan for, and help reduce, the amount of waste generated by their operations”. Remove the word “help” to make it more prescriptive.
- It should also be stated that industry shall comply with all provincial regulatory standards addressing waste management including Ontario Regulation 103/94 and Ontario Regulation 104/94.

PART III: GUIDELINES FOR DEVELOPING A MUNICIPAL WASTE MANAGEMENT PLAN

As previously mentioned, the Policy Statement would be effective if broad provincial legislation were included to identify overall waste management in the Province, engaging the IC&I sector, promoting Extended Producer Responsibility (EPR) while working with other tiers of government (i.e. federal), and encouraging greater municipal cooperation in waste management. Therefore, it is recommended that:

- The Province include a section elaborating on their specific role and responsibilities to make clear what kind of support municipalities and other stakeholders can expect. This section should address: financial incentives and penalties for industry; aid in securing approvals; enforcing standards for industry, producers and stewards; and, support for reduction and reuse activities. The AMO and AMRC’s *Proposal for a Provincial Integrated Waste Strategy* (Appendix C) would work as the basis for this section.
- The Province provide a parallel set of policy statements for the private sector, IC&I and Producers and Stewards. These guidelines should be prescriptive on how the sectors are to contribute to source reduction, incorporate DfE and EPR into their commercial activities in the Province and, depending on the circumstances, develop their own integrated waste management plans.

In addition, the following comments and recommendations address each section on Part III:

Strategic Direction:

1.1 Integrated Waste Management

- The Policy Statement recommends that an integrated waste management system be developed in a way that is appropriate for local circumstances and that municipalities take into consideration the waste management principals and the Waste Value Chain. The Waste Value Chain, which is consistent with AMO and AMRC’s Waste Hierarchy proposed in 2005, emphasizes waste reduction, reuse, recycling and composting/ digestion and all forms of resource recovery before considering final disposal.

It should be recognized that municipalities use the Waste Value Chain for “green field” operations and consider the use of the existing infrastructure within the context of local economic, social and environmental priorities.

- The Policy Statement recommends consideration of *all potential* economic, social and environmental elements of each option. It should be recognized that this has the potential to be a costly and timely process for municipalities. Municipalities should make *reasonable efforts to consider community priorities to the extent necessary to identify the preferable option(s)*.

1.2 Proximity

- The Policy Statement requires that waste be managed as close to the source of generation as possible. In light of the negative impacts associated with waste management facilities (odours, NIMBY) and zoning restrictions (Green Belt, Niagara Escarpment Commission), municipalities require provincial support. The Province should provide further guidance in this and future documents on how these conflicts are to be addressed in order to achieve this objective.

1.5 Public Engagement

- Municipalities are supportive of engaging the public in the waste management planning process and would do so given available resources.

1.6 Waste Value Chain

A. Waste Prevention

- This is not a primary responsibility of municipalities. The federal and provincial governments, in cooperation with producers and stewards can exert influence and control over waste prevention. The Province should issue a policy statement providing direction on how packaging producers and stewards are to achieve this objective.

B. Waste Diversion

- Stewards should be obliged to fund reuse programs before municipalities are obliged to set up centres to manage their waste. Centres are amongst the most costly of waste management options. With the recent designation of MHSW and electronic waste, the Province has the ideal opportunity for the Minister to provide supplemental direction to the IFO's to incorporate this concept into their proposed plans.

Scope of Municipal Waste Management Plans:

Types of waste the plan will cover

- Biosolids do not require a separate section. The last paragraph in the biosolids section should be incorporated in the Municipal waste section as a type of waste the plan will cover. The first two paragraphs that acknowledge municipalities are “already managing sewage biosolids” and that “The ministry does not intend that municipalities duplicate efforts” can be deleted.

Timing

- The proposed master plans and associated consultation efforts are costly endeavours particularly for smaller municipalities which will not have the “in house” resources to complete this work and are unlikely to have an existing plan.
- Differentiation between small and large municipalities is too broad and should be further refined. It is recommended that municipalities having a population greater than 100,000 meet the recommended timelines; municipalities having a population between 5,001 and 100,000 comply within five years; and municipalities under 5,000 should be encouraged to develop plans but should be exempt much like Ontario Regulation 101/94.

Minimum Recommended Plan Content:

3.4 Present waste generation trends and waste management practices and systems

- There are limitations and subjectivity to the waste management data collected by the WDO/Provincial Datacall and MPMP reporting. Each has different definitions of the data and do not incorporate all the waste management efforts by municipal programs. Clear direction on expectations will be required.

3.5 Projected Waste Management Needs

- It would be difficult to predict with any certainty the waste management needs of municipalities within the 20 to 25 years planning period. There are numerous variables and uncertainties such as designation of materials, development of MOE policies, funding, etc. It is suggested that municipalities amend plans every five years only (much like WMMPs are now) but no more frequently than that.

3.6 Diversion Strategy

- To be consistent with the previous section (Section 3.5), targets should be set for this time frame and detailed plans over the next 5 years only.
- This section references recovery as a diversion option, which contradicts the Waste Value Chain where it is listed as a disposal option. It should be listed as a diversion option in order to be consistent with the AMO and AMRC’s Waste Hierarchy proposed in 2005.

3.8 Costing and Financing Strategy

- The development of long term financial strategies as part of waste management master planning is supported by the AMRC and AMO. However, given the uncertainty associated with anticipating long-term waste management needs and diversion and/or disposal options, detailed analyses will not be possible. It is more realistic to provide detailed costs over a 5 year time frame and a generalized, long-term strategy capable of covering existing operating costs and capital replacement of existing infrastructure.
- There is a need to change the Development Charges Act to re-instate municipal authority to levy development charges to support new waste management infrastructure, a position that AMO advocates and that AMRC raised in their response to the Proposed Growth Plan for the Greater Golden Horseshoe Area.

3.10 Contingencies

- Contingency plans should be reviewed and approved by the MOE to assure municipalities that should a contingency plan be needed, the Province will support the necessary steps to ensure continued operations (e.g., shipping waste to out-of-region facilities).

3.13 Public Education Strategy

- As addressed in the recent MHSW Plan, the cost associated with the implementation of this strategy, should be funded by the stewards.

3.14 Public consultation record

- The public consultation element will be overly onerous for municipalities as defined. For example, public consultation with neighbouring communities or communities that material passes through to reach a disposal facility is unreasonable for a municipality to undertake. It is agreed that public consultation should be incorporated into the planning process, but only if there's an anticipated impact on neighbouring communities.
- It should also be noted that discussions regarding host communities could prejudice any future EA process by implying there was a pre-determined outcome and location. The Policy statement should explain how this apparent conflict will be resolved.

ADDITIONAL COMMENTS:

Definitions

- The Policy Statement's definition of Municipal Waste implies that municipal waste management plans must take into account all wastes in the municipality whether or not they are actually managed by the municipality. The definition of municipal waste in the policy statement should be amended to include only waste managed by municipalities.

The AMO and AMRC are interested in working with the Provincial Government in creating a sound Provincial Policy Statement that is comprehensive and applicable to all waste managers.

Sincerely,



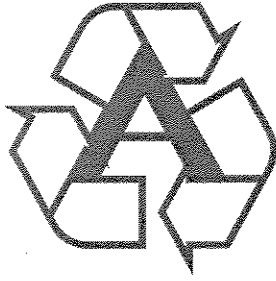
Doug Reycraft
President
Association of Municipalities of Ontario



Mike Birett, Chair, Board of Directors
Association of Municipal Recycling
Coordinators (AMRC)

Attachment

cc. John Vidan, Director, Waste Management Policy Branch, Ministry of Environment
Peter Hargreave, Senior Policy Advisor, Land & Waste, Minister's office, MOE
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AMO-AMRC Waste Management Task Force
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January 25, 2006

Mr. Jason Thorne
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Ministry of Public Infrastructure Renewal
Ontario Growth Secretariat
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Re: Comment on the Proposed Growth Plan for the GGH

Dear Mr. Thorne:

Thank you for the opportunity to provide input into the Ministry's proposed *Growth Plan for the Greater Golden Horseshoe* (GGH).

The Association of Municipal Recycling Coordinators (AMRC) is a not-for-profit association representing municipal waste management professionals from across the Province. As such, we believe that proper planning for the management of wastes generated from both residential and industrial/commercial/institutional sectors is critical to the long term sustained growth of both the Province and GGH.

Current Provincial policies and legislation, and the lack thereof, has, to date, resulted in the gradual decline of the Province's waste management infrastructure. The present situation in the GGH can accurately be described as bordering on a crisis situation. GGH municipalities are forced to export residual waste, blue box recyclables and source separated organics to the United States, Quebec and even overseas due to the lack of available, local infrastructure. This situation is contrary to the guiding principles of the proposed plan and threatens the development of a strong, competitive economy and the conservation of resources.

Therefore, we recommend the following changes to the proposed plan:

- Section 1.1. Context – Include a discussion of the aforementioned challenge. Indicate that it will “ensure sustainable waste management services and infrastructure are made available to support future growth”.
- Section 2.2.2 Managing Growth – Specify in the *complete community* concept, the provision of local waste management zoning and infrastructure. This would help reduce the need for long distance hauling of waste to other municipal, provincial and federal jurisdictions.
- Section 2.2.3 General Intensification – Mandate waste management policies and strategies in municipal official plans and intensification strategies to ensure local waste management infrastructure is developed. Also, the ability of municipalities to collect charges to support waste management infrastructure development needs to be reinstated to allow municipalities to act in support of Section 2.2.3 (8) of the proposed plan.
- Section 2.2.4 Urban Growth Centres – Encourage space for development of waste and recyclables drop off centres/depots to facilitate collection of materials that are not collected curbside. This would help eliminate the need for residents to haul these materials to remote locations for disposal. Urban design standards must acknowledge that significant amounts of waste are collected at curbside and provide appropriate access for collection vehicles.
- Section 2.2.6 Employment Lands – Encourage development of waste management infrastructure in industrially zoned areas. Development of waste management infrastructure in prime agricultural lands should be discouraged other than the possible establishment of composting operations.
- Section 3.2 Infrastructure Planning – Identify the redevelopment of the Province’s waste management infrastructure as a priority for Provincial investment. Development of a related Provincial needs assessment and implementation strategy including sub-area assessment under Section 3.2 (3) is also required.
- Section 4.2.3 Mineral Aggregate Resources – Include in the concept of resource recovery a Provincial strategy that would discourage mining of virgin aggregate and encourage use of recyclable materials. For instance, glass recovered from the blue box and compost could be used in Provincial and municipal infrastructure construction in lieu of aggregate and peat moss, respectively.
- Section 4.2.4 A Culture of Conservation – Consideration should be given on how placement of industry and infrastructure facilitates resource conservation by making industrial, commercial and institutional waste more available for reuse and recycling.
- Section 5.1.2 Implementation Analysis – Require the sub-area assessment of waste management infrastructure, service capacity and future needs.
- Section 6 Definitions – Include a definition of integrated waste management. Also, specify waste management services and infrastructure in the definition of *complete community*. Define waste to include residential as well as agricultural and IC&I materials.

Including the above recommendations will help to address waste management infrastructure needs within the GGH. With the anticipated growth of the GGH, the AMRC does not want the current situation to continue to worsen.

Thank you for consideration of our comments and recommendations. Should you require clarification on the issues raised in this submission, please contact the AMRC office at 519-823-1990.

Sincerely,



Kim Kidd Kitagawa
Chair
Policy & Program Committee



Rick Clow
Chair
Association of Municipal Recycling Coordinators

cc: Mike Birett
Policy Liaison
AMRC



APPENDIX B

AMO/AMRC Discussion Paper on Strengthening Extended Producer Responsibilities for Ontario's Blue Box

June 2007

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Municipalities of Ontario

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Preface:

Environment Canada defines the primary function of Extended Producer Responsibility as: *"the transfer of the costs and/or physical responsibility of waste management from local government authorities and the general taxpayer to the producer. Environmental costs of treatment and disposal could then be incorporated into the cost of the product. This creates the setting for a market to emerge that truly reflects the environmental impacts of the product, and in which consumers could make their selection accordingly."*¹ Municipalities support this definition with the understanding that existing municipal infrastructure must be fully integrated into any product management schemes to best achieve effectiveness, convenience, and cost efficiencies.

Terms and Definitions:

For the purpose of this paper, terms commonly used in this document have been defined below:

CPPP (Consumer Packaging and Printed Paper): is any printed paper or packaging generated by industry and managed in municipal waste systems.

Diverted CPPP: is consumer printed paper and packaging that is collected in municipal Blue Box recycling programs, marketed and diverted from disposal.

Litter: is waste comprised mostly of recyclable consumer printed paper and packaging material that is discarded inappropriately into the environment or in public litter bins.

Non-Diverted CPPP: is the recyclable consumer printed paper and packaging not collected, processed or marketed as recycled material and is disposed of through non Blue Box municipal waste management systems.

Non-Recyclable CPPP: is the consumer printed paper and packaging that is **not** recyclable in municipal blue box programs and is disposed of through non Blue Box municipal waste management systems.

Residual Waste: is post-consumer goods that are not printed paper or packaging.

Waste Management System: is municipal management of residential post-consumer goods through the recycling, composting, landfill and other waste disposal programs, systems and or technologies.

¹ Environment Canada, (2002) Extended Producer Responsibility and Stewardship, Last updated: Oct 9, 2002 <http://www.ec.gc.ca/epr/en/notes.cfm#1>

Executive Summary

The establishment of the *Waste Diversion Act* (WDA) by the Province of Ontario was an important step in acknowledging and defining the responsibilities of consumer packaging and printed paper stewards. The Act has provided important financial relief to municipalities facing ever increasing waste management costs and has set the stage for implementing Extended Producer Responsibility Systems (EPRS) in Ontario.

There is however growing concern from residents and environmental groups regarding the widening disconnect between waste diversion objectives and private sector activities. Notwithstanding the recent initiative by the Ministry of the Environment (MOE), to establish a deposit return system for all LCBO containers, there is an increasing trend from industry towards design and production of disposable packaging and non-recyclable products. This type of producer activity is both counter-intuitive and counter-productive to the mutually agreed upon objectives of the WDA.

Figure 1:

Present Funding Situation

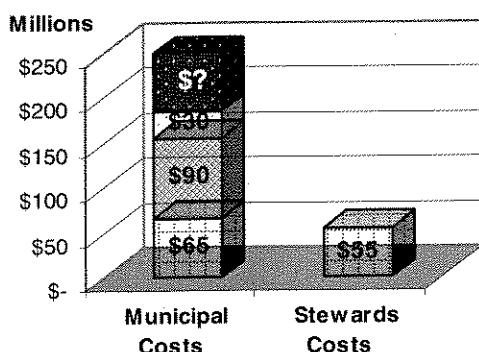
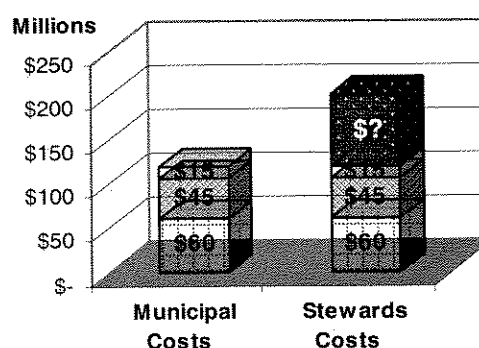


Figure 2:

Phase 1 Funding Recommendation



Cost to Manage Diverted CPPP
 Cost to Manage Non-Diverted CPPP
 Cost to Manage Litter*
 Cost of Non-Recyclable CPPP

Municipal waste management services are paid for by tax contribution from both the public and private industry. Municipalities bear the majority of the cost for managing industry-generated Consumer Packaging and Printed Paper (CPPP) as shown in **figure 1**. As a first step toward achieving full EPR for Ontario's Blue Box program, this paper endeavors to present phase 1 of a new funding mechanism as illustrated in **figure 2**. In the short term, this adjustment would establish a more equitable cost sharing arrangement between industry and municipalities for CPPP. AMO/AMRC proposes that phase 2 of this funding mechanism would evolve to a full EPR system whereby industry takes full responsibility for generated material, which includes the full cost of CPPP in municipal waste management systems. This paper also provides a list of recommendations of how to improve the effectiveness of the Blue Box through litter reduction initiatives, strengthening of recycling markets and encouragement of EPR at a federal level. AMO/AMRC and their affiliates are eager to work with the Provincial government to promote better waste diversion by providing the following considerations:

Summary of Recommendations

#1. AMO/AMRC recommends that WDO and the MOE provide an accurate breakdown of the full cost of managing all CPPP in municipal waste management and recovery systems. In addition, it is recommended that the MOE provide municipalities with the total cost of managing all municipal waste in Ontario, indicating what portion of the complete system cost is currently paid by industry stewards.

#2. AMO/AMRC recommends the MOE work toward phasing in full EPR in Ontario's Blue Box. As part of the first phase, it is recommended that the current funding mechanism be modified to more accurately reflect the full cost of managing all generated CPPP. Such a model would require stewards to meet their current obligations as well as become responsible for 100% of the cost to manage non-recyclable CPPP well as 50% obligation for recyclable CPPP that municipalities manage as litter or garbage.

#3. AMO/AMRC recommends the Province develop incentives for industry to support litter reduction and industry to provide funding for litter management activities related to CPPP.

#4a). AMO/AMRC recommends the Province direct the board of Stewardship Ontario to reinstate contributions to the Market Development Fund as part of the 2007 Stewards fee.

#4b). AMO/AMRC recommends the Province give consideration to the unique challenges of recycling in Northern Ontario and require Blue Box Stewards to take greater financial responsibilities for all CPPP in the region.

#4c). It is recommended that the Province commence discussions with the Federal government to establish minimum standards of at least 25% recycled content in new products where possible. This action is intended to stimulate local recycling markets, reduce green house gases and minimize the uncertainty associated with shipping recyclables to overseas markets.

#5a) AMO/AMRC recommends that the Ontario government, as a first step, encourage stewards to employ better end-of-life considerations in product design. Incentives should be in place for Stewards who demonstrate use of:

- i.) End of product design to align with higher levels of AMO/AMRC Waste Management Hierarchy
- ii.) Selection of materials that can be easily collected and processed using existing municipal infrastructure
- iii.) Recyclable materials that have well-developed domestic markets and generate higher revenue value

#5b). AMO/AMRC recommends that any new CPPP designs introduced into the market are accompanied by a Ministry-approved recyclability plan that outlines how to best collect, process and market that material within the existing programs.

#5c). AMO/AMRC recommends that industry be fully responsible for the cost implications of any new packaging introduced into the Ontario market that does not conform with existing municipal infrastructure. This would include capital costs to retrofit collection vehicles, public drop offs and material recycling facilities.

#6). It is recommended that the Province encourage the Federal government to create a national EPRS plan for waste and waste packaging in collaboration with municipalities and industry. This could include:

- i.) Standardizing the use of plastic resins used in product design
- ii.) Developing financial drivers that encourage industry to reduce the use of multi-laminate products for consumer products
- iii.) Encouraging industry to use materials that improve the effectiveness and efficiency of municipal collection and recycling systems

1.0 Introduction

Since its inception in 2002, the *Waste Diversion Act* (WDA) has helped to encourage Extended Producer Responsibility (EPR) throughout Ontario with the successful establishment of the Blue Box Program Plan. This should, however, be regarded as only a limited success, since to date, the Blue Box has only been able to recover a fraction of the available residential recyclable material. Compounding the problem is the apparent movement by some producers to introduce problematic packaging into the market which cannot be recycled or has disproportionately high diversion costs and is therefore landfilled. Moving forward, AMO and AMRC wish to put forth considerations to the Province that could effectively strengthen the WDA to help further align corporate EPR with the original objectives of the Act.

Currently, Ontario's municipalities are dissatisfied with the progress industry has made toward EPR practices. Municipalities are the primary leaders on this front, with the exception of the recent decision by the Province to establish a deposit refund system for LCBO containers. The Minister also approved amendments to the Blue Box stewards' fee structure in 2006²; however stewards have made no real efforts in recent years to significantly improve the recyclability of their products.

Municipalities recognize that the role of packaging as a means to 'protect and preserve the products inside from damage or contamination, to carry information about the product and to help market the product'³. Bearing all this in mind, municipalities know that discussion around end-of-life considerations is often absent in the designs phase of products and their associated packaging.

There is growing concern from residents and environmental groups that there is a widening disconnect between waste diversion objectives and steward activities. The gap between responsible product design, (i.e., which takes the environment into consideration), responsible end-of-life management, and the increasing trend towards production of disposable and non-recyclable products continues to grow. Ultimately, this gap leaves the municipal tax base to pick up the costs for an industry-generated problem.

As end-of-life considerations appear to be a low priority for industry, the cost to the taxpayer of managing municipal waste in its various forms, (i.e., recycling, litter clean-up and residual waste disposal), continues to increase. Promoting full EPR for all Consumer Packaging and Printed Paper (CPPP) that enters or is generated in the province, could provide taxpayers with much needed tax relief and provide municipalities the flexibility to allocate funds to other municipal areas. This would provide an immediate and meaningful reduction in the cost to municipalities to manage these products.

² Stewardship Ontario, (2006). 'Recommended 2007 Stewards' fees and rules', Nov 2, 2006

³ Stewardship Ontario, (2006) Assessment of Stewards Actions in Response to Stewardship Ontario Fees: Report to the Ontario Minister of Environment - June 30, 2006

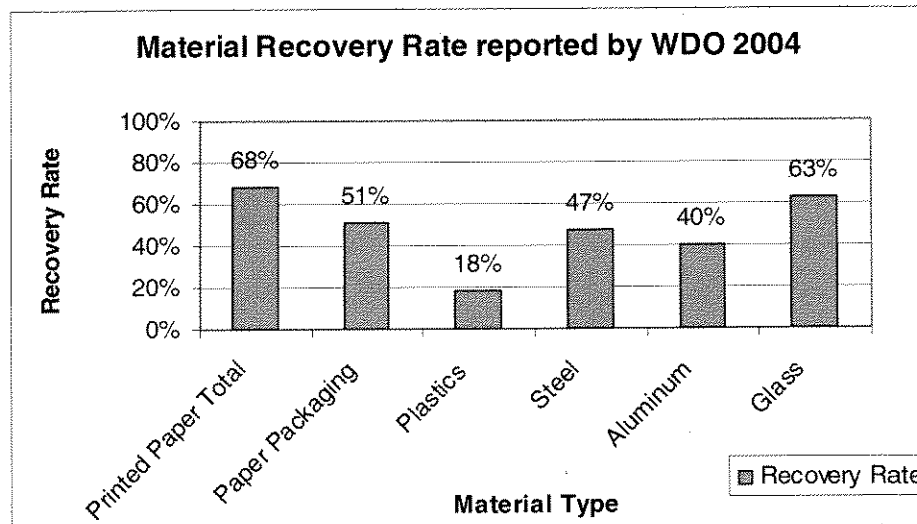
Although recycling is a shared responsibility between the producer and consumer of goods, municipal involvement is paramount to ensuring responsible waste management. Municipal operating decisions are more strongly driven by social and environmental obligations rather than a profit-based bottom line. This discussion paper presents a series of recommendations to the Province that reinforce AMO's call for an integrated waste strategy, promotes positive outcomes for all stakeholders and aims to move the Province closer toward achieving full EPR in Ontario's Blue Box.

2.0 Determining the Full Cost of Managing Consumer Packaging and Printed Paper Material in Ontario's Waste Management System

Waste Diversion Ontario reported that in 2004, the Province diverted 54.8% of available residential consumer packaging and printed paper from landfill⁴. This means that the remainder, or approximately 678,000 tonnes of the available residential recyclables, was not captured. Waste audit data collected by Stewardship Ontario in both 2004 and 2005 supports similar recovery figures⁵.

The relative recovery rates of material types collected in the Blue Box program shown in **figure 3**, illustrate the proportions of what municipalities manage in the program with the remainder presumably managed through other waste disposal systems which include landfill.

Figure 3: Material Recovery Rates for 2004 (WDO, Nov 2005)



Materials that are not recyclable or have low recovery rates like plastic laminates, plastic film, polystyrene and other plastics have typically cost municipalities between \$60/tonne to \$100/tonne in disposal fees, with an additional \$60/tonne in associated collection costs. Other CPPP, such as food packaging, is being found in municipal organics programs, with an added cost to municipalities of about \$150/tonne. Further cost impacts on municipalities for non-recovered CPPP include litter management costs which range significantly between municipalities. The City of Toronto, for example, spends approximately \$13 million on its litter program annually⁶. On a provincial scale, this amounts to a conservatively estimated cost of \$120 million to the municipal tax base for managing CPPP material that should be going to the Blue Box.

⁴ Guide to the Blue Box Program, (2005). Waste Diversion Ontario Report on Blue Box Program, November 16, 2005.

⁵ Stewardship Ontario Waste Audit Data, (2005), (2004).

http://www.stewardshipontario.ca/eefund/projects/audits/waste_audit_sf.htm#results

⁶ MGM Management, (2005). The City of Toronto Street Litter Audit 2005, Works and Emergency Services, Solid Waste Management Services Division, Final Report, October 24, 2005.

2.1 Recommendation #1:

AMO/AMRC recommend that WDO and the MOE provide an accurate breakdown of the full cost of managing consumer packaging and printed paper in the municipal waste management and recovery systems. In addition, it is recommended that the MOE provide municipalities with the total cost of managing all municipal waste in Ontario indicating what portion of the complete system cost is currently paid by stewards.

3.0 Aligning Full Costs with WDA Objectives

Section 25(1) of the *Waste Diversion Act* identifies a diversion *program* as any “activities to reduce, reuse and recycle designated waste”. According to the Act, Blue Box stewards are obligated to pay “50% of the total net cost incurred by municipalities” as a result of the *program*. The current funding mechanism does not, however, provide any substantive drivers for industry to make their consumer packaging recyclable or meet the fundamental objectives of the WDA to divert waste from landfill.

The existing fee structure should, but does not, include the cost to manage non-recovered CPPP. This means that municipalities are paying full costs for managing items such as plastic theft-proof packaging and polystyrene “clam-shell” containers that are not collected in most municipal Blue Box programs and that go to waste disposal systems such as landfill. This costs municipalities anywhere from \$60/tonne to \$100/tonne for disposal fees and up to an additional \$60/tonne in collection costs for 678,000 tonnes, amounting to approximately \$85million a year⁷. Included in this estimate is the cost to manage food packaging that ends up in municipal composting operations.

Preliminary audits conducted by the City of Toronto have indicated that packaging and printed paper is approximately 10% of the material collected in their organics program and has cost Toronto alone over \$1.5million annually. Using this figure, it is estimated that Ontario municipalities are paying almost \$5 million to manage over 32,000 tonnes of CPPP in organics programs that have an average cost of \$150/tonne. In addition to the non-recovered CPPP costs, municipalities are further burdened with paying for CPPP through litter costs (see section 4.0 of this paper for more detail). By not having steward fees that accurately reflect the total cost of managing packaging waste, irrespective of its diversion or disposal method, the current system enables industry to produce more waste with minimal consequence.

Disposal costs are expected to continue to escalate as domestic landfill sites approach capacity. With the Minister's most recent decision to stop shipment of Ontario's waste to Michigan by 2010, additional pressure grows to locate new landfill capacity and alternative waste disposal technologies before this deadline. These factors, together with a growing population, will leave municipalities challenged to manage increasing quantities of CPPP materials and their associated costs.

⁷ Estimated cost to municipalities for non-diverted CPPP was calculated using 2004 data call multiplying the median range average municipal cost for collection and disposal=(\$125) multiplied by amount of CPPP that was recorded as not diverted in the Blue Box for 2004 =(678,000 tonnes).

The redesign of packaging materials to facilitate reusability and/or recyclability would reduce Blue Box program operating costs and divert much of this material from disposal. Unfortunately, recyclability appears to be rarely considered by industry in the design of packaging for products commonly found on store shelves in Ontario. Industry's design for "Planned Obsolescence"⁸ of goods perpetuates a throw away society and compounds the strain on municipal landfills. Some industry stewards have changed packaging designs and consequently avoided higher Blue Box steward fees. However, in doing so, they have also produced materials that have had negative effects on Blue Box program efficiencies. (refer to the AMO/AMRC August Position Paper titled *Improving the Efficiency of the Blue Box Program*⁹).

As **figure 4** illustrates, municipalities are currently paying the majority of costs involved in managing all CPPP in the municipal waste system while having little control on the material design. Industry, on the other hand, having complete control of packaging choices, is only levied to contribute up to 50% of the costs for recovered materials (which to date has never fully been paid to municipalities). Industry needs to be more accountable for the packaging decisions they introduce into the market and waste stream. Interestingly enough, municipal waste management services are paid for by tax contributions from both the public and private industry. Therefore, when industry can make better packaging design decisions that work to reduce the strain on municipal waste systems, they also benefit.

Figure 4:

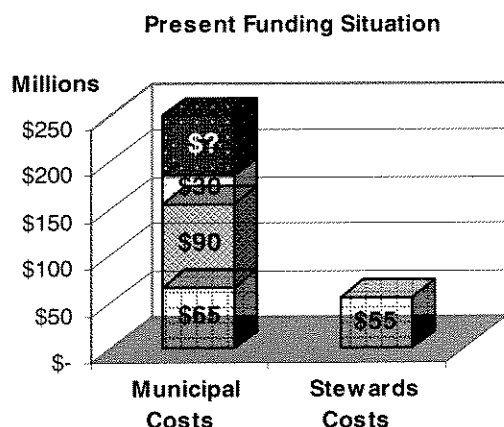
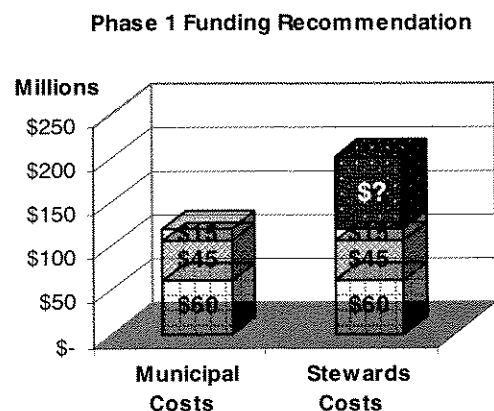


Figure 5:



Cost to Manage Diverted CPPP
 Cost to Manage Non-Diverted CPPP
 Cost to Manage Litter
 Cost of Non-Diverted Other CPPP

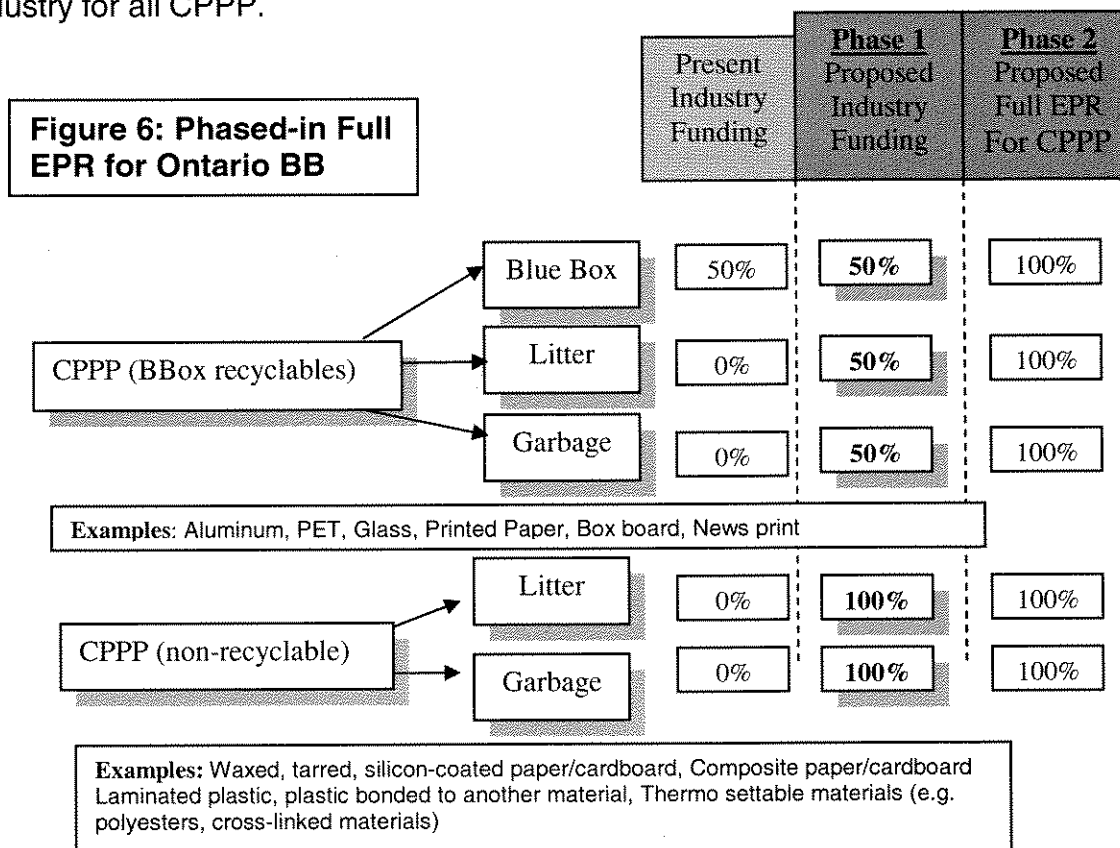
To help establish drivers that work to achieve objectives of the WDA, AMO/AMRC is proposing a phased-in approach to full EPR for Ontario's Blue Box. **Figure 5**, illustrates the proposed first-phase funding mechanism that works toward a more equitable cost sharing arrangement between industry and municipalities for all CPPP. This would be a more gradual transition toward establishing a full EPR system for Ontario's Blue Box.

⁸ Packard, Vince (1960). *The Waste Makers*, Penguin, London UK.

⁹ Association of Municipalities of Ontario, (2006). AMO/AMRC Position Paper on Improving the Efficiency of the Blue Box Program, August, 2006

AMO/AMRC proposes that the implementation of phase 2, requiring full EPR from industry, would occur once Blue Box best practices have been identified and implemented in Ontario municipal programs.

Figure 6 (below) explains the phased in approach in terms of industry steward funding obligations as a percentage of municipal cost. The first phase of establishing full EPR would require a shared obligation for all recyclable CPPP and puts full obligation on industry for non-recyclable CPPP. The last phase would put 100% obligation on industry for all CPPP.



By linking greater funding obligation to industry in phase 1 for non-recyclable CPPP (i.e., non recyclable packaging that goes to landfill or green-bin programs), industry will be more inclined to ensure the recyclability of printed paper and packaging.

3.1 Recommendation #2:

AMO/AMRC recommends the MOE work toward phasing in full EPR in Ontario's Blue Box. As part of the first phase, it is recommended that the current funding mechanism be modified to more accurately reflect the full cost of managing all generated CPPP. Such a model would require stewards to meet their current obligations as well as become responsible for 100% of the cost to manage non-recyclable CPPP well as 50% obligation for recyclable CPPP that municipalities manage as litter or garbage.

4.0 The Cost of Managing Recyclables as Litter

The lack of consideration for the environment in product design has significant impacts on communities that extend beyond the Blue Box. Municipal management of litter is a good example of this issue. Municipalities across Ontario spend tens of millions of dollars annually on litter control, only to capture a fraction of the litter on our streets, and in our streams, fields, parks and open spaces. A Litter Survey Study conducted in 2003 by the Regions of Durham, Peel, York and the City of Toronto revealed that almost 57% of small litter¹⁰ and 69% of large litter¹¹ found in their jurisdictions was CPPP material¹². The litter surveys done by the participating municipalities of the GTA also found that quick-serve food packaging waste makes up almost 20% of the litter found in the study¹³. Management of industry packaging that is discarded as litter, costs municipalities in Ontario tens of millions of dollars annually. The City of Toronto spends up to \$13 million on city street litter clean up alone, which represents over 7% of the City of Toronto's entire waste management budget¹⁴. At this time, there is limited data on the full cost of the litter problem in Ontario, suggesting that further research needs to be conducted by Waste Diversion Ontario in this area.

The environmental effects of light weight litter such as plastic bags and Styrofoam are causing an "international crisis"¹⁵. These light weight materials are especially problematic because they are easily picked up by wind and get tangled up in trees and fences, and block the drainage of rivers and water bodies. In Bangladesh, plastic bags have been banned due to the havoc they caused during the 1988 and 1998 floods, where plastic litter clogged drainage resulting in the submergence of two-thirds of the country¹⁶. It has been reported that as many as 100,000 marine animals and birds die every year by either mistakenly ingesting littered plastic or suffocating when becoming entangled¹⁷.

Litter has other indirect cost implications to Ontario's taxpayers. Studies done by the state of Florida suggest that environmental problems such as litter are factors in burglary-decision making processes¹⁸. Similar studies also found that greater amounts of street litter can significantly detract area visitors, and negatively affect the tourism trade¹⁹. Ontario's own tourism industry is an essential revenue generator that is vital to

¹⁰ Small Litter: litter less than 4 square inches in size

¹¹ Large Litter: Litter greater than 4 square inches

¹² MGM Management, (2003). Appendix 4- Branded Litter Survey : The Regional Municipality of York Litter Survey 2003, Regional Municipality of York, Solid Waste Management Branch Transportation & Works Department, September 2003.

¹³ MGM Management,(2003). The Regional Municipality of York Litter Survey 2003, Regional Municipality of York, Solid Waste Management Branch Transportation & Works Department,(pg 25) September 2003.

¹⁴ MGM Management,(2005). The City of Toronto Street Litter Audit 2005, Works and Emergency Services, Solid Waste Management Services Division, Final Report Prepared for by MGM Management, October 24, 2005

¹⁵ BBC News, (2002). 'Planet Earth's new nemesis?' Wednesday, 8 May, 2002

¹⁶ BBC News, (2002). 'Planet Earth's new nemesis?' Wednesday, 8 May, 2002

¹⁷ Algalita Marine Research Foundation, (2005). Pelagic Plastics. www.algalita.org (Last modified March 2007)

¹⁸ DeFrances, C.J. & Titus, R.M.,(1994). The Environment and Residential Burglary Outcomes. Proceedings of the International Seminar on Environmental Criminology and Crime Analysis. Coral Gables, FL, 45-56.

¹⁹ The Florida Litter Study,(1998). Florida Center for Solid and Hazardous Waste Management.

our economy. In 2004, the Ministry of Tourism reported that Ontario generated \$6.7 billion in foreign exchange²⁰, while events like SARS cost Toronto's tourism industry alone over \$190 million²¹. Impacts like this lead one to consider what the negative economic impact of ongoing packaging litter has on Ontario's tourism revenues.

This problem will inevitably escalate if industry intends to continue on its current path. The growing trend amongst stewards and brand owners to move away from reusable packaging to disposable and less desirable packaging is counter-productive to the goals the *Waste Diversion Act* and exacerbates the problem of litter. By industry putting more effort toward rethinking fast food packaging design as well as paying the cost of litter, industry will be assisting municipalities to providing stronger litter prevention strategies in their programs.

4.1 Recommendation #3:

AMO/AMRC recommends the Province develop incentives for industry to support litter reduction and industry to provide funding for litter management activities related to CPPP. Industries that support effective litter reduction campaigns should be rewarded, while industries responsible for materials dominant in municipally collected litter, such as quick-serve food packaging waste, should take full responsibility for their litter.

5.0 The Cost to Deal with Poorly Developed Local Markets

One of the directives of the Minister in December 2004 was that "action be taken by stewards and municipalities to improve markets and revenues" of materials collected in the Blue Box. Since this time, a *Markets Development* fund was established through steward fees collected in 2005 and 2006 in order to strengthen markets for broken glass and plastics in Ontario. Stewardship Ontario's membership decided in the fall of 2006 to take the market development contribution off the 2007 stewards' fees²². AMO/AMRC feels this action is contrary to the Minister's directive and negates efforts to assist strengthening Ontario's recycling markets.

Many of the products currently collected in Ontario's municipal recycling programs and waste disposal systems need to be more carefully examined in terms of their environmental and financial impacts. Fifteen years after the Province first announced WRAP (the: Waste Reduction Action Plan)²³, its accompanying goals and waste diversion hierarchy, very few consumer products actually contain significant amounts of post-consumer recycled content. The failure of manufacturers to purchase back the locally recycled post-consumer material has resulted in municipalities having to ship many of their recyclables to foreign buyers. These markets are as far away as China or India where the proper processing of these materials from an environmental and

²⁰ Ontario Ministry of Tourism, (2006). *Promoting Investment in Ontario's Tourism Industry*, http://www.tourism.gov.on.ca/english/ido/promoting_investment.html, (Last Modified: January 25, 2006)

²¹ KPMG, (2003). *SARS Impacts Toronto Tourism Industry: Report Identifies Loss of \$190 million*, <http://www.kpmg.ca/en/news/pr20030611.html> (Last Modified: 11-Jun-2004)

²² Stewardship Ontario, (2006). 'Recommended 2007 Stewards' fees and rules' slide 34, Nov 2, 2006 .

²³ Ontario Ministry of the Environment, (1991). *Waste Reduction Action Plan*.

socially responsible perspective can not be assured. The cumulative effects of these factors have left municipalities to deal with unstable revenue values for materials.

Other regions of Ontario, particularly the North, share their own unique circumstances with markets. These programs incur high per capita costs for recycling, well above the provincial average, due to the fact that many northern communities suffer from isolation, lack of competition, insufficient volumes of recyclables and high transportation costs to deliver recyclable materials to depots. Thus, there are fewer markets available to the North for Blue Box recycling in comparison to other areas in Ontario. Consideration toward more biodegradable replacements for consumer packaging in the North would help to alleviate some of the Blue Box markets problems experienced in the North.

On an environmental scale, promoting a minimum recycled content in products would help to reduce green house gases causing global warming. While manufacturing products from recycled inputs still requires energy, there are substantially less CO² emissions and other green house gases emitted relative to production from raw materials. Furthermore, with products that require wood or paper input, recycling reduces the need to cut down trees that are vital source of carbon sequestration in forests²⁴.

It should be noted that this idea of minimum recycled content is not new to Ontario industries. The paper industry has been applying this principle for years. In 2005 the Paper & Paperboard Packaging Environmental Council (PPEC) made a proposal to Stewardship Ontario for a "Recycled Content Green Procurement Credit" which recommended financial incentives to stewards who use recycled content²⁵. Currently no action has been taken on this proposal.

The challenge of strengthening local markets while ensuring a balanced playing field for competition between domestic producers and low-cost importers is difficult. However, places like Germany²⁶ and the State of California^{27,28} have established packaging legislation that has effectively strengthened local recycling markets by requiring all packaging from importers to fit local recycling systems. European packaging directives have since increased the recycling of packaging by 8% and reduced green house gases by 25 million tonnes of CO² equivalents²⁹. Similarly, in the State of Oregon, targets have been exceeded from goals set out by their 1995 Recycling Law, which required

²⁴ US EPA, (2007). General Information on the Link Between Solid Waste and Greenhouse Gas Emissions
<http://www.epa.gov/> last updated March 29, 2007

²⁵ PPEC, (2005), Recycled Content Green Procurement Credit, Blue Box Review for 2007 Stewardship Ontario Funding Formula- First Public Consultation Meeting -, December 8, 2005.

²⁶ Federal Ministry for the Environment, Nature conservation and Nuclear Safety, Germany, (1991). German Packaging Ordinance http://www.bmu.de/english/waste_management/downloads/doc/37115.php, last updated January 2006.

²⁷ California Against Waste, (2007), AB 904 (Feuer) Plastic and Marine Debris Reduction
http://www.cawrecycles.org/issues/current_legislation/ab904_07

²⁸ State of California, Integrated Waste Management Board, (2006)., Recycled Content Newsprint Program,
<http://www.ciwmb.ca.gov/BuyRecycled/> Last updated April 12, 2006

²⁹ PRO EUROPE (2007), Overview of Implementation of packaging directive and Latest European developments CCME

that all plastics have 25% recycled content³⁰. With the proper mechanism in place, this should also be a target easily set out and achieved in Ontario. By regulating aspects of the market and providing consumers with better purchasing choices, the need for municipalities to create "end of pipe" solutions for problems created by product stewards is eliminated.

5.1 Recommendation #4a:

AMO/AMRC recommends the Province direct the Board of Stewardship Ontario to reinstate contributions to the Market Development Fund as part of the 2007 Stewards fees.

5.2 Recommendation #4b:

AMO/AMRC recommends the Province give consideration to the unique challenges of recycling in Northern Ontario and require Blue Box Stewards to take greater financial responsibilities for all CPPP in the region.

5.3 Recommendation #4c:

It is recommended that the Province commence discussions with the Federal government to establish minimum standards of at least 25% recycled content in new products where possible. This action is intended to stimulate local recycling markets, reduce greenhouse gases and minimize the uncertainty associated with shipping recyclables to overseas markets.

6.0 The Cost to Manage Post-Consumer Products with Poor End-of-Life Design

Municipal recycling facilities and end-processors are burdened with the cost of poor end-of-life product design. Products such as aseptic packaging highlight this problem. This multi-laminant material is composed of layers of paper fiber, aluminum, plastic film and/or a "polycoat" finish. Being composed primarily of paper fiber, they are traditionally sent to paper mills for recycling. However, the plastic, aluminum and polycoat layers, which represent approximately 25% of the total container weight, cannot be recycled in the traditional paper mills which handle this recyclable material, necessitating mechanical removal of this portion as waste. The paper mills in this case are burdened with the higher cost of disposal due to poor product design from stewards. This increased cost of disposal is passed back to municipalities in the form of a lower price per tonne paid for the recyclable material.

Similarly, poor initial product design of plastic packaging has resulted in difficulties at recovery facilities to identify and sort the various types of plastic resins found in the Blue Box. Although Regulation 101/94 does not require municipalities to collect all types of

³⁰ Nielsen, Catherine, (2003). PLASTICS CONTAINER RECYCLING IN OREGON: A SUCCESS, BUT FOR HOW LONG? PackagingLaw.com (Nov 2003)

plastic resin, the majority of programs in Ontario strive to meet the demand of their residents to collect a wider range of plastics. As residents continue to request more items be added to the Blue Box, sorting of multiple plastic resin will continue to be a challenge and associated costs to municipalities will continue to escalate. Furthermore, industry needs to be proactive when introducing new materials into the market that later have the potential to go to waste management systems.

An example of this ongoing problem is the water bottle industry's introduction of a 15L PET water jug as a replacement for refillable containers. The ramifications of this decision have already started to impact municipal operations and their costs³¹. Similarly, in other industry areas, more desirable recyclable materials and biodegradable alternatives to plastic films and polystyrene have been readily available to stewards and brand owners for years, yet these materials have not been widely used by the quick-serve food industry. The failure of these industries to provide effective litter reduction strategies or take-back programs has had the undesirable effect of generating more litter. This result means lost potential recovery of diversion programs, rising municipal clean-up and disposal costs along with long term health and environmental costs as outlined above. Communities such as San Francisco, Oakland and Santa Monica have recently announced that they are banning materials such as polystyrene for quick-serve packaging to address these concerns³². Similar actions like this in Ontario would certainly be movement in the right direction.

Municipalities are constantly challenged with how to responsibly manage the end-of-life of industry-generated materials, while having little or no influence over design decisions. There are packaging stewards that will argue their packaging decisions are dictated by government health regulations and certain products need to be in certain packaging. This argument is not entirely valid, as Section B.23.0001 of the *Canadian Food and Drugs Act* puts onus on the manufacturer or distributor to use packaging materials that do not impart harmful substances to their contents³³. This regulation does not prescribe exact packaging types to producers and gives discretion to the producer over the reusability or recyclability of their products. Certainly producers should be capable of finding suitable packaging that is both easily recyclable and meets health requirements.

Industry should be required to provide municipalities with recyclability plans when any new CPPP material is introduced into the waste stream. This plan would outline options of how municipalities can collect, process and market this material using existing municipal infrastructure.

The Waste Management Hierarchy as presented in AMO/AMRC's proposal for a Provincial Integrated Waste Strategy³⁴ lays out what municipalities feel industry should

³¹ Association of Municipalities of Ontario, (2006). AMO/AMRC Position Paper on Improving the Efficiency of the Blue Box Program, August, 2006

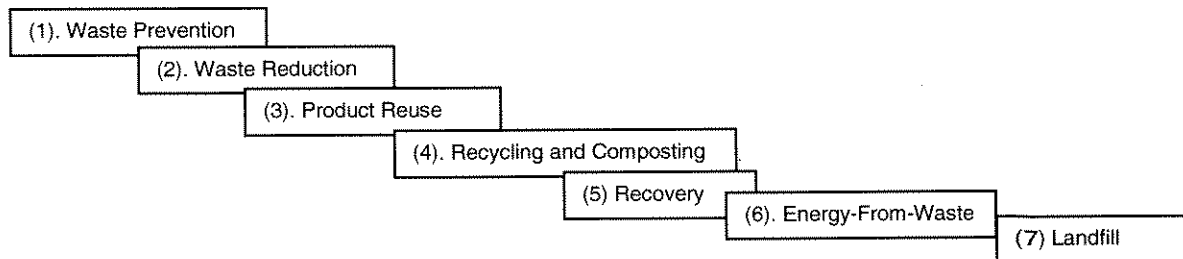
³² Ostrom, Mary Anne, (2006). [Styrofoam containers on way out S.F., OAKLAND TO BAN PLASTIC AT EATERIES.](#) Mercury News, Dec 21, 2006

³³ Health Canada, (2004). [Canadian Food and Drug Act, Food Packaging Regulations](#), http://www.hc-sc.gc.ca/fn-an/securit/package-emball/index_e.html (Last Updated: Oct 1, 2004),

³⁴ Association of Municipalities of Ontario and Association of Municipal Recycling Coordinators, (2005). *AMO's Proposal for a Provincial Integrated Waste Strategy* – December 2005

be seriously taking into consideration during product design (**figure 7**). Industries that have products with end-of-life cycles that align with higher levels of the waste hierarchy (i.e. waste prevention, reduction etc.), should be rewarded for their efforts. Conversely, disincentives should be in place for those producers whose products only option is landfill.

Figure 7: AMO/AMRC's Waste Management Hierarchy



Municipalities recognize that part of the private sector's success is its ability to stay competitive through continual product innovation. In order for Ontario to have a successful Blue Box program, it is vital that industry works together with municipalities to design CPPP to fit existing municipal Blue Box infrastructure. Otherwise industry should be prepared to take financial responsibility for the cost implications of new or modified CPPP to municipal waste management systems.

6.1 Recommendation #5a:

AMO/AMRC recommends that the Ontario government, as a first step, encourage stewards to employ better end-of-life considerations in product design. Incentives should be in place for Stewards who demonstrate use of:

- i.) End of product design to align with higher levels of AMO/AMRC Waste Management Hierarchy
- ii.) Selection of materials that can be easily collected and processed using existing municipal infrastructure
- iii.) Recyclable materials that have well-developed domestic markets and generate higher revenue value

6.2 Recommendation #5b:

AMO/AMRC recommends that any new CPPP designs introduced into the market are accompanied by a Ministry approved recyclability plan that outlines how to best collect, process and market for that material within the existing programs.

6.3 Recommendation #5c:

AMO/AMRC recommends that industry be fully responsible for the cost implications of any new packaging introduced into the Ontario market that does not fit within existing municipal infrastructure. This would include capital costs to retrofit collection vehicles, public drop offs and material recycling facilities.

7.0 The Need for National Packaging Legislation in Canada

Industry has voiced the argument that product design considerations are decided at the corporate level elsewhere in the world and that Ontario legislation and market demand play a very small part in driving industry change. In fact, the opposite is proving to be true. As global trade and the emergence of multi-national companies has become increasingly common, shareholders have forced publicly traded companies to demonstrate levels of environmental awareness which exceed the minimum regulatory requirements of many of the countries in which they operate³⁵.

Moreover, countries in Europe are working toward national strategies that successfully mandate product packaging to align with national sustainable waste reduction plans. Countries like Sweden and the Netherlands have developed different packaging agreements such as the 'Packaging Covenant'³⁶ and National Packaging Legislation³⁷. Other countries like the United Kingdom³⁸ are quickly following suit to develop and commit to national strategies on waste.

The Dutch Packaging Covenant contains agreements between the Minister, local authorities and industry about packaging and waste. This agreement consists of the integration packaging covenant, the sub-covenant producers/importers, the sub-covenant on litter and five sub-covenants on material recycling for paper and cardboard, glass, metals, plastics and wood respectively³⁹.

Sweden has had legislation on producer responsibility since 1994. Outlined in Chapter 15 of their Environmental Code, this legislation identifies importers, manufacturers and distributors of goods, responsible for packaging, waste paper, and tires. As the legislation currently stands, statutory producer responsibility means that any person who manufactures, imports, or places a product on the Swedish market bears the responsibility for the entire cost of maintaining a national collection system⁴⁰.

³⁵ Schueth, Steve, (2003). Socially Responsible Investing in the United States, Journal of Business Ethics, Springer Netherlands, Volume 43, Number 3 / March, 2003.

³⁶ Netherlands Ministry of Housing, Spatial Planning and the Environment, (2005). The Dutch Packaging Covenant, Bulletin of Acts and Decrees 2005, <http://international.vrom.nl/docs/internationaal/engeslevertalingamvb.pdf>, March 24 2005

³⁷ Swedish Environmental Code, (1999): Chapter 15 sections 6 and 7

³⁸ Green Alliance, (2006). A Zero Waste UK, Institute for Public Policy Research and Green Alliance, October, 2006.

³⁹ Netherlands Ministry of Housing, Spatial Planning and the Environment, (2005). The Dutch Packaging Covenant, Bulletin of Acts and Decrees 2005, <http://international.vrom.nl/docs/internationaal/engeslevertalingamvb.pdf>, March 24 2005.

⁴⁰ Swedish Environmental Code, (1999): Chapter 15 sections 6 and 7, <http://www.sweden.gov.se/content/1/c6/02/28/47/385ef12a.pdf> Site last updated October 6, 2006.

Compliance has been very high in these countries, as the legislation is seen by producers as their corporate responsibility. This creates goodwill with their customers, adds competitive advantage between firms, benefits the environment, and can be used in marketing the company as a progressive leader in waste management issues. The objectives of EPR in both countries have been largely obtained in both environmental and economical realms. Surely if countries like Sweden, with a population of just 9 million, can achieve strong compliance from industry, Ontario, with a population of over 12 million, can accomplish the same objectives.

Canada, as the Secretariat to the ISO 14000 family of environmental industry standards, should take the leadership role in promoting environmentally responsible products and product packaging design. The federal government should ensure that any industry doing business within Canada adheres to packaging design regulations that mitigate what goes to our landfills.

7.1 Recommendation #6:

AMO/AMRC recommends the Province strongly advocate for the federal government to work toward establishing a national plan that legislates product packaging to incorporate the concepts of reduction, reusability and recyclability with clear and definable targets. This could be achieved by recommending that the federal government consider the AMO/AMRC Integrated Waste Management Hierarchy, proposed in the AMO/AMRC *Proposal for a Provincial Integrated Waste Strategy*⁴¹.

In addition, the Province could follow the lead of our European counterparts and:

- i.) Standardize the use of plastic resins for specific packaging applications, (i.e. using constant resins for all produce clam shell packaging.
- ii.) Develop financial drivers that encourage industry to reduce the use of multi-laminate products for residential use.
- iii.) Encourage industry to use materials that are most cost effective to collect and manage at recycling facilities.

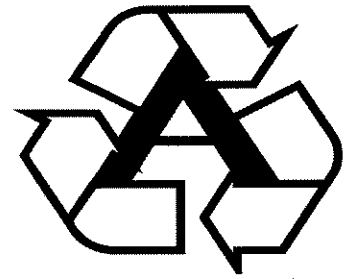
8.0 Concluding Remarks

'Necessity is the mother of invention'. This statement aptly fits our current situation in regards to creating solutions to waste management dilemmas. The Blue Box Program Plan helped initiate EPR from industry; however it has become apparent that stronger motivation needs to be given to industry. A new funding mechanism is needed to more strongly encourage EPR from industry and assist municipalities to reach best practices. Recycling markets need to be strengthened to make collecting various materials more cost-effective for municipalities. As well, industry must commit to including at least 25% recycled content in their packaging where possible. Along with all of this, the Province needs to advocate for a national plan that legislates product packaging to incorporate the concepts of reduction, reusability and recyclability with clear and definable targets.

⁴¹ Association of Municipalities of Ontario and Association of Municipal Recycling Co-ordinators (2005). AMO's Proposal for a Integrated Provincial Waste Strategy – December 2005

End-of-life management and disposal of an industry-generated problem should not be laid at the door step of municipalities and the Ontario taxpayer to deal with. When stewards make better product design decisions that effectively meet the waste diversion objectives, all stakeholders will benefit from reduced costs and a cleaner environment.

AMO/AMRC and their affiliates are eager to work with the Ontario government to promote stronger EPR by providing our recommendations on regulatory policies that work toward achieving stronger recycling throughout the province.



APPENDIX C

AMO's Proposal for a Provincial Integrated Waste Strategy

December 2005

This position paper has been prepared by members of the Waste Management Task Force of the Association of Municipalities of Ontario (AMO) and the Association of Municipal Recycling Coordinators (AMRC).

Executive Summary

Ontario is currently in the midst of a waste disposal crisis. Ontario is beset by the combined pressures of a growing population, a lack of landfill capacity, and a lack of other options as a result of current legislative realities. Our citizens need new solutions for waste disposal and they need these solutions quickly. Implementing these solutions will demand both the Province (with constitutional responsibility for the environment) and municipalities (assigned responsibilities for waste) act decisively and intelligently. AMO believes that adopting and implementing an integrated waste strategy is an important and necessary step to a future Ontario that is recognized as a leader in waste management, resource use, and energy creation – all of which will ensure the Province maintains a strong economy and a healthy environment.

AMO believes the Province must immediately implement an integrated waste management strategy that incorporates the following:

- Financial incentives and penalties (including charges, subsidies and deposit-return systems where applicable) to encourage industry to reduce, reuse, recycle, and recover products
- Immediately develop a simplified Class EA System for waste management options that allows for a ranking of new alternative waste management technologies
- Establish waste-related research and development capabilities in the 2006 Budget where both the public and private sector tackle a shared problem
- Support for reduction and reuse initiatives via eco-labelling, procurement, outreach and education programs
- Develop and implement a plan for the Province's 60% waste diversion target, including a critically urgent funding program for the facilities needed to manage organic waste
- Work with all municipalities to establish long term, viable, progressive solutions to the 40% of waste in the stream that requires management
- Reinstate waste management facilities as an eligible service under the *Development Charges Act* so that growing communities can help recover the costs of new facilities required as a result of an increased population base
- Empower Waste Diversion Ontario (WDO) by ensuring that it has sustainable funding, full authority to develop diversion programs and the necessary policy and approval support from the Minister of the Environment
- Amend its current regulatory environment as set out in the guidelines governing energy from waste facilities, the *Environmental Assessment Act*, and the *Waste Diversion Act*
- Utilize residual waste to produce energy.

1.0 Introduction

Ontario is currently in the midst of a waste disposal crisis. While many items could be factors for this crisis – assigning blame will not help us find solutions to this complex matter.

Moreover, while municipalities have been assigned the responsibility for waste management, the Province has the leading role to play in the approvals process as well as in drafting policy statements and legislation to support waste diversion, waste infrastructure, cost recovery, product stewardship, and other related issues.

Ontarians are counting on the provincial government to be a part of the collective, progressive and environmentally sound solutions to the waste management crisis in the province. These solutions must be effective and affordable, and they must also protect the natural environment that all Ontarians treasure. Ultimately, stewardship efforts will also enable Ontario industries to gain a competitive advantage over their rivals due to gains in efficiency and new methods of production that contribute to waste reduction.

The following sets out an integrated framework for policy and legislative tools that AMO believes the Province should implement as soon as possible. The impending closure of local landfills and international destinations to waste shipments from Ontario municipalities provides a great incentive to develop a waste system solution that is neither piecemeal nor temporary, but one that will serve all Ontarians for many years to come. Only a long-term comprehensive policy and program can achieve results that Ontarians need, and that they expect.

2.0 Developing an Integrated Waste Management Strategy

Significant amounts of waste are generated from manufacturing, commerce, construction and demolition processes. The actual waste quantity generated at the end of a product's life is a small fraction of the materials used to process and transport the product throughout its life cycle. Vast tonnes of products find their way into landfills before they reach the end of their usefulness.

Waste management practices have environmental impacts, such as the air emissions from collection vehicles, and the wastewater generated from material processing plants. There are also social and economic impacts. Any consideration given to a waste management option must include these known impacts and possible implications using a life cycle analysis.

Ontario must develop an integrated waste management system that will see the province prosper while reducing harm to the environment and preserving resources for future generations. The system should be underpinned by the following principles:

1. Waste policies and programs must be evaluated according to a *Triple Bottom Line* approach that considers the financial, social, and environmental impact of a given initiative.
2. Sustainable waste management is a responsibility shared by industry, consumers, as well as federal, provincial, and municipal governments.
3. New waste diversion, management, and product regulation programs must follow a waste hierarchy, where integration is a common thread (detailed in the next section).

2.1 Triple Bottom Line Approach

In its broadest sense, the triple bottom line concept captures the spectrum of values that organizations must embrace – economic, environmental and social. In practical terms, triple bottom line means expanding the traditional working framework to use financial outcomes as well as environmental and social performance. The decisions that result will:

- Lead to greater physical, cultural and financial access and equity in service delivery and activities
- Use fewer natural resources
- Promote and maintain economic development and growth in a sustainable manner.

For example, the triple bottom line approach can incorporate standards and guidelines to ensure that the use of offshore recycling facilities follows acceptable social and environmental practices or to assess the other environmental impacts of a given waste management practice beyond waste diversion.

2.2 Sustainable Waste Management

Our current rates of resource consumption and pollution are unsustainable because they exceed the rates at which resources can be regenerated and wastes assimilated by the earth's natural systems. Sustainability requires new ways of thinking to achieve significant changes in production and consumption systems. Sustainability must address social issues such as access and equity along with economic and environmental sustainability—the triple bottom line. Key strategies for sustainability include improvements in eco-efficiency and the closing of material and waste cycles. These approaches must avoid, eliminate, prevent, or significantly reduce the causes of waste.

2.3 An Integrated Waste Management Hierarchy

In many jurisdictions, a waste management hierarchy has been taken as a key element in waste management policy. For example, since the EU's Waste Framework Directive of 1975, member states have all developed similar plans. The hierarchy is widely applied as a guiding principle. The hierarchy implies that waste, depending on its characteristics, should be handled by different methods: prevention by either reducing the content of waste or by reusing the waste is the ideal, followed by conversion into secondary raw materials (some parts can be composted and others used as a source of energy), and the remaining residual waste will likely continue to be landfilled. It is notoriously difficult to compare waste statistics, especially the one most commonly used to measure success: diversion. However, it is generally accepted that jurisdictions with an integrated plan such as those in Europe and the best Canadian example, Nova Scotia, are more successful in diverting waste from landfill, reducing costs to governments, creating new economic opportunities, and preserving the natural environment.

A hierarchy or ladder of waste management priorities such as the following:

1. Prevention (reduction of what enters waste stream)
2. Enhanced Design for Reduction or Reuse
3. Product Reuse
4. Material Recycling and Composting
5. Resource Recovery
6. Disposal via an Energy-from-Waste Facility
7. Disposal via Landfill

2.3.1 Prevention

Waste prevention is the practice of designing, manufacturing, purchasing, or using materials (such as products and packaging) in ways that reduce the amount of trash created. Prevention is the preferred option because it avoids impacts across the entire product life cycle. Industries that create these products need to significantly improve resource use efficiency. Preventing waste can also result in economic savings for communities, businesses, schools, and individual consumers. Waste prevention can be implemented through:

- Voluntary initiatives by producers to maximize their resource use;
- Financial policies that both reward efficient and penalize inefficient activities;
- User fees or some similar cost-recovery mechanism, and/or
- Legislated standards that mandate a certain level of basic efficiency.

2.3.2 Enhanced Design

Source reduction also conserves resources and reduces pollution, including greenhouse gases that contribute to global warming. When businesses manufacture their products with less packaging, they are buying fewer raw materials. A decrease in manufacturing costs can mean a larger profit margin, with savings that can be passed on to the consumer. Consumers will also enjoy additional savings as a result of decreased waste disposal costs.

The Province has a leadership role to play by use of legislation that requires certain levels of resource efficiency as well as the ability to create supportive economic policy. The Province must ensure that these producers pay the real costs of the impact of these products in the municipal waste management system by penalizing them for producing a product that can only be landfilled. This penalty is above and beyond the costs of collection as currently envisioned by the *Waste Diversion Act (WDA)*.

2.3.3 Product Reuse

Reusing items is another way to reduce waste at the source because it delays or avoids that item's entry in the waste collection and disposal system. Reuse can help reduce waste collection, processing and disposal costs, because it avoids the costs of recycling, municipal composting, landfilling, and other processing facilities. Ultimately, less material will need to be recycled or sent to landfills or alternative waste processing facilities. The Province needs to take the lead in encouraging reuse initiatives through appropriate policy and regulatory changes to require a product design and/or deposit-return systems conducive to reuse. For example, Brewers Retail is an excellent example of good stewardship and their refilling model could readily be extended to other products. In addition, the deposit-return concept can also be applied to other products beyond containers, keeping in mind they meet the other criteria in terms of the triple bottom line.

2.3.4 Material Recycling and Composting

Material recovery, or recycling, is a series of activities that includes collecting recyclable materials that would otherwise be considered waste, sorting and processing recyclables into raw materials such as fibres, and using those raw materials in the manufacture of new products or in other processes. Recycling programs, such as those designated under the *Waste Diversion Act (WDA)*, should aim to minimize waste through closed cycles that maximize the environmental and economic value of materials, as outlined below.

Collecting and processing secondary materials, manufacturing recycled-content products, and then purchasing recycled products creates a closed cycle that ensures the overall success and value of recycling. The Province can not only promote buying recycled products through its own purchasing programs and guidelines, but it can also legislatively require industry and consumers to do the

same in terms of how much recycled material they are allowed to utilize in their products. As consumers demand more environmentally sound products, manufacturers will continue to meet that demand by producing high-quality recycled products. Many firms have found that similar requirements in European jurisdictions have enabled them to save money and gain a competitive advantage by producing a better end product. Currently, a lack of local markets results in some products being exported to various parts of the developing world – which may not have the necessary environmental and labour safeguards in place. Industry must develop local markets to responsibly deal with their products and/or work with the Province to develop standards to ensure the countries that currently accept recyclables from Ontario, process them in a socially and environmentally responsible manner.

Similarly, the Province can support the use and marketing of compost via regulatory improvements and procurement policies. This can include traditional compost facilities as well as biodigesters. Biodigesters can productively process manure, biosolids, septage, and household organic waste. The end products include methane gas that can be converted into electricity, liquid ethanol, and compost. Biodigesters and other combined heat and power units that use anaerobic digestion technology can make a positive contribution to a national renewable energy strategy by providing distributed, electricity baseload capacity (7/24 operation) or peak demand supply, while remediating key environmental problems including odours and greenhouse gases. The Province now has the benefit of being able to examine a working model developed by Agriculture Canada in Lucan, Ontario.

2.3.5 Resource Recovery

Another vehicle to address the energy crisis is the utilization of materials that can currently provide no higher purpose other than landfill. Energy-from-waste (EFW) facilities (pyrolysis and gasification may also provide a future role) not only have the advantage of producing energy from waste but they also have environmental advantages over more traditional waste management methods such as landfilling. A major environmental advantage is that it avoids methane production – the most dangerous greenhouse gas. Another major advantage is that it produces “green” energy, which can also generate credits for sale under the Kyoto Protocol’s emission credit trading program. AMO believes that EFW facilities are a valid option for the 40% of waste that cannot be reduced, reused, or recycled.

Selection of recovery options should consider environmental impacts that may include greenhouse gas generation, water consumption and waterborne wastes. Social and economic impacts also need to be considered. Overall, the alternative conversion technology should consider the net effects relative not only to the alternative technologies, but also to avoided use of energy generated through other technologies. In other words, considered technologies should be credited

with avoiding the need for new energy generation facilities and the environmental impacts of those facilities. These technologies can be a productive part of Ontario's new energy mix by moving away from harmful production processes. Energy recovery facilities should be as efficient as possible and the recovery of energy should create a net conservation of resources and a reduction of pollutants, without producing a net increase in health risks.

The Province must amend its regulatory and approvals process to support the production of alternative fuels from mixed waste. For example, biofuels created from dried paper and food waste, and process engineered fuel created from dried plastic and paper waste, can both help prevent waste from going to landfill, while producing useful electricity and improving the bottom lines of firms that produce it. The MOE should classify such alternative fuels as products and allow them to replace fossil fuels in industrial applications, provided they can meet defined emissions criteria.

In addition to bio-based technologies, facilities that currently use coal to fire their industrial processes, such as cement kilns and coal-fired electricity plants, may also be retrofitted to process materials such as orphan (non-recyclable) tires and other solid waste that cannot be reused or recycled due to contamination or technological limitations.

Ontario is also being faced with an energy crisis. With growth and increased pressures to manage our solid waste also comes the need for additional energy. There is a commonality here that needs further consideration and action. The waste of today, and that produced in the future, can be put to a higher and more valuable use – it can produce energy. While many of these facilities are small they are financially viable (even irrespective of existing economic externalities) and must be promoted for their contribution to energy generation, waste management, economic development, and environmental stewardship.

While energy recovery should only be used for materials that have no higher end use than to be converted to energy, there is a role for these facilities in a viable integrated waste management strategy. Indeed, these facilities are not the inefficient plants of yesteryear, but are cleaner than most current industrial processes. The dioxin contribution from most facilities is now less than 2 grams/year. Industrial production methods such as those used by iron, steel, non-ferrous metals production and power generation dwarf this contribution. Moreover, while electricity-only generation has much to commend it, converting waste to energy offers the benefit of resource conservation by virtue of its enhanced overall efficiency and reduced greenhouse gas emissions.

It is evident in the European experience that the use of energy from waste facilities has not inhibited either recycling or composting programs. Similar expectations can be relied upon here as we would support the same type of approach in Ontario. Ontario can learn from this by adopting similar policies and

reducing reliance on less sustainable landfill alternatives and/or exporting waste with its associated harmful environmental impacts. The stakeholders in the waste industry need to have an open and progressive dialogue on these issues to move forward. The Province must amend the *Waste Diversion Act* (WDA) and current regulations that forbid the development of energy-from-waste facilities.

2.3.6 Disposal Via Landfill

While landfills are generally recognized as the least desirable method of dealing with solid waste, they are also expected to continue to be a part of many waste management systems in the foreseeable future. The Province must amend the current approval process to enable willing municipalities to site and construct landfills.

3.0 Getting Buy-in from the Public and Stakeholders

For this new framework to operate successfully, all the major stakeholders with an interest in waste must focus their attention across all levels and not just on those that appear easy or commercially relevant over the short term. To make certain that this strategy receives widespread and deep support among all stakeholders across the Province, it should abide by the following general tenets when making recommendations regarding facility type and siting:

1. **Conservation:** All mechanisms should strive to maximize resource use and minimize impact on the natural world. This will impact the program options mentioned above, potential sites for new facilities, as well as how these programs and facilities function. The on-site integration of functions, such as processing industrial waste from a neighbouring facility or heat/energy production from waste, should be enhanced wherever possible.
2. **Equity:** The implemented framework must ensure equal access to resources as well as an equitable sharing of responsibility for waste management across sectors. Thus, while we believe the manufacturers or end retailers should ultimately be responsible for their product, we understand that there is a role for the municipal and private waste management sectors as well as individual consumers in the overall process.
3. **Choice:** It is important to find willing host communities for new waste management facilities. At a local level, citizens must have an opportunity to be meaningfully involved in the planning process from start to finish.
4. **Collaboration:** Waste management is a shared responsibility. Thus, workable solutions will require both orders of government and all stakeholders involved in waste generation and management to be partners in developing new programs.

The residents of Ontario need to be informed about the evolving approaches to resource conservation and producer/consumer responsibility in waste management. The Province will need to take the lead in dispelling widely-held myths by educating Ontarians, and can also help dispel misgivings by involving citizens in the preparation of new policies and programs.

4.0 Implementation

A large set of policy instruments should be available to promote the waste management hierarchy. These should include economic, legislative, social and institutional instruments.

4.1 *Economic Instruments*

Economic instruments have the shared characteristic of providing incentives to economic agents to act in a more environmentally sound manner. Economic instruments alter the value of some elements of the waste process, allowing decisions to be made that reflect the full social cost of the particular activity. This approach can be described as internalizing the external costs and benefits associated with the waste process. Such instruments can include the following:

1. **Charges and fees** that make polluting and waste generating behaviour more expensive. Charges can be levied at various stages of the waste process and include: product charges, collection charges, disposal charges and emissions charges. For example, many European jurisdictions have imposed fees on waste, which is differentiated so that it is most expensive to landfill waste, cheaper to recover energy from it and tax exempt to recycle it. They also have "green" charges on products they wish to discourage such as plastic bags, disposable tableware and nickel-cadmium batteries. The Province has the opportunity to develop a similar "feebate" system here in Ontario that creates an industry-funded mechanism that rewards efficiency and penalizes inefficiency. The Province also has an opportunity to revisit the plan promoted by the Ontario Tire Stewardship (OTS) as approved by the WDO in order to implement an environmental user fee to support the proper disposal of waste (non-recyclable) tires. The Province can also encourage more municipalities to implement user-fee programs as incentives for households to reduce their production of non-recyclable waste.
2. **Subsidies and other types of financial support** such as tax reductions that make environmental-friendly behaviour cheaper. For example, many jurisdictions reward waste prevention and recycling. In Europe, there are many subsidy programs for technological improvements in waste processing facilities and for the development of waste management infrastructure in general. The Province should assess industry standards for

packaging to reduce waste at its source as a first step. It can then examine other industry standards and make the necessary adjustments in financial legislation.

3. **Deposit-refund systems**, in which a deposit for a potential waste product is paid by the purchaser, who can claim a refund for the return of the product. In this way the product retains a value, even if it has become useless to the economic agent that bought it, thereby preventing uncontrolled dumping. While Brewers Retail has operated a tremendously successful deposit-return scheme since 1927, no other industries have stepped forward to fulfill the requirements of extended producer responsibility (EPR) by implementing a similar system. The Province has an opportunity through the beverage industry, including the Liquor Control Board of Ontario (LCBO), to introduce a deposit-return system utilizing the environment fee that is already imposed on the sale of each container. Moreover, deposit-return should be extended to other consumer products such as electronics and automobiles as previously mentioned.

Such economic instruments are flexible mechanisms that create awareness and can yield substantial cost savings by allowing polluters to determine the most appropriate ways of meeting a given standard, they offer an ongoing incentive to reduce pollution below the levels determined by regulations, and they are justifiable under the polluter-pays principle.

In summary, the Province should create a timeline for industry to adopt changes necessary to reduce, reuse, and recycle waste by utilizing economic instruments. This could occur by utilizing the following:

- A short period of provincially-funded financial incentives for industry to reuse and recycle products and/or a relevant regulatory requirement followed by a disincentive policy of financial penalties for industry that creates products that are not reusable or recyclable
- A similar continuum of incentives followed by disincentives for industry to reduce the amount of non-recyclable material in their products and/or packaging
- A stimulus package for local industry to develop innovative production methods and disposal options for their products and packaging
- A package of similar incentives and disincentives for consumers/citizens.

4.2 Regulatory Instruments

Regulatory instruments, whether emission or design standards, provide a significant degree of predictability for all stakeholders. AMO asks the Province to amend its current regulatory environment as set out in the guidelines governing

energy from waste facilities, the *Environmental Assessment Act*, and the *Waste Diversion Act*. The Province will also need to develop regulatory requirements to promote reduction, reuse, and recycling. An inter-ministerial approach will be necessary to create a manageably streamlined approvals and regulatory process for new technologies such as biodigestion, which may produce a wide range of end products including energy, ethanol, compost, and wastewater.

For example, the Province should approve of and implement environmental fees dedicated to encouraging diversion, such as that in the WDO-approved Scrap Tire Diversion Program Plan. Similarly, Section 25(2) of the *Waste Diversion Act* must be amended to enable materials to be converted into energy, such as (non-recyclable) tires being used to fuel coal-fired cement plants as in many jurisdictions in the United States. Such a change would require amendments to supportive documents such as Guidelines A-6 and A-7 on energy from waste facilities as well as to Certificates of Approval for coal plants and other interested industries. Other regulatory changes that serve the greater public interest include those enabling industries to use closed-loop production processes that power part or all of production by converting their waste products into energy and/or heat. Even if we can meet the 60% Diversion goal, there will continue to be 40% of waste in the stream that will need management. The Province has the benefit of being able to utilize numerous working models of such regulations, such as the EU Waste Incineration Directive standards, to ensure any new waste management mechanisms are low risk, environmentally benign, and cost-effective.

4.3 Improving Environmental Assessment

AMO has commented extensively to the government's Environmental Assessment Advisory Panel's Report. In addition, the Province has a very useful report from the Waste Sub-Panel as part of the EA review process initiated in the spring of this year.

Unfortunately, the current regulatory environment, as set out in the legislation, regulations and guidelines, which governs the assessment and issuance of approvals for waste management undertakings, is excessively long, confusing, and in some instances discriminatorily expensive. For example, it took the Region of Halton 10 years and over \$8 million dollars, and Ottawa Valley unsuccessfully invested \$3.3 million over 15 years, to manoeuvre through the labyrinth of the environmental assessment process. The time and expense of this process on the property tax dollar can no longer be justified or sustained, and must be significantly modified without delay. The combination of this onerous legislative-regulatory process and cost with the serious limitations in the availability of disposal facilities in Ontario is potentially disastrous. The EA process must be streamlined to become timelier and less financially onerous.

4.4 Sustaining the WDO

Another area where the Province can provide leadership is through Waste Diversion Ontario (WDO). The Minister of the Environment is empowered under the *Waste Diversion Act* to designate materials for diversion, requests additional work to be done by the WDO, order new activities and request revisions to WDO approved documents, determine the composition of the WDO Board and the IFO Board of Directors, approve the fee structure for stewards, and has the power to make any regulation.

WDO has coordinated the preparation of two diversion plans: the Blue Box Program Plan (BBPP) and the Used Tire Plan. It is in the process of co-ordinating the Waste Electronic and Electrical Equipment (WEEE) Plan and is trying to resolve the stalemate around the Used Oil Plan. The WDO was envisioned as an independent and self-reliant body that derived its administrative funds from industry organizations with approved waste diversion plans. Unfortunately, to date, only the BBPP has been approved and the industry funding organization for the BBPP, Stewardship Ontario, is solely paying those fees.

Municipalities have been very committed to the development of new diversion plans but have been hamstrung by the lack of assuredness in the WDO development process. We are concerned how this might impact the development of the electronic waste plan and other impending plans for materials that need to be diverted to meet the Province's admirable 60% diversion goal.

Permitting the WDO to fail will have grave consequences for the Province and municipalities. As the pressure mounts to find solutions for waste disposal, the need for diversion of materials becomes critical. The current designation of Blue Box waste actually creates a disincentive for companies to increase the recyclability of their packaging and unfairly targets companies with a high percentage of recyclable packaging. This can be addressed by designating non-recyclable packaging as well and requiring these industries to pay for the cost of municipal waste collection and disposal.

4.5 60% Diversion

AMO supports the Province's plan to see 60% of waste diverted. However, we are doubtful that this can be achieved by the targeted timeline of 2008 due to the lack of existing infrastructure or an implementation plan. The Province must develop and implement a plan for the 60% waste diversion target, including a funding program for the facilities needed to manage organic waste.

4.6 *Remaining Materials yet to be Diverted*

By establishing a province-wide framework, the Province will set the bar in terms of what is expected – including targets such as the 60% waste diversion and newly designated waste materials. Yet, a number of substantive issues must be resolved to achieve this mandate, not least of which is the availability of funding to meet infrastructure needs for certain diversion materials. The other aspect to achieving this goal is the designation and plan development under the *WDA* for materials in the waste stream such as household hazardous waste and organics. It is also unquestionably important to complete and approve the plans for those already designated materials including electronics and tires. Thus, the Province needs to form aggressive diversion plans that include timelines and measurable goals for materials such as organics, household hazardous waste, non-recyclable packaging, disposable products (e.g. diapers), fast food and convenience food packaging.

4.7 *Communication & Education*

In terms of communicative instruments, Ontario municipalities have been leaders in developing and providing education and information initiatives but have not been adequately supported by other mechanisms such as eco-labelling. Eco-labelling is a visible and affordable way of the government communicating to consumers which firms are producing products that seek to maximize resource use and minimize waste. The Province needs to develop an eco-labelling program such as those that have been successfully developed in Europe for packaging and other products. The Province also has the ability to support municipal waste reduction, reuse, and recycling campaigns.

4.8 *Research & Innovative Approaches*

Without research and demonstration projects supported by the government, the potentially large number of alternative uses for recycled materials is unlikely to become economical in the foreseeable future. The Province should re-establish the capacity that used to exist within the Ministry of the Environment for conducting research – such as that needed on the Life Cycle and Cost Benefit Analyses of various products targeted for designation under the *WDA* or slated for a product redesign. The 2006 Budget should contain provisions to reinstall this capacity in a timely manner to cope with the problems we are facing today. Certain municipalities could also benefit from provincial analyses of new alternative waste management technologies under an improved MOE research and development capacity. Finally, the Province has an opportunity to increase the market for reused and recycled goods by ensuring that their procurement procedures are geared to maximize the use of such goods and that the taxation system also rewards firms that do the same.

4.9 *The Financial Dilemma*

The Province should step forward with a funding strategy for the new waste management facilities that are required in most areas of Ontario. As a minimum, the Province should reinstate waste management facilities as an eligible service under the *Development Charges Act* so that growing communities can recover the costs of new facilities required as a result of an increased population base. This of course does not help rural and remote communities, which will require some financial assistance to meet their waste management needs.

5.0 Conclusion

Despite progress in diverting waste from landfill sites through reducing, recycling and composting, Ontario is beset by the combined pressures of a growing population, a lack of landfill capacity, and a lack of other options as a result of current legislative and political realities. We need new solutions for waste disposal and we need them quickly. Implementing these solutions will demand that both municipalities and the Province act boldly and bravely. AMO believes that adopting and implementing the hierarchy and the supportive policies set out in this paper is a necessary first step to making Ontario a recognized leader in integrated waste management, resource use, and energy creation – and will ensure it maintains a strong economy and a pristine environment.