



Coalition for
**Effective Waste Reduction
in Ontario**

SUBMISSION TO ONTARIO MINISTRY OF ENVIRONMENT

Comments Regarding Bill 91 and the Waste Reduction Strategy

September 3rd, 2013

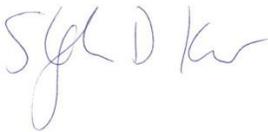
The Coalition for Effective Waste Reduction in Ontario (CEWRO) represents the views of industry associations that, collectively, represent more than 40,000 businesses operating in Ontario. Together we contribute more than \$315 billion and 908,000 jobs to the Ontario economy.

CEWRO came together to develop a joint submission to the Ministry of Environment on Bill 91 and the Waste Reduction Strategy. This submission was developed through a series of meetings held in August, 2013.

Representing obligated brand owners, we would be pleased to meet with the Minister and Ministry staff to discuss this submission in more detail.

Please contact Gary Rygus at Retail Council of Canada (416-922-6678, ext 225 or gyrgus@retailcouncil.org) to arrange a meeting.

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EXECUTIVE SUMMARY

The Coalition for Effective Waste Reduction in Ontario (CEWRO) collectively represents more than 40,000 businesses operating in Ontario. Together we contribute more than \$315 billion and 908,000 jobs to the Ontario economy.

The attached submission summarizes our response to *Bill 91, Waste Reduction Act, 2013*, and the *Waste Reduction Strategy*. It includes comments and positions that are supported by all CEWRO members. Industry-specific comments are addressed in separate submissions.

We applaud the efforts of the Ministry of Environment to move forward with repealing the Waste Diversion Act and to embrace an outcomes oriented framework. However, as currently drafted, Bill 91 presents significant risks for businesses across the Province and, consequently, for the consumers we serve and the long-term health of our economy and environment. The Bill could create unnecessary costs, confusion and complexity, and leads to setbacks, rather than progress, in Ontario's ongoing effort to divert materials from disposal.

These risks are outlined in our submission. We also identify specific changes to Bill 91 and additional options that are available to mitigate risk and ensure the Province moves forward towards producer responsibility and more effective waste reduction programs.

Producer responsibility programs should adhere to several principles. These are detailed in our submission. One key principle is that responsibility for end-of-life management must go hand-in-hand with the autonomy necessary to make decisions and allocate resources in order to get the job done. Producers must be free to leverage competitive market forces so that programs can be created, adapted and delivered efficiently, all within a coherent framework of targets and standards that drive waste reduction, ensure environmental protection, and maintain a level playing field.

Bill 91 is intended to establish a system of individual producer responsibility (IPR) for Ontario. The Bill fails to meet this objective. It would transfer substantial additional costs of end-of-life management to producers, while at the same time locking producers into arbitrary relationships with municipalities that would restrict market operations, impair innovation, and perpetuate the confusion and uncertainty among stakeholders in the current system.

Producers respect and value the critical work of our municipal partners in waste reduction, particularly through the development and operation of Blue Box collection programs. Municipalities will continue to play important roles in waste reduction and we look forward to renewed and robust partnerships. We believe strongly, however, that the flexibility to design these partnerships within an open and competitive market place is essential. The legitimate concerns of municipalities in areas such as continuity of services to residents and environmental protection can be addressed through standards and regulations.

Bill 91 raises a number of additional concerns for CEWRO members:

- Bill 91 would cause confusion regarding the legal responsibilities and liabilities of participants in Ontario's waste reduction programs. The definitions of "producer" and "intermediary" are incomplete and the responsibilities of both entities are unclear. The ownership and control of material at various points in the recovery process is uncertain. All such matters must be clarified to prevent problems and enable smooth program operation.
- Bill 91 would establish a Waste Reduction Authority (WRA) with an unnecessarily broad range of responsibilities. Our members question the need for a new Authority of this kind. Functions such as monitoring and enforcement can be managed directly by the Ministry, in a manner similar to other provinces. Other proposed functions such as the determination of "reasonable costs" should be left to the marketplace. A quasi-government authority as contemplated in Bill 91 would face significant challenges

related to governance, resourcing, cost control and the safeguarding of commercially sensitive information.

- Bill 91 requires integrated pricing. This would eliminate a valuable tool for consumer education, as experience elsewhere has shown that visible fees are a valuable reminder to consumers that the products they buy require proper end of life management. Hidden fees generate artificial inflation as they are marked up through the supply chain, and create potentially costly complexities for companies with national pricing strategies. Wholesalers and retailers should not be legislated to integrate the cost of waste diversion into the cost of products. The flexibility to use visible/transparent fees should be retained.

Our comments regarding the *Waste Reduction Strategy* are summarized as follows:

- The range of materials designated for Blue Box collection should be harmonized across Ontario, and ultimately throughout Canada, to support efficiency and consumer education.
- Disposal bans should be implemented where sustainable alternative diversion options are available.
- The proposed designation of IC&I printed paper and packaging should be reconsidered. Generator-focused 3R's regulations offer a better way to address IC&I waste diversion. Designation of other IC&I materials rather than printed paper and packaging (for instance, construction and demolition waste) would achieve higher IC&I diversion.
- The potential role of municipalities in the collection and processing of IC&I materials should be left to the marketplace. The current language in Bill 91 allowing municipalities the option to collect designated IC&I materials would add further to the confusion and potential conflict among producers, municipal service providers and private sector service providers.
- Energy recovery from waste (EFW) should be recognized as a legitimate diversion option after other options in the "4 Rs" hierarchy are exhausted, as per the CCME (Canadian Council of Ministers of the Environment) EPR (Extended Producer Responsibility) Policy Framework.
- A robust waste flow data tracking system, such as the Municipal Datacall, should be maintained by the Ministry of Environment, to provide the on-going data needed for good policy development.

CEWRO believes that the role of the Government of Ontario in producer responsibility should include setting collection targets for packaging and those materials designated for end of life stewardship which are non-consumable in nature, establishing service standards for accessibility, convenience and public education, and providing monitoring and enforcement functions. Decisions concerning *how* targets are achieved and standards are maintained should be left to the obligated producer. Fees should also be set directly by producers.

A more streamlined Waste Reduction Act, focused on principles of producer responsibility and addressing the concerns highlighted in our submission, could provide a legislative framework to enable the development of appropriate producer responsibility programs across Ontario. Bill 91 already anticipates that many critical issues such as targets and standards will be implemented through Regulations. We share a concern along with other stakeholders regarding the critical need for fair, meaningful and transparent consultations as part of the process of drafting Regulations.

With an effective system of targets and standards in place, and the ability to invest and compete freely, our members look forward to working with the Ministry and other stakeholders to meet our shared waste reduction goals.

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1. Introduction to The Coalition for Effective Waste Reduction in Ontario (CEWRO)

The Coalition for Effective Waste Reduction in Ontario (CEWRO) represents the views of the following 15 industry associations:

Automotive Industries Association of Canada	Croplife Canada	Magazines Canada
Canadian Beverage Association	Canadian Hardware and Housewares Manufacturers Association	Newspapers Canada
Canadian Restaurant and Foodservices Association	Electro-Federation of Canada	Provision Coalition
Canadian Consumer Specialty Products Association	Electronics Product Stewardship Canada	The Rubber Association of Canada
Canadian Paint and Coating Association	Food and Consumer Products of Canada	Retail Council of Canada

A brief description of each industry association is presented in Appendix A.

CEWRO includes the Provision Coalition which represents 11 industry associations, including Food and Consumer Products Canada and the Canadian Beverage Association. Collectively, CEWRO therefore represents 23 industry associations which together represent over 40,000 businesses in Ontario and contribute more than \$315 billion and 908,000 jobs to the Ontario economy.

Bill 91: Waste Reduction Act, 2013

Bill 91: The Waste Reduction Act, 2013, and the Waste Reduction Strategy were introduced by the Ministry of the Environment for public comment on June 6th, 2013. The purpose of this submission is to summarize comments from CEWRO members regarding the proposed Act and Strategy. This submission focuses on comments and positions that are supported by our entire membership. Industry-specific comments are addressed in separate submissions.

As currently written, Bill 91 presents significant risks for businesses, and therefore consumers, across Ontario. There are components of this proposed legislation that would create unnecessary costs, confusion and complexity, and lead to setbacks, rather than progress, in the Province's ongoing effort to divert materials from disposal. In our submission we will outline these risks, and identify the changes to Bill 91 and additional steps that can be taken to mitigate risks and ensure the Province will move forward toward true producer responsibility and improved waste reduction programs.

2. Bill 91 Is Not Consistent With Principles of Producer Responsibility

Ontario's existing extended producer responsibility (EPR) programs for Blue Box materials, Municipal Hazardous and Special Waste (MHSW), Waste Electrical and Electronic Equipment (WEEE) and Used Tires have achieved significant successes in diverting materials from disposal and into productive uses. Details of existing Ontario programs are contained in Appendix B.

CEWRO supports the following principles with respect to producer responsibility programs:

1. **There Should Be A Level Playing Field:** All obligated producers participate in an approved programs (individual or collective) to maintain a level competitive playing field. Where producers have exhausted efforts to deal with free riders¹, the regulator should take appropriate enforcement action. This particularly applies to foreign free riders.
2. **Programs Should Be Harmonized Across Ontario and Canada:** Materials collected by programs should be harmonized across Ontario and across Canadian provinces and territories to achieve economies of scale, program efficiencies, positive environmental outcomes and convenience for consumers.
3. **There should be no cross-subsidization between product categories:** Each product category should be assigned only the costs of managing the specific designated products involved.
4. **Competitive Markets Ensure Operational Efficiencies:** Operational efficiencies are achieved by leveraging competitive markets for services and streamlining administrative and governance processes to ensure financial and human resources are used effectively and efficiently.
5. **Producers Can Meet Their Obligations Either Individually Or Through A Collective:** The program should allow the flexibility for either an industry collective response or individual company responses.
6. **Service Providers Should Be Accountable:** All collectors, transporters, recyclers and processors of end-of-life products – whether municipalities or private companies - must be auditable and accountable to regulators and the public.
7. **Appropriate Standards Must Be Established and Enforced:** All collectors, transporters, recyclers and processors of end-of-life products must demonstrate compliance with international, federal and provincial laws and industry standards.
8. **Programs Need to Lead To Environmental Improvement:** The program's influence on the marketplace should be used to drive proper reuse, responsible recycling, and enhanced resource recovery.

The Producer Should Choose The Service Provider

Bill 91 as currently drafted does not allow producers free choice in choosing a service provider. The Bill states that producers are fully responsible for their products, but entrenches the role of municipalities in managing designated wastes in Ontario, with a requirement for producers to pay municipalities "reasonable costs" for the management of designated materials.

Producers should make their own decisions regarding who to partner with in order to meet designated material management obligations (i.e. collection, processing, diversion, promotion and education, standards, etc.).

In many cases, a producer's decision may be to work with municipalities (particularly for Blue Box programs) as they are often the day-to-day face of waste diversion programs for local residents (through curbside collection programs and drop off depots) and have the necessary infrastructure in place. In these cases partnerships involving producers and municipalities make sense and in the case of Blue Box materials in particular, are likely to be producers' first choice for program design.

¹ Free riders refers to obligated producers who do not participate in the program, thereby increasing the costs or "free riding" on obligated producers who meet their responsibilities

Producers may also choose to work with municipalities for the collection of MHSW, WEEE and used tires, but this choice should be the producer's, in an open marketplace, where the producer assesses the costs and capabilities of service providers. In a free market, municipalities would be permitted to bid for producer business in the same way that other service providers can.

Producers require the freedom to make commercial decisions directly, without being locked arbitrarily into relationships with municipalities as contemplated by Bill 91. This will simply lead to more frustration and discord, perpetuating the years of acrimony producers and municipalities alike have suffered under the Waste Diversion Act (WDA). All stakeholders are in agreement that we need to move away from this acrimony as soon as possible.

Role of the Province

CEWRO believes that the role of the Province in producer responsibility legislation should be to:

- set collection and recovery targets for designated materials (with due consultation regarding materials to be designated and the form targets will take, as well as the timeline for achieving targets);
- establish service standards for accessibility and educational requirements;
- ensure proper monitoring; and
- provide the necessary compliance and enforcement measures.

Decisions concerning how the standards and targets are met are the responsibility of the obligated producer.

The Process for Setting Regulations and Standards Must Involve Significant Consultation and Input from Producers

Bill 91 indicates that several key decisions related to the implementation of the Act, including target setting and standards, will be developed through the regulation development process.

Each of these decisions will have significant implications for businesses and consumers across Ontario, particularly if they are not set correctly. Fundamental outcome considerations related to diversion targets, performance standards and designating new materials must ensure due process and full transparency for all interested stakeholders, including producers.

CEWRO shares a concern along with many other stakeholder interests across Ontario regarding transparency in developing the all-important detailed regulations related to key issues such as targets, standards and material designations. We require greater assurance from the Ontario government that the regulation development process will be highly consultative, transparent and responsive.

Throughout this process it will be important to address Blue Box collection as a distinct form of material recovery and to develop separate regulations for Blue Box materials to those related to other designated materials which currently include MHSW, WEEE and used tires, but we expect that the list of designated materials will expand over time.

3. Part IV of Bill 91: Integrated Pricing

Part IV (sections 51-55) of Bill 91 requires integrated pricing, although it does allow the actual value of waste diversion costs to be shown as a separate item on the sales slip.

While we understand that this Part of the Act was developed to address concerns which arose from the implementation of eco-fees for the Phase 2 MSHW program in July 2010, this provision causes significant problems for some of our members, particularly those with national pricing policies.

The transparency of program costs through visible fees provides an important opportunity to educate consumers about stewardship programs, and therefore encourage participation in diversion programs thereby increasing capture rates and resulting in environmental improvements. Current visible fees across Canada on beverage containers, electronics, tires and other products have found visible fees to be effective in the process of education and awareness.

Where opinion polls have been carried out on visible environmental fees across Canada, they have very high public acceptance, as consumers accept their responsibility to contribute to the cost of end of life management of materials they have purchased. There have been minimal complaints to the Ontario Ministry of Consumer Affairs on the issue of eco fees over the last couple of years.

Transparency of fees allows Ontario businesses to compete on cross-border shopping as such fees are not charged in all US states. In many cases hiding the fees will result in higher retail prices in Ontario compared to the US. This, unfortunately, will further widen the gap between prices in Ontario and the US, and will result in more cross-border and online shopping, costing many Ontario-based jobs and will add further burden to programs who must then pay for out of province end of life product management.

Visible program fees attached to a product must continue to be allowed through the distribution channel so that these fees are not marked up at each point in the supply chain. Where program fees are hidden through the distribution channel, it creates significant artificial inflation for the consumer and makes Ontario businesses uncompetitive.

Transparency in the fees throughout the distribution channel, regardless how they are reported, is fair to Ontario consumers. This transparency and fairness cannot be achieved through integrated pricing.

Integrated pricing presents significant problems for companies with national pricing strategies for the products they sell into the Ontario marketplace. It will require completely separate sets of SKUs just for Ontario adding millions of dollars to the cost of doing business in Ontario. These are non-productive costs, and no one, particularly the Ontario consumer, benefits.

The right for retailers and other producers to display pricing that breaks out the producer responsibility program costs, should they choose to do so, should be preserved in Ontario. Bill 91 should therefore remain silent on all aspects of integrated pricing throughout the supply chain.

4. Part III of Bill 91: Producers and Intermediaries (and the Resulting Municipal Role and Costs)

CEWRO has significant concerns regarding Sections 39 to 45 of Bill 91, which mandates a role for municipalities in waste diversion programs despite the conflict this represents with producer responsibility objectives. The Bill defines intermediaries without providing clarity on key issues such as the ownership of materials.

Producers Require an Open and Competitive Marketplace for Waste Diversion Services

Producers must operate within an open and competitive marketplace in order to deliver cost-effective and environmentally sustainable waste diversion outcomes. Producers should have the right to procure the services necessary to fulfill their producer responsibility obligations. For some materials, particularly those collected through Blue Box programs, municipalities are in a position to help producers divert materials. While it is likely that producers will partner with municipalities for Blue Box material program delivery (as is the case in other EPR jurisdictions), this must be based on producer choice and negotiated commercial agreements. As mentioned previously, there may also be a logical role for municipalities in the collection of other currently designated materials such as MSHW, WEEE and used tires, and possible future designated material additions, but this decision should be made by producers as any other business decision.

When producers are fully responsible for the cost of a diversion program but have no control over key elements of that system (as is proposed under Bill 91) this is not producer responsibility.

Language in Bill 91 that would mandate the municipal role in diversion programs in Ontario should be eliminated.

Responsibility for Blue Box Materials

As currently written, there are two entities responsible for Blue Box material:

- Municipalities who are mandated to have Blue Box programs under Reg. 101/94; and
- Producers who are obligated under Bill 91 (either directly or through “intermediaries”).

This dual responsibility for the same materials will make accountability and liability impossible to establish and must be resolved so that one party is clearly and solely accountable.

CEWRO recommends that should Ontario move to full funding of Blue Box programs by producers, then producers need full control of Blue Box materials. In that case, Regulation 101/94 that mandates Blue Box collection by municipalities with populations over 5,000 in Ontario should be repealed as the regulatory requirement to collect and process these designated materials shifts from Ontario municipalities to producers.

Definition of Producer

The definition of a producer will vary by material type and is not clear in Bill 91, particularly for complex supply chains where a material passes through many hands before reaching the consumer.

A definition of the producer should be included in the Act. However, the definition of a producer should have sufficient flexibility to enable the “definition of producer” to vary by individual regulation. The definition should accommodate further details in the designated material regulation to address the nuances specific to the producer marketplace for each designated material.

Responsibility for Meeting Diversion Targets

Bill 91 defines “intermediaries” and requires that producers and intermediaries have written agreements with each other, with the contents of those agreements spelled out in legislation.

However, the legal responsibility of producers vs. intermediaries for designated material diversion is not clearly defined in Bill 91. Discussions with MOE have confirmed this lack of clarity concerning which entity is responsible for discharging waste diversion obligations.

The Ministry has stated that regulation of intermediaries prevents producers from transferring their responsibilities to intermediaries and then invoking a “due diligence” defense if the intermediary fails to meet the Ministry’s waste service and reduction standards. In written opinions, environmental law experts have stated that Bill 91 affords producers the right to invoke a due diligence defense, regardless whether intermediaries are recognized in the Act. As such, the inclusion of intermediaries in Bill 91 does not achieve the stated objective.

The legislated requirement for service agreements between producers and intermediaries prescribes the basic commercial obligations that would be contained in any arm’s length contract between producers and intermediaries (i.e. services to be performed, compliance with regulatory standards, etc). It seems unnecessary to include this provision in the Act; it would add administrative complexity and overhead for all involved.

Producers should be allowed to choose whether to form collectives and be permitted to establish agreements as appropriate in order to meet their regulatory obligations.

Control of Designated Materials

Bill 91 specifies that the producer is responsible for end of life management of designated materials. The producer generally has control over the material unless responsibility is discharged to an “intermediary” as defined in Bill 91 and mentioned above. Bill 91 is not clear, however, on the control of designated materials when an intermediary is used to discharge producer obligations under the Act.

The issue of control over material is important for Blue Box programs where a few materials (e.g. aluminum) are valuable and relatively easy to “cherry pick” from the Blue Box stream, thereby increasing the program costs for those who remain in the Blue Box system.

Harmonization of Blue Box Materials

The designation of a common set of materials which should be collected in all Blue Box programs across Ontario will support more effective province-wide consumer education and participation in diversion programs, as well as program efficiency. It will also provide better diversion services to Ontario residents.

Harmonization of Programs With Other Provincial Programs Across Canada

Producers struggle with the fact that producer responsibility programs in each province are often different to the program in the neighbouring province and across Canada. CEWRO encourages the Ontario government to initiate a process which would see producer responsibility programs for all materials across Canada harmonized over time.

Transfer of Current Industry Funding Organizations (IFOs) into a New Producer Responsibility Framework

There is a need for cooperation in the transition from current Industry Funding Organizations (IFOs) established under Waste Diversion Ontario (WDO) to new producer responsibility delivery agencies. A cooperative process needs to be established to ensure a smooth transition, with agreed timelines, during which service delivery is not compromised in any way.

5. Part II of Bill 91: Waste Reduction Authority

Bill 91 would establish a new Waste Reduction Authority. Responsibilities assigned to the new Authority would include operation of a registry, enforcement of compliance with targets and standards, establishment of compensation formulas, determination and arbitration on “reasonable costs” paid by producers to municipalities, establishment of Advisory Councils, provision of policy advice to the Minister, and others.

CEWRO questions the need for the new Authority, and has significant concerns on many fronts should the Authority be established, in particular regarding oversight and accountability of the Authority to both industry and the Province.

The responsibilities assigned to the new Authority could be fulfilled by MOE staff, similar to systems in other Canadian provinces, thus eliminating one layer of management and administration for producers.

Should this Authority be established it will assume significant responsibilities that must be discharged in a manner that is efficient, effective, fair and transparent in order to avoid negative consequences for producers, municipalities, service providers, the Province of Ontario, and ultimately, the Ontario consumer.

Specific recommendations regarding the Authority include:

Migration from the Existing WDO: CEWRO has serious concerns that the skill sets needed to run and manage the new Authority are very different to those of the existing WDO staff and management. Should establishment of the Authority proceed, we recommend an entirely new effort to build an organization with the right staff skill sets and the right Board, rather than transition from the existing WDO.

Confidentiality of Business Information Submitted to the Authority: Under Bill 91, producers are required to submit confidential business information on annual sales into the Province of Ontario to the Waste Reduction Authority. CEWRO is very concerned about the lack of safeguards to protect confidential and commercially-sensitive information that will be required of registered producers, both from public access under Freedom of Information legislation as well as access by competitors. For this reason, we suggest that confidential sales data and other information of a commercial nature should be managed by a third-party accounting company experienced in handling confidential information.

Confidentiality of Business Information For Sectors With A Small Number of Producers: Allowances need to be made for establishing annual or quarterly collection targets for designated non-consumable products when there are only a few suppliers. In such situations, the disclosure of total sales, percentage targets for collection etc. may disclose significant confidential business information, even if the data is handled by a third-party accounting firm. Therefore care must be exercised to protect confidential business information before the establishment and publication of such targets.

Waste Reduction Authority Board Composition: The Board of the new Authority needs to be skills-based, professional, unbiased, independent, well-trained, and comprised of individuals with various business backgrounds. Many members of the current WDO Board have academic backgrounds; many lack the skill sets needed to provide governance for an Authority with responsibility for data management (including confidential data), arbitration/mediation and enforcement. An entirely new skills-based Board, with significant business (not academic) experience, would be required. Selection of suitable Board members will require significant consultation on appropriate Board composition.

Scope of Authority: Bill 91 as currently drafted tasks the Waste Reduction Authority with significant investigation, enforcement and adjudication responsibilities. The Authority is also expected to provide policy advice to the Minister. Proper enforcement is the essential function within a producer responsibility framework. Other functions that compromise this requirement — including policy advice in this case — should be removed.

Penalties for Non-Compliance: Bill 91 specifies penalties for producers of up to \$100,000 per occurrence. These penalties are out of proportion with the nature of the offence and should be re-considered when the wording of the Act is revised.

Arbitration to Define “Reasonable Costs” for Municipal Involvement: We have serious concerns that an arbitration system such as that being proposed will be biased against producer interests and will simply perpetuate the conflict between producers and municipalities. The best place to arbitrate value and costs, and to ensure “best value” for waste reduction services is an open market place, not a new enforcement bureaucracy. We do not consider defining reasonable costs to be a role which is appropriate for the Authority.

Potential Overhead Costs of the Authority: As we understand Bill 91, the Authority determines its budget and then recovers its costs through fees charged to producers and others upon registration. There is no evidence of any mechanisms for proper oversight of budget control over the Authority in the Act as currently written. We are concerned that costs will spiral out of control as has happened with other delegated administrative authorities in the Province. Proper oversight and financial controls are essential.

6. Waste Reduction Strategy

The Waste Reduction Strategy, together with the proposed Waste Reduction Act, are intended to set out the Province's "roadmap" for overcoming waste diversion challenges and "harnessing the environmental and economic value of waste". The Strategy describes Ontario's vision, sets desired results and "provides a blueprint for how we can get there through concrete actions" (including the implementation of the proposed Waste Reduction Act). As such, we feel that it is important to comment on specific elements and directions set out in the Strategy.

Re-Consider The Potential Designation of ICI Printed Paper and Packaging: The Province should approach producers and waste management service providers and seek from them the best ideas and approaches for reducing ICI waste. The experience in the Province of Quebec with designating ICI printed paper and packaging has revealed a number of challenges. CEWRO feels that it may be premature to tackle ICI printed paper and packaging until producer responsibility for residential printed paper and packaging has been established and is delivering on its performance objectives. Generator-focused 3Rs regulations offer a better way to address ICI waste diversion. Proper enforcement and expansion/updating of the existing Ontario 3Rs regulations (to target a more appropriate set of materials, lower the business size threshold and broaden the business type required to source separate materials, require reporting by waste haulers, and other appropriate measures) should be revisited before designation of any ICI waste is considered. We question whether printed paper and packaging is the most appropriate first material designation in the ICI sector. A program for construction and demolition waste, for example, would divert considerably more material from disposal. CEWRO can provide ICI waste composition data to the MOE to support a rationale for this approach.

Municipal Role In Collection and Processing of ICI Printed Paper and Packaging: ICI waste diversion has historically been the responsibility of generators and private sector service providers. While CEWRO agrees that more progress is required in ICI waste diversion, we do not agree that enshrining the potential for municipalities to have a greater role in servicing the ICI sector for collection of designated materials is useful or appropriate; in fact, it will again further divide producers, municipalities and private sector service providers.

Harmonization: As noted earlier in our submission, we support the harmonization of the list of Blue Box materials collected in programs across Ontario. In the case of Blue Box materials in particular, producers are responsible for products they introduce into the residential market place, but individual municipalities make the decision on what to collect. This is not producer responsibility. We would also like to see all other EPR programs in Ontario harmonized with similar EPR programs in other provinces and territories across Canada. We encourage the Ontario government to work with other provinces to harmonize the materials in all designated streams to improve program efficiencies, consumer education and overall diversion performance at a national level.

Disposal Bans: Disposal bans should only be considered where sustainable alternative diversion options are available. Bans must be implemented at the point of both transfer and disposal. They must guard against simply encouraging the shipment of waste across borders.

Recognizing Energy Recovery as Diversion: The Province of Ontario adopted a ban against incineration in the early 1990s, and has never moved away from this policy, due to a perception that the public opposes incineration. All other provinces in Canada consider recovering energy from waste as preferable to landfilling — it is the "4th R" in the waste reduction hierarchy after reduction, reuse and recycling. Ontario remains significantly behind many other Canadian and international jurisdictions with its antiquated approach that fails to recognize energy recovery as a legitimate diversion option after other options have been exhausted. CEWRO recommends that Ontario abide by the direction established along with its other provincial partners in the CCME EPR Policy Framework which recognizes recovery as a legitimate diversion approach.

Continuation of the Municipal Datacall: The current Municipal Datacall provides a monitoring capability and generates data on waste diversion that is useful to the Ministry, to CEWRO members and to all other key participants in waste diversion programs and planning in Ontario, including municipalities, service providers, producers and the Ontario Government. These data are required on an on-going annual basis for the design, development and on-going monitoring of waste reduction programs. The Municipal Datacall should therefore be continued.

7. Appendix A - CEWRO Member Association Descriptions

AIA Canada: The Automotive Industries Association (AIA) of Canada is the national trade association representing the automotive aftermarket industry in Canada. Nationally, the aftermarket is a \$19.4 billion industry that employs more than 420,000 people. The industry is composed of companies that manufacture, distribute and install automotive replacement parts, accessories, tools, and equipment. AIA represents nearly 900 member companies that combined have more than 2,000 member locations & outlets. In Ontario, the automotive aftermarket represents a \$6.45 billion industry employing approximately 122,000 workers. More information is available at www.aiacanada.com.

Canadian Beverage Association (CBA) is the national industry association representing the broad spectrum of companies that manufacture and distribute the majority of non-alcoholic refreshment beverages consumed in Canada. CBA members employ over 20,000 Canadians with production facilities, offices and distribution centres across the country. The sale of members' products through grocery retail, foodservice and convenience channels supports tens of thousands of independent businesses and hundreds of thousands of retail and foodservice jobs. More information is available at www.canadianbeverage.ca

CCSPA (Canadian Consumer Specialty Products Association) is a national trade association that represents 37 member companies across Canada with 67 sites in Ontario that manufacture, process, package and distribute consumer, industrial and institutional specialty products, such as soaps and detergents, pest control products, aerosols, hard surface disinfectants, deodorizers and automotive chemicals. More information is available at www.ccsa.org

Canadian Restaurant and Foodservices Association (CRFA): is the national association for Canada's vibrant and innovative foodservice industry, representing restaurants, bars, cafeterias, coffee shops, and contract and social caterers. Ontario's restaurant industry contributes \$25 billion in economic activity to the province, while employing more than 425,000 people. Through advocacy, research, member savings and industry events, we help our members in every Canadian community grow and prosper. More information is available at www.crfa.ca

CHHMA (Canadian Hardware & Housewares Manufacturers Association) is a national trade association representing over 250 manufacturers and brand owners of durable consumer goods including everything plastics items to portable appliances, lawn and garden tools, chemicals, power equipment and the full range of hardware, electrical, plumbing and tool items. Our members are involved with packaging material, MSHW, paint, tires and electronics stewardship programs in Ontario. Our industry is worth about \$40 billion in Canada so roughly \$10 -12 billion in Ontario however over 60% of our members are domiciled here in Ontario. More information is available at www.chhma.ca

CropLife Canada is the trade association representing the manufacturers, developers and distributors of plant science technologies, including pest control products and plant biotechnology, for use in agriculture, urban and public health settings. We strive to ensure that the benefits of plant science innovations can be enjoyed by both farmers and consumers. CropLife Canada promotes sustainable agricultural practices and we are committed to protecting human health and the environment. More information is available at <http://www.croplife.ca>

Canadian Paint and Coatings Association (CPCA). Since 1913 the Canadian Paint and Coatings Association (CPCA) has represented Canada's major paint and coatings manufacturers, and their industry suppliers and distributors, in three primary product categories: architectural paints, industrial and automotive coatings. The paint industry has 121 manufacturing facilities in Ontario supplying 2,800 retail sales outlets, 2750 auto body shops generating revenue of more than \$2.6 billion and 12,530 jobs in Ontario. More information is available at www.canpaint.com

Electro-Federation Canada (EFC), a national not-for-profit industry association, is comprised of 3 councils. Together all 3 councils represent over 350 member companies that manufacture, distribute and service electrical, electronic and telecommunications products; contributing over \$50 billion to the Canadian economy and employing more than 130,000 workers in more than 1,400 facilities across Canada. More information is available at www.electrofed.com

Electronics Product Stewardship Canada (EPSC) was founded in 2003 by Information Technology Association of Canada (ITAC) and Electro-Federation Canada (EFC). It is a not-for-profit, industry-led organization created to design, promote and implement sustainable solutions for the recycling of end-of-life electronics. Its membership is comprised of 30 leading electronics manufacturers and trade associations. More information is available at www.epsc.ca

Food and Consumer Products of Canada (FCPC) is the largest national industry association in Canada representing companies that manufacture and distribute food and consumer products. As the country's largest employer in the manufacturing sector, our industry employs approximately 300,000 Canadians in both urban and rural areas in every region across the country, which makes us a unique Canadian industry. More information is available at www.fcpc.ca

Newspapers Canada is a joint initiative of the Canadian Newspaper Association and the Canadian Community Newspapers Association. Combined, these associations represent over 830 daily, weekly and community newspapers in every province and territory of Canada. More information is available at www.newspaperscanada.ca

Magazines Canada is the national trade association representing Canadian-owned, Canadian-content consumer, cultural, specialty, professional and business media magazines. French and English member titles offer a wide range of topics including business, professional, news, politics, sports, arts and culture, leisure, lifestyle, women and youth, made available on multiple platforms. The association focuses on government affairs, services to the advertising trade, circulation marketing and the development of career skills for and the recognition of excellence among the people who work in Canada's magazine media. More information is available at <http://www.magazinescanada.ca>

Provision Coalition is a coalition of 11 member² associations representing the sustainability interests of food and beverage manufacturing and input supply sectors across Canada. Providing valuable resources, programming and advocacy, Provision is the industry's leading voice on sustainability. Provision utilizes science, economics and the expertise of its members to ensure the competitiveness and long-term prosperity of the industry. Founded in 2010 under the federal-provincial-territorial initiative Growing Forward, Provision helps its 4,000 member companies enjoy the economic, environmental and social benefits that come with operating in a sustainable manner. More information is available at www.provisioncoalition.com

Retail Council of Canada (RCC) is a not-for-profit, industry-funded association representing more than 45,000 store fronts of all retail formats, including department, specialty, discount and independent stores, and online merchants. RCC is a strong advocate for retailing in Canada and works with all levels of government and other stakeholders to support employment growth and career opportunities in retail, to promote and sustain retail investments in communities from coast-to-coast, and to enhance consumer choice and industry competitiveness. RCC also provides its members with a full range of services and programs including education and training, benchmarking and best practices, networking, advocacy, and industry information. More information is available at www.retailcouncil.org.

Rubber Association of Canada (RAC), founded in 1920, is the national trade association representing the interests of tire and other rubber manufacturers and importers of rubber goods into Canada, together with

² The eleven member associations of Provision Coalition include: Alliance of Ontario Food Processors, Baking Association of Canada, Canadian Beverage Association, Canadian National Millers Association, Canadian Oilseed Processors Association, Food & Consumer Products of Canada, Ontario Agri Business Association, Ontario Dairy Council, Ontario Fruit and Vegetable Processors Association, Ontario Independent Meat Processors and the Wine Council of Ontario.

rubber recyclers and suppliers whose goods or services directly relate to our industry. More information is available at www.rubberassociation.ca

8. Appendix B: Successes of Current Ontario EPR Programs

The four established EPR programs in Ontario (Blue Box, MHSW, WEEE and Used Tires) have been very successful at increasing diversion of designated wastes from disposal, and providing Ontario consumers with convenient access to waste diversion services and programs. More than 95% of Ontario residents have access to the Ontario Blue Box program, which diverted approximately 905,000 tonnes of residential printed paper and packaging from landfill last year, with contributions of \$104 million from more than 1,500 obligated Ontario businesses.

The MSHW program targets a wide range of materials. From 2009 to 2012, over 100,000 tonnes of MHSW was collected, with approximately 28,500 tonnes collected in 2012. This material was all managed in a way which protects the Ontario environment from uncontrolled or harmful waste discharges. Over 84% of Ontario residents had access to Orange Drop locations in 2012 including: almost 90 municipal Household Hazardous Waste depots; over 2,500 sites for batteries; almost 300 return-to retail locations (for paints and coatings); over 12,000 automotive service centre locations (for commercial users to recycle antifreeze, oil containers, and oil filters); nearly 600 automotive Do It Yourself drop-off sites for automobile owners who service their own vehicles; 90 provincial parks (for pressurized containers), and almost 350 municipal events.

Ontario Electronic Stewardship (OES) manages the recycling of out-of-use electronics under the e-waste or WEEE Program (RecycleYour Electronics.ca). A network of several hundred OES-approved collection sites and events and thousands more affiliate sites are operated throughout Ontario by municipalities, non-profit organizations and retail stores. About 86% of Ontarians live within 25 km of an OES collection site or event. Over 170,000 tonnes of e-waste had been collected between program inception in April 2009 and December 2012. In 2012 alone, OES collected more than 75,700 tonnes of e-waste

The used tire program operated by Ontario Tire Stewardship (OTS) recycled almost 50 million tires between program inception in September 2009 and December 2012. Of the 10 million scrap tires generated each year in the province, more than 95% are recycled. OTS has stimulated over \$40 million of new investment and hundreds of new jobs in the province.

A program to address pharmaceuticals and sharps was launched through the EPA (Environmental Protection Act) in 2012 and provides drop off access to consumers in 80% of pharmacy retail outlets in the province.