

NAMMU

Pushing the Envelope with Stewardship Ontario

*Presented by:
Dave Douglas*



VisionQuest
Environmental Strategies Corp.

Presentation Overview

- **Introduction – who I am;**
- **Stewardship Ontario – program overview;**
- **Is this program applicable to your company?**
- **What does this mean to you?**
- **What next?**
- **What about the rest of Canada?**

Introduction

Who is Dave Douglas

- **Founder of VisionQuest Environmental Strategies Corp.;**
- **Specialty services include assisting companies to determine their potential obligations to ensure that they are compliant with Stewardship Ontario legislation;**
- **Personal Background: 18 yrs experience in the Canadian waste management industry from both public and private sectors.**



Stewardship Ontario Program Overview

2002 – MOE passed
Waste Diversion Act

To promote the
3R's in Ontario.

Created the Waste
Diversion Organization
(WDO)

To oversee the IFO for
Blue Box waste to cover
50% of municipal recycling
costs to run programs (Ont).

Stewardship Ontario
established as the
Industry Funding Organization
(IFO) for Blue Box waste.

Developed the Blue Box
Program Plan to establish
industry due's and collect
fees from obliged stewards.

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“Blue Box” Waste Materials

- glass packaging (bottles, jars)
 - metal packaging (aluminum, steel)
 - printed paper (envelopes, flyers);
 - consumer packaging (boxboard);
 - plastics (bottles, laminates);
 - textiles
-
- *Individual items or in any combination.*

Stewardship Ontario

Additional examples of Printed Papers

- envelopes and inserts;
- magazines / home directories;
- glossy / newsprint advertising flyers;
- company newsletters (associations);
- promotional info, ie: coupons, pamphlets;
- fundraising brochures;
- direct to home marketing materials;
- customer invoices;
- tourism information including travel guides.

Stewardship Ontario “Blue Box” Stewards

- a resident in Ontario (company has a permanent establishment in Ontario and / or employees or agents with authority to contract on its behalf);
- a “brand owner”, “first importer” or “franchisor” of one or more products sold in Ontario with packaging or printed papers that contribute to Blue Box Waste.

Stewardship Ontario Program Time Periods

Obligation Year	Applicable Calendar Time Period	Data Year	Basis for Fees	Filing & Payment Deadline
2003	Feb 1 to June 30 2004	2002	2003 fee schedule	93 days from notification date
2004	July 1 to Dec 31 2004	2002	2004 fee schedule	93 days from notification date
2005	Jan 1 to Dec 31 2005	2003	2005 fee schedule	93 days from notification date
2006	Jan 1 to Dec 31 2006	2004	2006 fee schedule	93 days from notification date

Stewardship Ontario

Is Your Company Obligated to Register with Stewardship Ontario?

1. Are you a brand owner, first importer or franchisor doing business in Ontario?
2. Do your company's products result in Blue Box wastes in Ontario?
3. Were your company's sales \$2 million or greater in 2002 (or thereafter)?

If you answered "yes" to any of the above, you are required to register.

Stewardship Ontario Exemption Rules

Did your company generate more than fifteen tonnes of Blue Box waste (ie: paper, metal, glass, plastics) in Ontario in 2002?

NO: Exempt

YES: Obligated

Stewardship Ontario

What does fifteen tonnes of #10 White Wove Envelopes look like?

The equivalent of 3 million envelopes
(4 1/8" x 9 1/2" - 5 grams each)

Example A



Scenario where threshold is exceeded:
Monthly mail out to all single family households in York Region over 1 year
- excluding weight of contents.

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What does fifteen tonnes of printed paper look like?

The equivalent of 833 K promotional advertisements
(4 1/8" x 9 1/2 " - 18 grams each including contents)

Example B



Scenario where threshold is exceeded:
One time delivery to all single family
households in Toronto, Hamilton & London.

Stewardship Ontario

What does fifteen tonnes of printed paper look like?

The equivalent of 375 K coupon packages
(40 grams each)

Example C



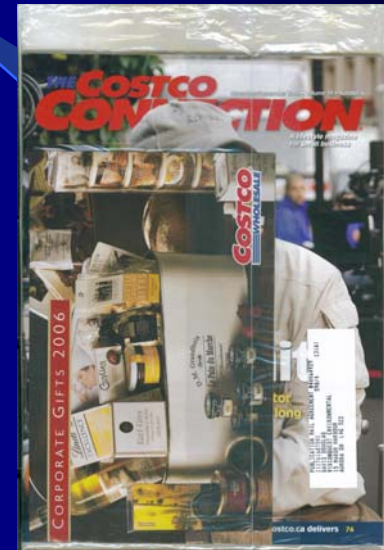
Scenario where threshold is exceeded:
One time mail out to all single family
households in Ottawa, London & Barrie.

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What does fifteen tonnes of mail out material look like?

Example D

The equivalent of
73,891 poly bag mail outs
with inserts

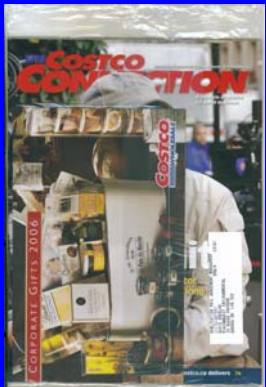


Scenario where threshold is exceeded:
Based on 6 mail out per year
distribution to 12,315 hhlds
(approximate size of Orillia)

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Breaking it all down by material (example):

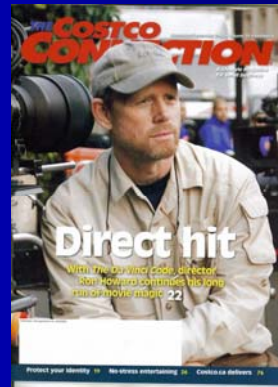
The equivalent of 73,891 poly bag mail outs with inserts equivalent to 15 tonnes.



=



+



+



203 grams
(15 tonnes)

Poly bag

5 grams
(369 kg)

Magazine

181 grams
(13.37 tonnes)

Printed
Flyer

17 grams
(1.26 tonnes)

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Calculating Dues (2005 Program Year)



Poly bag
(plastic (369 kg @ 13.907 ¢ per kg)
packaging) = \$ 51.32



Magazine (13.37 tonnes @ .862 ¢ per kg) = \$ 115.25



Printed
Paper (1.26 tonnes @ 9.029 ¢ per kg) = \$ 113.77

Total: \$280.34 @ 74 K packages
(assuming 15 tonne threshold)

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Steward's Notification

Under the WDA, SO is required to notify potential Stewards of their obligations on an annual basis.

During 2005, steward notification activities were as follows:

- emailed notifications to 2200 registered stewards;
- mailed the obligation notification to 1,600 companies who had originally been notified (2004) but who had not responded;
- mailed notifications to 930 new potential stewards.

2005 – 3,805 stewards registered with SO. Of these, 1,793 were obliged stewards and were required to file a Steward's Report.

Stewardship Ontario

“Blue Box” Stewards – How do they know?



Stewardship Ontario

Curbside Waste Audits



SO DOWN HOME ALARMS
1-800-267-2001

Cooler FREE

\$2.00 Off General Admission to The Royal Agricultural Winter Fair
Nov. 2-12, 2009

Pizza Nova!

Stewardship Ontario

Compliance

Companies that file Steward's Reports
And payments are considered to be
Members in good standing with
Stewardship Ontario.

*Note: Stewardship Ontario officials will audit company
reports and data calculations.*

Senior corporate official sign-off required.

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Non-Compliance Penalties, Interest and Back Fees

Stewards who fail to pay fees by the required dates will be subject to a penalty calculated at 10% of fees due and payable.

Interest on unpaid fees shall accrue from such date as the Base Interest Rate plus 3%.

Subject to charges by MOE.

Ministry of the Environment

Non-Compliance Penalties under WDA

Section 41 (3):

On conviction, a person who is guilty of an offence under this Act is liable:

- a) If the person is an individual, to a fine of not more than \$20,000 for each day or part of a day on which the offence occurs or continues, or
- b) if the person is a corporation, to a fine of not more than \$100,000 for each day or part of a day on which the offence occurs or continues.

Stewardship Ontario

Convictions to Date

Issue 67 (July 31, 2006) – SO Need To Know

First Conviction for Failure to Submit Steward's Report

Janes Family Foods Ltd. was charged by the MOE.
Plead guilty and was convicted of an offence
contrary to Section 41(1) of the Waste Diversion Act.

The sentence will be imposed in December 2006.

Stewardship Ontario

Non compliance – 6 Things to Think About

1. Upon identification – obligation period is retroactive to day One (2003);
2. Penalty calculated at 10% of fees due plus all applicable fees;
3. Interest on unpaid fees shall accrue from such date as the Base Interest Rate plus 3%;
4. Subject to charges by MOE;
5. Public relations nightmare;
6. Internal Senior Management reaction ???

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What Next

1. Determine corporate status – obliged or exempt
2. Choose a primary contact
3. If obliged – register at
www.stewardshipontario.ca
4. Collect your data for your Steward's Report
5. File / Submit your Steward's Report
6. Determine Fee Calculations
7. Make payments

What About the Rest of Canada

1. Quebec

- Bill 102 "An Act to Amend the Environmental Quality Act was adopted (Dec 2002);
- Provides for the financing of recycling by allocating 50% of costs to targeted companies;
- Eco Enterprises Quebec (EEQ) has been certified as IFO (similar to SO in Ontario);
- Compensation regime came into force March 1st, 2005;
- Companies are already obliged (2005 / 2006) and will begin paying (likely mid 2007);
- No deminimus (flat fee of \$280 – low volume);
- No obligation to inform companies – penalties will apply for non-compliance.

What About the Rest of Canada

1. Manitoba

- Green Manitoba
 - Launched April 1, 2006
 - New Provincial agency that will implement programs on behalf of Province;
 - Coordinating the development of new waste minimization strategy for Manitoba that incorporates the principles of extended producer responsibility (EPR)
 - Shifting the burden of responsibility for post consumer waste from taxpayers to producers and consumers.
 - Present focus includes Blue Box material.

What About the Rest of Canada

1. Saskatchewan

- Saskatchewan Environment is leading the development of a municipal solid waste management strategy for the province;
- Strategy to enhance existing waste management systems and expand current stewardship opportunities;

What About the Rest of Canada

REALITY

Corporations must continue to monitor the development and implementation of Stewardship Programs across Canada – failure to act will result in non-compliance fines and financial penalties.

Don't get caught off guard.

Contact

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