

REPORT
Regular Council Meeting
1989 September 11

THE CORPORATION OF THE DISTRICT OF BURNABY
ENVIRONMENT AND WASTE MANAGEMENT COMMITTEE

HIS WORSHIP, THE MAYOR
AND ALDERMEN

REPORT OF THE ENVIRONMENT AND WASTE MANAGEMENT COMMITTEE
RE: RECYCLING OF OLD NEWSPRINT

RECOMMENDATION:

1. THAT the request from International Paper Industries for a \$40/tonne subsidy to continue old newsprint pick-up be denied.

REPORT

A request has been received from International Paper Industries (I.P.I.) that they receive funding of \$40/tonne to offset the operating costs of the newspaper recycling program.

The Corporation has a contract with I.P.I., which commenced on 1985 June 03 and expires on 1990 June 02, giving I.P.I. the exclusive rights for the pick-up of newspapers at the curbside throughout the Municipality. At the time of negotiations, an exclusive, five year contract was necessary to ensure the viability of this recycling initiative. At present, the Corporation does not subsidize this service, but has been actively involved in promoting public awareness of Old Newsprint (ONP) recycling.

I.P.I. is required by contract to collect and remove ONP on a bi-weekly basis. I.P.I. can cancel the contract, for any reason, upon 30 days notice to the Corporation; while the Corporation can cancel only for non-performance of the contract.

I.P.I. has provided information which advises that the market for ONP has fallen significantly in the last while, due primarily to an overabundance of ONP in the market. I.P.I. is therefore seeking an operating subsidy to offset revenue shortfalls. I.P.I. presently recovers about 1,800 tonnes of ONP annually through the ONP program. Therefore, granting of the requested subsidy would cost the Corporation an additional \$40/tonne x 1,800 tonnes = \$72,000/annum.

INTERNAL DISTRIBUTION:

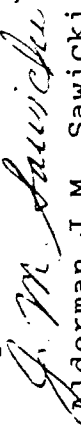
- : - AGENDA 1989 SEPTEMBER 11
- : - COPY - MUNICIPAL MANAGER
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The newspaper recycling program is popular and an integral component of our current and future recycling strategy. It is therefore desirable and important that continuous service be maintained. A subsidy to I.P.I. could be supported if it were the only alternative available to maintain continued service in the event that I.P.I. invokes the cancellation clause in their contract. Staff have researched the available options and are confident that curbside ONP service could be maintained through alternate means at a lesser cost than granting the subsidy.

It is therefore recommended that Council not grant the \$40/tonne funding which was requested by I.P.I.

Respectfully submitted,


Alderman J.M. Sawicki
Chair

Alderman D.R. Corrigan
Member

Alderman D.P. Drummond
Member