
TO: CITY MANAGER **DATE:** 2012 October 31

FROM: ACTING DIRECTOR ENGINEERING **FILE:** 36600 01
*Reference: Solid Waste Collection
And Disposal Recycling*

SUBJECT: DRAFT PACKAGING AND PRINTED PAPER STEWARDSHIP PLAN

PURPOSE: To provide preliminary comments on the Draft Packaging and Printed Paper Stewardship Plan.

RECOMMENDATION:

1. **THAT** the Mayor write to the B.C. Minister of Environment expressing concerns regarding the consultation process undertaken on the Packaging and Printed Paper Extended Producer Responsibility Program and request for an extension to allow adequate consultation without changing the program implementation timeline.
2. **THAT** a copy of this report be forwarded to Mr. Allen Langdon, Chair Multi-Material British Columbia, #209-1730 West 2nd Avenue, Vancouver, BC. V6J 1H6.
3. **THAT** a copy of this report be forwarded to the Environment Committee.

REPORT**1.0 BACKGROUND**

In 2011 May, the *B.C. Recycling Regulation* was amended to include collection and recycling of packaging and printed paper by the producer. Unlike such programs in other parts of Canada, this program is to be funded 100% by the producer.

The Regulation requires the producer of the product to submit a product stewardship plan to the Province by 2012 November 19. Once approved by the Province, the Plan is to be implemented by 2014 May 19. At present, in accordance with Section 5(d) of the *B.C. Recycling Regulation*, the collection and recycling of packaging and printed paper by the producer is only required to be undertaken from residential premises and from municipal property that is not industrial, commercial or institutional property.

In response to the regulatory requirement, Multi-Material BC (MMBC) which is a not-for-profit was established under the *B.C. Society Act* to develop, submit and implement a stewardship plan for packaging and printed paper. MMBC represents the producers (i.e. brand owners and first sellers of packaging and printed paper in B.C.)

To: City Manager
From: Acting Director Engineering
Re: DRAFT PACKAGING AND PRINTED PAPER
STEWARDSHIP PLAN

2012 October 31 Page 2

Between 2011 November and 2012 February, MMBC published two technical reports. The first report establishes a baseline of current recycling services taking place in BC and the second report discusses program design considerations and sets out sixteen (16) possible financing options for carrying out the PPP Extended Producer Responsibility (EPR) Program. Staff had responded to the first technical report and Metro Vancouver had responded to the second technical report on behalf of member municipalities to MMBC as a means of having a consistent service delivery model in the region.

In 2012 March, the MMBC Board of Directors decided that its upcoming Product Stewardship Plan for the management of Packaging and Printed Paper (PPP) would be based on the combination of two options: 1) contracts for collectors who service single-family and/or multi-family residences and/or public places; and 2) financial incentives paid to processors based on the amount of material they process for recycling.

On 2012 September 06, Multi Material BC (MMBC) requested a one year extension to the 2012 November 19 deadline for submission of a packaging and printed paper stewardship plan as required by the Provincial Recycling Regulation. The Ministry of Environment has not formally approved or denied this extension. MMBC has therefore proposed changes to their schedule to meet the deadline. The primary change is to conduct stakeholder consultation both before and after submission of their draft plan on 2012 November 19.

On 2012 October 23, MMBC released its draft Packaging and Printed Paper Stewardship Plan (provided separately) and held a workshop on 2012 October 29 to review the Plan and seek input. Comments received by 2012 November 09 will be included in the draft Plan submitted to the B.C. Ministry of Environment on 2012 November 19. Additional comments will be received until 2012 December 14 and incorporated into an updated Plan that will be submitted to the Ministry in early 2013 January.

The purpose of this report is to provide preliminary comments on the Draft Packaging and Printed Paper Stewardship Plan.

2.0 SUMMARY – DRAFT PACKAGING AND PRINTED PAPER (PPP) STEWARDSHIP PLAN

The draft PPP Stewardship Plan defines packaging and printed paper to be collected from residences (single and multi-family) and municipal property (streetscapes), and outlines the program design and program performance measures for collection and processing of PPP materials.

To: City Manager
From: Acting Director Engineering
Re: DRAFT PACKAGING AND PRINTED PAPER
STEWARDSHIP PLAN

2012 October 31 Page 3

2.1 COLLECTION

MMBC proposes to enter into financial arrangements with *qualified* collectors and offer them financial incentives for collection of PPP from residence (single and multi-family) and municipal property (streetscape). The financial incentives will be valued at *market clearing prices* which are the prices at which the market will deliver the service required by MMBC. The *collector qualification standards* will be developed by MMBC in consultation with the stakeholders after the submission of the PPP stewardship plan. The market clearing prices will be known in 2013 April-June. Collectors must provide residents with free collection.

Where a *single family or multi-family recycling* is set out at curbside (public easements), and for *streetscape recycling* (subject to proof of concept), MMBC will offer local governments and First Nations governments first right of refusal to provide collection services at market clearing prices. Where the offer is declined, MMBC will tender its own collector for that area. For the streetscapes, MMBC has committed to working with local governments to integrate any tendered PPP streetscapes recycling with municipal litter collection systems. It is to be noted that according to MMBC, once the local government or First Nations government declines the offer it will not be able to secure the collection services again in future.

Where *multi-family recycling carts are set on private property* and for *private recycling depots*, MMBC intends to offer the market clearing price to any interested parties to bid through a competitive process.

Where a local government accepts the offer of financial incentive to collect from residences, an additional incentive will be offered to provide public education promotion and first point of contact for collection service customers; and where a private collector accepts the offer of financial incentive to collect from residences, MMBC will provide public education, promotion and management of collection service through its own means.

MMBC will pay collectors when its approved material recovery facilities (MRF's) accept the PPP. Collectors will be responsible for contaminated loads. MMBC intends to establish agreements with collectors in 2013 April-June, and publish the list to qualified collectors before it issues an RFP for processing services.

2.2 PROCESSING

MMBC will contract with processors to receive, sort and market recyclables at materials recycling facilities (MRF's). Consolidation and transferring recyclables may also be included where required. Processors will be 'gate keepers' of materials quality and reject contaminated loads. Processors will share the recycling revenues with MMBC and are expected to seek relationships with collectors and respond as a partnership to MMBC's RFP.

To: City Manager
 From: Acting Director Engineering
 Re: DRAFT PACKAGING AND PRINTED PAPER
 STEWARDSHIP PLAN

2012 October 31 Page 4

2.3 FINANCING

All PPP producers who are members of MMBC will pay fees to MMBC to cover the cost of the program (administration, resident awareness and material management). According to MMBC, it anticipates that members of MMBC will not apply a fee at the point of sale of products in packaging and printed paper due to relatively low cost per unit of packaging and printed paper.

2.4 DISPUTE RESOLUTION

According to MMBC, the path of escalation and resolution of a dispute from a resident will be through discussion with MMBC management and if unresolved, through the MMBC Board. For disputes between collectors and processors, the resolution will be through discussion with MMBC senior management or arbitration in accordance with the *B.C Arbitration Act* (RSBC 1996).

2.5 TIMELINES

MMBC has proposed the following timelines:

2012 October 23	Release of the draft Packaging and Printed Paper Stewardship Plan for review and comment.
2012 October 29	MMBC consultation workshop on the draft Plan.
2012 November 09	Comments on the draft Plan due to MMBC.
2012 November 19	Submission of the Plan to the Ministry of Environment.
2012 December 14	Additional comments on the Plan due to MMBC.
(Early) 2013 January	Submission of an update Plan to the Ministry of Environment.
2013 April-June	MMBC enters into agreements for collection services. MMBC issues an RfP for processing services.
2013 July-September	MMBC issues Request for Expression of Interest (RFEOI) to municipalities for streetscape recycling pilot project.
2014 April-June	MMBC enters into agreements for streetscapes collection.

To: City Manager
From: Acting Director Engineering
Re: DRAFT PACKAGING AND PRINTED PAPER
STEWARDSHIP PLAN

2012 October 31 Page 5

3.0 PRELIMINARY COMMENTS

Given the very short timelines for review of the draft PPP Stewardship Plan, staff has undertaken a review of the Plan and provides the following preliminary comments for Council's consideration:

Consultation Process

Unlike other EPR programs, PPP may have the largest operational impact to the recycling services offered by the City to its residential customers. While it is recognized that MMBC has put forward a Plan in a short period between 2012 September and 2012 October 23, it clearly has not provided local government and other stakeholders with reasonable time to comprehensively review and provide comments on the draft Plan. MMBC has stated that it will continue to receive comments from stakeholders after submission of the draft Plan to the Province on 2012 November 19 up until 2012 December 14. However, there are very limited Council meetings in December to allow staff to provide any additional updates to Council and seek their direction. Many of the local governments in the region have expressed similar concerns directly to MMBC.

In order to ensure that local government are provided with adequate time to review and comment on the Plan and subsequent work proposed within the Plan in 2013, staff recommend that the Mayor write to the B.C. Minister of Environment expressing concerns regarding the consultation process undertaken on the Packaging and Printed Paper Extended Producer Responsibility Program and request for an extension to allow adequate consultation without changing the program implementation timelines.

Draft MMBC PPP Stewardship Plan (2012 October 23)

The draft Plan fails to include publicly owned and operated recycling depots. The City's Still Creek Recycling Depot collects residential PPP and it is expected that MMBC provide financial incentive for this material.

Staff does not support the way in which the Plan is rationalizing the collection of PPP from multi-family properties. The City currently services garbage and recycling from its multi-family customers through contracts in a number of ways: In some cases, the toters are brought to the curbside (public easement); in other cases, containers are moved onto curbside for servicing by City forces using semi-automated lifting devices on a truck. There are also properties where the toters are placed onto the private road for servicing. As such, in cases where the City has an existing contract to service PPP materials within a private multi-family property, MMBC should offer the first right of refusal to the City.

In addition to the collection of PPP from streetscapes, the Plan should specify how PPP will be collected from Parks which are municipal property.

The Plan does not address collection from mixed use buildings (commercial/residential).

To: City Manager
From: Acting Director Engineering
Re: DRAFT PACKAGING AND PRINTED PAPER
STEWARDSHIP PLAN

2012 October 31 Page 6

The plan needs to provide clarity on the conditions and the mechanisms which will be used before PPP loads from the approved collector can be rejected by the approved processor.

Education and outreach for packaging and printed paper must be delivered within the integrated waste reduction activities in each local government.

The plan should identify a method of determining how to compensate local government for managing EPR materials in the garbage, and a commitment to measure performance of options to address illegal dumping.

Staff expects sufficient time and opportunity to be given by MMBC to express concerns and provide input in the establishment of *collection qualification standards* and *market clearing price* for collection of PPP from residences and municipal properties. In addition, timelines required for briefing local elected officials on this and any offer by MMBC for collection must be recognized.

4.0 CONCLUSION

Under the *B.C. Recycling Regulation*, MMBC will assume the responsibility for leading residential packaging and printed paper (PPP) collection and recycling activity in British Columbia. Staff have reviewed the draft Packaging and Printed Material Stewardship Plan prepared by MMBC and have provided preliminary comments for Council's consideration. In addition, given the way in which the consultation process has unfolded to date on PPP staff has recommended that the Mayor write to the B.C. Minister of Environment expressing concerns regarding the consultation process undertaken on the Packaging and Printed Paper Extended Producer Responsibility Program.

Barry Davis, P.Eng.
ACTING DIRECTOR ENGINEERING

DD:br

Enclosure (under separate cover)

Copied to: Deputy City Manager
Director Finance
City Solicitor