



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No. 9**  
**Halifax Regional Council**  
**November 12, 2019**

**TO:** Mayor Savage and Members of Halifax Regional Council

**SUBMITTED BY:** Original Signed  
For Richard Zurawski, Chair, Environment & Sustainability Standing Committee

**DATE:** November 8, 2019

**SUBJECT:** Extended Producer Responsibility (EPR)

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### INFORMATION REPORT

#### ORIGIN

November 7, 2019 meeting of the Environment & Sustainability Standing Committee, Information Item 1.

#### LEGISLATIVE AUTHORITY

##### **Environment Act (Nova Scotia)**

95 The Minister may enter into agreements or co-operate with a municipality or other persons to ... (e) encourage industry stewardship and product stewardship;

101(1) The Minister may establish or adopt programs or policies respecting the use of packaging and labelling of materials ...

102(1)(a) The Governor in Council may make regulations respecting designated materials including, but not limited to, ... (iv) requiring the development and implementation of a waste minimization, recycling or recovery plan for designated material by manufacturers, distributors, retailers or any other person, specifying the manner in which designated material is to be managed,

##### **Halifax Regional Municipality Charter**

335 The Council may make by-laws respecting solid waste, including, but not limited to, ... (i) requiring compliance with a waste resource diversion strategy; (j) respecting anything required to implement the integrated solid-waste resource management strategy of the Municipality.

#### BACKGROUND

The Environment & Sustainability Standing Committee received a staff information report dated September 6, 2019, and a staff presentation on Extended Producer Responsibility policies at their November 7, 2019 meeting.

For further information on the background of this item, refer to the staff report dated September 6, 2019.

**DISCUSSION**

The Environment and Sustainability Standing Committee reviewed the September 6, 2019 staff report at its meeting held on November 7, 2019 and received a presentation. The Environment and Sustainability Standing Committee approved a motion to forward the staff report to Halifax Regional Council as an information item

**FINANCIAL IMPLICATIONS**

None identified.

**COMMUNITY ENGAGEMENT**

Meetings of the Environment & Sustainability Standing Committee are open to public attendance and members of the public are invited to address the Standing Committee for up to five (5) minutes during the Public Participation portion of the meeting. Meetings are live webcast on Halifax.ca. The agenda, reports, video, and minutes of the Executive Standing Committee are posted on Halifax.ca.

**ATTACHMENTS**

**Attachment 1** – Staff Recommendation Report dated September 6, 2019

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If the report is released to the public, a copy can be obtained by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Simon Ross-Siegel, Legislative Assistant, Office of the Municipal Clerk, 902.490.6519

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Halifax, Nova Scotia  
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**Attachment 1**  
**Environment and Sustainability Standing Committee**  
**November 7, 2019**

**TO:** Chairs and Members of Environment and Sustainability Committee

**ORIGINAL SIGNED**

**SUBMITTED BY:**

\_\_\_\_\_  
Brad Anguish, Transportation and Public Works

\_\_\_\_\_  
Jacques Dubé, Chief Administrative Officer

**DATE:** September 6, 2019

**SUBJECT:** Extended Producer Responsibility (EPR)

**INFORMATION REPORT**

**ORIGIN**

At the October 6, 2016 meeting of the Environment and Sustainability Standing Committee it was requested that staff prepare a report outlining the opportunities and challenges of extended producer responsibility for HRM once the province-wide review of the solid waste management system has been completed.

**LEGISLATIVE AUTHORITY**

**Environment Act (Nova Scotia)**

95 The Minister may enter into agreements or co-operate with a municipality or other persons to ... (e) encourage industry stewardship and product stewardship;

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**Halifax Regional Municipality Charter**

335 The Council may make by-laws respecting solid waste, including, but not limited to, ... (i) requiring compliance with a waste resource diversion strategy; (j) respecting anything required to implement the integrated solid-waste resource management strategy of the Municipality.

**BACKGROUND**

This report is an update to previous reports and staff presentations outlining the opportunities and challenges for HRM with full Extended Producer Responsibility (EPR) for packaging and paper products. Reports and presentations provided to ESSC as background are attached and include the following:

- ESSC 05 March 2015 staff presentation ESSC 06 October 2016 staff report
- ESSC 06 April 2017 staff presentation
- ESSC 03 May 2018 staff presentation

In the May 2018 presentation, staff reported that NS Environment Minister had tasked municipalities to lead the development of a study to examine ways in which the current solid waste management system can become more efficient. This study is entitled “The Efficiency and Effectiveness for the Solid Waste Resource Management System” (Efficiency Report). The Solid Waste Regional Chairs Priorities Working Group had taken the lead to complete this study funded by Divert NS. AECOM Canada Ltd. was engaged to undertake the scope of work which was completed in September 2019.

Following completion of the Efficiency Report, staff were requested to return to ESSC and provide an update on opportunities and challenges of EPR for HRM.

**DISCUSSION**

EPR is a policy approach in which a producer, who designs and markets a product and/or package, accepts the full cost, risks and liabilities for managing waste at the end of its lifecycle, instead of the municipal taxpayer. A producer has the greatest ability to prevent or reduce waste associated with packaging design.

The Efficiency Report scope of work included an overview of EPR legislation and how models across Canada have been implemented. Consultants were tasked with undertaking a review of how NS municipalities’ roles change under EPR and how planning for transition is critical. The report contained an overview of lessons learned from BC’s implementation of the full EPR model in 2011 and recommendations for NS municipalities.

In view of the report findings and recommendations, the following sections provide an overview of HRM’s opportunities and challenges.

Opportunities – Financial & Diversion Potential

*Financial*

In EPR models, producers accept full costs, risks and liabilities. The financial burden shifts from 100% municipal taxpayer to the producer of the product and packaging. Producers manage recycling collection, processing and marketing of materials. In 2018/19 HRM costs to deliver the recycling program are outlined below:

Recycling Costs		Recycling Revenue	
Item	Cost	Item	Revenue
Collection	\$4,100,000	Marketing of Materials	\$1,045,912
Processing	\$3,735,279	Beverage Container Program	\$457,325
		Tipping Fees	\$333,743
Total Cost	\$7,835,279	Total Revenue	\$1,836,980
<b>Net Program Cost</b>	<b>\$5,998,299</b>		

All municipalities across Canada have been impacted by global market conditions, limited markets for recycling program materials. EPR legislation mandates industry to be fully responsible for end-of-life management of packaging -- this includes all costs, risks and liabilities associated with collection, processing and marketing.

The potential for shifting costs to industry is an opportunity for HRM to realize savings in the Solid Waste business unit. Savings can be re-allocated to support expansion of other programs (litter, illegal dumping, organics collection, etc.) or other priorities as identified by Council.

*Diversion Potential*

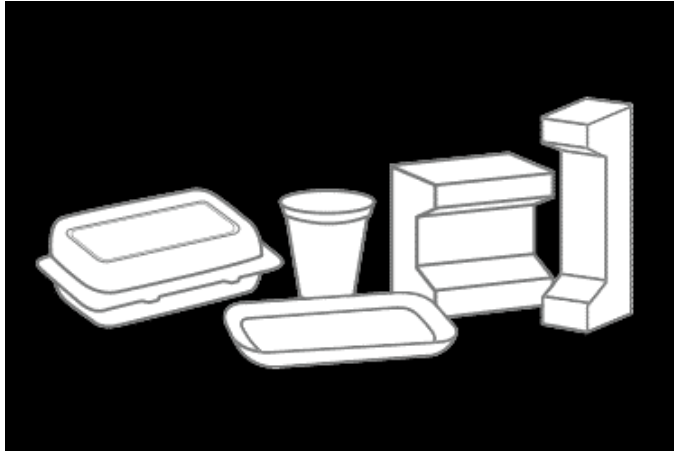
EPR legislation would define the packaging material types industry is responsible to recover for recycling. There are 84 types of material identified currently in the list of packaging produced by industry. Many of these items are not currently collected in the Halifax recycling program, that could be expanded to include the following materials:



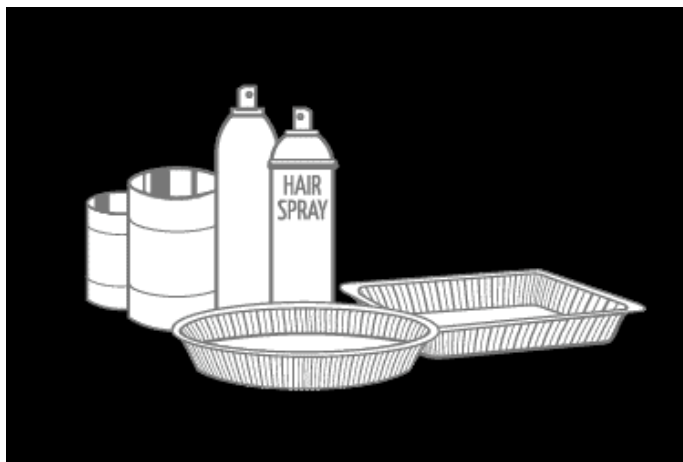
**Paper Laminates** – Laminate paper packaging is paper material packaging that is made of two or more materials types, combined foil or plastics. Examples include spiral wound containers used for cookie dough, mixed nut containers where the container top and bottom are metal with fibre, paper drink cups (hot and cold) and paper ice cream container (laminated wax mixed fibre).



**Plastic Laminates** – Multiple plastic resin types or combination of foils and paper packaging. Examples include chip bags, candy wrappers and cereal box liners.



**Expanded Polystyrene** – This is the plastic polystyrene packaging waste used for meat trays, bakery products, beverage cups and packaging for electronics and appliances.



**Aerosol Containers** – Empty aerosol containers including spray deodorant, hairspray and mousse, wax and furniture polishes and air freshener spray cans.

There has been no defined measure of the exact potential for diversion with the added materials designated for recovery as noted above. Looking at HRM residential waste audit data<sup>1</sup>, the following material types in the garbage stream could potentially be diverted from landfill disposal:

Waste Audit Sorting Category	Composition of Residential Garbage (weight basis)
Multi-Material Waste (e.g., paper and plastic laminates)	14.61%
Polystyrene	1.93%
Paper Disposal Cups	1.55%

Challenges - Accessibility & Service Levels, Stranded Assets & Contract Break Fees, Recycling Targets and Residential Only Materials & Ban Material List

*Accessibility & Service Levels*

Producers will have complete autonomy to operate an efficient and cost-effective service delivery model for collection. Curbside or depot drop off models for collection could be offered. In BC glass bottles/jars,

<sup>1</sup> HRM waste audit by staff conducted Summer 2016, Fall 2016 and Spring 2017

plastic film & bags and Styrofoam products were transitioned from the curbside to a depot drop off model as this was more efficient and cost effective for industry to deliver services. Glass and plastic bags posed challenges at the processing facilities including contaminating other commodities rendering these of less market value. Delivery of Styrofoam was more efficient in the depot model than curbside for collection and consolidation for shipment to market. Producers make decisions based on costs and economies of scales for efficiencies.

Based on the BC experience in its transition to the full EPR industry model, municipalities can expect the following option for consideration:

**Option of First Right of Refusal** – This is where municipalities become service providers for industry in a fee for service arrangement. The municipality remains the first point of contact for the resident providing customer service and education operating as a contracted agent for the producer. The fee for service model remunerates municipalities for recycling collection services, program administration and education delivery. In some cases, the fee for service may or may not cover all costs, risk or liabilities.

Costs not covered by the fee for service arrangement can include materials excluded from the definition of printed paper and packaging whereby municipalities are willing to fund a higher level of collection services. In HRM, metal pots and pans were recently added as an acceptable item in the curbside recycling program; these items would not likely be included as part of an EPR program and therefore costs for collection and processing would be incurred by the municipality. Similarly, industry determines the most efficient and cost-effective means for collection. In the BC model glass, polystyrene and plastic bags are recycled at drop off depots. If HRM were to desire curbside collection for these materials, it would negotiate with industry for separate collection and the municipality would be responsible for costs.

#### *Stranded Assets and Contract Implications*

HRM owns and contracts operation of the Material Recycling Facility (MRF) where both residential and industrial, commercial and institutional (ICI) materials are delivered for processing and shipped to market. The MRF was constructed in 1991, has had upgrades to the building and equipment over the duration of 28 years, however is considered an aging asset. The current operating contract commenced on April 1, 2019 for a 5-year term. HRM may need to consider options to wind down and transition operations to industry in planning for EPR implementation. Any potential costs or fees cannot be determined until the model and timeline for EPR are known. The facility infrastructure would be a stranded asset if industry determines the asset is not needed for the new program. In BC some municipal infrastructure transitioned to transfer facilities, however there is only one residential recycling plant that services the entire province. The HRM owned building and property in the Bayers Lake Industrial Park would be considered a stranded asset if not re-purposed by industry. The Efficiency Report suggests stranded assets can be managed in transition. Options suggested in the report refer to municipalities bidding or partnering to become central processing centres for the industry program.

It is noted that an EPR program would not include household hazardous waste, and as such the management of these materials would continue to be HRM's responsibility. The Household Special Waste (HSW) facility is located on the same property as the MRF and would need to be considered in future planning options for the existing property if an EPR program is implemented.

### *Recycling Targets*

EPR legislation identifies outcomes including recycling targets industry must achieve. These can be “material specific” or “aggregated” targets. Material specific targets require the producer to achieve recovery and recycling rates for each product or packaging category of material while aggregated recycling targets are achieved by measuring the basket of goods recovered as a group. The aggregated approach can be a disincentive for diversion of lighter weight packaging. The Efficiency Report states, “If material specific targets are not the chosen option, the Nova Scotia municipalities might want to consider the cost and consequences of packaging that continues to be disposed of in municipally-owned landfills.”

### *Residential Only Materials & Ban Material List*

Only residential materials are being considered for inclusion in an EPR program. Producers would be obligated to recover designated paper and packaging materials generated by residential households, including those residing in condos and apartments. In NS, recyclable materials and organics are banned from landfill disposal for both residential and ICI sectors. Municipalities provide capacity for processing residential and ICI recyclable materials as it is obligated to divert items banned from landfill disposal. The landfill ban regulation is unique in Canada and is a key attribute for success in NS as half as much waste is landfilled as compared to other Canadian provinces.

Halifax currently offers ICI sector clients access to the MRF at a tipping fee for blue bag items as well as small business drop off. Given the provincial landfill ban on recyclable materials, any proposed EPR legislation should accommodate both residential and ICI packaging waste. These concerns were expressed in the NS EPR Proposal: “Although ICI generated material is not obligated under any other EPR program across the country, it is believed the streamlining of the recycling system in Nova Scotia would make disposition and processing of materials by ICI clients more affordable”

### *Overcoming Challenges & Preserving the Culture of Recycling: A Proposal for EPR for Packaging and Paper in Nova Scotia*

Concurrently with the Efficiency Report, as directed by the NS Environment Minister, Solid Waste Regional Chairs Priorities Working Group recently led the development of a report entitled: “Preserving the Culture of Recycling: A Proposal for Extended Producer Responsibility for Packaging and Printed Paper in NS” (NS EPR Proposal). The working group engaged with NSFM members, industry and business stakeholders and submitted the NS EPR Proposal to NS Environment Minister Gordon Wilson on May 30, 2019. The NS EPR Proposal responds to NS Environment’s request for a model that demonstrates consensus amongst municipalities and businesses and has sufficient detail for the province to consider public policy impacts. The report identifies how a model could work for NS to further enhance success in diversion.

Key components of the NS ERP Proposal include:

- A model with a proven track record for cost efficiency:
  - Full EPR models are run by industry with the financial incentive to achieve economies of scale and ability to market recyclable materials.
- Demonstrated consensus amongst NS municipalities:
  - Municipalities identified EPR as a priority in November 2018 through a unanimous resolution at NSFM.
- Demonstrated consensus among businesses:
  - Business sector organizations engaged through the Retail Council of Canada, Canadian Stewardship Services Alliance and NSFM.
- Low or no impact to small business:
  - Recommendations to exempt small business as in other provinces (i.e., not obligated to fund recovery of packaging).



- Sufficient detail for NS Environment to consider public policy impacts:
  - NS committed to CCME Canada-wide action plan in 2009 and more recently to the Canada-Wide Action Plan on Zero Plastic Waste in 2019 that reaffirms EPR is a priority area for action. There is sufficient information that has been gathered over the past 10 years on the implementation of EPR programs across Canada to identify best practice approaches to policy including where harmonization can occur for program efficiency.
- Maintaining the environmental performance of the current system while reducing cost:
  - To maintain the current environmental performance of recycling programs in NS, the following minimum standards should be recognized in EPR legislation for inclusion in the industry plan for recycling:
    - Residential Access – Industry maintain or improve curbside level of service
    - Convenience – Recycling collection curbside to be weekly or every two weeks
    - Sort List – Allow for inclusion of current materials captured by municipalities
    - ICI Access – Provide infrastructure and processing capacity to meet the needs to process ICI recyclables
- Consistency with other programs across the country:
  - A full EPR model consistent with BC which includes a national materials list for recycling capture, as defined by Canadian Stewardship Services Alliance, as well as first right of refusal for municipalities.

As part of the NS EPR Proposal, the proposed legislative framework would be sensitive to the needs of municipalities with the inclusion of the following standards:

- Use of existing infrastructure/human resources: An industry plan should identify an efficient system for Nova Scotia that first utilizes Nova Scotia infrastructure and human resources. In the case that existing infrastructure/resources cannot be used, the industry plan must identify the reasons.
- Municipalities have the right of first refusal for collection and education: An industry plan will include consulting with municipalities to transition collection services and processing facilities; each municipality has the option to be a contracted agent or opt for industry to take over collection and processing services directly.
- Maintain or improve current level of curbside service (e.g., weekly or bi-weekly curbside services and acceptable items included in the program).
- Allow time for planning and transition with regards to existing collection and processing contracts.

### NEXT STEPS

Solid Waste Regional Chairs Priorities Working Group met with Environment Minister Gordon Wilson on October 2, 2019 and presented the findings from the Efficiency Report with particular focus on EPR as the catalyst for change. Industry taking on the responsibility for recycling collection and processing is an example of how to drive efficiencies and economies of scale. The Minister asked for time to review the details in the report.

The diagram below depicts possible steps and timelines for EPR implementation. Actual steps and timelines will be determined by NS Environment should the Province of NS decide to commit to implementing EPR legislation.



### **FINANCIAL IMPLICATIONS**

Recycling capture and processing becomes the responsibility of industry when full EPR is implemented. The costs to deliver residential recycling program services is shifted to industry. Potential savings may be in the range of \$ 4 - \$6 million dollars for HRM based on the current recycling program costs.

### **COMMUNITY ENGAGEMENT**

There was no community engagement undertaken for the purposes of this information report.

### **ATTACHMENTS**

#### Reports and Presentations

- (A) ESSC 05 March 2015 presentation report
- (B) ESSC 06 October 2016 staff report
- (C) ESSC 06 April 2017 presentation report
- (D) ESSC 03 May 2018 presentation report
- (E) Preserving the Culture of Recycling: A Proposal for EPR for Packaging and Printed Paper in NS

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A copy of this report can be obtained online at [halifax.ca](http://halifax.ca) or by contacting the Office of the Municipal Clerk at 902.490.4210.

Report Prepared by: Laurie Lewis, Program Manager-Policy & Outreach, 902.864.6835

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# HALIFAX

## EPR Update

Presentation to ESSC

05 March 2015

# Presentation Outline

- Backgrounder Review - What is EPR and Council's input to NSE
- Fact Finding Mission
- UNSM Motion
- Priorities Working Group

# Background Review

- What is Extended Producer Responsibility (EPR) ?
- Making producers of packaging responsible for designing and financing product packaging end of life



**HALIFAX**

# Council's Input to NSE

1. Funding Models – To include Full Cost Recovery
2. Municipal Service Model – Role in Collection & Processing
3. Recycling Accessibility – Curbside model preferred option

# Council's Input to NSE

4. Life Cycle Management – Design for Environment

5. Product List and Priority – Recycling and Special Waste

# EPR Fact Finding Mission

- To examine EPR programs in other provinces (Ont. and BC) to learn from their experiences.
- Meet with as many stakeholders as possible (provincial regulators, municipalities and industry) to get different perspective on EPR programs.
- Share what we have learned with our colleagues.



# What We Heard

- Establish clearly defined goals, definitions, role(s) of stakeholders, standards and targets
- Establish a working group through to implementation
- Communicate and Collaborate Early On

# UNSM Motion

- **PROVINCIAL-MUNICIPAL SOLID WASTE WORKING GROUP (PASSED)**
- Halifax Regional Municipality
- 
- **WHEREAS** the Province of Nova Scotia is conducting a review of its solid waste regulations; and
- 
- **WHEREAS** municipalities are largely responsible for the operation of solid waste systems in Nova Scotia; and
- 
- **WHEREAS** any changes to regulations will have a significant impact on municipal operating costs; and
- 
- **WHEREAS** the Province has committed to consulting with municipalities on any proposed changes to regulations; and
- 
- **WHEREAS** an intergovernmental working group would allow for beneficial information sharing and input from all partners, and potentially set a benchmark for province-wide operating standards;
- 
- **THEREFORE BE IT RESOLVED** that the UNSM request that a working group be established through the NS Solid Waste Management Regional Chairs committee to inform the solid waste regulation review, with representatives from
- the NS Department of Environment; NS Municipal Affairs; municipal solid waste managers and directors; the NS Solid Waste Management Regional Coordinators; and UNSM; and that part of the mandate of this working group will be to seek additional provincial funding support.


# Working Group Established

- Municipal- Provincial Solid Waste-Resource Priorities Working Group
- Membership includes:
  - Regional Chairs ( 2 elected officials)
  - NS Solid Waste Managers/Directors ( 2 )
  - NS Regional Coordinators (2)
  - RRFB (2)
  - UNSM (1)
  - Municipal Affairs (1)
  - NSE (2)

# CSSA – Industry Sector

- Canadian Stewardship Services Alliance (CSSA)
- Leading retailers and manufacturers across Canada partners with municipal and provincial governments implementing EPR
- Accountable for packaging design, recovery and recycling

# EPR Models

FULL EPR	SHARED EPR
<ul style="list-style-type: none"> <li>• <b>Producers are responsible for collection, processing and end markets.</b></li> </ul>	<ul style="list-style-type: none"> <li>• Municipality maintains 100% responsibility for collection, processing and end markets.</li> </ul>
<ul style="list-style-type: none"> <li>• <b>Producers determine service levels (curbside or depot) for materials</b></li> </ul>	<ul style="list-style-type: none"> <li>• Municipalities determine service levels (curbside) for blue bag &amp; paper items</li> </ul>
<ul style="list-style-type: none"> <li>• <b>For only materials as defined by PPP</b></li> </ul>	<ul style="list-style-type: none"> <li>• Material list determined by municipalities</li> </ul>
<p><b>Industry taking the lead and may contract for municipal service delivery</b></p>	<p>Model is more prescriptive for industry with municipalities take the lead much like status quo</p> 

# What's Next?

- Priorities Working Group outputs to Regional Chairs
- Communication with UNSM
- Municipal Financial Impact Study
- NSE
  - “What We Heard” Document
  - EPR in Regulation

# HALIFAX

# Thank You

ESSC Presentation  
05 March 2015



P.O. Box 1749  
Halifax, Nova Scotia  
B3J 3A5 Canada

**Item No.**  
**Environment and Sustainability Standing Committee**  
**October 6, 2016**

**TO:** Chair and Members of Environment & Sustainability Standing Committee

**SUBMITTED BY:** Original Signed  
Taso Koutroulakis, A/Director TPW

**DATE:** September 12, 2016

**SUBJECT:** Extended Producer Responsibility (EPR)

**ORIGIN**

June 9<sup>th</sup>, ESSC motion requested staff prepare a report outlining the opportunities and challenges for HRM with a full EPR model for paper and packaging.

**LEGISLATIVE AUTHORITY**

Solid Waste regulations fall under provincial legislation. Changes to the legislation and regulations have a direct impact on municipal services and costs in terms of administration, education, disposal, materials management, processing and enforcement. HRM Charter, Part XIII Solid Waste Management, Section 336 (a-j) refer to the authority to make by-laws respecting Solid Waste Management.

**RECOMMENDATION**

It is recommended that Environment and Sustainability Standing Committee request staff prepare a report outlining the opportunities and challenges of EPR for HRM once the province wide review of the solid waste management system has been completed.



## **BACKGROUND**

EPR is an economic instrument, enabled by provincial legislation, where producers of products and packaging are responsible for designing and financing end of life management of their products and associated packaging. The goal is to shift responsibility for funding end of life management upstream away from the taxpayer to the product manufacturer. Legislative and economic instruments encourage manufacturers to design environmentally friendly products and reduce waste at its source. EPR is one pillar in a zero-waste approach advocated by organizations involved in environmental sustainability.

At the October 2010 meeting of UNSM, Nova Scotia municipalities requested financial support for solid waste program delivery. A resolution was approved to support EPR. At the October 2015 ESSC meeting, a staff report dated August 10, 2016 provided rationale for a shared EPR model for Atlantic Canada. At that time, no decision had been made by the province as to what model of EPR would be implemented. Since this report, Nova Scotia Environment has engaged municipalities and businesses (Our Path Forward consultation, October 23, 2015 workshop) on proposed regulation changes for solid waste management.

On October 23, 2015 the Province of Nova Scotia, through the Minister of the Environment, confirmed that if the province instituted EPR it would be a full model. This was reconfirmed in the legislature on May 2, 2016. In a full model, the manufacturers and producers of paper and packaging are responsible for the cost and management of residential collection and processing service delivery. NSE staff confirmed if an EPR program was established there would likely be a 3 year planning and review process prior to the stewards assuming ownership of the material.

## **DISCUSSION**

There was a meeting of Solid Waste Regional Chairs on July 22, 2016. In attendance was Nova Scotia Environment Deputy Minister Frances Martin, Executive Director Andrew Murphy and Minister Miller's Executive Assistant. Correspondence from Minister Miller dated July 21st was delivered (Attachment A). NSE confirmed at this meeting and as noted in the letter that the province is seeking to partner on a municipally led project to independently examine how the current waste management system could be made more efficient and less costly through a province-wide approach.

A motion was passed at the July 22nd Chairs session and a letter was sent to Minister Miller to confirm that Chairs will collaborate on a study of the solid waste management system that will move towards full EPR regulation. Chairs tasked the Regional Priorities Group to discuss working towards development of a terms of reference for this study.

Once the study on how to make the waste system more efficient in Nova Scotia is complete, staff will provide an update to ESSC on the recommendations. Without this review, its recommendations and subsequent action by the Province it is unknown what efficiencies can/will be achieved within the current waste system in Nova Scotia. As a result, it is premature to review the opportunities and challenges of how a full EPR system may impact HRM.

## **FINANCIAL IMPLICATIONS**

No financial implications with this report.

## **RISK CONSIDERATION**

N/A

## **COMMUNITY ENGAGEMENT**

N/A

**ENVIRONMENTAL IMPLICATIONS**

N/A

**ALTERNATIVES**

N/A

**ATTACHMENTS**

July 21, 2016 Letter from Minister Miller.

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A copy of this report can be obtained online at <http://www.halifax.ca/commcoun/index.php> [or other appropriate Committee link] then choose the appropriate [Community Council/Board] and meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.

Report Prepared by: Matt Keliher, Manager, Solid Waste 902.490.6606

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**Environment  
Office of the Minister**

PO Box 442, Halifax, Nova Scotia, Canada B3J 2P8 • www.novascotia.ca/nse

**JUL 2 1 2016**

Our File No.:  
10700-40-49830

Richard Dauphinee, Chairman  
Nova Scotia Solid Waste-Resource Management  
Regional Chairs Committee  
PO Box 639  
Mahone Bay, NS B0J 2E0

Dear Mr. Dauphinee:

**RE: Welcome/Introduction to Regional Chairs and Support for EPR**

Thank you for meeting with the Department on May 11, 2016 and again on June 23, 2016 to discuss various funding related issues faced by municipalities. I appreciate the frank and open dialogue. I would like to respond formally to the various items that have been discussed.

**Enforcement Funding:**

Compliance and enforcement and the support provided by Divert Nova Scotia, is an important part of our solid waste system. I am pleased to advise that the Department will be able to grant your request to reinstate the \$70,000 in funding that was lost from Divert Nova Scotia's budget. We will coordinate with Divert Nova Scotia to implement the funding reinstatement. We cannot commit at this time to future years.

**Education Funding:**

Education of our citizens provides important information about how to participate in the solid waste system. While we are unable to fulfil your request for funding, we are prepared to work with you to find other ways to assist. I have asked Andrew Murphy in my department to arrange a meeting with Valda Walsh and our communications team to discuss whether there are new ways of achieving education and awareness outcomes through a more collaborative approach.

**Illegal Dumping:**

We recognize that illegal dumping is a challenge faced across Nova Scotia and that we all have a role to play in finding solutions. To that end I have asked Janet MacKinnon with our Inspection Compliance and Enforcement division to arrange a discussion with Valda Walsh to discuss how the Nova Scotia Environment can be more consistent and coordinated in responding to illegal dumping concerns. Through collaboration and a province-wide approach we can explore how to reduce illegal dumping in an efficient and effective manner.

Richard Dauphinee  
Page Two

**Diversion Credits:**

The Province appreciates the hard work and financial challenges experienced by municipalities in delivering solid waste services. However, reinstating diversion credits to \$4 million for 2016-17 would only increase funding by about \$1.2 million. This represents less than 1 per cent of municipal spending on solid waste in Nova Scotia. We would like to work with Regional Chairs to find solutions but they must result in a more sustainable system.

**Financial Challenge:**

The department appreciates the financial concerns. Before the Province can consider providing assistance, we would need to have a better understanding of the cost challenges and see an independent examination of opportunities for the reduction of costs.

There is some evidence that opportunities do exist to reduce costs, by consolidating infrastructure and collaborating on operations. For example, in British Columbia, there is one material recovery facility to service a much bigger province. In Nova Scotia, we have nine. We need to examine the bigger picture.

If there is interest from municipalities, Nova Scotia Environment would be prepared to partner on a municipally led project to independently examine how the current system could be made more efficient and less costly through a province-wide approach. Such a study could be a first step toward evolving our solid waste system to make it more cost effective. Once there is a clear understanding of the problem, we are prepared to work with you towards solutions.

It is also clear that there is a lack of sufficient support from stakeholders to move forward with extended producer responsibility for paper/packaging and other end of life products. Municipalities need to take the lead in building a business case and creating the conditions for success. This work includes bringing forward a detailed, consensus-based proposal to government for consideration. The proposal must include

- Demonstrated consensus amongst municipalities — large and small, urban and rural - and support from UNSM
- A demonstrated consensus between municipalities and small and large businesses
- Low or no impact to small business
- Sufficient detail in order for the Province to consider public policy impacts
- Maintenance of the environmental performance of the current system while containing or reducing cost, and
- Consistency with other programs across the country

**Richard Dauphinee**

**Page Three**

**NSE will work with you as a collaborative partner to find solutions that will allow Nova Scotia to continue to be a leader in waste resource management. I appreciate your efforts to date and I look forward to continued dialogue on these important issues.**

**Sincerely,**

**Original Signed**

**Margaret Miller, MLA  
Minister of Environment**

**C: Minister Zach Churchill  
Mayor Cecil Clarke, President UNSM  
Deputy Minister Frances Martin  
Valda Walsh, Coordinator Regional Chairs  
Adrian Fuller, Executive Director NSE  
Janet MacKinnon, District Manager  
Andrew Murphy, Executive Director NSE  
Chuck McKenna, Manager NSE**

**bc:**

# HALIFAX

## Extended Producer Responsibility (EPR)



Presentation for ESSC April 6, 2017

# What is Extended Producer Responsibility?

Brand owners and manufacturers are responsible for the costs of product recovery and recycling.

- How does this happen?
  - Voluntary
    - Milk Stewardship
    - Batteries(Call2Recycle.ca)
  - Regulation
    - Motor Oil
    - Paint

# Examples of Extended Producer Responsibility

Enabled in NS by provincial regulations (NSE Solid Waste Management Regulations)

- Regulated Products in NS include:
  - E-Waste ( TV, Computers, etc..)
  - Paint Products
    - Fees are collected at point of purchase
    - Industry must submit a plan for the recycling and recovery
    - Current program is drop off at designated depots



# Extending Producer Responsibility for Packaging

- Packaging in the Blue Bag
  - Plastic
  - Glass
  - Metal
  - Cartons
  - Paper



**HALIFAX**

# Extended Producer Responsibility for Packaging

- Packaging producers and manufacturers fund recycling collection, processing and sales
- Provincial legislation is required
- In Canada EPR for packaging exists in BC, ON, SK and MB.
- All European Union Member States have implemented EPR for packaging.
- Fees can be non-visible and built into cost of product.

# EPR Models for Packaging

## Full

- Producers fund and are responsible to deliver a recycling program for materials in the blue bag program.
- Producers determine collection service levels( depot drop off or curbside for materials, frequency of collection, etc.)
- Producers determine the list of materials for recycling, what materials are added or removed from a blue bag recycling program.
- Producers not obligated to provide blue bag processing for the business or institutional sectors.

## Shared

- Producers cost share to provide funding to support municipalities delivery of recycling collection, MRF processing and marketing of blue bag materials.
- Municipalities continue to determine collection service levels, types of materials collected and frequency .
- Municipalities determine list of materials for recycling
- Municipalities continue to provide processing for businesses and institutions

# Council's Input on EPR through Regulatory Review (Sept. 2014)

1. Funding Models – To include Full Cost Recovery
2. Municipal Service Model – Role in Collection & Processing
3. Recycling Accessibility – Curbside model preferred option
4. Life Cycle Management – Design for Environment
5. Product List and Priority – Recycling and Special Waste

# Current State of EPR

NSE Minister Miller communication issued July 2016 states:

“NSE would be prepared to partner on a municipally led project to independently examine how the current solid waste management system can become more efficient and less costly through a province wide approach.

It is clear that there is a lack of sufficient support from stakeholders to move forward with extended producer responsibility for paper/packaging and other end of life products. Municipalities need to take the lead in building a business case and creating the conditions for success”

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# Efficiency Study

Municipal Solid Waste working group has initiated this project – a study of the Efficiency of the Solid Waste System:

- Phase 1 – Seek proposals to develop scope of work for this project
  - » Target for completion end of June 2017
- Phase 2 - Scope of work to be issued in a RFP / tender in 17/18
- Phase 3 – Completion of scope of work with associated recommendations

**HALIFAX**

**Questions ?**

## Extended Producer Responsibility (EPR)



Presentation for ESSC May 3, 2018



# What is Extended Producer Responsibility?

Brand owners and manufacturers are responsible for the costs of product recovery and recycling.

- How does this happen?
  - Voluntary
    - Milk Stewardship
    - Batteries(Call2Recycle.ca)
  - Regulation
    - Electronics (E-waste)
    - Paint

# Examples of Extended Producer Responsibility

Enabled in NS by provincial regulations (NSE Solid Waste Management Regulations)

- Regulated Products in NS include:
  - E-Waste ( TV, Computers, etc..)
  - Paint Products
    - Fees are collected at point of purchase
    - Industry must submit a plan for the recycling and recovery
    - Current program is drop off at designated depots

# Extending Producer Responsibility for Packaging

- Packaging in the Blue Bag
  - Plastic
  - Glass
  - Metal
  - Cartons
  - Paper



**HALIFAX**

# Extended Producer Responsibility for Packaging

- Packaging producers and manufacturers are responsible for costs
  - Collection, process and marketing of residential materials
- HRM's residential costs to collect, process & market materials:
  - \$ 4 million annually – collection
  - \$ 2.5 million annually - process/market
    - Minus revenues \$ 1M to \$ 1.9M

# Extended Producer Responsibility for Packaging

- In Canada EPR for packaging exists in BC, ON, SK and MB and Quebec.
- Producers fund programs by incorporating costs into their national product pricing. This means the selling price on a package in NS is helping to fund recycling programs for that same packaging else where there is EPR legislation .

# EPR Models for Packaging

## Full (BC)

- Producers fund and are responsible to deliver a recycling program for materials in the blue bag program.
- Producers determine collection service levels( depot drop off or curbside for materials, frequency of collection, etc.)
- Producers determine the list of materials for recycling, what materials are added or removed from a blue bag recycling program.
- Producers not obligated to provide blue bag processing for the business or institutional sectors.

## Shared (PQ,ON, SK,MB)

- Producers cost share to provide funding to support municipalities delivery of recycling collection, MRF processing and marketing of blue bag materials.
- Municipalities continue to determine collection service levels, types of materials collected and frequency .
- Municipalities determine list of materials for recycling
- Municipalities continue to provide processing for businesses and institutions

# Council's Input on EPR

- Funding Models – To include Full Cost Recovery
- Municipal Service Model – Role in Collection & Processing
- Recycling Accessibility – Curbside model preferred option
- Life Cycle Management – Design for Environment
- Product List and Priority – Recycling and Special Waste
  
- 2 Letter of Support Sept 2014 & Feb. 2018

# EPR Next Steps

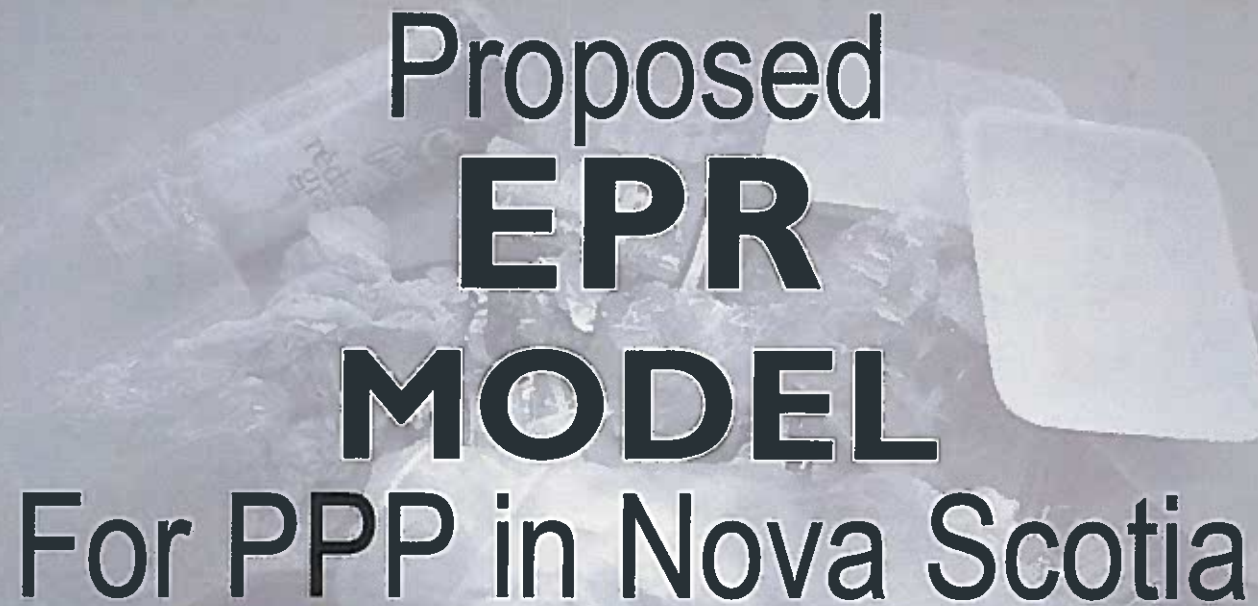
- Regional Chairs & NSE are working together to conduct a municipally led project to independently examine how the current solid waste management system can become more efficient
- Efficiency study slated for completion Fall 2018
- Regional Chairs (attached) EPR toolkit, with presentations undertaken in all municipal Regions to inform others about EPR
- UNSM Plenary May 11 – Solid Waste Extended Producer Responsibility

*Learn how your Municipality can shift responsibility of managing printed paper and packaging to industry and significantly decrease both costs and risks associated with municipal curbside recycling programs. Eighty per cent of Canadians benefit from extended producer responsibility for these products. Should Nova Scotia follow in these footsteps? Come find out about what this approach would mean in Nova Scotia.*



**HALIFAX**

**Questions ?**



Proposed  
**EPR**  
**MODEL**  
For PPP in Nova Scotia

NOVA SCOTIA SOLID WASTE-RESOURCE

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REGIONAL CHAIRS



# MUNICIPAL COST TO MANAGE WASTE IN NS

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- In 2005 Solid Waste Management costs were \$70,115,488
- In 2015 Solid Waste Management costs were \$109,403,443
- 9.66% of total municipal expenditures
- With a 56% increase over 10 years – the current method of paying for the system is unsustainable.

**EXTENDED  
PRODUCER  
RESPONSIBILITY**

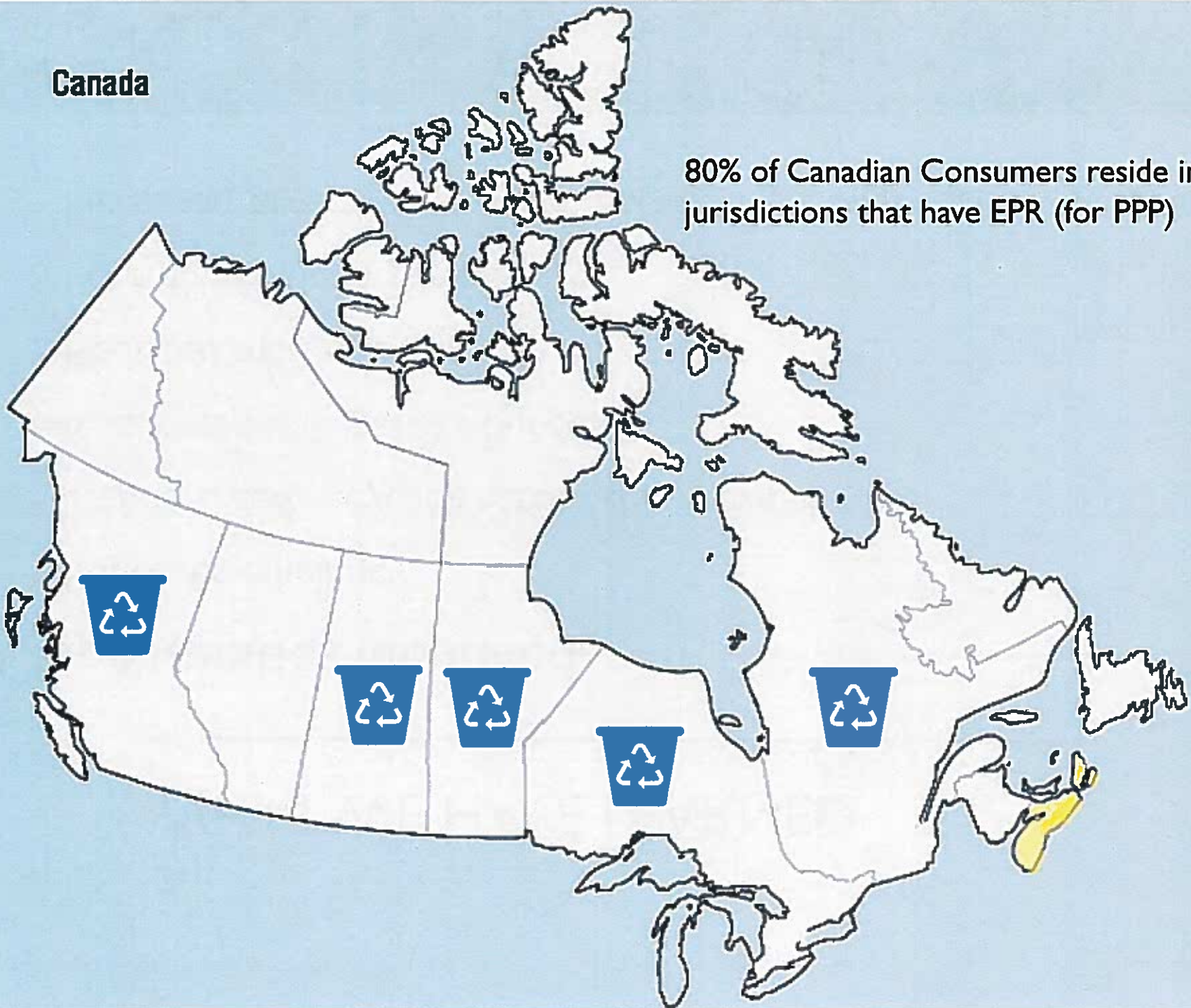
an environmental policy approach  
in which a producer's  
responsibility for a product is  
extended to the postconsumer  
stage of a product's life cycle

**PRINTED PAPER  
AND  
PACKAGING**

Each province defines this by material types but is basically the bulk of the materials currently collected in our residential blue bag system

# Canada

80% of Canadian Consumers reside in jurisdictions that have EPR (for PPP)



# WHAT WE HAVE LEARNED

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- Opportunities identified:
  - Improves efficiency
  - Standardized recycling across the province
  - Reduced municipal tax burden
  - Reduced market risk
  - Potential for jobs gained
  - Increased diversion as more materials get added to the program

# WHAT WE HAVE LEARNED

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- **Concerns raised:**
  - Potential for job loss
  - Stranded infrastructure
  - Impact on small businesses
  - Consumers are already paying



**Proposed**

# EPR MODEL FOR PPP IN NOVA SCOTIA

## **SENSITIVE TO MUNICIPALITIES**

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- Use existing infrastructure/human resources
- Municipalities have the right of first refusal for collection and education
- Maintain or improve current level of curbside service
- Apply to residential PPP
- Allow time for planning and transition

Proposed

## EPR MODEL FOR PPP IN NOVA SCOTIA

### SENSITIVE TO BUSINESSES

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- Exempt small businesses
  - With revenue under \$2M
  - Supplying less than 1 tonne of PPP to Nova Scotia residents annually
  - Single storefront in NS and are not supplied by or operated as part of a franchise
  - Newspapers and registered charities
- Harmonized with other Canadian EPR programs
- Monitoring and compliance to ensure a level playing field

# **EPR BENEFITS**

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**ECONOMIC** – Drives efficiencies, increases economy of scale and reduces municipal tax burden

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**ENVIRONMENTAL** – Drives ‘design for environment’ (closing the loop) and increases diversion

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**SOCIAL** – Corporate social responsibility involves industry at the table.

Chairs accept toolkit and  
commit to regional  
sharing

Each Chair presents EPR  
toolkit to respective  
Regional Waste Authority

Regional Chairs present  
EPR toolkit to UNSM

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## NEXT STEPS

# EXTENDED PRODUCER RESPONSIBILITY

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**Nova Scotia Solid Waste-  
Resource Management  
Regional Chairs Committee**

PO Box 639  
Mahone Bay, NS  
B0J 2E0

**REGION 1:**

Amanda McDougall

**REGION 2a:**

Vernon Pitts

**REGION 2b:**

Jim Ryan

**REGION 3:**

Tom Taggart

**REGION 4:**

Tony Mancini

**REGION 5:**

John Kinsella

**REGION 6:**

Michael Ernst

**REGION 7:**

Leland Anthony

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Extended Producer Responsibility (EPR) is a policy approach that shifts the responsibility and costs of managing specific wastes/recyclable materials from municipalities to producers (i.e. brand owners and manufacturers). This means that producers establish a system to optimize efficiency.

Municipal curbside recycling programs are a type of producer funded EPR. In Canada, every province from Quebec west to British Columbia, except Alberta, has implemented EPR. Materials included in the curbside recycling program in Nova Scotia are referred to as 'printed paper and packaging' (PPP).

Provincial legislation is required in Nova Scotia to shift both the responsibility and the cost of recycling programs away from the taxpayer to the producer. This is referred to as EPR for PPP.

In Nova Scotia, the Solid Waste-Resource Regional Chairs, represented by elected municipal officials, have established a working group to focus on moving EPR forward. This group is called the Municipal-Provincial Priorities Group.

The Priorities Group is engaging with stakeholders to build an EPR program proposal that works for Nova Scotians. This proposal will build on insights and lessons learned in other provinces that have implemented EPR for PPP. Some of the findings include:

1. EPR would **significantly decrease both costs and risks** associated with municipal curbside recycling programs.
2. EPR would give Nova Scotia consumers **direct access to PPP programming they are already paying for indirectly** but are receiving none of the benefits.

## EPR – What's in it for municipalities?

### 1. Funding to support recycling programs

- Under this framework, producers are responsible for funding collection, processing and marketing of materials, as well as supporting education.
- Across Canada, in 2016, producers provided more than \$367 million to fund provincially-regulated PPP programs. Nova Scotia received \$0.00.
- It is estimated that a Nova Scotia EPR model could generate a financial benefit of up to \$16M per year.
- Municipalities would no longer manage the risk of rising costs and fluctuating commodity markets.

### 2. Access to PPP programming for which Nova Scotia consumers are already paying.

- Producers fund PPP programs in Canada by incorporating program costs into their national product pricing. [i.e. no eco-fees are charged as an added cost at point-of-sale.] This means the selling price on a box of cereal in Nova Scotia is helping to fund recycling programs for that same packaging elsewhere.
- Nova Scotia consumers are already paying for the incremental costs of PPP programs in other provinces, but without an EPR program here, are receiving none of the benefits.

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### *Regional Chairs are working to develop an EPR for PPP proposal that works for Nova Scotians*

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#### *Sensitive to municipalities:*

- Use existing infrastructure/human resources
- Right of first refusal for collection and education
- Maintain or improve current level of curbside service
- Apply to residential PPP materials
- Allow time for planning and transition

#### *Sensitive to Businesses:*

- Exempt small businesses:
  - With revenue under \$2M
  - Supplying less than 1 tonne of PPP to Nova Scotia residents annually
  - Single storefront in NS and are not supplied by or operated as part of a franchise
  - Newspapers and registered charities
- Harmonized with other Canadian EPR programs
- Monitoring and compliance to ensure a level playing field

## **Preserving the Culture of Recycling:**

# **A Proposal for Extended Producer Responsibility for Packaging and Printed Paper in Nova Scotia**

## INTRODUCTION

The Regional Chairs Committee (the Committee) provides an ongoing forum for the discussion of solid waste-resource management in Nova Scotia. The Committee provides regular opportunity to meet and exchange information from a municipal/regional perspective in partnership with Nova Scotia Environment (NSE), Divert Nova Scotia (Divert NS), Municipal Affairs and Nova Scotia Federation of Municipalities (NSFM).

Through this collaboration, Nova Scotia has had great success in diverting materials from landfill. Since 1996, we have built a culture of recycling and composting. Nova Scotians are proud of this culture and are now increasing their demand for more responsible management of items such as single use plastics. Indeed, many are even calling for the redesign or elimination of these plastics. This public demand for producers to provide environmentally responsible packaging for their product(s) is beyond the ability of the Committee and its partners.

Similarly, recent decisions on the world stage threaten access to markets for recyclable materials, which in turn threatens our ability to recycle. We must adapt to changing market conditions, or our culture of recycling is threatened. Extended Producer Responsibility (EPR) for Packaging and Printed Paper (PPP) offers an opportunity to have producers of obligated packaging take an active role in designing and managing the materials with these concerns at the forefront.

The following consensus-based proposal outlines the process that the Committee undertook to arrive at a proposed EPR for PPP model for Nova Scotia, the rationale for the proposed framework and the feedback received from industry and municipalities.

## PROCESS

The Municipal-Provincial Priorities Group (Priorities), under the direction of the Committee, developed a draft EPR for PPP model for Nova Scotia along with an EPR 'tool kit' (power point presentation, key messages and briefing paper) in order to facilitate conversations with municipalities and industry for their feedback as well as provide information on what EPR is and how it will impact and support the current municipal solid waste management systems in Nova Scotia.

Early in 2018, several rounds of presentations were made to solid waste regions and individual municipalities. In November 2018, NSFM adopted a resolution identifying implementation of EPR for PPP as a top priority.<sup>1</sup>

Strong collaboration with NSFM and the Canadian Stewardship Services Alliance (CSSA), as well as the Retail Council of Canada (RCC), helped Priorities engage businesses early in 2019.

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<sup>1</sup> <https://www.nsfm.ca/2018-resolutions.html> Resolution #2



Develop an approach for engaging with industry and municipalities based on direction given from the Minister of Environment that demonstrates consensus from both municipal and industry sectors

Research and develop a draft EPR for PPP model. Early discussions took place with municipalities and industry including Canadian Stewardship Services Alliance (CSSA), Retail Council of Canada (RCC) and Chambers of commerce to ensure maximum outreach.

Develop tool kits specific to municipal and business interests. Present information via Council meetings, NSFMR resolution setting sessions, Association of Municipal Administrators (AMA) as well as online Q & A and outreach through RCC and the Atlantic Chamber of Commerce.

Gather all data acquired through education and engagement process. Develop the EPR for PPP consensus proposal.

Deliver proposed model and consensus-based proposal to Nova Scotia Environment for approval and movement through legislative process.

## **RATIONALE for Paper and Packaging EPR in Nova Scotia**

**Costs to manage recyclables currently rests with municipalities and it has increased significantly.** As packaging continues to become more complex, so do the systems required to sort, process and market the materials – making it more expensive for municipalities to manage these materials. EPR is recognized worldwide as an efficient waste management policy such that the producers of packaging are involved in the end-management of the product to ensure it can be recycled efficiently.

**Recycling market issues** - The loss of the Chinese market has put pressure on all waste management systems in Canada, the US and worldwide. China historically accounted for two-thirds of the global trade in waste plastics. Municipal recycling facilities in Nova Scotia continue to have issues with stockpiling film plastics and have seen market declines for other materials, such as cardboard. EPR for PPP shifts the cost and risk to producers who are better positioned to make changes to the products to reduce costs, improve recyclability, as well as find markets.

**Efficient recycling requires economies of scale** - Recycling is a volume-based business. Nova Scotia has nine material recycling facilities serving almost one million people. In British Columbia, where EPR exists, there is one material recovery facility for a population of almost five million, in a province that is geographically 17 times larger than Nova Scotia.

**Municipal taxpayers are paying twice.** 80% of Canadians live in a province with EPR for PPP and producers incorporate their costs into their national product pricing. Nova Scotia consumers are paying for PPP products at the checkout and paying for collection and disposal of these products by way of taxation. EPR takes the financial burden off the municipalities and shifts it back to those producing the materials. (see example in Appendix A of consumer products that are the same price across Canada)

**Impact on design for the environment** - Producers and brand owners design packaging based on a number of requirements, such as marketability, shelf life and product safety. EPR, by setting higher fees for material that is difficult to recycle, would prioritize environmental considerations in packaging design.

## PROPOSAL

Across the country there is a trend to move the responsibility of handling certain materials away from municipalities to the producer/brand owner. More importantly, across the country and in our Province, we have seen the public outcry asking government and industry to act on the ever-growing burden that single use plastics and packaging place on our environment and economy. EPR gives the province an opportunity to shift the management of these materials to the producer/brand owner.

The proposed EPR for PPP model and engagement process was derived from the direction of the Minister of Environment and includes the following components:

- A model with a proven track record for cost efficiency.
- Demonstrated consensus amongst municipalities large and small, urban and rural.
- A demonstrated consensus amongst small, medium and large business.
- Low or no impact to small business.
- Sufficient detail in order for the province to consider the public policy impacts.
- Maintenance of the environmental performance of the current system while containing or reducing cost.
- Consistency with other programs across the country  
*(letter from Honorable Iain Rankin, September 6, 2017).*

The proposed EPR for PPP Model:

### ***Sensitive to Businesses***

- Exempt small businesses
  - With revenue under \$2M
  - Supplying less than 1 tonne of PPP to Nova Scotia residents annually
  - Single storefront in Nova Scotia and are not supplied by or operated as part of a franchise
  - Newspapers and registered charities
- Harmonized with other Canadian EPR for PPP programs
- Monitoring and compliance to ensure a level playing field

### ***Sensitive to Municipalities***

- Use existing infrastructure/human resources
- Municipalities have the right of first refusal for collection and education
- Maintain or improve current level of curbside service
- Apply to residential PPP materials
- Allow time for planning and transition

### **1.1 A model with a proven track record for cost efficiency**

Full producer responsibility for PPP is a model with a proven track record in BC, Germany, Austria and Sweden. In a full producer responsibility model, producer/brand owners would have financial incentive to run programs and utilize infrastructure more efficiently. An industry-run program would achieve economies of scale and allow industry increased ability to market recyclable materials.

### **1.2 Demonstrated consensus amongst municipalities large and small, urban and rural**

Priorities met with municipalities and developed a framework for an EPR model for PPP based on the following objectives:

- Meet public demand for a sustained and improved Nova Scotia recycling system
- Increase efficiency of recycling programs respective of collection, education and marketing of post-consumer materials
- Reduce the cost of managing solid waste in Nova Scotia
- Incent innovation in packaging design

There was significant face-to-face engagement around the province with municipalities. Feedback regarding the draft EPR for PPP model was overwhelmingly positive. Consensus was ultimately reached in November 2018 through a unanimous NSFM resolution where municipalities voted to support the Province developing legislation and regulations for a full EPR for PPP program.<sup>2</sup>

### **1.3 Demonstrated consensus amongst small, medium and large businesses**

Priorities worked closely with both CSSA and RCC prior to engaging the business community. Following a few joint planning sessions with these industry organizations, a list of key businesses and business groups was developed. Prior to approaching the members on the list, a phone conference was hosted by NSFM with RCC Environment Committee to vet the draft EPR for PPP model. Written responses were received by March 15, 2019 and clearly noted support for a potential EPR for PPP program depended on a program being harmonized with the other EPR programs across Canada.

### **1.4 Low or no impact to small businesses**

The Nova Scotia model for EPR for PPP being proposed by Priorities is sensitive to the needs of businesses. Here are the key components of the model as it relates to businesses:

- Exempt small businesses:
  - With revenue under \$2M gross
  - Supplying less than 1 tonne of PPP to Nova Scotia annually
  - Single storefront in Nova Scotia and are not supplied by or operated as part of a franchise
  - Newspapers (does not include flyers) and registered charities
- Require monitoring and compliance to ensure a level playing field.

Using data provided through a finance report released June 2018<sup>3</sup> and the number of businesses obligated in other provinces, it was estimated that less than 250 (or 0.36) businesses in Nova Scotia would be obligated with the largest portion of these being low

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<sup>2</sup> <https://www.nsfm.ca/2018-resolutions.html> Resolution #2

<sup>3</sup> [https://www.novascotia.ca/finance/statistics/topic\\_news.asp?id=14111&fto=23w&rdval=2018-08](https://www.novascotia.ca/finance/statistics/topic_news.asp?id=14111&fto=23w&rdval=2018-08)

volume stewards (1 tonne or less of obligated materials). Newspapers will continue to be managed under the voluntary stewardship agreement.

### **1.5 Sufficient detail in order for the province to consider the public policy impacts**

Nova Scotia committed to the CCME Canada-wide Action Plan for Extended Producer Responsibility<sup>4</sup> in October 2009. Part of that commitment included the implementation of EPR programs for a list of waste products, including paper and packaging as priority products. This commitment recognized the need to promote harmonization and consistency of programs across the country, which is reflected in the draft EPR for PPP model.

### **1.6 Maintenance of the environmental performance of the current system while containing or reducing cost**

To maintain the environmental performance, the industry plan should consider:

- Residential Access – Industry must maintain or improve curbside level of service. One hundred per cent of Nova Scotians have access to a curbside collection program and that must continue under an EPR for PPP program.
- Convenience - With a few exceptions, recyclables are collected bi-weekly. At a minimum, industry should be required to collect residential recyclables bi-weekly from the curb.
- Comprehensive sort list– Nova Scotians are currently able to recycle a wide variety of waste products including paper, plastic containers, metals, glass, film wrap and much more. Under an EPR for PPP approach, industry should be required to collect and recycle the majority of the products currently handled by municipalities.
- Industrial, Commercial and Institutional Access -Infrastructure for materials management within reasonable distances.

### **1.7 Consistency with other programs across the country**

The proposed model is consistent with British Columbia<sup>5</sup> which is a full EPR model. Waste Free Ontario is also moving toward a full producer EPR model<sup>6</sup>. Consistent with other programs, the Nova Scotia draft model for EPR for PPP proposes to include business exemptions, the National Materials List<sup>7</sup>, as well as the right of first refusal for municipalities.

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<sup>4</sup> [https://www.ccme.ca/files/current\\_priorities/waste/pn\\_1499\\_epr\\_cap\\_e.pdf](https://www.ccme.ca/files/current_priorities/waste/pn_1499_epr_cap_e.pdf)

<sup>5</sup> [http://www.bclaws.ca/EPLibraries/bclaws\\_new/document/ID/freeside/449\\_2004](http://www.bclaws.ca/EPLibraries/bclaws_new/document/ID/freeside/449_2004)

<sup>6</sup> <https://www.ontario.ca/page/strategy-waste-free-ontario-building-circular-economy#section-5>

<sup>7</sup> <https://guidebook.cssalliance.ca/part-three/3-0-national-material-list/>

## FEEDBACK

### 1.1 Municipal Feedback

Since 2014, Priorities have been engaging municipalities and businesses. Many of the concerns raised by municipalities, such as fear of losing involvement in the civil service of collecting waste and educating residents on 'What Goes Where' were mitigated in the framework; such as offering municipalities the right of first refusal. Many conversations and presentations were held with individual municipalities as well as organizations such as the Association of Municipal Administrators Nova Scotia. A copy of some of the letters can be found in Appendix B and the proposed mitigation for concerns in Table 1 below:

*Table 1 Municipal Concerns and Proposed Mitigation*

CONCERNS/QUESTIONS	PROPOSED MITIGATION
Require oversight by Municipalities	Nova Scotia Advisory Board with 50% representation by municipalities (similar makeup to the Priorities Group) be established.
Cover the cost for handling obligated materials in organics and landfill streams	Request the industry plan suggest a path forward to covering the efficient cost to compost items on the National Materials List that go to streams other than blue bag (ie. boxboard in green bin and chip bags in the landfill).
Downstream monitoring of obligated materials	Suggest the industry plan propose a vendor qualification process similar to that referenced in the Nova Scotia Electronic Products Stewardship Program
Cover the contract breakage fees for collection and processing contracts	Regulations would take 3 to 5 years before implementation which will allow time to amend existing contracts. Priorities added 'Allow time for Planning and Transition'
Operators of an EPR program must accept ICI materials	Although ICI generated material is not obligated under any other EPR program across the country, it is believed the streamlining of the recycling system in Nova Scotia would make disposition and processing of materials by ICI clients more affordable.
Ban standard development will be a requirement	In other provinces, material targets are established in regulation. In Nova Scotia there currently is a requirement for 100% recovery of all banned materials. The 'Ban Standard' must be finalized prior to any EPR for PPP regulation and referenced when scribing material targets (eg. Glass food containers 75%)
Use of existing infrastructure	Industry plan should identify an efficient system for Nova Scotia that first utilizes Nova Scotia infrastructure and human resources. In the case that a site cannot be used, the industry plan must identify why it cannot be used.

## 1.2 Business Feedback

Following the September 2107 letter from the Minister of Environment, the Committee engaged CSSA as a resource for the business community to discuss the proposed model as well as the process for engagement. Using the list of businesses already registered in EPR programs across the country<sup>8</sup>, and the definitions for obligated materials, Priorities reached out to RCC's Environment Committee to review and comment on the proposed EPR model prior to formally reaching out to several businesses and business organizations.

In June 2015, a teleconference was held with Food and Consumer Products of Canada following which Priorities received their policy supporting EPR for PPP (Appendix E). Although the policy states support for a 'shared' model they also stated in our conversation "*As long as FCPC are at the table and truly sharing in the role to collect, process, manage and market end-of-life packaging, FCPC will align with whatever the regulation dictates. It is important to have opportunity to feed into the 'standards' conversation as a partner.*" In October the Canadian Chamber shared an undated statement also supporting EPR for PPP (Appendix D).

Understanding the role of the Canadian Federation of Independent Businesses (CFIB), a separate invite was issued through their Nova Scotia office. Indirectly, CFIB did outline a number of items to be addressed in any proposed EPR for PPP model. These along with other questions and concerns from industry are summarized in Table 2, along with proposed mitigating points. In a follow up email with CFIB it was noted they would not be participating directly in the process through the Committee, rather they would submit their comments directly to government.

A list of business contacts (Appendix C) were sent an outline of the draft EPR for PPP model for Nova Scotia. Appendix F contains written responses from those businesses and organizations wishing to have their submission sent directly via this proposal.

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<sup>8</sup> <https://www.cssalliance.ca/resources-list/>

Table 2 Business Concerns and Proposed Mitigation

CONCERNS/QUESTIONS	PROPOSED MITIGATION
Must be Atlantic Canada	Nova Scotia is a leader in waste management and is currently best positioned in Atlantic Canada to implement an EPR for PPP program. Nova Scotia design the program and propose it to Atlantic provinces through the CCME Ministers in Atlantic Canada.
State clear objectives	Objectives of the Nova Scotia model: <ol style="list-style-type: none"> <li>1. Improved recovery/recycling system for residents and businesses</li> <li>2. Improved efficiency system-wide (collection, education and marketing of post-consumer materials)</li> <li>3. Shift the cost upstream from the taxpayer to the manufacturer/brand-owner</li> <li>4. Incent innovation in packaging design</li> </ol>
Regular evaluation	Regulation to require routine reporting on numbers of stewards, outreach, as well as transparency on costs to manage the system relative to regulated diversion targets.
No additional costs to small business	Recommend small business exemption deminimus parameters. Priorities is open to further discussion and analysis of the deminimus threshold and flat fee schedules used in other provinces.
Financial transparency	With routine reporting also require audited reporting on materials managed, costs of the program and revenues earned.
No additional red tape	Existing regulation is broad and aligns different rules for various materials. A framework based on producer responsibility will streamline and simplify the program for business as well as residents.
Accountable to the Minister	Existing regulation requires reporting directly to the Minister. This will not change.
Level of protection to keep businesses competitive	Draft model harmonizes with other Canadian programs helping with overall business competitiveness.
\$2 M threshold inherently unfair for mid/large businesses	The \$2M deminimus is based on harmonization with other programs (SK and ON). A lower deminimus would mean less free riders and provide a level playing field and thus strongly encouraged. Priorities is open to further discussion and analysis of the deminimus threshold.
Plan should deal with PPP from e-commerce	None of the existing plans currently deal with this however, CSSA is studying the issue. Priorities would be open to discussing a plan to help mitigate this growing issue.
Level the playing field	Priorities is open to further discussion and analysis of the deminimus threshold and flat fee schedules used in other provinces.



## RECOMMENDATION

By working in strong collaboration with our partners at NSFM, the group was successful in reaching out to 50 municipalities and over 2,000 businesses. Several presentations as well as a business 'Question and Answer' session was conducted. This enabled Priorities to address concerns of municipalities and business owners directly.

Following careful review of all feedback received through written comments, email questions and conversations, it is believed the EPR for PPP model presented in this proposal is fair to all concerns raised. We believe it meets the needs of the Minister as outlined in September 2017.

Regional Chairs, along with our partners at NSFM wish to propose the advance of an EPR Model for PPP that works for all Nova Scotians.

## AUTHORIZATION

**Chair – Regional Chairs** \_\_\_\_\_

-Original Signed-

**Name:** Leland Anthony

**Position:** Chairman

**Date:** 30 / 05 / 2019

# **APPENDICES**

**APPENDIX A Price Index Example**

**APPENDIX B Municipal Feedback**

**APPENDIX C List of Businesses contacted**

**APPENDIX D Chamber of Commerce Position**

**APPENDIX E FCPC Policy**

**APPENDIX F Business Feedback (on letterhead)**

# APPENDIX A PRICE INDEX EXAMPLE

Research conducted via [www.walmart.ca](http://www.walmart.ca) on 9 May 2019



Shipping location	Crest Toothpaste 100 ml \$Price/Unit	Kraft Dinner 225g \$Price/Unit	Rice Krispies 440 g \$Price/Unit	Costs paid by industry to recycle packaging
Saint Johns, NL (A1C 1J3)	1.38	1.47	4.47	0%
Charlottetown, PE (C1A 7K2)	1.38	1.47	4.47	0%
Halifax, NS (B3J 3A5)	1.38	1.47	4.47	0%
Fredericton, NB (E3B 1B5)	1.38	1.47	4.47	0%
Quebec City, QC (G1R 4S9)	1.38	1.47	4.74	100%
Toronto, ON (M5H 2N2)	1.38	1.47	4.47	50%*
Winnipeg, MB (R3B 1B9)	1.38	1.47	4.44	80%
Regina, SK (S4P 3C8)	1.38	1.47	4.44	75%
Edmonton, AB (T5J 2R7)	1.38	1.47	4.44	0%
Victoria, BC (V8W 1P6)	1.38	1.47	4.44	100%

\*Ontario is currently transitioning to 100% funding

# **APPENDIX B**

# **Municipal Feedback**



PO Box 639 / 45 School St, Suite 304  
Mahone Bay, NS B0J 2E0

Region 6 Solid Waste-Resource Management

Phone: 902-624-1339

Fax: 902-624-1313

E-mail: [region6@ns.sympatico.ca](mailto:region6@ns.sympatico.ca)

The Honorable Andrew Younger  
Nova Scotia Environment  
PO Box 442  
1903 Barrington St.  
Halifax, Nova Scotia B3J 2P8

Friday, July-31-15

Dear Minister Younger,

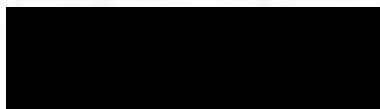
**RE: Support EPR and request leadership on direction**

As chairman of Region 6 Solid Waste-Resource Management, a region that represents the largest collective number of individual municipal units in Nova Scotia respecting solid waste issues, I am writing to you on behalf of our 13 member units to convey our **support** for Extended Producer Responsibility (EPR).

Our extensive network of blue bag collection systems throughout the region does not come without cost. Each year our member units continue to divert 24—26,000 tonnes of material away from landfill and all has come at a very large cost to the general tax payer. Just collection and tip fees for **blue bag materials alone** within Region 6 **cost nearly \$3M** (2013-14 Nova Scotia Environment Datacall). Our member units are appreciative for the current funding agreements under Diversion Credits, Municipal Approved Programs, Dairy funding, Education, HHW and Enforcement grants. These combined contribute a little over \$600,000 of our costs related to the blue bag materials. However, time for producer responsibility in the end-of-life management of these materials, both financially and environmentally, is long overdo.

With the current review of the Solid Waste-Resource Management Regulations our region has been working very closely with your staff, particularly on EPR for Packaging and Paper. **We support the department in implementing regulations for EPR and are eager to see the department's leadership in moving this important regulation forward.**

Respectfully,



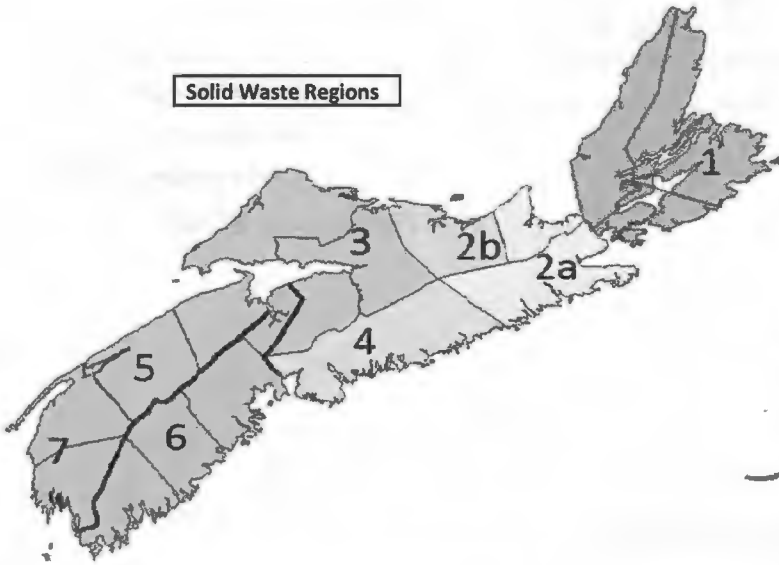
per Richard Dauphinee – Chair  
Region 6 Solid Waste-Resource Management

cc: Honourable Stephen McNeil – Premier of Nova Scotia  
Honourable Jamie Baillie – leader of the opposition  
~ 13 member units of Region 6 SWRM ~

Who is . . . .



Solid Waste Regions



Region 6 supports the solid waste efforts of the Municipalities:

West Hants, Chester, Lunenburg, Queens Region, Shelburne and Barrington

And the Towns:

Windsor, Mahone Bay, Lunenburg, Bridgewater, Lockeport, Shelburne and Clarke's Harbour.

Region 6 area representatives:

Name	Elected	Alternate	Technical	Education
Municipality of the District of West Hants	<i>Regional CHAIR</i> Richard Dauphinee	Gary Cochrane	Rick Sherrard	Christine McClare
Town of Windsor	Paul Beazley		Todd Richard	Scott Sanford
Municipality of the District of Chester	Andre Veinotte		Bruce Forest	Tammy Harnish
Town of Mahone Bay	Karl Nauss	Kelly Wilson	Jim Wentzell	Stephanie Smits
Town of Lunenburg	Danny Croft		Marc Belliveau	Tammy Harnish
Municipality of the District of Lunenburg	Errol Knickle	Martin Bell	Satu Peori	Stephanie Smits
Town of Bridgewater	Bill McInnis	Wayne Thorburne	Larry Feener	Stephanie Smits
Region of Queens	Susan MacLeod	Brian Fralic	Scott LeBlanc	Scott LeBlanc
Town of Lockeport	Darian Huskilson		Joyce Young	Kim Ringer
Town of Shelburne	Rick Davis	Elizabeth Rhuland	Dylan Heide	Kim Ringer
Municipality of the District of Shelburne	Norman Wallet	Roger Taylor	Penny Smith	Kim Ringer
Municipality of the District of Barrington	Eddie Nickerson	Donna LeBlanc-Messenger	Brian Holland	
Town of Clark's Harbour	Sherry Atkinson	Irene Baker	Jennifer Jones	

Municipal Joint Services Board – Lunenburg area		Siew Secord	Stephanie Smits
Shared Services - Shelburne	<i>Technical CHAIR</i>	Heidi Wagner	Kim Ringer

Regional Coordinator: Valda Walsh

Regional Educator: Kirk Symonds



August 12, 2015



The Honourable Andrew Younger  
Minister of Environment  
Department of Environment  
Barrington Tower  
1894 Barrington Street  
Suite 1800  
Halifax, NS  
B3J 2A8

Honourable Minister Younger:

I am writing, on behalf of the Valley Region Solid Waste-Resource Management Authority, known as Region 5 in the Nova Scotia Solid Waste-Resource Management Regulations, comprised of the Municipality of Annapolis County, the Municipality of the County of Kings and the Towns of Annapolis Royal, Berwick, Kentville, Middleton and Wolfville to, first and foremost, extend a hearty welcome and congratulations to you in recognition of your recent appointment to the Minister of Environment portfolio. I am confident that you will find this role both fulfilling and challenging and I, and the Authority as a whole, look forward to working with you into the future!

As I am sure you are now aware, the potential implementation of an industry funded model for an extended producer responsibility stewardship program for packaging and printed paper is a key topic of discussion within waste-resource management regions across the Province.

With that in mind, please be advised that the Valley Region Solid Waste-Resource Management Authority has discussed this issue at length on several occasions resulting in the passing of the following motion during the Authority's regular monthly meeting held on July 29, 2015:

***ON MOTION OF JOHN HIMMELMAN AND SECONDED BY BRIAN HIRTLE THAT THE VALLEY REGION SOLID WASTE-RESOURCE MANAGEMENT AUTHORITY ENDORSES THE CONSIDERATION FOR THE IMPLEMENTATION OF A FULL INDUSTRY-FUNDED MODEL FOR AN EXTENDED PRODUCER RESPONSIBILITY STEWARDSHIP PROGRAM FOR PACKAGING AND PRINTED PAPER.***

***MOTION CARRIED.***

.../2

90 Donald E. Hiltz  
Connector Road  
Kentville Industrial Park  
P.O. Box 895  
Kentville, NS B4N 4H8  
Phone: (902) 679-1325  
Fax: (902) 679-1327  
Toll Free: 1-877-927-8300  
email: info@vwrm.com

**Redefining Our Resources**

The Municipalities of Annapolis and Kings and the Towns of Berwick, Bridgetown, Hantsport, Kentville, Middleton and Wolfville:  
Partners in Waste Reduction.



I hope this information is of help to you and your team as you continue to pursue and ponder this matter. If there is anything else we can do to further indicate our strong support toward this important initiative, please do not hesitate to contact me at [REDACTED]

Yours truly,

[REDACTED]  
Mark Pearl  
Chairman  
Valley Region Solid Waste-Resource Management Authority

cc: The Honourable Zach Churchill  
Minister of Municipal Affairs and Emergency Management Office

Valda Walsh ✓  
Secretary  
Nova Scotia Regional Chairs Committee

Bob Kenney  
Recycling Development Officer  
Nova Scotia Environmental Waste-Resource Management





**The Union  
of Nova Scotia  
Municipalities**

*PRESIDENT:*

**Warden Keith Hunter**  
County of Cumberland

*VICE-PRESIDENT:*

**Councillor Claire Detheridge**  
County of Cumberland

*IMMEDIATE PAST-PRESIDENT:*

**Mayor David Corkum**  
Town of Kentville

*REGIONAL CAUCUS CHAIR:*

**Councillor Bill Karsten**  
Halifax Regional Municipality

*RURAL CAUCUS CHAIR:*

**Mayor Bob Taylor**  
County of Colchester

*TOWN CAUCUS CHAIR:*

**Mayor Carl Chisholm**  
Town of Antigonish

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Fax: (902) 425-5592  
E-mail: [info@unsm.ca](mailto:info@unsm.ca)  
Web Site: [www.unsm.ca](http://www.unsm.ca)

Sept. 2

by email

**RECEIVED**

September 1, 2015

The Honourable Andrew Younger  
Minister, Department of Environment

Minister Younger:

I am writing on behalf of the UNSM to convey municipal support for Extended Producer Responsibility (EPR).

As you are aware, the UNSM membership in 2014 passed a motion to form a working group comprised of representatives from NS Environment, Municipal Affairs, municipal solid waste managers and directors, the NS Solid Waste Management Regional Coordinators, and the UNSM. The chief mandate of this group has been to work with the Province and municipalities to develop a successful EPR model within the Nova Scotia context. The working group has done several presentations to our municipal members through UNSM regional meetings, the Solid Waste Regions, and the Association of Municipal Administrators' Spring Workshop.

Municipal support for EPR is not a recent phenomenon. As far back as 2010, the UNSM passed a motion urging the Province to support and implement EPR legislation.

Since the formation of the working group, various municipal groups have outlined their support for EPR.

On June 26, 2015, the UNSM Board of Directors passed a motion that the Board support, in principle, moving forward with EPR, and that this motion be communicated to the UNSM Membership.

On August 10, 2015, the Solid Waste-Resource Management Regional Chairs Committee wrote to you also indicating support for EPR with respect to paper and packaging.

We recognize that some of our municipal members may not be fully informed on the importance of this issue. To this end we are offering an EPR breakfast session at our upcoming Fall Conference and making presentations at various UNSM caucus meetings.

We are also partnering with the working group to offer an EPR workshop which will take place on October 23, 2015 at the Holiday Inn in Truro. This session will look at both the municipal and business perspectives of an EPR model for Nova Scotia.



RECEIVED

We recognize you are hearing concerns from the Canadian Federation of Independent Business. But we also know a number of business associations are supportive of EPR including the Retail Council of Canada, the Atlantic Provinces Chambers of Commerce, and the Food & Consumer Products of Canada.

This letter has been prepared to outline overall municipal support for EPR and to encourage your department to move forward with this important initiative.

Over the next several months, the UNSM will continue to inform and educate our members on the importance of moving forward with EPR.

As a matter of principle, producers should be responsible for designing, financing and managing effective end-of-life systems for their products and associated packaging. The UNSM will continue to convey this important message.

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

**Warden Keith Hunter**  
**UNSM President**

cc: The Honourable Zach Churchill, Minister of Municipal Affairs  
The Honourable Mark Furey, Minister of Business  
UNSM Board of Directors

Nova Scotia Solid Waste-  
Resource Management  
Regional Chairs Committee  
PO Box 639  
Mahone Bay, NS  
BOJ 2E0

**CHAIR:**

Richard Dauphinee

**VICE CHAIR:**

Leland Anthony

**SECRETARY:**

Valda Walsh  
Coordinator – Region 6

**TREASURER:**

Gus Green  
Manager – Region 7

**REGION 1:**

Jim MacLeod

**REGION 2a:**

Vernon Pitts

**REGION 2b:**

Ron Baillie

**REGION 3:**

John Kellegrew

**REGION 4:**

Jennifer Watts

**REGION 5:**

Mark Pearl

**REGION 6:**

Richard Dauphinee

**REGION 7:**

Leland Anthony

The Honorable Andrew Younger  
Nova Scotia Environment  
PO Box 442  
1903 Barrington St.  
Halifax, NS B3J 2P8

October 21, 2015

Dear Minister Younger;

**RE: Clarify position/direction on EPR**

The Nova Scotia Solid Waste-Resource Management Regional Chairs Committee met recently to discuss our concerns around stalling the process with EPR.

Quoting your Sept. 16<sup>th</sup> Op-Ed piece:

**“While complete consensus on a way forward is unlikely, we need some agreement.”**

By virtue of this letter, municipalities re-affirm the unanimous support for EPR. Even though there are differences of opinions on how we get there, there is clear unanimity to moving EPR forward as soon as possible as a top priority.

Can you clarify a few of our questions regarding your recent announcement to stall the process?

**“Getting there will only be possible if individuals and organizations have a concrete proposal to consider -- one supported by additional data and analysis.”**

- It was understood the process under the recent consultation and proposed “Our Path Forward” accomplished this. What is the status of “Our Path Forward?”
- Can you advise on process for this new proposal development:
  - What further ‘data and analysis’ is required? What is missing?
  - What is the timeline?
  - How will interested stakeholders be gauged?

As you are aware; a Municipal-Provincial Priorities working group, which your staff have membership, has been established resulting from a fall 2014 UNSM Resolution to look at data and impacts. Much information has been gathered and feeds ongoing work of the committee. It is our understanding that there should now be enough information for your department to proceed on this initiative and stalling only delays progress and costs our environment and recycling system for every day it is delayed.

**“We will be working with our colleagues at Municipal Affairs, Business and the newly created Regulatory Affairs to fully assess and analyze the diverse range of feedback that we continue to receive on EPR and the solid waste resource management program overall.”**

To ensure each of these important partners are aware of our collective support of moving EPR forward, we have copied them on this letter.

We continue to collaborate, municipal and provincial solid waste staff have been working hard alongside UNSM to prepare for the October 23<sup>rd</sup> EPR Workshop. This further exemplifies our unanimous support to keeping this item as a top priority.

Your response to our query above is requested either in written reply or in person by meeting with our committee as a whole, or with the executive. Please feel free to suggest a date at your earliest convenience.

Respectfully,

Richard Dauphinee

*Chairman*

cc. Honourable Zach Churchill – Minister of Municipal Affairs  
Honourable Mark Furey – Minister of Business  
Fred Crooks – Regulatory Affairs Officer  
Keith Hunter – UNSM President



**Environment  
Office of the Minister**

PO Box 442, Halifax, Nova Scotia, Canada B3J 2P8 • [www.gov.ns.ca/nse](http://www.gov.ns.ca/nse)

our file number:  
10700-40-49295

**NOV 25 2015**

Richard Dauphinee  
Chairman  
Nova Scotia Solid Waste-Resource Management Regional Chairs Committee  
PO Box 639  
Mahone Bay NS B0J 2E0

Dear Mr. Dauphinee:

Thank you for your letter of October 21, 2015, reaffirming your committee's support for Extended Producer Responsibility (EPR). I appreciate your strong interest in seeing EPR for Paper and Packaging (PP) introduced.

Department staff members are working to ensure that, if EPR for PP is introduced, it constitutes a solid business case for both municipalities and Nova Scotians. EPR for PP must not simply shift cost from municipalities to brand owners and/or consumers, it must also enhance our environmental performance while containing or improving overall solid waste costs.

At the recent UNSM EPR workshop, our department staff discussed some ideas around what a future EPR model for paper and packaging could look like. These are intended to stimulate discussion and help advance the discussion on EPR to one which focuses on concrete plans, rather than high level concepts.

We sincerely appreciate the input from the Municipal-Provincial Solid Waste Priorities Committee as well as Regional Chairs. I thank you again for your commitment to providing feedback on this proposed regulation and encourage you to remain an important part of the conversation as we continue our dialogue on EPR for PP. Our department staff will continue to engage with the Municipal-Provincial Priorities Committee to ensure that municipal interests are considered throughout the regulatory development process.

Sincerely,

  
Randy Delorey, MLA  
Minister of Environment

c: Zach Churchill, Minister of Municipal Affairs  
Mark Furey, Minister of Business  
Fred Crooks, Regulatory Affairs Office  
Keith Hunter, UNSM President

# Eastern Region Solid Waste Management Committee

Members from the Five Municipal Councils in Antigonish & Guysborough Counties

*REDUCE - REUSE- RECYCLE-COMPOST*

*P.O. Box 111, Boylston, NS B0H 1G0*

*phone: 902-232-2563*

*email: nicole@erswm.ca*

*fax: 902-533-4909*

---

October 29, 2015

The Honourable Andrew Younger  
Minister of Environment  
P.O. Box 442  
Halifax, NS  
B3J 2P8

Dear Minister Younger:

Re: Extended Producer Responsibility for Paper and Packaging

On behalf of the Eastern Region Solid Waste Management Committee please accept this letter as support for Extended Producer Responsibility for Printed Paper and Packaging (EPR for PP). We submitted comment to the consultation review and were also supportive at that time. It is our opinion that environmental goals to reduce volumes of waste generated, waste disposed and increased design for environment will only be achieved with full EPR for PP.

Recently we saw and heard reports that the regulation change to include EPR for PP is delayed. Although we agree with the need to implement the most responsible program for Nova Scotians; we don't want this delay to shelve progress in Nova Scotia. Therefore we ask that Government act quickly to continue to build confidence in EPR for PP to do what is responsible and move forward soon.

It's been 20 years, municipalities and others have made attempts to achieve these environmental goals through various systems. However we are limited without connecting industry to the end-of-life management of their products. Once again we need Government leadership to effectively impact change by implementing an EPR program as a policy tool with the goals that it is environmentally and financially sustainable.

Along with the landfill bans, EPR for PP will go a long way to achieving our long standing environmental goals (reducing waste disposed, protecting resources including air and water). Plus it will sustain our recycling program that resulted from Provincial material bans and disposal targets.

If you would like to discuss further please contact the undersigned or Nicole Haverkort at 902-232-2563. We look forward to further partnership and collaboration while on this path and beyond.

Regards,

  
Vernon Pitts, Chairmen

cc. Regional Chairs Committee  
Honourable Lloyd Hines, MLA Guysborough-Eastern Shore-Tracadie  
Honourable Randy Delorey, MLA Antigonish  
Honourable Zach Churchill – Minister of Municipal Affairs,  
Honourable Mark Furey – Minister of Business  
Bob Kenny, Recycling Development Officer

# Eastern Region Solid Waste Management Committee

Members from the Five Municipal Councils in Antigonish & Guysborough Counties

**REDUCE - REUSE- RECYCLE-COMPOST**

*P.O. Box 111, Boylston, NS B0H 1G0*

*phone: 902-232-2563*

*email: nicole@erswm.ca*

*fax: 902-533-4909*

---

January 26, 2016

The Honourable Margaret Miller  
Minister of Environment  
P.O. Box 442  
Halifax, NS  
B3J 2P8

Dear Minister Miller:

Re: Priority Extended Producer Responsibility Programs

The Eastern Region Solid Waste Management Committee, Region 2A, and the five municipalities that we represent support provincial government regulation that results in Extended Producer Responsibility for Paper and Packaging (EPR for PP). We also support the implementation of other provincial EPR programs that will bring us into harmonization with other provinces and do not want questions regarding EPR for PP to delay this process.

Both Prince Edward Island and New Brunswick have an oil and glycol management program that includes the requirement for the recycling of the containers. We would welcome the inclusion of the requirement for banned product container recycling. It would support voluntary efforts already underway in our Region by the Municipality of the District of Guysborough. They believe in diverting oil containers from landfill. The plastic is technically banned from landfill however the container is accepted for landfill because it's a dirty plastic. The dirt, an oil residue is also banned from landfill however an exception was made in absence of a recycling option. Overtime the oil leaks from the landfilled containers into the leachate which increases leachate treatment costs. With a recycling option now available there is no longer an excuse, so the implementation of this program should be priority. Continued collaboration will be necessary as the collection/drop-off network is established, as these containers are currently collected with residential and ICI garbage and when bulking oil at municipal HHW facilities.

Mercury is another example. There are programs in other Provinces including Prince Edward Island, Quebec and Ontario through ReGeneration called LightRecycle. Many of our municipalities accept fluorescent bulbs including CFLs currently at our cost due to public demand. Therefore this program should also be given priority for stewardship in our Province considering the existing infrastructure and the needs of residential and commercial customers.

Current programs for tires managed by RRFB Nova Scotia, program end-of-life electronics managed by EPRA NS, and paint managed by ReGeneration should also be updated as soon as possible to include other products and packaging as managed in other jurisdictions. Examples include off road tires to the Tire Program, other household hazardous waste to the paint program as well as paint packaging, and addition end-of-life electronics such as gaming gear, floor model printers and even microwaves should also be priority.

Another program that we are keen to improve through regulation is proper Sharps disposal. The improvement would involve the inclusion of all sources of sharps with required education on the dangers of improper disposal. There are existing voluntary programs in the Province that capture specific users of sharps such as hospital and some residential through PANS. To reduce the possibility of unreasonably impacting successful existing programs, options could be considered to opt out specific generation streams such as hospitals. Possibly with a requirement that they can provide specific details that the capturing a reasonable percentage of sharps provided to them by their supplier.

Please do not delay any longer. When there is an opportunity for change let's move forward with new and improved EPR programs for Nova Scotia by including these items in Track 1 priority with respect to the regulation review. We look forward to further partnership and collaboration while on this path and beyond.

Please do not delay any longer. When there is an opportunity for change let's move forward with new and improved EPR programs for Nova Scotia. If you would like to discuss further please contact the undersigned at 902-232-2563. We look forward to further partnership and collaboration while on this path and beyond.



Chair Vernon Pitts

cc. Regional Chairs Committee  
Priorities Group



**HALIFAX**



**MIKE SAVAGE**

**MAYOR  
LE MAIRE  
ME'R**

1841 Argyle Street  
PO Box 1749  
Halifax, Nova Scotia  
Canada B3J 3A5

902.490.4010  
1.800.835.6428

mayor@halifax.ca  
halifax.ca  
@mikesavagehrm

February 20, 2018

The Honourable Stephen McNeil, M.L.A.  
Premier of Nova Scotia  
Post Office ox 726  
Halifax, Nova Scotia B3J 2T3

Dear Premier McNeil:

On January 16, 2018, Halifax Regional Council passed a motion regarding options to reduce or eliminate the use of plastic shopping bags in the municipality. The motion outlined several actions to advance Halifax's approach to managing plastic shopping bags, including:

- Engagement of municipal staff with Nova Scotia Environment staff, and members of the Solid Waste-Resource Management Regional Chairs Committee, to discuss possible unified approaches to managing plastic bags across all Nova Scotia municipalities, including but not limited to Extended Producer Responsibility (EPR), and
- Engagement of municipal staff with retailers and external experts to discuss options to manage plastic shopping bags in the municipality.

I write to you now regarding the two remaining actions approved as part of Regional Council's January 16th motion. Namely, I write to reaffirm Halifax Regional Municipality's support for Extended Producer Responsibility in the Province of Nova Scotia. I also wish to express Halifax Regional Municipality's support for a provincial ban on retail plastic bags.

Nova Scotia has long been recognized as a leader in solid waste-resource management, both in Canada and internationally. You now have an opportunity to reaffirm Nova Scotia's bold leadership in this area. Given the rapidly changing global markets for solid waste-resource commodities, Nova Scotia and other jurisdictions face important questions about

Honourable Stephen McNeil, M.L.A.  
Page Two  
February 20, 2018

recycling programs, technological innovation and waste-resource regulation. Now is the time for us to work together to seek collaborative, innovative solutions that will be an example for all.

Please do not hesitate to contact my office if you wish to meet with me or my Council colleagues to discuss this matter.

Kindest regards,



Mike Savage  
Mayor



Town of Kentville  
354 Main Street  
Kentville Nova Scotia  
B4N 1K6

Honourable Derek Mombourquette  
Minister of Municipal Affairs  
500 Kings Road  
Sydney, NS  
B1S 1B1

*Sir, Derek*

At the Council Advisory Committee (CAC) meeting, on Monday May 14, 2018, the Council voted unanimously on a resolution to request support for legislation to shift both the responsibility and cost of paper products and packaging (PPP) recycling programs away from the taxpayer to the producer. This is commonly referred to as Extended Producer Responsibility (EPR) across most provinces in Canada.

The Solid Waste-Resource Regional Chairs in NS, represented by elected municipal officials, have established a working group to focus on moving EPR forward. This program is already in place in most provinces across Canada and the cost is already embedded in consumer products. The benefits of EPR include:

A reduction in cost and risk of curb side recycling programs;

The NS EPR model could generate up to \$16M per year; and

Provide NS taxpayers with access to a program they are already paying for indirectly but not receiving the benefit.

We are requesting support from office to move this forward in Legislature to enact the program.

Kindest regards,

[Redacted Signature]

Sandra Snow  
Mayor of Kentville

[Redacted]

*Kentville*

[ssnow@kentville.ca](mailto:ssnow@kentville.ca)

cc Valley Waste Resource Management



**Environment  
Office of the Minister**

PO Box 442, Halifax, Nova Scotia, Canada B3J 2P8 • [www.novascotia.ca/nse](http://www.novascotia.ca/nse)

Our File number:  
10700-40-53425

**JUL 24 2018**

Ms. Leanne MacEachen, CAO  
PO Box 370  
485 Chebucto Street  
Baddeck NS B0E 1B0

Dear Ms. MacEachen:

Thank you for your letter of July 12, 2018, regarding the presentation your council received on Extended Producer Responsibility (EPR) from Councillor Amanda MacDougall and Valda Walsh who are both members of the Nova Scotia Solid Waste-Resource Management Regional Chairs Committee.

I appreciate hearing your thoughts on the presented proposal, including your view that it meets municipal needs while also addressing concerns from business. In earlier correspondence, the department shared with Regional Chairs that if they wished to advance this policy objective, that they must work in collaboration with UNSM to bring forward a detailed, consensus-based proposal to government for consideration. It was asked that the proposal must include:

- A model with a proven track record for cost efficiency.
- Demonstrated consensus amongst municipalities large and small, urban and rural.
- A demonstrated consensus amongst small, medium and large business.
- Low or no impact to small business.
- Sufficient detail in order for the province to consider the public policy impacts.
- Maintenance of the environmental performance of the current system while containing or reducing cost.
- Consistency with other programs across the country.

I understand that the department will receive a presentation from Regional Chairs on the proposed EPR model along with the results of their discussions with municipalities and businessés. I look forward to learning more about this valuable work and I appreciate that your council took the time to review their proposal.

Sincerely,



Margaret Miller, MLA  
Minister of Environment

c: Councillor Amanda MacDougall  
Valda Walsh, Solid Waste Coordinator



## CUMBERLAND JOINT SERVICES MANAGEMENT AUTHORITY

*SOLID WASTE SERVICES*

July 5, 2018

Mr. Tom Taggart  
Chair, Northern Region Committee  
Municipality of the County of Colchester  
1 Church Street  
Truro, NS B2N 3Z5

Dear Mr. Taggart:

Thank you for providing the opportunity for Cumberland Joint Services Management Authority (CJSMA) to comment on the proposed “EPR Model for PPP in Nova Scotia”.

Extended Producer Responsibility (EPR) for Printed Paper and Packaging (PPP) is an important initiative. It could improve environmental outcomes through increased diversion. As well, it could reduce municipal solid waste related costs and markets risk as industry takes fiscal and operational responsibility for the end-of-life management of its products.

In our view, the proposed model addresses a number of priorities for waste authorities and municipalities including ensuring we are able to continue to provide curbside collection and residential education services under contract with industry through the right of first refusal. Municipalities are also concerned about the impact of EPR on small business; the proposed deminimus clause mitigates these concerns.

CJSMA presents the following suggested additions to the proposed high-level EPR model for NS for consideration by Regional Chairs.

1. CJSMA believes a local stakeholder advisory committee should be formed as part of an EPR program. This committee would serve as a forum where stakeholders could be informed of the on-going performance of the EPR program. These stakeholders could also be consulted for advice and feedback on any challenges and new developments in the program. Given our mature (municipal) solid waste infrastructure/programs and the unique regulatory framework (landfill bans) under which we operate, we believe this advisory committee would be a valuable component of an EPR program for all stakeholders.

2. CJSMA believes the operator(s) of an EPR program must accept Industrial, Commercial and Institutional (ICI) sector materials for processing. It is our understanding that if an EPR for PPP program was instituted in NS, existing material recycling facilities (MRF) may see a reduced role as some or all of current PPP materials may be processed in a central facility operated by industry. If this occurred, the processing of ICI materials would become more inefficient at existing facilities through lost economies of scale. Should a central facility be constructed as part of an EPR program, accepting ICI materials would increase its economies of scale and benefit ICI customers through reduced processing costs and perhaps better access to end-markets.
3. CJSMA believes any recovery targets identified in EPR for PPP regulation must correspond to respective material ban compliance standards. For example, if the recovery target for glass food containers is 75%, but the material is banned from landfill, who is responsible to manage the remaining 25% of the material? This is obviously a potentially significant regulatory gap that must be addressed, in our view.

On behalf of the CJSMA Board, I again want to thank you for providing us the opportunity to comment on this important initiative. We look forward to future discussions on this topic in the fall.

Sincerely,



Vince Byrne  
CJSMA Board Chair



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## REGION 6 SOLID WASTE MANAGEMENT

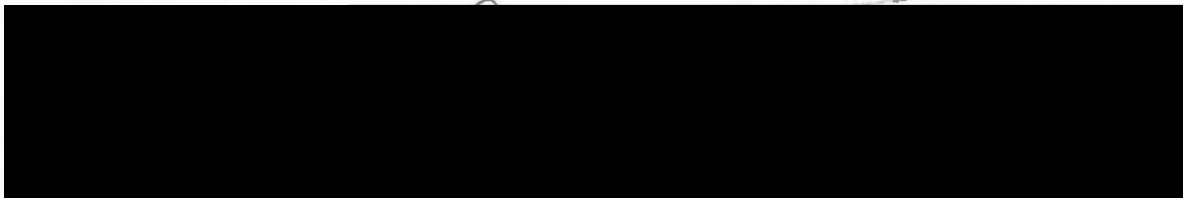
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**TO:** NOVA SCOTIA SOLID WASTE-RESOURCE REGIONAL CHAIRS  
**FROM:** REGION 6 SOLID WASTE MANAGEMENT  
**SUBJECT:** EPR FOR PPP COMMENTS  
**DATE:** 2018-09-14

On May 18, 2018, Region 6 Inter-Municipal Committee received a presentation on Extended Producer Responsibility for Printed Paper and Packaging (EPR for PPP).

- Materials typically collected in NS blue bag programs are being managed as part of an EPR system to 80% of Canadians (does not include NS)
- EPR would significantly decrease both costs and risks associated with municipal curbside recycling programs
- EPR would give NS consumers direct access to PPP programming they are already paying for indirectly but are receiving none of the benefits
- 7 of Region 6's 13 municipalities received follow-up presentations throughout the summer and none expressed opposition to the program presented
- Many wrote letters supporting EPR to their MLA
- Using the BC model and extrapolating the figures to our population; cost to collect, educate and administer PPP in Region 6 could be offset by approx. \$1.3M (*total cost blue bag for R6 in F2017 was calculated at \$1.8M*)

One concern raised was related to post collection marketing and processing of the material. There is concern that industry will market the material at the lowest cost and not the most environmentally, or socially sensitive solution. Region 6 asks the regulator to ensure there are terms in place to request the pollution prevention hierarchy be followed AND that a level of accountability on environmental and human health and safety impact reporting (like vendor qualification standards for electronics regulation) be made mandatory.



Michael Ernst

Chair – Region 6 Solid Waste Management

# APPENDIX C

## List of Businesses contacted

STAKEHOLDER	CONTACT NAME; title
Canadian Federation of Independent Businesses	Jordi Morgan; VP Atl. Can.
Retail Council of Canada	Jim Cormier; Dir. Atl. Can.
Atlantic Chamber of Commerce	Sheri Somerville; CEO
Newspapers Atlantic	Mike Kierstead, Executive Director Richard Russell - The Herald
Food and Consumer Products of Canada	Michelle Saunders; VP Prov. Affairs & Sustainability
Atlantic Dairy Council	John Sutherland
Sobeys Atlantic	Cynthia Thompson; VP Communications & Corporate Affairs
Emerson Packaging (former: Polycello)	try Packaging Association of Can. James Downham - President and CEO
Farnell Packaging	Darrell Dauphinee (?)
Oland Brewery	Wade Keller
Clearwater	Paula Isnor - Assistant Marketing Manager
National Sea Products/Highliner Foods	Katherine Brouillard - Dir. Retail Marketing
Restaurants Canada	Luc Erjavec; VP Atlantic Can.
Canadian Beverage Association	Shane Buckingham; Sr. Director Sustainability and Industry Affairs
Canadian Federation of independent Grocers	Gary Sands; Sr. VP Public Policy and Advocacy
Magazines Canada	Matt Holmes; President and CEO
Canadian Poduce Marketing Association	Jane Proctor; VP Policy and Issue Management
Canadian Stewardship Services Alliance	Calla Farn; VP Corporate Affairs



# **APPENDIX D**

## **Chamber of Commerce position**

## **A Harmonized Approach to Extended Producer Responsibility in Canada**

Disposal of waste is increasingly costly for government: the cost of waste collection, transport and disposal or recycling rose 12 per cent between 2008 to 2010 to \$2.9 billion.<sup>1</sup> These costs and concern over the environment impacts of waste has led to the growing popularity of Extended Producer Responsibility (EPR), a policy approach in which a producer's (i.e. brand owners, first importers, manufacturers or retailer's) responsibility for a product is extended to the post-consumer stage of a product's life cycle. EPR programs shift the expenses associated with product end-of-life management from taxpayers to producers and consumers. Their goal is to incent producers to reduce the overall waste volume in the system through innovation, and to reduce the costs of residual waste disposal.

While waste management is primarily a provincial issue, the Canadian federal government has been active on this issue through the Canadian Council of Ministers of the Environment (CCME). In 2009 the CCME prepared a Canada-wide Action Plan for Extended Producer Responsibility that sought to extend the principle across the country in a consistent and harmonized way with maximum impact across the national marketplace.

Unfortunately, the design and implementation of EPR programs across Canada suffers from several flaws that increase their impact on the competitiveness of Canadian business while doing very little to reduce waste or impact on municipal budgets. These challenges include:

A lack of harmonization of EPR approaches across the country – Industries that manufacture complex goods and/or which operate across several Canadian jurisdictions must often comply with multiple programs, an administratively burdensome and time consuming task. The cost of complying with these programs totals around \$750 million annually in Canada. While there has been improvement on the harmonization of product categories, provinces still vary on several important issues, such as what items are included within product categories.

Transparency – Consumers ultimately pay the cost of EPR programs, but there are two ways to incorporate these costs: 'visible' fees that are charged in addition to the final price, or 'internalized' fees that are incorporated into the cost of the good. There are benefits and disadvantages to either approach depending on the characteristics of the product in question. Since producers and retailers are in the best position where and when visible fees will be the most successful and where other models should be considered, governments should avoid prescribing one method when designing EPR regulation.

In addition to flexibility regarding fee communications, retailers and producers should be permitted to organize their compliance frameworks in a manner that enhances self-determinacy, ensures individual producer responsibility and the delivery of programs at the lowest cost for compliance consistent with the achievement of mandated environmental targets. In short, government should prescribe outcomes and allow business, under harmonized EPR framework, to determine how best to achieve them.

### **Recommendations**

That the federal government work with provinces and territories through the Canadian Council of Ministers of the Environment to:

1. Continue to work towards a harmonized approach to extended producer responsibility programs across Canada.
2. Engage with the provinces to encourage a flexible, non-prescriptive approach to fee visibility as well as on the optimal design of EPR management programs to ensure efficient and competitive system.

<sup>1</sup> Statistics Canada.

# **APPENDIX E**

## **FCPC Policy**



## Extended Producer Responsibility (EPR) for packaging materials in Canada FCPC Policy Position

Board approved as of December 9, 2014

### Summary of Issue and Policy Position

Stewardship is a key priority for Food & Consumer Products of Canada (FCPC). FCPC and its members are committed to waste diversion and we support producer responsibility that is based on the principles of fairness, shared responsibility and clear environmental benefit.

FCPC has evolved its policy position on Extended Producer Responsibility (EPR) for provincially legislated packaging stewardship programs to better guide FCPC's advocacy on existing and developing programs. Supported by relevant and timely research, we hope that it will catalyze discussion and debate, and that it will advance transparency and purpose.

To ensure its effectiveness, FCPC's policy will be a "living" document; it will be updated, if necessary, as new information, data, and research become available.

The policy will be critical to FCPC's lobbying for future pending changes across the country. As at November 2014, on the horizon we have a number of jurisdictions poised to consider new or enhanced EPR programs: Nova Scotia (consultation underway), Alberta (further consultation to come), and in Ontario as the new Minister of the Environment and Climate Change considers next steps post-Bill 91.

#### **FCPC's recommended packaging EPR policy position:**

- **In provinces considering new packaging recycling legislation:** FCPC will lobby for a shared (50/50) responsibility EPR model where municipalities and obligated producers share equally in both the costs and decision making related to the collection, processing, and sale of materials, and overall program operations, via standards to be developed and agreed upon; and
- **In provinces with existing legislation:** FCPC will continue to lobby for greater industry oversight, harmonization, transparency and accountability, in an effort to contain costs.

A description of how FCPC developed this draft policy, and the review and approval process, can be found in the Appendix.

## **CONTEXT**

Over the past few years there has been a shift in the EPR landscape as provincial governments seem to be moving away from the traditional cost-share model of packaging stewardship programs (as in Ontario), towards full EPR models (as in British Columbia). While governments share the same goal of introducing EPR and increasing waste diversion, each have different interpretations of EPR and how programs should operate. And while variances exist and questions remain, one thing is clear: the status quo of simply regulating producers to fund a portion of municipal costs related to packaging recycling programs, without any role or influence in the programs, is no longer an acceptable interpretation of EPR.

In theory, EPR means producers taking financial and physical responsibility for their packaging at the end of its useful life. Often EPR is described as shifting the responsibility for recycling from local governments (municipalities) to producers who make and sell products with packaging (brand owners and retailers). But in practice, EPR in Canada has mostly focused on only shifting costs, and not responsibility. If producers are to fund programs then they must have influence and oversight on program management and costs.

In Canada, we have two versions of program models. The first is the predominant “transfer payment” model, such as those that exist in Ontario (50%), Manitoba (80%), Saskatchewan (75%), and Québec (100%), where industry pays a regulated percentage (specified in the brackets) of municipalities’ costs for delivering packaging recycling programs. And municipalities have the regulated responsibility and autonomy to determine what is collected, how it is recycled, processed and ultimately sold.

The second is a newer model currently rolling out in British Columbia, where producers have been legislated to take financial and physical responsibility of the program. Meaning that municipalities do not have a legislated role and producers determine what is collected and how. The BC regulatory framework empowers producers to engage municipalities as service providers, but that is the extent of the municipal role.

As the costs and complexity of these programs has escalated over the years, and as more governments look to implement EPR programs that shift costs to industry stewards – including FCPC members – require a greater role in program oversight and decision making. To achieve this, FCPC’s Board directed staff to reassess its EPR policy position.

Prior to British Columbia’s program being implemented, FCPC’s high-level position was that if governments were to move towards 100% industry funding, then industry must have control of the programs. However, with provincial governments reluctant to remove municipal control of packaging recycling programs, it became clear that FCPC needed to review its policy position.

***FCPC’s Bottom Line:*** *As provincial governments are reluctant to remove municipal control of packaging recycling programs, FCPC members are no longer content to simply fund municipal costs without a role and influence in the programs. Accordingly, FCPC has reassessed its position on EPR.*

## Impact of the Canadian Council of Ministers of the Environment

In an effort to create a harmonized approach, in 2009 the Canadian Council of Ministers of the Environment (CCME) developed the Canada-wide Action Plan for EPR, which calls for provinces to implement packaging programs by 2015. This has led to a disjointed and rushed movement amongst provinces to introduce packaging EPR legislation.

In November 2013, CCME conducted a consultation to ask if their Action Plan had provided the impetus required for a harmonized approach. In FCPC's view, it had not. We believe CCME's role is limited as they do not have the legislative authority to mandate governments to work towards achieving harmonization, which is evident in the patchwork approach we have today. Moreover, the CCME's own membership lacks continuity and sustained purpose, with the members, the provincial Ministers, constantly shuffling and changing.

Many stakeholders who participated in the consultation agreed. In a letter from the CCME Waste Management Task Group to FCPC, it says: "A significant number of responses indicated that CAP-EPR has not been successful in promoting harmonization of these programs and noted that some provinces closely follow CAP-EPR principles while others follow a different set of principles."<sup>1</sup>

However, in August 2014, CCME published a report stating that: "jurisdictions have been successful in working towards the objectives of the Action Plan, while working towards a harmonized approach to EPR through the coordination and implementation of policies and programs across the country."<sup>2</sup> Clearly there is a disconnect; jurisdictions have not successfully worked toward a harmonized approach at all. In fact, since approving the plan, programs have become more complex, more expensive, and have left little time to thoughtfully assess what is working well and what is not.

That said, at the recent CCME meeting in September, Ministers agreed that governments will continue to implement EPR as agreed to under the Action Plan.<sup>3</sup> FCPC is concerned that it appears CCME is more interested in rushing to have provinces adopt an EPR regulatory approach, in absence of a well-defined and informed approach to what EPR can and should look like.

FCPC does not believe that provincial governments should follow CCME's recommended timelines for introducing packaging EPR legislation. CCME is not a government regulator and has no legislative oversight. Governments have a responsibility to fully understand EPR, the global and domestic landscape and the consequent implications before making any decisions. EPR should not be seen as an end in itself, but rather a means to an environmental end, that of greater waste diversion and recycling. Any new programs must clearly consider how they will achieve greater environmental benefits – having producers pay 100% does not lead to greater diversion.

FCPC will be using this policy to work with CCME on this issue and ensure they understand the challenges associated with a fragmented and rushed approach to EPR for packaging.

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***FCPC's Bottom Line:*** *CCME needs to take the time to assess how packaging EPR programs should operate before continuing to promote and implement their Action Plan. Provincial governments should not follow CCME's timelines for introducing packaging EPR legislation.*

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<sup>1</sup> CCME Waste Management Task Group Co-Chairs letter to FCPC, April 15, 2014.

<sup>2</sup> CCME Progress Report on the Canada-Wide Action Plan for Extended Producer Responsibility. August 2014. Page 12. [http://www.ccme.ca/en/whats\\_new/article.html?id=10](http://www.ccme.ca/en/whats_new/article.html?id=10)

<sup>3</sup> CCME Minister's Meeting. September 11, 2014. [http://www.ccme.ca/en/whats\\_new/article.html?id=12](http://www.ccme.ca/en/whats_new/article.html?id=12)

## **FCPC STEWARDSHIP PRINCIPLES**

In re-assessing and evolving its policy position, FCPC has also updated its underlying principles.

**The Canadian food and consumer product manufacturing industry is committed to working together to protect and conserve our resources. Packaging EPR is one tactic of FCPC's and our members' broader approach to environmental sustainability. That approach commits us to work with all levels of government, municipalities, consumers and industry stakeholders to increase recycling of food and consumer product packaging in Canada, with the shared goal of reducing packaging waste sent to landfill.**

Revised Principles:

- Stability and predictability of packaging stewardship fees.
- Accountability, transparency and access to complete program management, performance and financial information.
- Harmonization of provincial regulations and program requirements across the country.
- Stewardship costs that are fair and represent the true end-of-life management of designated packaging materials.
- A definition of Extended Producer Responsibility that permits a truly shared responsibility approach.
- Efficient and effective recycling systems.
- Stewardship programs that avoid multiple collection systems and prohibit cherry-picking.
- Fees and costs must be traceable and, where possible and practical, visible to the consumer.
- No free riders; there should be a level-playing field with all stewards paying their fair share of costs.
- In-kind contributions should not be permitted.

## **FCPC'S RECOMMENDED EPR POLICY POSITION**

Based on FCPC's experience, our stewardship principles, and the available information to date, FCPC's recommended packaging EPR policy position is two-fold:

1. In provinces considering new packaging recycling legislation: FCPC will lobby for a shared (50/50) responsibility EPR model where municipalities and obligated producers share equally in both the costs and decision making related to the collection, processing, and sale of materials, and overall program operations, via standards to be jointly developed and agreed upon; and
2. In provinces with existing legislation: FCPC will continue to lobby for greater industry oversight, harmonization, transparency and accountability, in an effort to contain costs.

FCPC does not support a regulated approach where producers are expected to fund part of or all of municipal net costs without influence over program management and decision making. Rather, we support a truly shared responsibility approach supported by the development of standards on how the program would operate, be funded and how decisions would be made jointly; with the shared goal of operating an efficient, effective, accountable and harmonized system.

The proposal of jointly developing standards originated from discussions held at the then Ontario Minister of the Environment's Working Group composed of municipal and producer stakeholders (including FCPC) to discuss the municipal role of the Ontario Blue Box program. Meetings were held from January to April 2014, and that process resulted in an open, honest and collaborative dialogue that contributed to a better understanding of the interests of municipalities and producers in relation to Ontario's Blue Box Program.

Significant and common ground was gained through those discussions, including acknowledging that Individual Producer Responsibility, as proposed in the then-Bill 91, would fragment the Blue Box program and should not be pursued; and most importantly, recommending that producers and municipalities work together to develop mutually agreeable standards related to the delivery of the Blue Box Program.

Such standards would need to be negotiated and jointly developed by producers and municipalities as the parties who share the funding and decision making responsibilities. FCPC recommends that standards be developed for:

- Standardized collection and processing
- Parameters for the sale of materials and maximizing revenues
- Accounting standards: identifying eligible costs and clearly defining how programs are funded and how costs are shared
- Transparent reporting standards

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***FCPC's Bottom Line:*** *A Shared Responsibility EPR Model would have municipalities and producers share equally (50/50) in program costs and management, with the goal of operating an efficient, effective and harmonized system. Standards need to be developed and agreed upon that provides for the conditions related to the costs and decision-making for collection, processing, sale of materials, and operations.*



## **Standards**

Negotiated program operation standards will provide clarity and structure related to the costs and decision-making for the collection, processing, and sale of designated packaging materials. The objective is to achieve more organized and uniform residential packaging recycling programs from one municipality to the next, and ultimately from one province to the next<sup>4</sup>.

In theory, standardization enables a systematic rather than a disorganized approach (ie. municipalities and provinces making individual decisions in isolation of one another) in order to promote and foster economies of scale. Establishing such standards will result in far greater coordination, efficiencies, and ultimately, increased waste diversion and recycling.

The proposed standards would be jointly developed by producers and municipalities, as the parties who share the funding and operation responsibilities, recognizing that municipalities would continue their historic role in delivering residential recycling program services.

The benefits of developing standards include:

- Phasing out the current patchwork approach by promoting uniformity where possible, avoiding individual decision making, and moving towards a more harmonized approach to packaging stewardship in Canada.
- Providing clear requirements and specifications of what materials are collected and related activities.
- Enhanced consumer participation in sorting recyclables from waste. Clear and well communicated standards will, over time, educate consumers on which materials are recyclable and which are not, leading to more successful packaging recycling programs.
- Expanding the scope of how materials are sold with the goal of maximizing revenue, rather than the current approach of municipalities negotiating recovery values for materials individually.
- Avoiding conflicts between producers and municipalities and other stakeholders when it comes to decision making and cost share as clear rules and negotiated terms will be in place.
- Ensuring that existing resources (ie. Material Recovery Facilities) are used in the most efficient way and maximizing the value of existing investments in infrastructure and technologies.

A shared responsibility model, based on clear and negotiated standards, is the right model to advance because:

### ➤ **Provincial governments will not cede the legislated or historical role of municipalities**

Ontario municipalities have clearly stated that they will not cede their role in Blue Box delivery, as per discussions FCPC was part of during the Minister's Working Group, and as per their own written submissions as part of the Bill 91 consultations:

“...waste diversion must be increased significantly which means that all the involved parties must work together more collaboratively and productively. In a system that relies upon

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<sup>4</sup> FCPC recognizes that special consideration may have to be given to Northern and more remote regions.

municipalities, stewards and the private sector to work together well, a refreshed, reasonable and balanced approach is required – particularly for the Blue Box program....

Over several decades, Ontario’s municipalities have developed, operated and delivered successful and efficient waste diversion programs to residents.... Legislatively and practically, we do not see ourselves leaving the field of integrated waste management, especially in terms of collection services.”<sup>5</sup>

This position is also shared by municipal counterparts in Europe:

“Municipal Waste Europe strongly recommends that the Commission takes in to account the fundamental role municipalities play in improving waste management.... This includes the cooperation between municipalities and EPR schemes.”<sup>6</sup>

While this is an important consideration that supports the need for a shared responsibility approach, we reiterate that the status quo of regulating producers to fund a portion or all of the municipal costs for packaging recycling programs is not an acceptable interpretation of EPR. Producer responsibility must come with influence and decision making for producers. Simply shifting the costs to producers has no direct impact on waste diversion in and of itself, nor does it meaningfully alleviate household/ratepayer costs: a 2013 economic analysis indicated that the average net cost per Ontario household for their share of the Blue Box Program is \$22, or approximately 0.50% of total property taxes<sup>7</sup>.

➤ **There is no clear evidence suggesting that a full EPR model is the best model for residential packaging programs**

The European Commission recently concluded that “no single EPR model emerges as the best performing and the most cost-effective.”<sup>8</sup> While full EPR may work for some types of products and programs, shared responsibility works for others.

In fact, in Europe, two of the three countries using a full EPR model for packaging (Germany and Sweden) are both reviewing options to transition back to shared responsibility model:

“It is interesting to note that discussions are underway in Germany and Sweden regarding the model and the option of shifting to a shared model with municipal operational responsibilities, similar to the majority of EU countries, is being actively discussed. The two drivers for this are the interests of municipalities in providing enhanced collection and recycling services beyond that provided by the producer run program. In addition there are continuing challenges associated with educating the public on who is the responsible party...”<sup>9</sup>

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<sup>5</sup> Letter from the Association of Municipalities of Ontario letter to Ontario Minister of the Environment. August 28, 2013. <http://www.amo.on.ca/AMO-Content/Policy-Updates/2013/Breaking-News-Bill-91,-the-Waste-Reduction-Act-%28WD.aspx>

<sup>6</sup> Municipal Waste Europe. Position Paper on Extended Producer Responsibility. December 2013. <http://www.municipalwasteurope.eu/position/position-paper-extended-producer-responsibility-epr>

<sup>7</sup> Altus Group Economic Consulting. “Residential Property Tax Implications of Recently Proposed Ontario Waste Reduction Act”. Report prepared for FCPC. August 2013.

<sup>8</sup> European Commission. “Development of Guidance on EPR Final Report”. July 2014. Page 20. <http://epr.eu-smr.eu/>

<sup>9</sup> Giroux Environmental Consulting. Jurisdictional Review. January 8, 2014. Page 16. [http://putwasteinitsplace.ca/uploads/file/rfrfb/ppp\\_summit/NB\\_PPP\\_Jurisdictional\\_Review.pdf](http://putwasteinitsplace.ca/uploads/file/rfrfb/ppp_summit/NB_PPP_Jurisdictional_Review.pdf)

➤ **The return of taking on 100% cost for 100% control does not exist at this time**

FCPC does not believe the return of taking on 100% cost for 100% control of program operations exists at this time. FCPC commissioned a small research study that looked at packaging stewardship programs in Canada, their cost drivers, program operations, level of industry influence, and other metrics, and found that the pursuit for increased control in British Columbia (where 100% industry cost and management currently exists) has come at a higher than anticipated cost.

It is important to note that FCPC is exercising caution in drawing conclusions about the British Columbia program since it has only just commenced (May 2014). However, based on a normalization exercise that was conducted as part of the study “all else being equal, the producer contribution in British Columbia is 1.4-2.0 times higher than in Manitoba, Ontario and Quebec, assuming that those provinces manage a similar suite of residential Printed Paper and Packaging and that the producer funding level is equal to that in BC (100%).”<sup>10</sup>

As such, FCPC has determined that at this time, it is more appropriate to identify opportunities to *influence* programs by advocating for greater industry oversight and decision-making; rather than seek to *control* of the programs by lobbying for full industry management, as opposed to having a legislated role for municipalities.

**Cost Containment**

In provinces with existing legislation FCPC will continue to lobby for greater industry oversight of existing programs and work to contain costs in five clear ways:

- Lobbying for realistic and extended timelines for new program plan development and implementation, and changes to existing programs.
- Promoting the harmonization of program requirements and government legislation to ease the administrative and reporting burden of complying with a patchwork of laws and program rules.
- Advocate for a more national and coordinated approach to the decisions related to the collection, processing and sale of recycled packaging materials, which will lead to greater efficiencies and economies of scale, rather than making these decisions by province or by individual municipality, which ultimately impede the goals of enhancing diversion.
- Continue to call for transparency, accountability and access to information about program management, costs, performance and fee setting.
- Advocate to exclude costs associated with materials that are not designated or not recyclable.

The next section of this draft policy provides for specific recommendations for FCPC to advance as we work to advocate for a shared responsibility model for packaging; and identify areas where industry can have influence in program oversight and decision-making.

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<sup>10</sup> Reclay StewardEdge. “Research Report on Extended Producer Responsibility for Packaging and Printed Paper.” July 2014. Page 23. Study commissioned for FCPC, available to members.

# **FCPC'S EPR RECOMMENDATIONS**

## **1. EPR for packaging must be treated separately and facilitate a shared approach**

The Organisation for Economic Co-operation and Development (OECD) defines EPR as: “An environmental policy approach in which a producer’s responsibility for a product is extended to the post-consumer stage of a product’s life cycle. An EPR policy is characterised by: (1) the shifting of responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities.”<sup>11</sup>

In theory, this definition suggests producers would take over the responsibility for managing their packaging at the end of its useful life. However in practice, EPR in Canada has focused only on financial responsibility (ie. shifting costs from municipalities to producers), and not physical responsibility (ie. program operations and decision-making).

There is no one-size-fits-all solution and governments must recognize that the definition of EPR must be flexible enough to recognize that while full EPR may work for some types of materials, shared responsibility works for others – namely packaging. A finding from a recent European study says that “no single EPR model emerges as the best performing”<sup>12</sup> model.

It is also important to note that packaging is unlike any of the other types of designated materials. Unlike tires, computers or paint for example, packaging is inherently complex and there are thousands of types and variations. Given these inherent complexities, FCPC believes that packaging must be treated separately from other materials.

FCPC and its members support the effectiveness and efficiency of a collective model, rather than separate collection schemes for various materials. We believe a collected “basket of goods” approach is more cost-effective for packaging, and more convenient and accessible to residents.

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***FCPC's Bottom Line:*** *Packaging is inherently complex and must be dealt with in a different manner and separately from other designated materials. The definition of EPR must facilitate shared responsibility and a collective approach.*

## **2. Transparency and access to information**

Municipalities (and service providers) must be required to participate in an annual datacall to provide information including packaging materials generated, collected, recycled, gross costs and revenue, and net costs. Such information must be made public and subject to a third-party audit.

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***FCPC's Bottom Line:*** *Producer collectives, municipalities and other service providers must be required to provide financial information on program fees, costs, raw material revenues, and program performance.*

## **3. Basing policy and programs on sound data**

Government policy and any new program must be based on sound data, including current waste generation and diversion by material; as well as information on collection, processing capabilities and infrastructure. If this information is not available, the provincial Ministry of the Environment must provide funding for conducting a datacall prior to any new regulations being introduced.

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<sup>11</sup> Organisation for Economic Co-operation and Development. <http://www.oecd.org/env/tools-evaluation/extendedproducerresponsibility.htm>

<sup>12</sup> Development of Guidance on EPR. Final Report. European Commission. July 2014. Page 20.

FCPC further recommends that provincial governments require municipalities, by regulation, at the outset, to report their historical performance and cost data to inform plan development and transition to a shared EPR model.

Furthermore, sound policy must be based on sound data such as up-to-date waste generation and diversion data statistics; as well as information on collection and sorting capabilities, the state of infrastructure that exists to process and recycle materials, and if and where end markets exist to sell packaging materials once processed. If that information is not currently available, FCPC believes that the government should provide funding for conducting a datacall prior to any new regulations being developed.

Not addressing data needs first has been an important lesson learned in other provinces that have legislated EPR programs; as well as globally, as per the recent European Commission study which says: “The present study is additional proof that data collection and reporting regarding EPR and waste management need to be improved and harmonized. At present, a considerable part of the data published can be regarded as questionable. Better data is needed in order to improve performance monitoring and for strategic decision-making.”<sup>13</sup>

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***FCPC’s Bottom Line:*** Governments must have the necessary data on which to make key decisions before regulating EPR for packaging. If industry-funded programs are to be legislated, municipalities must be required to share historical program performance and cost data.

#### **4. Defining and designating packaging materials**

FCPC recommends that before any packaging materials are designated by government in regulation, proper due diligence must be conducted to be able to assess and determine the viability of designating materials.

FCPC does not support the designation of durable packaging, which can include materials such as storage containers and bags that are washed and reused by consumers. We consider such materials reusable and not disposable and should therefore be excluded from any definition or regulated list of designated materials.

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***FCPC’s Bottom Line:*** Definition of packaging should be consistent with other existing programs. Materials should not be designated if they are not currently accepted in municipal recycling programs and if no end markets exist.

#### **5. Timelines**

Ensuring that adequate and realistic timelines are provided for program plan development and implementation is a critical issue. FCPC recommends providing an allotted time for each activity (plan development, implementation), once that allotted time is determined and agreed to by impacted stakeholders, rather than include hard dates in legislation. Negotiating timelines must also consider the time needed for the following activities:

- Collecting the waste generation, recycling, capacity, and historical municipal costs data that is required on which to base sound policy and ultimately any new program.
- Developing mutually agreed upon standards for collection, processing, marketing and sale of materials, harmonization, and reporting.

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<sup>13</sup> Development of Guidance on EPR. Final Report. European Commission. July 2014. Page 25.

- Securing financing and resources required as a result of legislation requiring an EPR program plan.
- Educating municipalities on how switching from a historically run municipal system to an EPR system will impact them.
- The process for developing fees must be considered and understood. If a program is to be funded by producer fees, often those fees cannot be determined until it is known how many producers will be obligated and part of the new program, on which to divide program costs and determine fees. Informing and preparing producers of their obligations is a lengthy process and they must be provided with sufficient time to be able to budget and plan accordingly.
- The government's internal process for approving a program plan.

As mentioned in the context section of this policy, the Canadian Council of Ministers of the Environment's (CCME) Canada-wide Action Plan (CAP) for EPR had called for provinces to implement packaging EPR programs by 2015. FCPC recommends that provincial governments who are considering new EPR legislation should reject CCME's proposed timelines.

***FCPC's Bottom Line:*** *Careful consideration must be given to timing and required resources before new regulations are developed or existing legislation changed.*

## 6. Harmonization

The current patchwork approach to regulating and managing packaging stewardship programs in Canada is administratively burdensome and costly. All provinces who have established or are developing EPR packaging programs are striving towards the shared goal of working to divert more packaging from landfill and yet regulations continue to vary; and governments and stakeholders have differing views and understanding of EPR and how recycling systems operate. This continued inconsistency makes it difficult for producers to comply with different legislative and program requirements. FCPC supports the establishment of the Canadian Stewardship Services Alliance (CSSA), a new organization aiming to move towards a more harmonized and national approach to packaging stewardship in Canada.

FCPC recognizes that stewardship is provincially mandated, and while there is no one-size-fits-all solution, we believe there are opportunities for better alignment between provincial governments. Rather than continuing to having disparate approaches, we believe that greater harmonization in program regulation and management, and in the decisions related to the collection, processing and sale of recycled packaging materials – rather than making these decisions by province or by individual municipality – will lead to greater efficiencies, economies of scale, and will ultimately lead to increased waste diversion and recycling.

***FCPC's Bottom Line:*** *While stewardship is provincially mandated there are opportunities for greater alignment by federal, provincial, and municipal governments and stewardship organizations to seek efficiencies from greater harmonization.*

## 7. Scope of packaging program; FCPC position on packaging in IC&I sector

FCPC recommends that any new regulation for packaging be limited to the residential waste only, which is consistent with other provinces. FCPC does not support imposing producer responsibility requirements for the management of waste derived from paper and packaging that is supplied into the Industrial, Commercial & Institutional (IC&I) sector.

The residential and IC&I sectors are distinct and different systems when it comes to how wastes are handled, collected, processed and recycled. Furthermore, it is general practice that the IC&I

sector already pays for its own recycling and waste programs. Mandating producer responsibility for IC&I would unfairly place the burden entirely on producers, regardless of who is generating the waste. Waste diversion is a shared responsibility and all sectors and stakeholders along the recycling value chain have a critical role to play in diverting waste from our landfills.

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***FCPC's Bottom Line:*** *FCPC does not support imposing producer responsibility requirements for packaging in the IC&I sector.*

## **8. Ensuring clear roles and responsibilities**

Waste diversion is a shared responsibility and all sectors and stakeholders along the recycling value chain have a critical role to play in diverting waste from landfill. While mandating producer responsibility suggests that the entire responsibility of recycling packaging rests with a single sector (producers) that is not the case. To achieve success, a shared responsibility approach must be adopted.

FCPC recommends that a formal process be established to foster cooperation and dialogue amongst key stakeholders. FCPC believes that such a formal dialogue would improve transparency and information sharing; facilitate the development of best practice guidelines for collection and processing; and coordinate efforts to optimize the performance and cost-efficiency of the system.

FCPC further recommends that a negotiated partnership specifically between producers and municipalities must be entrenched in the program plan, or some other agreed upon mechanism, to underscore the shared responsibility approach and need for cooperation and joint decision-making and accountability.

The extent of responsibilities and roles of different stakeholders listed below should be clearly outlined in regulation. FCPC has made a number of preliminary recommendations on roles and responsibilities below.

### **a) Producers and Collectives**

- Producers are expected to assume joint financial and physical responsibility for the designated packaging they supply in the residential marketplace.
- FCPC recommends that regulation allow for “voluntary stewards” (brand owners who do not have a permanent address in that province) who would be permitted to report and pay fees associated with their packaging.
- FCPC and its members support the effectiveness and efficiency of a collective model, rather than separate collection schemes for various materials. We believe a collected “basket of goods” approach is more cost-effective for packaging, and more convenient and accessible to residents; this approach has been integral to the success of the Ontario Blue Box program.

### **b) Municipalities**

- Given that FCPC’s recommendation for new programs is a joint shared responsibility EPR model, municipalities will continue their role in delivering residential recycling program services based on agreed upon standards, to be developed jointly with producers.
- Municipalities must be required to report their historical costs to inform program plan development and transition to an industry-funded system.

- Municipalities would have to accept the role of producers as partners in operating their waste management system for packaging. If municipalities choose not to continue their role, the collective will select service providers via a fair, transparent and competitive bid process.
- Municipalities must help educate their residents on what is included in the recycling program, how to sort properly, and encourage their participation in doing their part to achieve success.

#### c) Waste management

Often municipalities contract with the private sector. Waste haulers, processors and collectors must be held accountable for their activities and FCPC recommends that the private sector service providers be held to the same standards and reporting requirements as municipalities.

#### d) Consumers

It cannot be overstated how important and critical the consumer role is to the success of recycling programs. Ultimately, it is the consumer who decides how to dispose of their recyclables and waste. Waste diversion programs will only be successful if consumers (residents) are aware of the program and see the benefits of participation. In order to be successful, the government must place a greater emphasis on changing consumer behaviour, ensuring they are aware and understand their role in sorting recyclables from waste.

Uniform standards for designated materials should help consumers to know what to place in packaging recycling bins, and what to put in the garbage or organics bin.

#### e) Government

Provincial governments have several critical roles to play including:

- Ensuring a complete and transparent consultation process and to engage stakeholders in a timely and fulsome manner.
- Supporting and funding the data collection needed to both inform the development of a sound regulatory approach; and for use as the basis of program plan development.
- Developing a sound regulatory framework that takes into account the whole waste management system, and is not overly prescriptive.
- Once passed, the government must take responsibility for enforcing their regulation and should not outsource this to a third-party agency.
- The government must ensure there is a level playing field and that there are no free riders.
- To ensure it has the ability to do proper enforcement, the government must have an appropriate budget in place.

FCPC also believes the federal government has a role to play and we will be seeking opportunities to educate the federal government on understanding the challenges associated with a fragmented approach to EPR in Canada and its impact on national competitiveness; as well as looking to re-engage them and determine if they can play a role in setting standards to address the lack of consistency among EPR programs and issues concerning packaging.

***FCPC's Bottom Line:*** *Clear roles and responsibilities must be set out in regulation to avoid confusion and conflict. FCPC recommends that a negotiated partnership specifically between producers and municipalities must be entrenched (in regulation, program plan, or some other negotiated means) to underscore the shared responsibility approach and need for cooperation and joint decision-making and accountability.*



## 9. EPR and packaging design

A recent report from the European Commission found that “Although sound waste management and recycling have generally improved, notably through the implementation of EPR, there is no clear evidence of a strong positive impact of EPR on the eco-design of the products.”<sup>14</sup>

FCPC does not believe there is any clear evidence that EPR policies drive packaging design changes. FCPC supports an approach to packaging design that is Canada-wide (and ultimately globally or North American aligned, as packaging is often designed for continental and global distribution systems), consistent, and broader than just recyclability. Such a packaging initiative should take into account all sustainability metrics including water, energy, and carbon emissions, as well as other considerations such as food and product safety. FCPC believes the federal government has an important role to play in working with provinces and municipalities on developing clear, consistent and national guidelines to help producers in making informed and sustainable packaging choices.

Based on sound data, facilitate the development on national packaging standards on which to base decisions when selecting packaging materials; and in moving Canada towards a more harmonized approach to recycling. We need clear, consistent and national guidance on what packaging materials are compatible with recycling collection and processing facilities across Canada.

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**FCPC's Bottom Line:** *National packaging initiative belongs outside of EPR legislation to 1) be successful, 2) reflect the many metrics and factors impacting packaging design, and 3) drive greater harmonization from the national level, down through provinces and municipalities.*

## 10. Consultation

Given the scale and impact of EPR policy, governments must allot appropriate time and resources for consultation; and government must fully understand EPR and its implications before making and policy and regulatory decisions. Based on previous experiences, FCPC strongly believes that provincial governments who introduced EPR regulations would have benefited from additional stakeholder consultation, especially on an issue that is growing more complicated as the Canadian and global stewardship landscape evolves.

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**FCPC's Bottom Line:** *Effective consultation that is inclusive and transparent will result in a better understanding of EPR and its implications for all stakeholders, and will ultimately result in an informed decision making and policy development process.*

## 11. Separate beverage container deposit programs

Special consideration needs to be given in provinces that operate separately legislated deposit return programs for beverage container recycling. FCPC supports the effectiveness and efficiency of a collective model, rather than separate collection schemes for various materials. We believe a collective “basket of goods” approach is more cost-effective for packaging, and more convenient and accessible to residents.

Separate bottle deposit return programs have a significant impact on EPR packaging programs, given the exclusion of a valuable commodity which affects program revenues that are typically used to offset program costs and fees. Consideration must be given to how to address this negative impact if governments insist on separate systems.

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<sup>14</sup> Development of Guidance on EPR. Final Report. European Commission. July 2014. Page 23.

FCPC further recommends that governments understand and study the impacts of the effectiveness of the deposit system vs. curbside recycling prior to regulating any new EPR program for packaging.

Stewardship programs should be streamlined and should avoid multiple collection systems and cherry-picking.

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***FCPC's Bottom Line:*** *Prior to legislating EPR for packaging, consideration must be made in provinces that have deposit return beverage container programs. Governments must understand the impact separate programs will have on an EPR packaging program that does not include beverage containers.*

## **12. No in-kind contributions**

No free riders; there should be a level-playing field with stewards paying their fair share of costs and no in-kind contributions should be permitted. Currently newspapers do not pay fees for their materials and instead provide free advertising to municipalities in lieu of stewardship fees in several provinces with legislated packaging EPR programs. No one sector should receive preferential treatment.

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***FCPC's Bottom Line:*** *FCPC does not support the in-kind contribution that newspapers have and calls for all sectors to pay their fair share for funding legislated packaging recycling programs in Canada.*

## **13. Visible Fees**

Whether or not to charge visible fees should remain the decision of the producer so long as the fee charged accurately reflect the costs associated with the program. FCPC recommends that legislation and regulation is silent on how fees are managed and ultimately displayed.

Environmental or eco fees are unlike any other business cost. Other business inputs are directly related to the cost of producing that product and bringing it to the market and that is why they are exclusively borne by the producer. Eco fees are a unique cost representing how waste diversion must be shared to fund these programs in which manufacturers, retailers, waste haulers, collectors, recyclers and consumers all have an important role to play.

## **14. Targets**

Targets must be based on sound data, and must be realistic and feasible. FCPC recommends that targets not be legislated and only be set after the first year of program operations, at which time program performance information will be available for which to base appropriate and achievable targets.

## **15. Disposal Bans**

FCPC supports the concept of disposal bans for designated materials to help drive diversion so long as sustainable end markets exist for that material. Recovery processes must be identified and available prior to the implementation of a ban; and with long enough lead times to ensure success.

## APPENDIX

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### Process for developing and approving FCPC's Packaging EPR Policy Position

FCPC policy position has been informed by numerous sources including discussions with FCPC's Board of Directors, our Board committees and member committees; as well as findings of research FCPC commissioned as part of this process, and other significant current studies and conversations.

#### **Direction from FCPC Board of Directors**

During FCPC's Executive Planning Session in March 2014, FCPC's Board agreed we needed to slow down the move towards 100% so that we could attempt to determine if it is the right model to follow; and to conduct research and obtain more information to be able to clarify and determine our position and strategy.

#### **FCPC commissioned research**

In April 2014, FCPC issued an RFP from qualified applicants to conduct research on informing FCPC's policy position on EPR for packaging in Canada; and on identifying appropriate cost benchmarks in which to evaluate different EPR systems and programs across Canada and internationally. Reclay StewardEdge was selected as the successful proponent. In July, Reclay StewardEdge submitted the final report. The research report is available to FCPC members.

The results can be made available to non-members in an in-person presentation by FCPC / Reclay StewardEdge.

#### **Current studies and other sources**

This policy has also been informed by:

- European Commission's [Development of Guidance on Extended Producer Responsibility Final Report](#) prepared by BIO Deoitte (July 2014);
- EUROOPEN position papers:
  - [Position Paper on European Commission legislative proposal as part of Circular Economy package](#) (September 2014)
  - [Guiding principles on EPR for post-consumer packaging](#) (October 2013)
  - [Position on EPR for packaging waste](#) (September 2013)
- [Extended Producer Responsibility Alliance](#) (Expra) position papers on EPR minimum criteria and EXPRA's position on the Circular Economy Package and the Waste Target Review (October 2014), materials provided to FCPC by Joachim Quoden, Managing Director;
- [Framework and Implementation Plan for a Waste Packaging and Paper Stewardship Program across Atlantic Canada](#) study by Giroux Environmental Consulting in association with Duncan Bury Consulting (July 2014);
- Giroux Environmental Consulting's [State of Waste Management in Canada](#) prepared for the Canadian Council of Ministers of the Environment (September 2014);
- Municipal Waste Europe's [Policy Position on Extended Producer Responsibility](#) (December 2013);
- Regional Public Works Commissioners of Ontario's (RPWCO) EPR Case Study Report prepared by Kelleher Environmental: [Lessons From EPR Programs For Printed Paper and Packaging That Could Be Applied To Ontario Municipalities](#) (May 2014);
- OECD Issues Paper [The State of Play on Extended Producer Responsibility: Opportunities and Challenges](#) (June 2014);

- Packaging Association of Canada’s [Policy Best Practices that Support Harmonization: Summaries of Eleven Global EPR Programs](#) (March 2014); and
- FCPC’s policy position has also been informed by numerous discussions with Éco Entreprises Québec around their studies into EPR and industry “control”; discussions held during the Ontario Minister of the Environment’s Working Group on the municipal role for the Ontario Blue Box Program; and discussions with various provincial government officials and political staff.

This research indicates that there exists a breadth of EPR models and a range of success factors, as well as a range of potentially aggravating factors. This led us to set out three critical assumptions about the Canadian provincial political and policy context and its implications for industry’s role in EPR in this country:

- Provincial governments will not cede the legislated or historical role of municipalities;
- Given this, the status quo of regulating producers to only fund municipal costs related to packaging recycling is no longer an acceptable interpretation of EPR; and, therefore,
- Any legislated shift in greater producer responsibility must come with a negotiated shift in influence, that is, in roles and the level of decision making in program operation for producers.

### **FCPC member review and final policy approval process**

To ensure considerable opportunity for member discussion, and stakeholder review, of our draft policy position before we sought final approval from our Board, FCPC undertook the following activities and timelines:

<b>Actions</b>	<b>Target Date</b>	<b>Status</b>
Present recommended policy position to FCPC Board of Directors.	October 2, 2014	Completed
Present draft policy to members for review and notification of comment period.	October 9	Completed. Joint meeting of FCPC Sustainability and Public Affairs Committees held October 9.
Deadline for member feedback.	End of October	Completed
Finalize EPR policy position based on member feedback and circulate revised draft to members.	Week of Nov. 17	Completed.
Stakeholder Outreach – draft policy was shared with: <ul style="list-style-type: none"> <li>• Key industry associations (Retail Council of Canada, Canadian Federation of Independent Grocers, Canadian Beverage Association, Canadian Consumer Specialty Products Association)</li> <li>• Canadian Stewardship Services Alliance</li> <li>• City of Toronto</li> <li>• Select companies involved in the Minister’s Bill 91 Working Group</li> <li>• Grocery Manufacturers Association</li> </ul>	December 3	Completed. Meetings held with: <ul style="list-style-type: none"> <li>• Retail Council of Canada</li> <li>• Restaurants Canada</li> <li>• Canadian Federation of Independent Grocers and Federated Co-Op</li> <li>• Canadian Stewardship Services Alliance</li> <li>• City of Toronto</li> <li>• Select companies involved in the Minister’s Bill 91 Working Group (Walmart, Loblaw, Tim Hortons, P&amp;G)</li> <li>• Canadian Consumer Specialty Products Association</li> </ul>
Integrate policy position in FCPC advocacy.	Ongoing	Recommended policy position has been used in FCPC advocacy and strategy development.
Final approval.	December 9	Final policy position was approved by the FCPC Board of Directors at its Dec. 9.

# **APPENDIX F**

## **Business feedback (on Letterhead)**



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November 8, 2018

Valda Walsh  
Municipal Priorities Committee  
Regional Coordinator, Region 6 Solid Waste Management  
Mahone Bay, Nova Scotia  
email: [Valda.Walsh@Region6SWM.ca](mailto:Valda.Walsh@Region6SWM.ca)

**Re: Proposed EPR Printed Paper Packaging Program for Nova Scotia**

Ms. Walsh,

Thank you for allowing Retail Council of Canada (RCC) to participate in the Municipal Priorities Committee's stakeholder consultation regarding a proposed extended producer responsibility (EPR) printed paper packaging (PPP) program for the Province of Nova Scotia. Given that the goal of your committee is to reach stakeholder consensus on a proposed approach for a PPP program, it is important that your committee understand the perspective of the retail sector on this important issue.

As you know, Retail Council of Canada (RCC) represents the vast majority of retailers in Nova Scotia. Collectively, the retail sector is the number one private sector employer in the province. Our members conduct business, employ people and pay taxes in every municipal unit. Our members also rely on various forms of packaging to protect retail product and create a seamless shopping experience for Nova Scotia customers. In recent years, many of our members have been taking steps to reduce the amount of packaging they provide to customers when selling retail products. However, these positive efforts have been complicated through differing public pronouncements from both the provincial and municipal governments of possible government action to reduce packaging in the province.

For this reason, RCC members would not oppose the implementation of a PPP program for Nova Scotia as long as it is harmonized with best practices developed in other Canadian Provinces. RCC recognizes that government led initiatives can be effective if they create a level playing field for retailers while placing pressure on product producers to reduce/refine the amount of packaging in their products. RCC members have garnered a wealth of experience in successfully managing their businesses within the regulatory confines of the PPP programs in other provinces. Given this success, RCC members do not want a Nova Scotia PPP system that deviates from the harmonized aspects of these existing PPP programs. Retailers have a history of meeting and even exceeding government targets for PPP programs thus, it is reasonable for RCC to expect that any potential Nova Scotia

program be harmonized with best practices from across the country in order to avoid needless administrative complications for retailers.

On October 18, 2018, RCC members appreciated the opportunity to express these opinions and to hear general ideas regarding the proposal that will come from your Municipal Priorities Committee. RCC supports certain aspects of your Committee's proposal for a PPP program but wanted to take this opportunity to outline areas of concern with your Committee's proposed approach. As the retail sector is directly linked to many of the products that would be covered by a PPP program, any government action in this regard needs to take steps to mitigate negative impacts on this important employer and tax payer. We trust that your group and the provincial government will understand the need for these concerns to be addressed.

The primary concern for RCC members is that many governments still do not seem to understand the challenge for businesses who are obligated to participate in a PPP program. Businesses of all sizes rightly complain about the administrative burden involved in meeting the many obligations of a bureaucratic PPP program. Such a burden is especially heavy on RCC's small retailers who often do not have enough employees to devote the time necessary to meeting the administrative commitments under a government mandated PPP program.

Conversely, some of the provincial governments with PPP programs do not seem to understand the inherent unfairness involved in offering blanket exemptions from the PPP program to small businesses. These provincial governments have made the misguided decision to exempt businesses from participating in a PPP program based on revenue thresholds which are so high that virtually every business is exempted. Respectfully, your committee has taken a similar approach in proposing an exemption for businesses with revenues under \$2 million. Your committee notes that there are over 72,000 businesses in Nova Scotia. Under your committee's proposal, only 250 of the province's 72,000 businesses would be forced to pay for the overall costs of Nova Scotia's PPP program. Under this proposed approach, all other businesses would be 'free riders' who would have little incentive to consider their company's environmental footprint. This approach would be inherently unfair to RCC's mid/large members. RCC's mid/large member category consists of the retailers who are primarily responsible for the Nova Scotia retail sector being the number one private sector employer in the province. These retailers are not opposed to paying their fair share in a PPP program but there is no justification for any government to assume that it would be fair for so few businesses to pay for so many.

To highlight the inherent unfairness in your committee's proposal, one only need look at the PPP programs in Canada's most populous provinces. For instance, the number of registered businesses in the province of Quebec totals over 256,000 while in Ontario, the number is over 458,000. The threshold for a business to be exempt from the PPP program in Quebec is only \$1 million in revenue. With this threshold, the province mandates 3400 registered businesses to pay for the costs of running the PPP program (even though some of these businesses are too small to actually pay into the PPP Program). This means that only 1.3% of the province's businesses are forced to pay for the PPP program. In neighbouring Ontario, the PPP exemption threshold for Canada's most populous province

is set at \$2 million. Despite the significantly larger economy in Ontario, the higher exemption level results in only 2000 businesses, or 0.4% of the province's total being obligated to register for the PPP program. In Nova Scotia, your committee is proposing that only 0.3% of the province's tax paying, employment generating businesses should pay to clean up after tens of thousands of Nova Scotian companies. The message is clear for the free riders in provinces like Quebec, Ontario and possibly Nova Scotia. These free riders need not worry about environmental responsibility as someone else pays for their waste.

A related area of concern in your committee's proposal is with the lack of any plan to deal with the ever-growing amount of PPP emanating from foreign, e-commerce retailers. Provincial governments have yet to develop a means of recouping stewardship fees from online retailers based in countries like the United States and China. With each passing year, e-commerce continues its massive growth, sending millions of heavily packaged products to the doorsteps of individual Nova Scotians. Your fellow committee members have been involved in stewarding this increasing amount of packaging emanating from these international e-retailers. Yet, under your Committee's proposal, 250 Nova Scotia businesses, who pay taxes and employ people in this province, will be forced to pay for the proper stewardship of packaging waste emanating from US companies like Amazon and Chinese companies like Alibaba. These are two of the largest, most profitable companies in the world yet their contribution to the Nova Scotian economy is negligible. Furthermore, these companies already receive significant advantages on their retail products by not having to pay taxes and duties at the same rate as their Canadian competitors. Under your Committee's proposed approach, these companies would be 'free riders' and continue to rake in profits while a small number of Nova Scotian employers would pay to steward Amazon and Alibaba's product packaging. This proposed approach would further incentivize Nova Scotians to bypass Canadian retailers and instead, shop with online retailers based in other countries.

Before any PPP program is approved, a mechanism needs to be developed to capture these online retailers and ensure that they either:

- pay their fair share or
- governments need to compensate Nova Scotia retailers who will be forced to pay for proper stewardship of the packaging that international, online retailers send to this province.

Finally, it should be recognized that Nova Scotia is in a unique position given that the province has been a national leader in recycling for over twenty-years. Given the province's successful history, municipally owned recycling infrastructure exists in communities all across the province. As the provincial government and your Municipal Priorities Committee seem to be leaning towards a PPP program with 100% producer control, municipal units need to understand that an offloading of recycling responsibility could also mean a loss of a recycling facility and jobs in their communities. If producers and first importers are tasked with running a PPP program, they would never agree to any limitations on their ability to make business decisions regarding the facilities used for PPP processing.



Once again, RCC appreciated the opportunity to participate in the Municipal Priorities Committee's stakeholder consultation regarding a proposed extended producer responsibility printed paper packaging program for the Province of Nova Scotia. We hope that your committee will take into consideration the points made in this submission along with the following recommendations:

**RCC Recommendation #1:** There needs to be a recognition that some Nova Scotian businesses are simply too small to deal with the cost burden of paying into a PPP program. Nevertheless, there must be a mechanism whereby these small businesses are at least held accountable for the packaging they generate in the province. For instance, Nova Scotia could follow the simplified process used by Eco-Entreprises Quebec (EEQ). In Quebec, a small business simply goes to the EEQ website and answers three simple questions to determine whether or not the business needs to register for the province's PPP program. Once a business determines that they need to register, a simplified registration process would not be too onerous for small businesses to complete. In Nova Scotia, such a process would bring increased fairness to the system as registered small businesses would have to report their revenue on an annual basis. This reporting would be necessary to ensure that once the business grows its revenues beyond the threshold, it would start paying into the PPP program.

**RCC Recommendation #2:** For a province as small as Nova Scotia, a \$2 million exemption threshold is too high to be fair and effective. If Quebec can run an effective program with a \$1 million threshold then Nova Scotia's much smaller economy should allow for an effective PPP program with an exemption threshold that is less than \$1 million.

**RCC Recommendation #3:** Any PPP program with supposed 100% producer control must provide producers and first importers with the ability to make business decisions regarding the facilities used for PPP processing. It is assumed that any producer-controlled system would consider using existing municipal facilities so long as the municipal assets meet the needs of the producer-controlled program. However, for this system to work, there can be no government interference whereby producers are obligated to use inefficient, municipal facilities while trying to meet and exceed the province's mandated PPP targets.

Should you have any questions or comments regarding the information provided in this letter, please feel free to contact me at (902) 422-4144.

Sincerely,



Director (Atlantic)  
Retail Council of Canada

cc: RCC Members who work and employ people in Nova Scotia  
Members of RCC Environment Committee

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Dear Mr. Brooke:

Canadian Stewardship Services Alliance Inc. (CSSA) welcomes the opportunity to provide comment on the draft proposal for an Extended Producer Responsibility program for packaging and paper product, developed jointly by the Nova Scotia Federation of Municipalities (NSFM) and the Solid Waste Management Regional Chairs Committee.

### Who is CSSA?

Launched in 2013, we are the largest compliance solution provider to approved EPR programs in North America. With 85 staff located in Toronto, Vancouver, Saskatoon, Winnipeg and Halifax, we administer programs with over \$300M in stewardship revenues. We manage 4 packaging and paper product programs in Canada as well as municipal hazardous waste programs in Ontario. We are the interface to over 3000+ producers in Canada who must report and pay fees to an approved stewardship plan. We know producers and materials. In addition to producer and material insights, our core competencies include data, analytics, procurement, and the mechanics of implementing and operating Extended Producer Responsibility (EPR) programs.

CSSA is a member and active participant in several organizations that are working towards a circular economy including:

- Member of Ellen MacArthur Foundation and signatory to New Plastics Economy Global Commitment
- Member of EPRO (European Associations of Plastics Recyclers).
- Green Dot Partner with the largest packaging compliance scheme in the EU--DSD
- Member of ISO Circular Economy Technical Committee
- Member of Global Product Stewardship Council.

- We provide advice on best practice EPR to the Circular Economy Leadership Coalition in Canada and the Product Stewardship Institute in the US.

Our partnership with these organizations provides a path of continuous learning for our employees and ensures we stay up to date with what's new and current in EPR and circular economy thinking and practice.

CSSA commends Nova Scotia's municipal leaders for reaching out to the business community for input and ideas as part of an effort to develop an EPR proposal for packaging and paper product (PPP). In its document, the NSFPM sets out the components of an EPR model for PPP as follows:

- *The EPR program should use existing infrastructure and human resources*
- *Municipalities would have the first right of refusal for collection and education*
- *The program would maintain or improve upon the current level of curbside service*
- *The program would apply to residential PPP materials*
- *Time must be allowed for planning and transition*
- *A transition program would be provided by the Province for municipalities with redundant facilities*
- *Most small businesses would be exempt: including those:*
  - *With revenue under \$2 million*
  - *Supplying less than one tonne of PPP to Nova Scotia residents annually*
  - *With a single storefront in NS and who are not supplied by (or operated as part of) a franchise*
  - *Producing newspapers (except flyers) and registered charities*
- *The program would be harmonized with other Canadian EPR programs*
- *Monitoring and compliance must be in place to ensure a level playing field for businesses.*

CSSA will address all of the above points and where appropriate provide specific recommendations in our submission below.

### Full Producer Responsibility

CSSA is fully supportive of a provincial regulation that places the financial and operational responsibility for packaging and paper product recycling on the businesses that sell products to consumers. These businesses, also known as producers, are keenly aware of the challenges facing municipally operated recycling systems as a result of a number of market forces, not the least of which is the widespread ban by China, and most recently India, to the importation of many recyclables – a dramatic and permanent structural change in the landscape for recycling operations in municipalities everywhere.

Many of the largest producers that sell products in Nova Scotia are multi-national corporations that have made ambitious global commitments to use only recyclable packaging by 2025; achieve 25% to 30% recycled content in their packaging by 2025; and to support the development of effective/efficient waste management systems. Many of these same businesses are also signatories to ambitious global and national commitments to advance their vision of zero plastic waste/pollution such as most notably The Ellen MacArthur Foundation's Global Commitment to Eliminate Plastic Pollution at the Source.<sup>1</sup> These producers are dedicated to eliminating unnecessary plastic, ensuring that all plastics are reusable, recyclable

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<sup>1</sup> See <https://www.ellenmacarthurfoundation.org/news/a-line-in-the-sand-ellen-macarthur-foundation-launch-global-commitment-to-eliminate-plastic-pollution-at-the-source>

or compostable, and recovering and reintegrating plastics in the manufacture of new products and packaging.

This determination and the producers' commitments underscore why it is so important that Nova Scotia, join provinces such as British Columbia and Ontario in shifting to full producer responsibility. The current model, despite municipalities' best efforts, is and remains a fragmented one because it leaves the operational decisions to individual communities. As a result, across Nova Scotia there are dozens of different recycling programs, which in turn limits improvements in diversion performance because decisions are localized and disconnected. This form of fragmentation creates confusion for consumers since neighbours across municipal boundaries are not recycling the same set of materials. To producers, who make packaging decisions on a national and international level, fragmentation leads to uncertainty in packaging design choices because decisions about what materials are collected by local programs are totally outside their control. As a result, we are unable to achieve the essential economies of scale and appropriate markets for materials necessary to enable producers to meet their commitments, address plastics pollution head-on, and ultimately support circular economy outcomes.

CSSA, for these reasons, supports full producer responsibility policies that are performance and outcomes based and that therefore leave the decisions to the producers on how they are going to achieve the prescribed performance standards. British Columbia is a good example of this kind of performance-focused regulation.

### Harmonized Policy for PPP

While CSSA agrees that Nova Scotia's program should be harmonized with other Canadian EPR programs it is not the case at the moment that all Canadian PPP EPR programs are the same. CSSA advocates for harmonized full producer responsibility regulations -- a policy approach to EPR that is performance and outcomes based; that assigns ownership of the end-of-life material to the producers that supply it into the marketplace; and that provides producers with the freedom and ultimately the obligation to design end-of-life material-management supply chains that best meet regulated performance requirements.

In this regard, British Columbia's Recycle BC stewardship program for residential PPP is unique in Canada. It is the first implementation of full producer responsibility whereby producers are operationally responsible for establishing a reverse supply chain for the collection, transportation, consolidation, processing and marketing of residential PPP.

The now five-year operation of Recycle BC's program is a reverse supply chain that has transformed the collection and recycling of residential PPP from a municipally-based activity into an integrated provincial recycling system. In 2017, Recycle BC recovered approximately 198,000 tonnes of PPP from 3.475 million residents. The majority of that material was efficiently sold to end-markets for use in the manufacturing of new products and packaging -- virtually all of the plastics were sold to markets in British Columbia. Recycle BC has standardized the materials that are collected, lowered contamination rates of collected materials, stimulated over \$20 million in capital investments in recycling infrastructure, especially for plastics, and expanded the kinds of plastics that are collected and recycled in British Columbia.

In addition, Recycle BC's recently revised stewardship plan<sup>2</sup> has set ambitious plastics targets, the first in Canada to do so, as follows:

- General plastic target of 50% by 2025;
- Rigid plastic target of 55% by 2022; and 60% by 2025;
- Flexible plastic target of 22% by 2022; and 25% by 2025.

This level of unprecedented performance cannot be achieved by programs that permit fragmentation such as those that currently operate in Saskatchewan, Manitoba, Ontario and Quebec. We are confident that Nova Scotia can achieve these results if it adopts an outcomes-based regulation that places full financial and operational responsibility on producers consistent with the approach taken in British Columbia and that defines government's role as prescribing performance, approving a program plan, verifying program performance, and enforcing producer compliance in support of a level playing field for those businesses it chooses to obligate.

Harmonized definitions are also a critical component of a successful PPP stewardship program. Harmonized definitions of the legally obligated parties (producers); legally designated materials (packaging and paper product); and performance targets and measurement metrics are key to producers being able to achieve the economies of scale and efficiencies necessary to meet their packaging global commitments and prevent plastics from harming the environment and human health. Just as full producer responsibility for PPP is not consistent across Canada, we do not yet have harmonized definitions for PPP programs. Progress is expected to be made in coming years as part of the federal government's national Plastics Strategy and Action Plan (the latter is due to be released in June 2019). However, in the absence of this work, Nova Scotia should continue to push forward. CSSA would welcome the opportunity to work with the provincial government and other stakeholders on definitions that both look to the future and are consistent with successful programs such as Recycle BC.

#### Exempt Small Business and Newspapers

Within the context of harmonization CSSA notes that in its proposal, the NSF and the Solid Waste Management Regional Chair Committee require that the EPR model be sensitive to business and exempt newspaper publishers as well as businesses with revenue under \$2M; that supply less than one tonne of PPP to Nova Scotia residents annually; that operate a single storefront; and, that are not supplied by or operated as part of a franchise.

These are inconsistent with British Columbia's regulation which we regard as perhaps more appropriate for Nova Scotia. In British Columbia, businesses are exempt if they earn gross annual revenue under \$1M; or if they supply less than one tonne of PPP to residents. To make it easy for small businesses to comply, CSSA provides access to an online assessment tool that makes it simple to determine eligibility and to pay a flat fee – measures designed to minimize the administrative burden and cost for small businesses. CSSA understands why governments choose to exempt small businesses from stewardship programs; however, from a fairness

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<sup>2</sup> Section 6 of the Recycling Regulation requires that every five years a producer must review its approved plan and submit proposed amendments to the Province of BC for review and approval, or in the case where no amendments to the plan are necessary, the Province of BC should be so advised. In 2017, having been in operation for three full years, Recycle BC conducted a thorough review of its performance to inform the design of a revised plan that would govern its future operations. This plan will replace the original Packaging and Printed Paper Stewardship Plan submitted by Multi-Material BC (now Recycle BC) and approved in April 2013.

perspective, it could be argued that all producers, regardless of size, should be required to pay their fair share of program costs. CSSA therefore recommends that Nova Scotia implement a de minimis policy consistent with British Columbia -- with one exception. The BC Program has taught us that there is no need to exempt single storefront operations – revenues and/or tonnage thresholds are sufficient and promote a higher level of fairness.

With respect to any exemption for newspaper publishers, approaches differ across provinces. In British Columbia, for example, newspaper publishers are not exempt but the provincial government pays their fees. In Saskatchewan they were temporarily exempt, but must now pay fees. In Ontario, newspapers currently provide municipalities with in-kind compensation in the form of advertising space. In Manitoba, up until recently, the provincial government paid newspaper publishers' fees. CSSA's position is that if newspaper publishers are exempt the businesses that pay fees to manage their PPP should not have to pay the cost to manage newspapers. Rather, this cost should be borne by another party, for example the provincial government or municipalities. Whatever the arrangement, the stewardship program could collect the newspapers as part of the recycling, thereby maintaining convenience for residents, for a service fee. If newspapers are not exempted from the program, the provincial government must be rigorous in its enforcement to ensure that the publishers pay their obligated amounts.

### A Role for Municipalities

In its proposal, the NSFM and the Solid Waste Management Regional Chairs Committee express desire to see an EPR model that is sensitive to municipalities.

In transitioning to full producer responsibility CSSA supports the following objectives for a new PPP program that we believe are sensitive to municipal priorities:

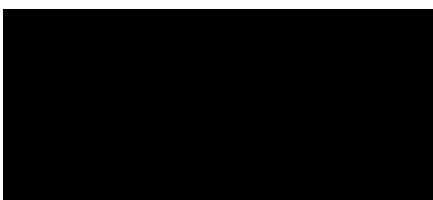
- Preserve the integrity of residential recycling while improving access for residents;
- Effect a seamless transition to full producer responsibility, ensuring uninterrupted collection service to residents;
- Seek to minimize disruption of existing municipal contracts and ensure an open and competitive market for collection and processing of materials;
- Minimize disruption to municipalities' capital assets where possible; and
- Provide for continuous improvement of environmental outcomes.

### Conclusion

CSSA welcomes the opportunity to discuss with the NSFM potential models that can build on municipalities' expertise and existing infrastructure and that will work well for Nova Scotia.

CSSA looks forward to working with the NSFM and the Solid Waste Management Regional Chairs Committee as well as the provincial government and other affected stakeholders to help develop a best-in-class full producer responsibility program for PPP in Nova Scotia.

Sincerely,



John Coyne  
Executive Chair, Canadian Stewardship Services Alliance Inc.

c.c.

The Honourable Margaret Miller, Minister of Environment,  
[minister.environment@novascotia.ca](mailto:minister.environment@novascotia.ca)

Leland Anthony, Chairman – Nova Scotia Regional Chairs, [leland@district.yarmouth.ns.ca](mailto:leland@district.yarmouth.ns.ca)



March 13, 2019

**Re: Consultation on Proposed EPR for PPP Legislation from Nova Scotia Federation of Municipalities**

I am writing with great concern for the printed product extended producer responsibility as proposed by the Nova Scotia Federation of Municipalities. The documents themselves were rich on assumptions and low on detail, however, the details provided cause considerable concern for the printing and publishing industries and our clients. Despite the printing and publishing industries having experienced disruptive change over the past decade, many Nova Scotians continue to be employed within the sector.

If printed product extended producer responsibility is implemented within Nova Scotia as proposed, we are concerned that businesses and printing companies located outside the province but selling into the province will be disproportionately advantaged. There have been no clear plans articulated for the traceability of printed materials to determine what products enter the municipal recycling stream. There was no data provided to highlight the impact on government as a user of printed material or the arbitrary inclusion criteria for business. There was no information provided to illustrate the purported efficiency of the municipal recycling system. Further there was no information provided to illustrate how municipalities would reduce fees and taxes proportionally so that ERP is more than a provincially mandated corporate tax grab.

There is only one tax payer, if any municipal or provincial cost burden is to be transferred from the many to the few, the program must demonstrate fairness, cost efficiency and measurability, none of which have been addressed in the proposal distributed. I have highlighted a few concerns below, however with such limited information provided I am confident there is more complexity that has not yet been addressed.

**Resolution 2**

**EXTENDED PRODUCER RESPONSIBILITY FOR PRINTED PAPER AND PACKAGING**

**Issue Identification Paragraph #1**

*Coordinated PPP recycling programs exist in many other provinces, but not in Nova Scotia.*

The statement is written in a way to suggest that Nova Scotia is somehow behind. In fact, only 5 provinces currently have varying ERP systems.

**Nova Scotia has above average recycling rates with the costs already factored into municipal taxes and fees.**



### **Issue Identification Paragraph #1 into Paragraph #2**

*In other provinces, these programs are funded by the companies that produce PPP, who incorporate the costs of the recycling programs into their national product pricing.*

*Because producers build these costs into their national product pricing, Nova Scotia consumers are already paying for the costs of the PPP programs operating in other provinces. But Nova Scotia consumers and municipalities don't receive any benefit for these costs because Nova Scotia has no PPP program.*

Corporate supply chains and pricing structures are complex with many variables. The above statement was included in Resolution #2 without any foundation or basis in fact. Having worked with retailers and consumer goods companies for decades, it is obvious that manufacturers and retailers have differing costs by region. In Nova Scotia and Atlantic Canada, our rural nature and distance from most manufacturers impacts logistics and distribution costs for products. For companies with locations in Nova Scotia, our upper quartile municipal taxes, corporate taxes and income taxes also have an effect on the cost to deliver products in Nova Scotia.

**The idea that we are subsidizing recycling elsewhere is without basis.**

### **Issue Identification Paragraph #2**

*Implementing an EPR program to recycle PPP materials here in Nova Scotia will help to harmonize costs with other provincial EPR programs, and additionally generate a financial benefit of up to \$16 million per year.*

The proposal does not provide the necessary information to understand how or if \$16 million would be collected. If the \$16 million number is accurate, it is imperative that the municipalities demonstrate clearly how the \$16 million would be raised. **In addition, unless the municipalities clearly indicate how they will have a corresponding reduction in taxes or fees, they are actually requesting a provincially mandated municipal tax increase.**

### **Background information paragraph #2**

*In the current system, municipalities typically have very little control over the costs associated with processing and marketing recyclable materials.*

Municipalities have complete control over the costs of the municipal collection and sorting systems. **The only factor out of the control of the municipalities is the available market price for the sorted product. Municipalities have not provided any information regarding the efficiency of their systems which are known for being chronically inefficient.**

### **Impact on Municipalities Paragraph #1**

*At a cost of approximately \$94 per capita, Nova Scotian residents are roughly on par with citizens in other provinces for solid waste management costs. However, British Columbia, Saskatchewan, Manitoba, Ontario and Quebec have a form of fiscal relief we do not have: EPR.*

According to Canada Yearbook 2012 (most recent), Chapter 16 page 224 from Statistics Canada, Nova Scotia spends more than other provinces on waste management and organics.

Efficiency of the system has not been appropriately addressed. More data is required, for informed discussion.

### **Impact on Municipalities Paragraph #2**

*However, in 2017, due to fluctuations in the market price of recyclables and increased return rates, this amount dropped to just over \$6 million.*

Plastics, Glass and Paper products have very different markets. **The municipalities must consider the demand for the various categories of recycled material. There continues to be demand for corrugated and paper products when properly sorted.**

### **Impact on Municipalities Paragraph #2**

*And over this same period, expenses facing municipalities have continued to climb at a pace nearly tripling the overall cost of living, as measured by the consumer price index (CPI).<sup>1</sup>*

There is no justification provided for municipal cost to be increasing at **3 times CPI**. Costs within industry and the provincial government have been controlled and are not increasing at similar rates. Yes there has been market disruption especially for plastics, but a market for sorted paper remains. **Materials sorting is a low skill, low tech industry. Cost should not be outpacing the industry and the rest of government.**

### **Proposed Action Paragraph #1**

*An EPR for PPP program for Nova Scotia will save Nova Scotian municipalities millions.*

Whether it be Municipal, Provincial, Federal or Fee based there is only one tax payer. There is no saving being proposed by the document provided. The municipalities are proposing increased costs to Nova Scotia Businesses and citizens.

No additional fee or tax burden should be allowed without a corresponding identified and mandated reduction in taxes. Nova Scotians and Nova Scotia businesses will have difficulty with the burden associated with \$16,000,000 in new fees.

### **Proposed Action Paragraph #2**

*The Solid Waste Priorities Committee has been meeting with municipalities, numerous stakeholders throughout the province and with national businesses.*

A list of those companies consulted has not been provided. We were not consulted as one of the largest producers of printed product in Atlantic Canada and we have yet to find a producer of printed product that was consulted in Atlantic Canada. A message to the Atlantic provinces Chamber of Commerce does not constitute broad consultation.

### **Proposed Action Paragraph #2**

*The Committee has developed a framework for an EPR model for PPP based on the following objectives:*

- *Meet public demand for a sustained and improved NS Recycling system*
- *Increase efficiency of recycling programs*
- *Collection*
- *Education*
- *Marketing of post-consumer materials*
- *Reduce the cost of managing solid waste in Nova Scotia*
- *Incent innovation in packaging design*

**Increase efficiency** – The document highlights the inefficiencies of the system. No data has been provided as to how efficiency would be increased. Cost control three times CPI is not a model of efficiency.

**Collection** – Nova Scotia already leads the country with collection. Nothing has been identified to illustrate how collection would be improved.

**Education** – No information has been provided on increased education. Partnerships already exist with newspapers for education.

**Reduce the cost of managing solid waste** – The proposal identifies increased fees and taxes. It does not address efficiency or reduced costs. Cost control 3 times CPI is not a model of efficiency.

### **Proposed Action Paragraph #3**

Most small businesses would be exempt, including those:

- With revenue under \$2 million
- Supplying less than 1 tonne of PPP to Nova Scotia residents annually
- With a single storefront in NS and who are not supplied by (or operated as part of) a franchise

- Producing newspapers (except flyers) and registered charities
- The program would be harmonized with other Canadian EPR programs
- Monitoring and compliance must be in place to ensure a level playing field for businesses

**Revenue less than \$2,000,000** – On what basis was \$2,000,000 determined? Newspapers have a voluntary program established. If other businesses with revenues less than \$2,000,000 are being exempted, then Newspapers with revenues less than \$2,000,000 should be provided the option to withdraw. A \$2,000,000 revenue figure does not in any way correlate with an organization's impact on the recycling stream.

**With a single storefront in NS** – There are single storefronts in Nova Scotia that are larger than those with multiple store fronts. This would benefit more urban storefronts and disadvantage multiple storefronts in more rural areas.

**Flyers** – the inclusion of flyers is complex and potentially unfair. A substantial number of flyers are distributed in Nova Scotia for organizations without storefronts. Distribution through Canada Post cannot be regulated provincially putting private distributors at an unfair disadvantage.

#### **Level Playing field**

- The destination of printed materials is often unknown, especially when it comes to documents, magazines, brochures catalogs etc.
- Local Print producers will be disadvantaged unless all print from outside is on a level playing field. We produce marketing materials for companies and organizations without bricks and mortar in Nova Scotia. The proposed charges could make it less expensive to produce printed product elsewhere and ship into our market, unless the client has a bricks and mortar location in Nova Scotia.
- How would it be fair to tax the material of a local travel agency, but not the promotional materials coming from cruise lines, resorts, etc. without a storefront in Nova Scotia? Maritime Travel, a Nova Scotia Company would be taxed, while direct communication from Carnival Cruiselines would not.
- Magazines compete with direct mail, phone books, catalogs and brochures. If magazines are to be affected, how would the products and titles coming from outside the province be addressed. Magazines also have permanence; many readers keep issues. Is a fee being proposed on the industry even if the product does not enter the local recycling stream?
- Online merchants and mail order companies would be at an even greater advantage in addition to avoiding local taxes, they would avoid ERP on products entering the market if they do not have a physical address. A package from Amazon, would not be affected, while a shipment from a local provider would.

- Flyers are a primary vehicle for the communication of value and savings to Nova Scotians, especially rural Nova Scotians with over three quarters of Nova Scotians sometimes or always reading flyers according to the News Media Canada Vividata 2017 Studies. As Nova Scotia has one of the most rural populations in Canada, flyers have disproportionate impact communicating to rural areas. Flyer programs however are inelastic, increases in costs, typically have a corresponding reduction in flyers. Rural areas are frequently eliminated in order to control costs.

## Fact Sheet

### 250 Businesses to be affected?

- How was it determined that only 250 Businesses would be affected? Many legal offices, insurance companies, accounting firms, finance companies, travel agencies, universities, schools, hospitals, manufacturers, retailers and service organizations would utilize more than a ton of paper and have revenues over \$2,000,000. By our estimation, we would have more than 250 clients operating in Nova Scotia utilizing more than a ton of paper each year.
- If 250 businesses are to be affected, they would on average be asked to pay an additional \$64,000 to do business in Nova Scotia. How is it fair to ask 250 businesses to pay for the recycling of tens of thousands of businesses inside the province and those shipping product to the province?
- **A single store front**, no matter the amount of revenue or waste would be exempted? This advantages central urban businesses at the expense of multiple rural storefronts.
- **B2B** – Business to business communication and packaging makes up a significant portion of paper products utilized in Nova Scotia. As much commercial recycling is managed outside of municipal recycling stream, how would these materials be accounted for? Invoices, bills, documents and sensitive materials are typically managed by private shredding companies 7 years or more after they are first produced and do not enter the municipal waste stream, those document account for many tons of the paper utilized in Nova Scotia. Industrial catalogs as an example should never enter the municipal waste stream.
- **Government** – The Nova Scotia government, its schools, hospitals, departments, lotto and crown corporations are some of the largest purchasers and distributors of printed product within the province. Most schools and hospitals would utilize greater than a ton of paper. It is being proposed that 250 businesses within the province subsidize the paper utilized by the province.
- **How do we know if product produced or received in Nova Scotia will be recycled in Nova Scotia through eh municipal systems?** Tourism products, Doers and Dreamers, Halifax Visitors Guide, Costal Discovery Guide and Where Magazine are routinely picked

up in the province and leave the province with the tourist. Approximately 3000 Doers and Dreams Guides make up a ton of paper. How would the system determine if the guides enter the NS stream?

- **Tourism** – Many tourism operators would produce more than a ton of promotional material and paper waste. How would that waste be measured? When an entire region typically benefits from the promotion of tourism with economic activity and housing prices, is it fair to put the burden on a few operators?
- **Charity** – Charitable organizations heavily utilize printed promotional materials. Despite the fact that the generosity of Nova Scotians is above the national average and larger corporations are particularly generous, this proposal places the recycling burden of the many on a few businesses.
- **Universities** – Universities heavily utilize print. Nova Scotia Universities compete with Schools throughout Canada and Around the world for students. Would Universities outside Nova Scotia enter the recycling stream through Canada Post without fees and Nova Scotia Universities be charged despite the permeance of the documents? Creating an unfair advantage for Universities outside our province.

#### **Cost of Municipal Collection?**

- A full accounting of municipal systems is required as industry will want to consider, if the \$16,000,000 estimated would be a significant incentive for an industry lead program.
- In 2018, Advocate recovered 65% of paper recycling costs through the sale of product for recycling. What is the efficiency of the municipal system? A tonne of clean ONP is valuable and should cover the costs of collection and processing if properly sorted.
- If sorting is an issue, newsprint and groundwood paper can compost in 8 weeks or less, much better for the environment considering the associated carbon footprint for shipping the product to the US or overseas. The benefit to the environment should be studied.
- In the EU, Australia and the US, ERP is about packaging and not product, encouraging the reduction of packaging. Products such as magazines, catalogs, brochures, flyers, publications and documents should be considered products and exempted.

As the largest producer of commercial printing in Atlantic Canada, we have many concerns with the information proposal provided. If the program was to be established as proposed, the Nova Scotia Printing Industry could be put at a significant disadvantage to printers elsewhere.

Local businesses would be placed at a disadvantage to those businesses marketing products to Nova Scotia from outside. Amazon would avoid fees while local competitors would be targeted disproportionately for the costs of the system.

The proposal as presented could be very damaging for Advocate's business in Nova Scotia, our industry and our clients. In our case, we would be immediately incented to moved move production outside of Nova Scotia for organizations that do not have physical locations in Nova Scotia.

I believe in economic development, sustainability, fairness and corporate responsibility. I also have 30 year's experience with printing, newspapers, magazines, flyers, communication and packaging in Nova Scotia. I firmly believe that the proposal as presented has not considered the complexity of our business ecosystem and is devoid of the foundational data required to make quality decisions. Reduction of waste is important, the NSFMS should focus on the costs associated with packaging in our province whether the source is from within or outside the province, however, clearly more data is required in order to establish an equitable and efficient system.



Sean,

Toronto, April 18<sup>th</sup> 2019

Will Brooke, Policy Advisor  
Nova Scotia Federation of Municipalities (NSFM)  
1809 Barrington St, Halifax, NS B3J 3K8

**Re: Proposed Extended Producer Responsibility (EPR) Model for Packaging and Paper Products (PPP) in Nova Scotia**

Dear Will:

Thank you for the opportunity to comment on the EPR for PPP proposal that the Nova Scotia Solid Waste-Resource Management Regional Chairs Committee is currently developing.

The Carton Council of Canada (CCC) is a group of carton packaging manufacturers united to deliver long-term collaborative solutions in order to divert valuable food and beverage cartons from disposal. Since our formation in 2010, we have been driving concerted actions in collaboration with municipalities, sorting facilities, the waste management industry and schools with the goal to further increase carton collection and recycling. A few examples of the initiatives we have deployed in recent years to advance this goal include making available communication tools to municipalities, working with schools to grow carton recycling, and ensuring there are stable and robust end-markets to recycle used cartons. To learn more about our efforts please visit [www.recyclecartons.ca](http://www.recyclecartons.ca).

As packaging manufacturers, our members are not targeted as “producers” under EPR legislation and do not bear the direct financial cost of those systems. As such, we defer to our customers (carton users – including those in the juice, dairy, and other food and beverage industry) to comment directly on the EPR for PPP proposal for Nova Scotia.

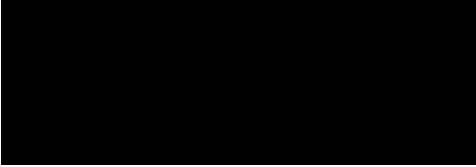
We nonetheless have one important point of input to provide. Given the many unknowns regarding the cost of moving to a fully industry-funded EPR for PPP system in Nova Scotia, Carton Council recommends that a study be commissioned to determine the current cost of the residential recycling program for PPP operated by municipalities, as well as its current performance.

Such a study was carried out in British Columbia (refer to “Current System for Managing Residential Packaging and Printed Paper in BC”) and was released in March 2012, one year after the Recycling Regulation was amended to include PPP, and two years ahead of the launch of the program (May 2014). This study was instrumental in informing the design of the producer-led EPR for PPP in BC.

Follow us on **LinkedIn**™ for news and information about carton recycling and our activities.



Sincerely,



Isabelle Faucher  
Managing Director, Carton Council Canada