



City of Richmond

Report to Committee

To: General Purposes Committee
From: Tom Stewart, AScT.
Director, Public Works Operations

Date: December 11, 2012

File: 10-6370-00/Vol 01

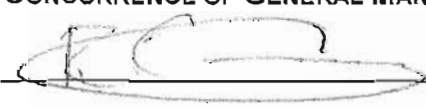



Re: Comments on Multi-Material BC's Packaging and Printed Paper Stewardship Plan

Staff Recommendation

That the City's comments on Multi-Material British Columbia's (MMBC) Packaging and Printed Paper Stewardship Plan outlined in **Attachment 1** of the staff report dated December 11, 2012 from the Director – Public Works Operations be approved and forwarded to MMBC, the Minister of the Environment and the Greater Vancouver Regional District Board Chair.

Tom Stewart, AScT.
Director, Public Works Operations
(604-233-3301)

Att. 4

REPORT CONCURRENCE	
CONCURRENCE OF GENERAL MANAGER 	
REVIEWED BY SMT SUBCOMMITTEE	INITIALS: 
REVIEWED BY CAO 	INITIALS: 

Staff Report

Origin

This report provides a summary of the stewardship plan submitted by Multi Material British Columbia (MMBC) on behalf of multiple producers of packaging and printed paper (PPP) per the requirements of the B.C. Recycling Regulation under the Environmental Management Act. The purpose of MMBC's stewardship plan is to outline how producers of packaging and printed paper products will manage their products at the end of the product's life. This report proposes that comments on the stewardship plan be submitted as part of the consultation process.

Analysis

Overview of MMBC's Stewardship Plan

Background: The B.C. Government amended the Recycling Regulation in 2011 to include packaging and printed paper (PPP – Schedule 5). Under this regulation, producers of PPP are obligated to have an approved stewardship plan in place, with implementation in May, 2014. The initial deadline for submission of proposed stewardship plans to the BC Ministry of Environment was November 19, 2012.

To meet this obligation, Multi Material British Columbia (MMBC) was established as a not-for-profit stewardship agency to produce the stewardship plan on behalf of a group of producers. MMBC currently represents 215 producers of various commercial sector companies such as food and consumer products, retailers, electronic manufacturers, media and printed paper, etc. It is noteworthy that the total number of producers of packaging and printed paper is not known at this time, nor is the total quantity of waste they generate. Therefore, it cannot be assumed that MMBC represents all producers of PPP at this time.

MMBC is governed by a Board of Directors comprising members appointed by the Retail Council of Canada, Food and Consumer Products of Canada, Canadian Federation of Independent Grocers, Canadian Restaurant and Foodservices Association, Loblaw Companies Limited, Overwaitea Food Group, Tim Hortons and McCain Foods. Since a producer is the supplier of service packaging or the first of the brand owner, the franchisor or the first seller (also known as the first importer) of packaging and printed paper, it is likely there are numerous enterprises/businesses who are unaware they qualify as a producer at this time. These producers may submit their own stewardship plans or join MMBC.

Stewardship Plan Timeline: MMBC produced a draft stewardship plan dated October 23, 2012, and requested input by November 9, 2012 in preparation for their submission on November 19, 2012. Comments on the October 23rd draft were submitted by Metro Vancouver staff on November 9th (**Attachment 2**). Due to the highly compressed timeframe MMBC is working to meet their commitments, comments on their November 19th submission are being accepted until December 14, 2012 for submission of a final stewardship plan to the Ministry of Environment in January. (MMBC had requested a one-year extension on the stewardship plan submission deadline, however, this request was not approved by the Ministry). At a recent meeting with MMBC representatives, staff highlighted the challenge in meeting the December 14th deadline. As such, MMBC verbally agreed to accept comments from Richmond up to December 20th.

Stewardship Plan High Level Overview: MMBC's stewardship plan proposes that they enter into separate and distinct agreements with qualified collectors and processors to deliver recycling services through traditional means (curbside, centralized, depot and streetscape collection) by taking advantage of existing collection systems and/or delivering the services via tendered contracts themselves. Collectors who meet the qualification standards established by MMBC would be paid a market-clearing price upon acceptance of the recycling material by the processor. Collectors cannot charge residents for recycling. The market-clearing price would be based on a flat rate per tonne, per household or combination thereof, and will be established in a manner that rewards and encourages continued efficiency and initiatives to reduce costs where costs exceed the market-clearing price. The market-clearing price is expected to be established in the second quarter of 2013.

In regard to processing, MMBC proposes to contract directly with processors through an expression of interest, call for proposals, etc. and share the market revenue and commodity risk between themselves and the processor/s. MMBC envisions that collectors and processors will establish relationships with one another at their discretion through free-market arrangements.

MMBC proposes to fund the system by their producer members, with the producers embedding the cost into their product and *not* via a fee at the point of sale since they consider the amount for many products would be less than one cent. As a result, the Recycling Regulation does not obligate MMBC to produce third-party audited financial statements, however, MMBC may still choose to do so. Producers that supply types of PPP that are not currently recyclable will pay an additional fee to MMBC for research and development into technical and market capacity barriers to address recycling challenges associated with their products.

Materials Included, Commencement Timeline and Proposed Collection Method: MMBC has identified primary, secondary and tertiary packaging, as well as service packaging and components as part of their plan. Printed paper includes telephone directories, but does not include other types of bound reference books, bound literary books or bound text books. A condensed summary of the items identified in their plan and the proposed method of collection is outlined in the following table.

Timeline	Collection Method	Materials Collected
May, 2014	Curbside collection; Centralized collection; Depots	All materials currently accepted in Richmond's recycling program ¹ , plus: <ul style="list-style-type: none"> • All other rigid plastics • Polycoat cartons and cups • Aseptic containers (tetrapaks) • Aluminium foil • Aerosol cans • Spiral-wound cans (e.g. hot chocolate mix) Any boxboard, paper bags or molded pulp containers could also be collected via organics only if contaminated with food.
	Depots only	<ul style="list-style-type: none"> • Polystyrene foam (Styrofoam) • Film plastic (grocery bags, retail carry out bags, dry cleaning bags, overwrap from items such as toilet tissue, paper towels, etc., bread bags, produce and bulk food bags, cereal box liners.)
After May, 2014	To be determined	New materials will be added as markets are developed.

¹MMBC plan notes that glass may be recovered via depots only and not curbside/centralized collection.

Scope: Under the B.C. Recycling Regulation, the stewardship plan must address PPP from residential premises and municipal property that is not industrial, commercial or institutional property. For the purposes of their stewardship plan, MMBC has identified:

- Single-family dwellings,
- Multi-family dwellings,
- Streetscapes including sidewalks which are municipal property, which adjoin buildings in an urban commercial area and which are used for pedestrian traffic; plazas or town squares which are municipal property and which are available to the public; and parks which are municipal property.

Program Design Details: The summary details are outlined in **Attachment 3** in the areas of collection, processing and financing. Staff have also included comments as it relates to current Richmond services. Key issues of note are summarized below.

Collection:

- MMBC intends to offer curbside collection services (e.g. Richmond's Blue Box collection program) to those local governments currently providing the service. Staff support this approach as it allows for uninterrupted services to residents. Staff would not support that glass be removed from our collection program as suggested in MMBC's draft list of PPP (and collected via depots only) since it has been an integral part of our program for many years and would represent an inconvenience and reduction in the level of service to residents.
- MMBC intends to offer centralized collection services (e.g. Richmond's multi-family 'blue cart' program) to any interested party. This aspect of the plan is unclear in relation to what aspects of multi-family service would qualify as curbside vs. centralized. Staff have significant concerns with this proposed arrangement since this could result in multiple service providers and confusion for multi-family residents. Service levels could also be negatively impacted as a result. Further, the City's current service agreement and collection costs could also be impacted. Staff suggest that MMBC be advised that centralized collection services should also first be offered to local governments, as is proposed with curbside collection.
- Depot collection would be offered to any interested party and this is consistent with how existing product stewardship programs work. The challenge for the City relates to the processing agreement, which suggests that processors collect directly from depots. Collection is currently provided from the City's recycling depot under service contracts and is working effectively. MMBC's proposal to accept film plastic and polystyrene foam (Styrofoam) at recycling depots would likely impact the resource requirements at the City's Recycling Depot.
- Streetscape collection requires clarification as to what items MMBC envisions would be collected, otherwise, is consistent with the City's current programs and future plans.

Collectors would be paid a market-clearing price for providing the above services. The market-clearing price will not be known until approximately the second quarter of 2013.

Without that information, the proposed stewardship plan cannot be reviewed from a financial perspective.

Processing:

- Processing is proposed to be handled directly between MMBC and recycling processors, where each share in the market revenue and commodity risk. Staff note that Richmond and other local governments would no longer receive commodity revenues from the sale of recycled materials. In addition, collectors are only paid the market-clearing price once a processor has accepted the material. This presents concerns in several key areas:
 - Processing is currently embedded/included in existing servicing agreements;
 - Circumstances would arise should a processor not accept collected materials;
 - Collection costs are dependent on knowing where materials will be taken for processing and without that certainty, this has the potential to impact collection costs;
 - The stewardship plan indicates that processors and collectors can enter into 'free-market' arrangements. It is unclear this arrangement is envisioned and how that might impact the City's services;
 - It is in the City's interest to maintain flexibility in relation to processing arrangements in the event we wish to add materials to our programs that are not part of the PPP regulation.
 - There should be further consultation with local governments, collectors and processors in regard to MMBC's proposed strategy for processing to explore the challenges highlighted above.

Financing:

- Producer financing is proposed as a cost of doing business as opposed to a separate or visible fee on PPP products. Staff support this approach as it provides maximum incentive for producers to ensure environmental integrity of their products. Financial transparency should, however, be a key aspect of the stewardship plan. The key financing issue staff notes relates to those producers who are not currently part of MMBC and how the costs and recycling performance measures for their products will be managed and the impacts this might have to existing local government programs. The options available to these producers may be very limited.

General:

Overall, detailed information relating to functional and operational details are missing from the stewardship plan at this stage, including proposed levels of service – likely given wide variations across the region. The City currently offers a high level of service to our residents, therefore, there are uncertainties as to how these may be impacted as a result of MMBC's proposed approach. In addition, the timeline provided for consultation and review of the stewardship plan is inadequate to undertake a proper analysis in order to assess the full potential impacts to the City.

Issues Summary:

A summary of the key issues, which staff propose be provided to MMBC, the Minister of Environment and the Greater Regional District Board Chair, is provided in **Attachment 1**.

Plan Benefits: The primary benefit of MMBC's stewardship plan (and the addition of residential PPP to the B.C. Recycling Regulation overall) is that the principal cost burden shifts away from local government onto producers. Another key strength of the plan is that it provides the opportunity for those already involved in the collection of PPP to continue to play a role. This is important for local government in working toward a seamless transition for residents.

Plan Challenges: In addition to the issues highlighted under the Program Design Details portion of this report, staff note the following more general issues:

- MMBC proposes to add materials for recycling that are currently not accepted in municipal programs due to lack of available markets. While residents will welcome the opportunity to recycle more materials, this could result in a surplus of materials that may not be able to be effectively recycled. A recycling market capacity analysis and more research into development of markets for recycling commodities would make the planning process more robust and allow for greater understanding and planning around those materials which the market can effectively absorb.
- Further to the above point, the plan lacks rigour in stressing/embedding the recycling hierarchy. This may be due to the accelerated timeframe within which MMBC is striving to meet their plan submission commitments.
- A key challenge for MMBC in producing this plan is that they have no way of knowing how much PPP is currently supplied by producers. Producers will be required to report their production to MMBC in order to track recycling performance. At this time, MMBC can only estimate baseline existing PPP recovery at between 50%-57%. Under the Recycling Regulation, the PPP stewardship plan must achieve, or be capable of achieving a 75% recovery rate within a reasonable time.
- Staff are not able to evaluate the financial aspects of this plan without the benefit of knowing the market-clearing price, which is not expected until the second quarter of 2013. Staff understand that producer fees will not be known until potentially the fourth quarter of 2013.
- The timeline for consultation with all stakeholders is not sufficient, nor has the stewardship plan adequately reflected input provided to date.
- The most challenging aspect of this plan will be meeting the timelines for such a significant program implementation, i.e. by May, 2014.

City Actions to Date

A prior staff report dated March 2, 2012 entitled, "BC Stewardship Regulation Relating to Packaging and Printed Paper" provided an overview of the regulation and potential impacts to the City. Council considered this report at their March 26, 2012 meeting, and adopted the resolution contained in **Attachment 4**. This resolution was forwarded to Environment Minister Terry Lake, the Lower Mainland Local Government Association and the Greater Vancouver Regional District Board.

Staff have participated in consultation sessions, which industry is required to undertake as part of developing their stewardship plan. In addition, staff have been involved in providing input to position papers and correspondence developed by Metro Vancouver as part of a UBCM working group as well as correspondence submitted directly to MMBC.

Next Steps

Richmond's comments will be accepted by MMBC until December 20, 2012. Staff recommend that the issues outlined in **Attachment 1** form the City's comments and be submitted to MMBC, the Minister of Environment and the Metro Vancouver Board. MMBC intends to submit a revised plan to the Ministry of Environment in January, 2013.

Financial Impact

None

Conclusion

The PPP category under the B.C. Recycling Regulation has a direct impact to Richmond and other lower mainland municipalities since the materials covered under this regulatory expansion are already being recovered through municipal residential recycling programs. This initiative has generated considerable interest among many local governments, collectors and processors involved in this industry. This is also a very wide-scale initiative due to the extent of materials that fall under the definition of PPP and the fact it applies to the province as a whole. There have been many rapidly evolving developments relating to this issue.

This report provides an overview of the stewardship plan submitted by MMBC on behalf of producers, and recommends that comments be forwarded to MMBC in order to be considered as part of MMBC's final submission to the Ministry of Environment in January.



Suzanne Bycraft
Manager, Fleet & Environmental Programs
(604-233-3338)

City of Richmond
Summary of Comments Regarding MMBC's Packaging and
Printed Paper Stewardship Plan dated November 19, 2012

1. **Market Clearing Price:** The market clearing price is not yet known and will not be available until the second quarter of 2013. Without this information, the proposed plan cannot be effectively reviewed from a financial perspective.
2. **Consultation Timeline:** The accelerated timeline for response does not provide sufficient time for review and for more detailed evaluation among stakeholders. Further, stakeholder input to date has not been adequately addressed or reflected. Additional information relating to functional and operational details is also lacking at this stage.
3. **Levels of Service:** In March of 2012, Richmond Council passed a resolution supporting full stewardship funding for residential recycling programs through local governments. The City believes local governments are best positioned to deliver services to our residents in light of our prior experience and inherent connection to residents. The City must be able to ensure residents can continue to enjoy high and consistent levels of recycling services which are seamless among all industry stewardship programs. There are uncertainties as to how these service levels may be impacted by MMBC's proposed stewardship plan.
 - a) **Curbside collection:** The City supports the concept of first offering the collection opportunity to local governments. There are concerns with the level of discretion that is provided to processors in defining that collectors would not be paid until the processor has accepted the material. The need to ensure the quality of the recycling materials for marketing purposes is understood, however, further information or process is needed to define how the City might be informed of material quality concerns and the avenues available to us to verify or dispute the processor's determination. Above all, we need to ensure no disruption in services to residents.
 - b) **Centralized collection:** We note the distinction that this service would be offered to any interested party, as opposed to first being offered to local governments. This could result in multiple service providers and fragmented levels of service to multi-family residents. The City currently delivers this service and it is integrated within our curbside collection contracts and service routing for efficiency and optimal pricing purposes. The City would like the offer extended first to local governments, as is proposed with curbside collection.

In relation to both centralized and curbside collection, the City would not support the removal of glass from these programs (and instead require residents deliver to depots). Glass has been a part of our programs for many years and its removal would represent an

inconvenience and decrease in the level of service to residents. Additionally, it is unclear at this stage how the plan proposes to address levels of service overall. It is important that the City is able to continue to maintain and enhance high levels of service for our residents.

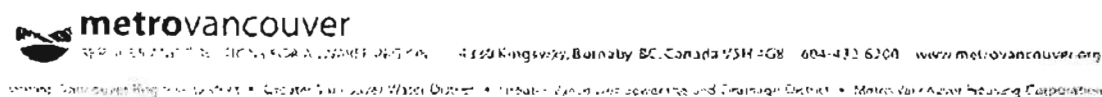
- c) **Depots:** The proposed methodology aligns with the current collection infrastructure, therefore, the City supports this aspect of the plan except the requirement that the processing contractor collects the material from our facility. The City has contracts in place for this service now and it is important we are able to manage when and how collection occurs in order to avoid service disruptions and operational impacts.
 - d) **Streetscapes:** The City supports the general approach outlined, however, would like clarification on what MMBC envisions would be collected as part of streetscapes recycling.
4. ***Processing:*** The City has a number of concerns and/or clarification requirements relating to the processing aspect of the stewardship plan. The key concern relates to separate management of this aspect since the availability and proximity of the processing facility/ies has a direct bearing on collection efficiency and cost. Another key concern relates to ensuring the City maintains flexibility (without restriction from the proposed processing arrangement between MMBC and processors) to add additional services and/or materials to our collection programs (including items that may not fall under the packaging and printed paper stewardship category).

Other concerns include:

- a) The loss of revenues to the City to offset program costs. This concern could be negated depending on the market-clearing price;
 - b) The City's current collection contracts have processing services embedded;
 - c) We are unclear how the free-market relationships among processors and collectors is envisioned and how that may impact our services.
5. ***Financing/Financial Transparency:*** The City supports the concept of embedding the recycling fee as part of the cost of the product, as opposed to a visible fee. We believe this incentivizes producers to maximize the environmental integrity of their products. Financial transparency should, however, be a key aspect of the stewardship plan. Charging those producers whose products are currently not recyclable a higher fee is also a sound approach. As local governments will continue to manage these non-recyclable items through our waste collection programs, we should be appropriately compensated.

Finally, we note that not all producers have signed letters of intent with MMBC. As these producers may opt to manage their products differently, the plan should recognize this fact as we note this could present operational servicing/collection variations for local governments.

Attachment 2



Solid Waste Department
Tel. 604 451-6039 Fax 604 436-6970

November 9, 2012

File: CR-24-03-EPR-12

Mr. Allen Langdon, Chair
Multi-Material British Columbia
209 - 1730 West 2nd Avenue
Vancouver, BC V6J 1H6

Dear Mr. Langdon:

Re: Draft Packaging and Printed Paper Stewardship Plan (October 23, 2012)

Metro Vancouver staff and staff from member municipalities recognize the critical importance of this Product Stewardship Plan for Packaging and Printed Paper (PPP), and support developing a plan that is viable and sustainable. We congratulate Multi-Material BC (MMBC) on its recent efforts to engage local government and other stakeholders, as well as the development of the Draft PPP Product Stewardship Plan. We support the general direction of the plan, and appreciate the resources assigned to this process to ensure the development and implementation of the plan occurs within the timelines established in the Recycling Regulation. In particular, the strengths of the existing plan include the intention to not disrupt the existing recycling system, the expansion and harmonization of PPP to be collected province-wide in 2014, and the approach to address and phase-in PPP that is currently not recyclable.

Although there has been much progress achieved over the last several weeks, there are several key issues in the proposed plan which must be addressed before Metro Vancouver and member municipalities can consider supporting the plan in its entirety. We do not support the current path that MMBC has selected for the collection of PPP from multi-family residences. The plan has arbitrarily separated collection into buildings that place material at the curb, and buildings which require ingress onto private property. Much of the multi-family collection within Metro Vancouver, either through city collection or contracted haulers, occurs on integrated routes where single-family and multi-family (both curbside and on private property) materials are collected within the same vehicle at the same time.

We do not support the qualification of collectors prior to the qualification of processors. The availability and proximity of qualified processors will have direct impacts on the collectors' ability to determine the acceptability of the market clearing price. The proposed approach shifts an unacceptable amount of risk to local governments, creating uncertainty regarding the location and availability of qualified processors in determining their collection costs. We also recommend that MMBC develop a consultation plan for determining the market clearing price.

More clarity is required regarding how the relationships between collectors and processors are expected to unfold within the context of MMBC's RFP process for post-collection services. Concerns remain regarding the level of certainty that collectors will have in securing stable

Attachment 2 (Cont'd)

Mr. Allen Langdon, MMBC
Draft Packaging and Printed Paper Stewardship Plan (October 23, 2012)
Page 2 of 5

processing services. We believe more work is required to identify possible issues that may arise (e.g., contamination levels), and develop provisions to mitigate them. As well, the Plan needs to specify how MMBC intends to work with local government who opt out of the program to select a service provider to collect PPP, and coordinate service delivery with garbage and organics collection schedules.

To ensure transparency and accountability, we feel it is essential that the plan to commit to publishing audited annual financial reports. Open and accessible financial reporting reinforces the credibility of the Program and in its recycling efforts.

Finally, the attached table includes the principles, issues and concerns that were previously submitted in 2011, and have been recast to read as recommendations for specific sections of the Plan.

While the issues identified above are currently ill-defined in the Plan, Metro Vancouver and member municipalities are committed to continue to engage with MMBC to create a plan which is workable for all parties.

In an effort to ensure that this plan is successful, member municipalities in Metro Vancouver require 60 days, after the release of the 'Submission Draft' to fully vet the Plan through the various business units (e.g., operations, purchasing, legal, etc...) prior to making a final submission. Also please note that local government will require 90 days after the release of the market clearing price to analyse the implications for their operations, report out to their elected officials, and receive direction regarding making a final decision whether to accept it or opt-out. Throughout this process, we recommend that MMBC, perhaps in collaboration with local governments, undertake a public consultation process with residents (as opposed to the prior stakeholder consultation).

We look forward to working with both the Ministry of Environment and MMBC on the further development of the Plan. We trust that comments made during the subsequent consultation period on the 'Submission Draft' will carry the same weight as those made up to November 9th, on the 'Consultation Draft'. In addition to this submission, individual municipalities may also send their own comments. Please contact me at 604-436-6825 to discuss the ongoing development of this Plan.

Yours truly,



Andrew Doi
Environmental Planner

Attachment: MMBC Detailed Submission on Draft PPP Plan

cc: Ms. C. Meegan Armstrong, Section Head, Ministry of Environment

6727435

Attachment

Recycling Regulation: Section 5	MMBC PPP Plan (Oct. 23/12)	Recommendations to address outstanding issues from Metro Vancouver and Member Municipality Submission (November 7, 2011)
5 (1) (a) (i) a 75% recovery rate	5.1 Recovery Target (p. 17): Detailed data on the generation of PPP will be compiled after Producers begin to report. Until this data is available, the program will use the composite 75% recovery rate.	Each Type Of Packaging And Printed Paper Achieve Minimum Targets: <ul style="list-style-type: none"> Once generation data is available, no later than Year 4, targets for reusability and recyclability should be set by the type of packaging and material type.
5 (1) (b) Producer has undertaken satisfactory stakeholder consultation... and will provide opportunity for stakeholder input in the implementation and operation	6 Consultation pp. 23-25: Consultation period on the 'Consultation Draft' was from Oct. 23 to Nov. 9, 2012. Consultation on the 'Submission Draft' will occur from Nov. 12 to Dec. 14, 2012.	Consultation Process For Product Stewardship Plans: <ul style="list-style-type: none"> The 17 day period for comments on the 'Consultation Draft' is not sufficient time for local government to express their concerns and provide input in the development of the Plan.
5 (1) (c) (i) Producer collecting and paying the costs of collecting and managing products	4.5 Post-Collection (p. 11): Processors will be tasked to find the "best" markets for materials... and the agreements will incorporate mechanisms to share market revenue and commodity risk	Enhance Recycling And Stabilize Commodity Markets: <ul style="list-style-type: none"> Recovery targets should be set for individual packaging types and materials. This promotes resiliency to swings in commodity markets.
	4.5 Post-Collection (p. 11): Processors will be tasked to find the "best" markets for materials... and the agreements will incorporate mechanisms to share market revenue and commodity risk	Increase Local Processing Of Recyclables: <ul style="list-style-type: none"> The program should adopt practices which stimulate local demand for recycled commodities.
	4.10 Program Financing (pp. 14-15): Producers that supply recyclable PPP will pay the following fees: <ul style="list-style-type: none"> Equitable share of MMBC administration; Equitable share of education and communication; and Contribution to the costs to manage recyclable PPP Producers that supply PPP that is not currently recyclable are responsible for the above fees, plus: <ul style="list-style-type: none"> Contribution to Research and Development to resolve technical and market barriers to recycling. 	Each Type Of Packaging Pays Its Way: <ul style="list-style-type: none"> Program financing and producer fees section of the plan should be clarified to ensure that each product type/material type pays its own expenses, with no cross-subsidization from other product types/material types.

Recycling Regulation: Section 5	MMBC PPP Plan (Oct. 23/12)	Recommendations to address outstanding issues from Metro Vancouver and Member Municipality Submission (November 7, 2011)
5 (1) (c) (iii) Reasonable and free consumer access to collection	<p>4.4 Collection of Packaging and Printed Paper from Residents and Streetscapes (pp. 7-9): MMBC will engage collectors for:</p> <ul style="list-style-type: none"> • Curbside collection of PPP (Single- and Multi-Family) • Multi-Family collection of PPP from private property • Depot collection • Streetscape collection 	<p>Maintain Or Improve Service Levels:</p> <ul style="list-style-type: none"> • Service levels must be maintained or improved in all cases. At a high level, the plan proposes to maintain or improve service levels. Further details are needed to ensure that equivalent service levels are maintained regarding: <ul style="list-style-type: none"> o Frequency of pick-up o Response to missed pick-ups o Cleanliness
5 (1) (e) (w) Consumers aware of: (A) the producer's product stewardship program; (B) the location of collection facilities; (C) how to manage products in safe manner	<p>4.8 Communications (p. 13): MMBC will establish a strategic communication and promotion and education plan which will comprise three phases:</p> <ul style="list-style-type: none"> • Pre-launch • Launch • Post-launch (Year 2) 	<p>Education And Outreach:</p> <ul style="list-style-type: none"> • Education and outreach for PPP must be delivered within the integrated waste reduction activities in each local government. • Communication must be coordinated with consistent messaging to ensure residents know how to place discards/materials in the correct containers.
5 (1) (c) (v) Assessing the performance of the producer's product stewardship plan	<p>5.5 Reporting (p. 22): MMBC will report annually on the following indicators:</p> <ul style="list-style-type: none"> • Tonnes of PPP collected • Kilograms of PPP collected, per capita • Recovery rate (collected/Generated) 	<p>Performance Measures:</p> <ul style="list-style-type: none"> • In addition to these indicators, the program should include the Recycling Rate (amount of material 'recycled' expressed against the amount of material supplied). • Indicators should be expressed for each packaging type/material type (similar to the report produced by Encorpa Pacific).
	<p>5.4 Pollution Prevention Hierarchy (pp. 21-22): The plan will adhere to the pollution prevention hierarchy</p>	<p>Waste Reduction Hierarchy:</p> <ul style="list-style-type: none"> • Include an indicator on the reduction in mass per unit of PPP. • Report on the quantity of materials that were reused, recycled, incinerated, and residual management. <p>Legal Responsibility For EPR Materials:</p> <ul style="list-style-type: none"> • In consultation with local government, the plan should identify a method of determining how to compensate local government for managing EPR materials in the garbage, and a commitment to research options to measure performance and address street litter and illegal dumping.

Attachment 2 (Cont'd)

Recycling Regulation: Section 5	MMBC PPP Plan (Oct. 23/12)	Recommendations to address outstanding issues from Metro Vancouver and Member Municipality Submission (November 7, 2011)
5 (1) (c) (vi) A dispute resolution procedure	4.7 Dispute Resolution (p. 12). Dispute resolution processes will be tailored to the nature of disputes as well as the likely parties.	<ul style="list-style-type: none"> Clarify whether the dispute resolution process also applies between collectors and processors, in addition to between MMBC and collectors and MMBC and processors. There exists possible conflicts between collectors and processors regarding contamination, queuing times, etc....
5 (1) (c) (vii) Eliminating or reducing the environmental impacts of a product throughout the product's life-cycle	5.3 Product Life Cycle Management (p. 19). Producers that are members of MMBC will contribute to eliminating or reducing the environmental impacts of a product... before it reaches a consumer.	<p>Encourage Packaging Reduction.</p> <ul style="list-style-type: none"> Develop financial incentives and performance measures for producers to avoid/reduce the packaging required by their product (e.g., differential eco-fees, measure the product to packaging ratio).
5 (1) (c) (viii) Management of the product in adherence to the order of preference in the pollution prevention hierarchy	5.4 Pollution Prevention Hierarchy (pp. 21-22): The plan will adhere to the pollution prevention hierarchy	<p>Design For Reuse And Recycling.</p> <ul style="list-style-type: none"> Ensure that packaging discards are managed at the highest levels of the pollution prevention hierarchy. Develop prohibitions against the use of PPP that is not recyclable.

Attachment 3

MMBC Stewardship Plan – Program Design Details Summary

Activity	Type	Plan Methodology	Payment Methodology	Richmond Comments
Collection	Curbside	<ul style="list-style-type: none"> MMBC will offer first to the local government currently providing the service. If local government accepts, MMBC will offer a higher market-clearing price for education, promotion and front-line support. If local government declines, MMBC will contract a service provider through competitive bidding and provide education, promotion and front-line support through their own means. 	<p>A higher market-clearing price for local government only which includes the incentive for education, etc. (upon acceptance by the processor);</p> <p>If refused, a lower market clearing price to private haulers for collection only.</p>	<ul style="list-style-type: none"> Aligns with current services delivered by the City via contracted services, except the suggestion that glass may be accepted at depots and not in curbside collection programs. Provides the processor with broad discretion about acceptance of the product and could present challenges if they do not accept. Richmond can choose to accept or decline MMBC's offer. Allows the City to maintain control over curbside services for potential expansion to other materials that are not covered under the PPP regulation.
	Centralized	<ul style="list-style-type: none"> MMBC will offer to any interested party. If local government accepts, MMBC will offer a higher market-clearing price for education, promotion and front-line support. If a private company accepts the offer, MMBC will provide education, promotion and front-line support through their own means. 	<p>A higher market-clearing price for local government only which includes the incentive for education, etc. (upon acceptance by the processor);</p> <p>If refused, a lower market clearing price to private haulers for collection only.</p>	<ul style="list-style-type: none"> The City currently provides this service and it is embedded in our existing service agreement and collection routing for optimal pricing and economies of scale. It is not clear if MMBC intends to offer this to multiple service providers, in which case this could impact resident services levels and Richmond's current service agreement and pricing. As with curbside collection, this service should first be offered to the local government currently providing the service. Provides the processor with broad discretion about acceptance of the product and could present challenges if they do not accept.
	Depots	<ul style="list-style-type: none"> MMBC will offer to any interested party that is able to comply with the collector qualification standards If local government accepts, MMBC will offer a higher market-clearing price for education, promotion and front-line support. If a private company accepts the offer, MMBC will provide education, promotion and front-line support through their own means. 	<p>A higher market-clearing price for local government only which includes the incentive for education, etc. (upon acceptance by the processor);</p> <p>If refused, a lower market clearing price to private haulers for collection only.</p>	<ul style="list-style-type: none"> This option provides for multiple service providers and is consistent with existing conditions. Aligns with current services delivered by the City via contracted and in-house services, except in relation to processing – see "Processing". The range of materials collected would be broader than existing, which could impact resource requirements. Provides the processor with broad discretion about acceptance of the product and could present challenges if they do not accept. Richmond can choose to accept or decline MMBC's offer.

Activity	Type	Plan Methodology	Payment Methodology	Richmond Comments
	Street-scapes	<ul style="list-style-type: none"> MMBC will offer first to the local government currently providing the service. If local government accepts, MMBC will offer a higher market-clearing price for education, promotion and front-line support. If local government declines, MMBC may select a service provider and provide education and promotion through its own means, subject to reaching agreement with the local government on management of the garbage component of the streetscape system. 	<p>Market-clearing price upon acceptance by the processor, plus incentive for education, promotion and front-line support (if local government)</p>	<ul style="list-style-type: none"> Clarity is required as to what items MMBC proposes would be collected via streetscape collection vs. curbside/centralized/depots. The City currently provides in-house litter collection and is expanding public spaces and event recycling programs. Full resource requirements associated with a broad-scale program are not yet known. The City would be best positioned to accept the streetscapes recycling collection offer from MMBC.
Processing GP - 40	All activities described above	<ul style="list-style-type: none"> MMBC will contract directly for receiving PPP from collection vehicles, picking up PPP from depots, consolidation and transfer where required, handling and sorting PPP, preparing commodity revenue, appropriately managing the residual materials and reporting the quantities of material received and marketed and other metrics to MMBC as required. MMBC will issue a Request for Expressions of Interest to PPP processors. MMBC will issue a Request for Proposals to processors that are able to manage the defined list of PPP. Processors and collectors are able to establish relationships through arrangements made in the free-market. 	<p>MMBC has an agreement directly with processors which incorporates mechanisms to share market revenue and commodity risk.</p>	<ul style="list-style-type: none"> Richmond's servicing agreements (residential curbside/centralized and depot collection) currently include/embed processing services as well as recycling material collection from our Recycling Depot. These items would have to be removed, requiring re-negotiation of existing contracts. This approach lacks clarity for collectors to know the location where they are delivering recycling materials to for processing. This is a key factor in determining collection costs since the delivery distance and drop off times are key factors in determining collection costs. This could impact the City's costs (as a collector). The City no longer receives revenues from the sale of recycling commodities nor is subject to commodity risk. It is not clear how the relationship between processors and collectors would work and how that might impact the City. By not having a direct relationship with the processor, the City would lose the flexibility to add other items not covered under the PPP regulation. As a minimum, existing contractual relationships should be maintained with maximum flexibility maintained for local governments.

Activity	Type	Plan Methodology	Payment Methodology	Richmond Comments
Financing	All activities described above	<ul style="list-style-type: none"> Producers whose products are currently recyclable and choose to be members of MMBC pay administration, promotion and material management fees. Producers whose products are not currently recyclable pay the above plus research and development to resolve technical and market capacity barriers including sorting, processing and end market technical challenges, processing capacity, end market capacity and demand. Producers are expected to embed the cost as part of the product and not charge a visible fee or a fee at the point of sale of the product, i.e. less than one cent. 	MMBC and related costs are funded via fees paid by member producers.	<ul style="list-style-type: none"> The approach of charging PPP producers whose products are not currently recyclable a higher fee for research and development serves to encourage recyclable product development. However, local government will be continuing to collect this non-recyclable PPP product as part of garbage and/or organics programs. Local governments should be compensated for this. Staff support the recycling fee being embedded in the cost of the product as a separate/visible fee can appear to be a 'tax' to consumers and provides less incentive for producers to effectively reduce the environmental impact of their products. There are many producers who are not currently part of MMBC, therefore, it is not clear how financing and recycling performance measures for their products will be captured.

Attachment 4
March 26, 2012 Council Meeting Minutes Excerpt

“That:

- (a) Whereas recycling rates for residential homes in Metro Vancouver is approximately 48%;***
- (b) Whereas in Metro Vancouver, the municipal blue box curbside service is the most established and successful aspect of the waste stream in terms of diversion;***
- (c) Whereas recyclable materials represent a potential revenue stream for municipalities;***
- (d) Whereas public policy priorities to drive zero waste should focus on diverting more waste from multi-family dwellings, and the commercial and industrial sectors;***
- (e) Whereas the Province has amended the Recycling Regulation to include extended producer responsibility for paper and packaging by 2014;***
- (f) Whereas municipalities have the most knowledge about the recycling system in their communities;***
- (g) Whereas the new stewardship program doesn’t require municipal blue box curbside service and could impact publicly controlled residential collection of paper and packaging; and***

THEREFORE BE IT RESOLVED:

- (1) That the Province amend the Recycling Regulation so that the stewardship organization fully fund residential recycling programs through local governments; and***
- (2) That the foregoing be forwarded to the Lower Mainland Local Government Association and Metro Vancouver for information.”***

CARRIED