

Question		Answer
<b>FEE RATES</b>		
1.	MMSM: There are substantial increases for PET and steel containers – moving away from all three other programs; how can this be explained? How can there be decreases in commodity revenue for only MB?	The commodity price trends are consistent across all programs where we see lower commodity prices for PET and Steel. Recall that fee rates for Recycle BC and MMSW were not updated so the trend is not apparent. For MMSM, the trend is easier to see given that program’s year-over-year budget increase was 20%. For Stewardship Ontario, as fees continue to be calculated using the 3-factor formula and not the Four Step Fee Methodology of other programs, a comparison is difficult to make.
2.	Recycle BC 2016 fees increased by 12.8 % from 2015. Has the potential impact of reduced revenues (China Sword) been built into 2018 costs due to 20% revenue loss offsetting costs?	Recycle BC’s supply chain costs are expected to increase next year by 12.8% to reflect the onboarding of new communities. There is no increase to Recycle BC fees in 2018. Part of the challenge with China is we don’t know the actual ultimate impacts. While there’s still a lot of uncertainty, depressed commodity revenues in 2018 have been factored into this year’s budget. We are not expecting to have the same type of commodity revenue next year that we were able to achieve this year.
3.	What are the initiatives to reduce the cost and rates of Plastic Films & Polystyrene in BC which is about two times that of Ontario and Saskatchewan?	Recycle BC fee rates have not changed since the Four-Step Fee Methodology was implemented. The cost to manage a material is only one of many factors used to calculate the fee rate. For example, Recycle BC is responsible for 100% of the program costs whereas Ontario is currently responsible for 50% of the municipal costs. Other factors include the differing obligations amongst the provinces that affect the overall cost allocation to material groups. For example, BC has a deposit system whereas Ontario and Manitoba do not. This means that in BC, some high-value materials are not included in the scope of the program.
4.	What initiatives in Manitoba are being considered to reduce cost of plastic film and ‘other plastic’? What is the type of plastics within ‘other plastic’ that has driven the cost high?	Film plastic is not accepted in Blue Boxes. MMSM promotes return to retailer, re-use by donating to food banks or in the home, and recycling through several programs (Bag Up Manitoba, Bag it Forward).

5.	Why is the fee for corrugated cardboard in Manitoba so high?	Fee rates can differ significantly by province based on the variety of inputs such as the differences in the obligation, the program budgets, the supplied and managed quantity of material, the differing recovery rates when considering programs that have, and do not have, deposit programs. What is consistent amongst the programs is where the corrugated cardboard fee rate falls when ranking the overall fees. You will note that all programs see corrugated cardboard fees in the mid-range of all fee rates.
6.	There's still no financial recognition in Manitoba and Ontario for stewards who migrated from PVC to PET for clamshells and other packaging. Is there an intention to harmonize PET categories in Ontario and Manitoba with those in BC and Saskatchewan?	Clamshells are still part of the other plastics category. They are getting recognition now in commodity bales, because the portion of those bales that is recognized to be PET clamshells allows for some of the commodity revenue to be attributed to the other plastics category.
7.	Why are current Blue Box Programs basing material fees on cost to recycle? Could we be basing them on the material's total impact to promote packaging materials which are least damaging for the environment?	Material fees are based only in part on the cost to recycle the material. In the Four-Step Fee Methodology, in Step 1, 60% of the gross cost of the program is funded by all materials based on the quantities supplied to the market and considering the material's cost to manage. This means that all stewards assume a share of the system cost even when those materials are not yet able to be collected. Step 4 is then used to add cost to a material category to fund improvements in the material's performance by funding research, end market development, etc.
<b>GENERAL</b>		
8.	How does CSSA as the governing body for the national programs plan to integrate and monitor the requirement for producers to reduce packaging? Will there be incentives given to producers to incorporate more sustainable options?	CSSA is not a governing body. It provides services to programs that have common objectives. While stewardship fees do provide a mechanism to improve a material's performance in the recycling system by funding improvements, research, market development, etc. producers repeatedly advise that their overall sustainability programs and goals go far beyond recycling programs.
9.	On the subject of the circular economy having different meanings to different people, could you please touch on the multi-stakeholder Circular Economy Lab initiative that is working to bridge this gap?	The idea of the Lab is to pull together many unlikely collaborators to explore ideas, policies and initiatives that will create a set of different outcomes. The focus is to explore more opportunities and the possibilities, rather than obstacles. It tries to encourage discussions that would lead to greater economic opportunities.

10.	CSSA programs have many different policies governing steward relationships (creates confusion/complicates understanding and reduces transparency). Has there been discussion of including these in the membership agreement?	One of CSSA's goals is to harmonize policies across programs where possible, recognizing differences in provincial regulations. However the policies, themselves, are not part of the Membership Agreements or Rules.
11.	I was interested in the ability to bundle contracts to save costs. For example, corrugated cardboard goes from 9 cents a kilo in Saskatchewan to 28 cents in Manitoba, and I would have thought you would bundle contracts between the two?	From a Saskatchewan perspective, it's still early days and there are two things important to remember. One is we're not in charge of the supply chain. The regulation is very specific that we're paying for up to 75 percent of the costs for municipalities to run the recycling systems. So, our ability to influence those systems are very limited. The second is that we're using old cost information based on what we were able to get for Manitoba at the start of the program. We have a process underway, and there's actually a team in the field identifying what the real costs are in Saskatchewan.
12.	Why is the program management fee as a percentage of total fees, so much higher in SK at 20%, compared to the other programs where it is under 10%?	The primary driver is the overall size of the supply chain budget, which in Saskatchewan is much smaller than any other program. As such, the percentage of administrative costs, many of which are more fixed than the other costs, is just that much higher.
<b>STEWARDSHIP ONTARIO</b>		
13.	I heard we are going to be adding corrugated shipper boxes into the fees? This makes me uncomfortable as a lot of bigger companies have bailers and sell the corrugated back to the corrugated companies to be made into raw materials.	Assuming the question refers to the request by the Minister of the Environment and Climate Change in Ontario to obligate transport packaging under an amended Blue Box Program Plan, the proposal pertains only to transport packaging that remains with and is discarded by the consumer into their Blue Box.
14.	What is the 5 year budget increase for Ontario?	This question appears to be related to cost escalation as a result of the amended Program Plan currently being developed. The slide deck from the October 25 <sup>th</sup> webinar (available <a href="#">here</a> ) demonstrates a phased-in approach over time.
15.	You noted that the regulatory costs have increased significantly and I was wondering if you could comment on what specifically is driving the increase in those costs.	The 2018 Stewardship Ontario budget is based on our estimate of the costs, based on historical trends and information released by the Authority. We've not been given a specific budget at this point from the Authority. Your question should be directed to the Authority to ask about what their budget is.

## 2017 Annual Steward Meeting Questions and Answers

16.	<p>SO's report indicates that in-kind contributions are down 14 percent to reflect the decrease in supplied newspapers. As a result, stewards are sharing this category now see a 25 percent increase in their fee per tonne. In the past year, stewards have asked about additional details on the way in-kind contributions translate into newspaper advertisements, and periodic information has been shared with the stewards. There's still a fog factor attached to that and a greater need for transparency on how this is calculated so that there's a greater understanding in the steward community. Is that something that we can look forward to seeing from SO?</p>	<p>The Pay-In-Model, which is provided to stewards, calculates the fees for newspapers the same way it calculates the fees for any other material. The difference is that the portion for the supply chain costs that would be paid out to municipalities is set aside and is the calculated amount for in-kind contribution. That's the amount that is paid in cash, and the fee rate is calculated for that.</p>
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