

#	Question	Answer
<b>General Questions</b>		
1.	I am unable to download the Report to Stewards, both here in the Resource List and also via the download link on the CSSA website. Is there an alternative way to download?	Please find the Report to Stewards posted on the <a href="#">CSSA website here</a> . If you continue to experience difficulty downloading the report, please contact Steward Services at 1-888-980-9549 or <a href="mailto:stewards@cssalliance.ca">stewards@cssalliance.ca</a> and you will be sent the Report to Stewards by email.
2.	Where are the resources listed on The Resource List as part of the webinar available after the presentation?	All items are on the CSSA website. The Report to Stewards, ASM presentation and webcast replay are available <a href="#">here</a> . Policy and Rules updates for 2019 are <a href="#">here</a> . Click the following links to access the <a href="#">MCD Project</a> and the <a href="#">Reporting Overview Tutorial</a> .
3.	Will this presentation be sent out to attendees after the webinar and will a recording of the presentation be available?	You can find the presentation and recording from the October 24 <sup>th</sup> Annual Steward Meeting <a href="#">here</a> .
4.	Is the new steward reporting webinar still available? I'd be interested in viewing it.	The new steward reporting webinar is available until February 28, 2019, on the CSSA website <a href="#">here</a> . Please scroll down to <b>Ready to Report Webinars and Checklist</b> and register for the February 28 <sup>th</sup> webinar for new reporters. Once you have completed the registration you will be able to launch the webinar.
5.	When is the next report due?	Steward reports are due on May 31 <sup>st</sup> each year.
6.	When will the invoices for 2018 be issued and when is the payment for 2018 due?	Invoices for Recycle BC, MMSW, MMSM and Stewardship Ontario (Blue Box program) are issued on January 1 <sup>st</sup> each year and generally invoice due dates are stated on the invoice. Payment due dates will depend on whether your organization has requested annual or quarterly billing. Please contact Accounts Receivable at <a href="mailto:accounting@cssalliance.ca">accounting@cssalliance.ca</a> or by phone at 416-921-9661 or 1-855-354-2772 to confirm invoice due dates for your organization. Please note that you can view or print your invoices for 2018 by logging into the <a href="#">WeRecycle portal</a> .
7.	When are the invoices for Stewardship Ontario issued and when are they due?	Stewardship Ontario blue box invoices are issued on January 1 <sup>st</sup> each year. The due date(s) for these invoices will depend on whether or not your organization has requested quarterly or annual billing. Please contact accounts receivable at <a href="mailto:accounting@cssalliance.ca">accounting@cssalliance.ca</a> or by phone at 416-921-9661 or 1-855-354-2772 to confirm invoice due dates for your organization. Please note that you can view or print your invoices for 2018 by logging into the <a href="#">WeRecycle portal</a> .

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8.	With regards to reporting, is it possible to have a 2-year program like ÉEQ? For example, 2017 Data & Report & Invoice in 2018?	<p>In consultation with stewards, it was determined that reports would use sales data from Year 1, be reported in Year 2, and serve as the basis of fees and invoices for Year 3. The benefits of this approach are:</p> <ul style="list-style-type: none"> <li>• Fees are calculated using the best available sales data; and</li> <li>• Stewards have accurate data when preparing their budgets.</li> </ul>
9.	I endorse this new webcast stream-line format for the CSSA Annual Steward Meeting. Hopefully, this format will continue in 2019.	Thank you very much for this feedback
10.	In order to help understand the current differences between programs in the provinces, could CSSA provide a comparison chart for the various programs (including Québec), so that stewards can understand the challenge of harmonization?	Please refer to <a href="#">section 1.3</a> of the Guidebook for Stewards where you can find a table which outlines the basic aspects of each of the four packaging and paper product (PPP) stewardship programs supported by CSSA. Please refer to the <a href="#">ÉEQ</a> website for more information on the Québec PPP stewardship program.
11.	Will you be discussing Automotive Materials Stewardship today?	The Annual Steward Meeting held in October each year is for the purpose of reviewing performance and fee rates for the four packaging and paper product (PPP) stewardship programs. If you have questions about the Automotive Materials Stewardship (AMS) program please contact us at <a href="mailto:stewards@autostewardship.ca">stewards@autostewardship.ca</a> or call 1-888-980-9549. Also note that the AMS Board of Directors has approved the 2019 fee schedule effective April 1, 2019 which can be found here <a href="#">here</a> .
12.	When will Alberta join CSSA?	The Ministry of Environment and Parks in Alberta has not yet regulated Extended Producer Responsibility (EPR) for packaging and paper products and therefore there is currently not a PPP stewardship program in Alberta.
13.	Is there an update on the stewardship programs in the other provinces currently not under the CSSA?	CSSA is not aware of any new PPP EPR regulations currently in the legislative process. The province of Nova Scotia is conducting consultations on a full producer responsibility approach for PPP but it is not yet known when a program there might move forward.
14.	Any updates as to if/when Québec's program will integrate with CSSA?	There is no plan in place for CSSA to provide support services to ÉEQ. However, CSSA does work with ÉEQ on matters that impact stewards in order to harmonize aspects of the PPP stewardship programs where possible.

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15.	We are now using a clear polypropylene bottle for some of our packaging instead of PVC as it is more environmentally friendly. Will there be a new plastic material category for this item to reflect a lower fee rate than the "other plastics" category?	Through the Material Cost Differentiation (MCD) Project, CSSA along with the Steward Consultation Committee (SCC), is reviewing material categories as part of its work to measure the impacts that material characteristics have on the cost of recycling system activities. The MCD SCC will report back to stewards on its findings which may include a proposal for new reporting categories.
16.	Are there financial incentives for stewards who will eco-design their packaging?	<p>The Four-Step Fee Methodology, which is being used for the Recycle BC, MMSW and MMSM programs, does have the effect of rewarding recyclable materials and ensuring that non-recyclable or difficult to recycle materials are not inadvertently rewarded. There are a number of ways in which the methodology does this: there is no sharing of commodity revenue in the new methodology. Only materials that are collected in the recycling system and subsequently sold to recycling end-markets will be allocated a share of the revenue to help offset the cost to manage their materials.</p> <p>Additionally, all materials assume their relative share of 60% of the gross cost of the recycling system whether or not they are collected. Most importantly, this relative share is calculated using both the quantities of material sold and the material's cost per tonne to manage. As such, all materials are assuming the 60% of gross costs as though they were managed in the recycling system. This way, materials that are not collected and recycled are assuming a share of the gross costs and this necessarily reduces the share being attributed to those materials that are actually collected and recycled. In addition, Step 4 of the methodology attributes cost to those materials that require investment to improve their cost and performance effectiveness in the recycling system or are needing recycling end-markets developed so they can move from a material that is only disposable, to one that is recyclable. For more information about the Four-Step Methodology, <a href="#">click here</a>.</p>
17.	Do the fee rates intend to incent or dis-incent stewards from using certain materials over others in their packaging?	Please see the answer above on how the Four-Step Fee Methodology does have the effect of rewarding more recyclable materials.

#	Question	Answer
18.	What is the government's role in helping the companies find more environmental alternative products to use?	We can't speak on behalf of the government, but we are observing that governments are becoming more energized around the creation of a circular economy for materials and more actively engaged with The Canadian Council of Ministers of the Environment (CCME) as part of its Framework for Zero Waste. As part of that work, they may take more action that will encourage businesses to find solutions that address plastic pollution. Such solutions could include setting recycled content thresholds, common definitions of recyclability, compostability and more. We will look to them to collaborate with the steward community on these initiatives.

#	Question	Answer
19.	How has the China ban impacted commodity revenue?	<p>The China ban impacts fees in two distinct ways – firstly, at the program level and secondly, at the material fee level.</p> <p><b>Program level impacts</b> – Each program’s net supply chain cost is made up of the gross cost to collect and process the material offset by the commodity revenue earned by the program. Depending on the program type, the costs and revenues refer to different time periods as follows:</p> <ul style="list-style-type: none"> <li>• The Stewardship Ontario and MMSM programs are transfer payment programs where the budget for 2019 is reimbursing municipalities for costs incurred in 2017. For these two programs, the China ban is not yet a factor in the program costs but will be for setting fees for 2020.</li> <li>• For MMSW, the impact of the China ban will not be felt in the near term as the new municipal payment rate, taking effect January 1, 2019, was established based on the cost study largely completed in 2017.</li> <li>• For Recycle BC, the impacts of the China ban were included when calculating the 2019 budget as the contracts between Recycle BC and its post-collection partner do, in some cases, update the commodity prices on a monthly basis to calculate the revenue earned.</li> </ul> <p><b>Fee level impacts</b> – The second way the China ban can impact fees and fee rates is how this ban has affected the global commodity price indices and how those indices are used in fee setting. Starting with the Four-Step Fee Methodology used for Recycle BC, MMSW and MMSM, Step 2 of that methodology calculates each material’s relative share of the program’s overall commodity revenue budget by considering the total tonnes managed and the commodity price for that material. For the purpose of fee setting, this price is the calculated three year rolling average price based on the published index for the region. The inputs to the four-step therefore are using the years 2015, 2016 and 2017 and as such are not yet reflecting the downward price pressure China is having. That impact will be felt when fees are set for 2020. For Stewardship Ontario, the commodity prices reported by municipalities into the Datacall are used to calculate the net cost needed by the three-factor formula. These are also pre-China ban inputs.</p>

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20.	Why have all plastic fees increased if you have said that the China ban has not impacted plastics as much as fibre?	You will recall that that China ban only came into effect in 2018 so has not yet affected the three-year rolling average price used by CSSA in fee setting. Plastics fee rates are increasing at varying rates amongst the programs for a number of reasons but common to all programs is that the three-year rolling commodity price was going down for the period used in fee setting which was 2015-2017.
21.	Is there a need for in depth-research on how markets behave in North America and what is the link between this and the fee per material per province?	CSSA did undertake research in 2017/2018 to determine the best available sources of commodity market prices and to ensure we continue to monitor the marketplace for the impacts of the China ban. This work is ongoing.
22.	What can you tell us about initiatives to process and recycle more plastics in Canada versus shipping them outside the country?	<p>In Saskatchewan, Manitoba and Ontario, where stewards participate in shared responsibility programs, municipalities are responsible for making decisions around where collected material is sent for processing; the stewardship agencies do not play an active role in these decisions.</p> <p>In British Columbia, Recycle BC works closely with Merlin Plastics, a BC-based plastics recycler that takes all of the plastic collected by Recycle BC and processes it in British Columbia. Because stewards have both operational and financial responsibility for the recycling system in BC, Recycle BC has been able to conduct pilot projects with Merlin Plastics to explore the opportunity to expand the range of materials processed in BC. Recycle BC will continue this type of work. When selecting end-markets for materials, Recycle BC gives first priority to Canadian end-markets, and then those markets located in countries that are members of the Organization for Economic Co-operation and Development (OECD). In 2017, materials were directed by Recycle BC to market destinations as follows:</p> <ul style="list-style-type: none"> <li>• Plastics were sold to end-markets in BC (with the exception of polystyrene foam which went to China and Spain);</li> <li>• The majority of Paper/Fibres (including aseptic/polycoat containers) was sold to end-markets in China, with the rest either remaining in BC or going to end-markets in Indonesia and South Korea;</li> <li>• Glass was sold to end-markets in BC; and</li> <li>• Metals were largely sold to end-markets in Ontario, with the rest either remaining in BC or going to end markets in the United States.</li> </ul>

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23.	Can you please explain why we pay fees on plastic materials that do not go into Blue Box bins?	<p>Provincial regulations define the designated materials on which stewards pay fees, not the stewardship programs. All of the current Recycling Regulations in British Columbia, Saskatchewan, Manitoba and Ontario require stewards to pay fees on all PPP distributed to consumers, including those that are not currently collected for recycling. This avoids creating a negative incentive in which only recyclable packaging would be subject to fees and non-recyclable packaging would not. When the Steward Consultation Committee (SCC) developed the Four-Step Fee Methodology, consideration was given to this question. The final decision was to allocate 60% of the gross cost of the system to all materials, whether they were collected or not. This decision satisfied one of the project’s Guiding Principles established by the steward community for the Four-Step Fee Methodology review project which was “All obligated materials should bear a fair share of the costs to manage the packaging and printed paper program, irrespective of whether a material is collected because all obligated stewards who put designated materials into the marketplace should contribute to the recycling system”. The full consultation document on the Four-Step Fee Methodology can be found <a href="#">here</a>. Ontario is the only program currently that does not use the Four-Step Fee Methodology, rather it uses the three-factor formula. This methodology also attributes costs to materials not accepted in the Blue Box based on the material’s recovery rate. Materials performing at any rate less than the target 60% assume a portion of the system costs not borne by materials performing in excess of the 60% target.</p>
24.	How can we harmonize promotion and education such as the "Recycle Michael" campaign for all of English Canada?	<p>Promotion and education are designed to address program-specific needs because the mix of materials collected and how those materials are collected differs from province to province and even between communities within provinces. Therefore, effective communication to consumers needs to be tailored in order for it to be effective. This is another example of why a national framework would be beneficial because it would allow for a common basket of targeted materials for collection across the country and standardized communication to consumers.</p>

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25.	Regarding the Onboarding Policy, could a difference be made between a first-time steward for any CSSA program and a business adding an establishment in a new province but already registered with most CSSA-run programs? Some of the estimates and payments required are administratively burdensome.	While we understand that some stewards may find the onboarding process challenging, stewards are obligated to pay fees for all periods in which they supply designated materials to ensure fairness. Stewards will be onboarded according to a set of consistent principles and those principles ask that stewards pay fees in the period that they supply designated materials. As such, if a business starts to operate in 2018 it will require a 2018 invoice which is based on estimates.
26.	Regarding the Parallel Importation Policy, can you please expand on the issue more?	Parallel imports are branded goods entering a province from outside the brand owner's Canadian distribution network. This policy directs retailers, distributors, e-commerce sellers and others that have imported goods obtained through parallel importation from outside of Canada and outside the brand owner's distribution network, to report all designated materials resulting from the supply of such goods, regardless of whether the resident brand owner or voluntary steward is listed on the program's list of stewards. The policy seeks to reduce the amount of unreported designated material supplied to the market and it addresses steward concerns about inter-provincial tracking and updating of internal systems. This policy comes into effect at the beginning of 2020, allowing for system updates in 2019, and applies only to parallel imports entering a province directly from outside Canada and outside of the brand owner's Canadian supply chain.
27.	What is the timeline for guidance tools with regards to the Parallel Importation Policy?	Guidance on the Parallel Importation Policy will be made available early in 2019, well in advance of the reporting period.
28.	How will CSSA help first importers meet the drastic changes that will be a result of the future Parallel Importation Policy?	The purpose of the policy is to promote fairness and consistency for all stewards by reducing the amount of unreported obligated material supplied to the market. Under this policy, first Importers who receive and then supply parallel imported goods from outside of Canada, must report on all the associated PPP supplied to consumers in the province regardless of whether the brand owner is also a registered steward. Guidance materials will be made available in early 2019 and stewards will be notified when those materials are available. Steward Services is also available to assist first importers as they prepare to collect the necessary data in 2019 that will be needed for their 2020 steward report. Please contact Steward Services at 1-888-980-9549 or <a href="mailto:stewards@cssalliance.ca">stewards@cssalliance.ca</a> .



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29.	Are there timelines for the completion of the phases the e-commerce project?	Phase 1 of the project is close to completion and we are very close to launching Phase 2. We will keep stewards apprised of progress through the CSSA quarterly newsletters.
30.	With respect to the challenge of bringing obligated e-commerce businesses into compliance, if we can't get the financial contribution from the generators, could we not decrease the equivalent cost they generate from the overall cost of the system (which is paid by the "local" contributors)? We feel that the sales tax is already creating unfair competition.	Unfortunately, it is not possible to subtract the costs associated with the management of the PPP distributed by non-compliant e-commerce businesses from total program costs because there is no way for CSSA to calculate that cost. Because these businesses are not submitting steward reports, CSSA has no visibility on the materials or the sales volumes associated with the distribution of these materials and they are, for the most part, indistinguishable from materials supplied by obligated stewards when collected. For example, a cardboard box looks the same whether it was supplied in Canada or shipped from a global destination. It is for this reason that CSSA has launched the research project into the compliance solutions to non-resident e-commerce sales.
31.	How are we working towards reducing fragmentation within the provinces?	In his opening remarks, CSSA Executive Chair John Coyne discussed how CSSA is encouraging the federal government to work with provinces in the creation of a national framework for EPR which would harmonize the approach to EPR across provinces with the adoption of the same definitions, performance standards and administrative requirements.
32.	As it's becoming more difficult for stewards to determine registered or voluntary stewards, a key to making reporting easier would be to include a standardized identifier for registered stewards. Canada's business registries, which is a collaborative federal-provincial-territorial site, lists business numbers and is a public searchable site.	Thank you for this suggestion. We would be happy to meet with businesses and or their association(s) to discuss this idea in more detail.
33.	Is there going to be a list of products brand names of the registered companies?	Providing a list of brand names distributed by registered stewards is not a current practice but if this would benefit stewards, we encourage you to contact CSSA so that we can better understand how this will assist stewards. Please contact Steward Services at 1-888-980-9549 or <a href="mailto:stewards@cssalliance.ca">stewards@cssalliance.ca</a> .

#	Question	Answer
34.	Why is there such a large fee difference between BC and Saskatchewan on plastics, aluminum or steel? BC fees are sometimes three times higher than Ontario's. Why?	We discourage the comparison of fees across programs because there are many differences between the programs that impact costs. For example, Recycle BC's program is a full producer responsibility program meaning stewards are paying 100% of the program costs, whereas Ontario is a cost transfer program where stewards fund 50% of municipal program's costs. Another factor that impacts cost is the mix of materials in the collection system. BC has a beverage deposit program and so the mix of materials in the recycling system is very different from Ontario. We know that it is natural to want to compare fee rates across provinces but there are many different factors that contribute to the fee rates meaning that these comparisons are not informative.
<b>RECYCLE BC</b>		
35.	Is it possible to provide details on total material reported by stewards (in KG) on page 6 of the Report to Stewards below supplied tonnes?	Recycle BC will begin reporting more information about its program upon approval of the new program plan. One of the reporting commitments in this plan is to report against the material-specific recovery rates in the categories outlined in the plan. We are hopeful this additional information will be useful to stewards and other program stakeholders.
36.	Regarding the population serviced by Recycle BC, why has there been so little change from 2016? The 2017 report states four new communities were added: Chilliwack, Kamloops, Abbotsford and Mission, why then does this not translate into more households receiving service?	The program added 102,000 households to its curbside and multi-family serviced channels. Many of these households were in communities where depot collection was already available so the new curbside and multi-family households serviced did not add to the provincial total that considers all collection channels.
37.	In terms of R&D, it seems that Recycle BC is far better placed with funds at its disposal from stewards to fund research for better use of recycling materials. Under a harmonized system in Canada, would this be a possibility as well?	With full producer responsibility in place in BC, there are currently better opportunities to invest funds in R&D projects to explore the opportunity to recycle an expanded range of materials in BC. If a national, harmonized full producer responsibility program was implemented in Canada there would be even greater opportunity for these types of projects and better ability to share learnings and best practices across jurisdictions.

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38.	Can you tell us why you do not disclose the material-specific recovery rates? While Recycle BC has committed to reporting the performance of four broad categories, can it explain why it cannot report the performance for every fee category?	Recycle BC will begin reporting more information about material-specific recovery rates upon approval of the new program plan. One of the reporting commitments in this plan is to report against the material-specific recovery rates in the categories outlined in the plan. We are hopeful this additional information will be useful to stewards and other program stakeholders. Governments in other jurisdictions are considering the issue of material-specific recovery rates and this may guide our approach going forward.
39.	Why would an increase in printed paper recovery rates cause an increase in fees? Presumably, processing plants already exist and outputs are sold (e.g. to pulp mills) so there would be more revenue generated. Can you please clarify.	For most materials, like printed paper, the cost to manage the material is greater than the commodity revenue earned. So, when recovery rates increase, more material is managed and therefore more costs are incurred to manage an increased volume of material.
40.	Why is the span of the flat fee coverage for small businesses so broad, to 15 tonnes in BC?	In setting the 15-tonne limit for the de minimis threshold in BC, the goal was to deliver harmonized simplicity across jurisdictions for low volume stewards. The 15-tonne threshold for Recycle BC was set because it aligns with the 15-tonne small business threshold in Ontario. The 15-tonne threshold is too high for smaller programs, such as MMSW, however, CSSA seeks to harmonize as many elements of the programs as possible.
41.	What are the reasons behind the 19% increase for PET containers?	The Recycle BC fees did not change in 2018 so all fee rates represent a two-year budget increase from 2017 to 2019. For PET in particular, there has been an increase in the units per tonne being managed and, therefore, the cost to manage this material has increased. This is coupled with a three-year rolling average commodity price decline which results in an increase in fees for this material.
42.	Is Recycle BC getting the best prices for the recovered commodities that they sell into the marketplace (e.g., aluminum, PET)?	We are confident that the design of the Recycle BC program generates optimal value for the materials sold to end markets and is reflective of the current market conditions.

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43.	What are the biggest barriers to realistically achieving a greater than 75% Recovery Rate?	Recycle BC has similar pressures with all programs where we are seeing the evolving tonne challenge performance. Recovery rate performance is weight-based, i.e., 75% of material by weight is recovered in BC. The evolving tonne represents a trend in the composition of materials collected changing from large quantities of heavy materials with high recovery rates such as Newspapers and Magazines to more quantities of lighter weight materials with lower recovery rates such as some materials in the Plastic Packaging category. Recycle BC's revised program plan includes material specific targets so there are a number of initiatives planned to focus on improving performance in the lower performing categories such as research and promotion and education.
44.	What is Recycle BC doing to identify non-compliant stewards, particularly those based elsewhere selling into British Columbia, and pursue their registration with Recycle BC?	CSSA has dedicated staff who work daily to identify and address non-compliance. The leaders of each stewardship organization are involved and escalate cases to the regulators where their compliance efforts fail so that compliance action can be taken. While the stewardship organizations are dedicated to achieving a level playing field in each jurisdiction, ultimate enforcement of the regulations is up to the regulator.
45.	Can CSSA give us an idea on how many free riders there are in BC compared to other provinces, as it is substantially more expensive?	CSSA and Recycle BC are working closely with the BC MOECCS staff to identify and correct non-compliance. If there are particular companies that you believe are non-compliant, the names of these companies can be provided anonymously on the program websites. Click <a href="#">here</a> to find links to the dedicated pages on each of the program websites.
46.	Is Recycle BC seeking partnerships to develop a closed loop system for select materials such as MMSM did for plastic bags?	As outlined in question 22, Recycle BC is exploring all opportunities to have collected materials recycled in BC or in Canada. However, the other part of creating a 'closed loop' is for stewards to create the demand for the material recycled in BC and to put it back into their own PPP. Recycle BC does not have the ability to require that the feed stock created by local processors be sold back to Recycle BC stewards thereby closing the loop.

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47.	For Recycle BC \$168,901 was marked in the Statement of Operations as used for Research and Program Development. This represents 1.45% of the Excess of Revenues over Expenses for the year. Is 1.45% put towards research appropriate on behalf of the paying stewards and is that enough?	Research and development (R&D) projects are undertaken to respond to requirements of the regulation or commitments in the program plan. Stewards can be confident that R&D projects align with the program plan commitments and provide value to stewards. The R&D budget is reviewed each year, with a full review of priorities and the budget set accordingly. The 2017 expense that you are referring to helped fund the streetscape research program and is therefore an appropriate expense to fund through steward fees.
<b>MMSM:</b>		
48.	Does the Minister's direction require a plan to move to 100% funding or funding and operational control? If the former, is operational control within scope for a new program plan?	The Minister used the term '100% funding' but has asked MMSM to help define what this means, offer options for its implementation and to highlight opportunities and challenges. MMSM is pleased that the Minister is asking for a collaborative process to define the approach forward.
49.	How will Manitoba approach a move to 100% while moving to national harmonization?	MMSM will consult with stewards and other stakeholders regarding a potential move to a 100% industry funding model. During this time MMSM will continue efforts to harmonize with other programs.
50.	For MMSM, is the 100% industry funded model expected to be implemented in 2020 in Manitoba?	It is too early for MMSM to anticipate the timing of the transition to full producer responsibility in Manitoba. The government has asked MMSM to develop a plan by 2020 which will include research and consultation with stakeholders to identify the pros and cons of implementing a full producer responsibility program in Manitoba. MMSM is committed to submitting an issue paper in early 2019 and will advise stewards when it is available. It is, however, too early to provide a timeline on when this transition may take place.
51.	Are there any new EPR stewardship categories under consideration in Manitoba? For example, mattresses or furniture?	Because MMSM is solely responsible for the packaging and printed paper stewardship program in Manitoba, we suggest you reach out to the Manitoba Ministry of Sustainable Development to enquire about other stewardship programs that may be contemplated.

#	Question	Answer
<b>STEWARDSHIP ONTARIO</b>		
52.	With net costs decreasing by 3.4%, can you explain why the share of supply chain costs are going up by 2.1%?	The 3.4% decrease in net costs represents the reduction in costs between 2016 and 2017 as reported by municipalities. The 2.1% increase in budgeted supply chain costs is reflective of the year-over-year variance in the steward payment obligation between 2018 and 2019 as determined by the Resource Productivity and Recovery Authority.
53.	With the use of the three-year rolling average can you expand on how Stewardship Ontario is looking forward and planning for cost increases that will be caused by the loss of commodity revenue in 2020? Is there not an opportunity to soften the impact of the loss of commodity revenue by reducing Stewardship Ontario costs?	The three-year rolling average is used to manage the volatility of commodity markets year-to-year. That is the extent of its influence in addressing the effects of the China ban. Stewardship Ontario's program management costs are 3.3% of Stewardship Ontario's overall budget.
54.	Why are PET bottle fees increasing by 23% while other plastics fees are not increasing? The answers provided in the pre-read document says it is due to additional volume, but should we not expect to get reduced costs per tonne because of additional volume?	Due to changes to the measured density of PET bottles there was an increase in the net costs as there was more volume of material managed relative to its weight. Although more material was managed leading to more costs, the actual weight of that material fell by almost 10% meaning there was less weight against which to spread the cost. The result is that the fee rate increased.
55.	Will the regulatory charge double when EPR is fully implemented?	Regulatory charges are determined by the Resource Productivity and Recovery Authority. We do not know the impact on these charges as a result of a possible shift to full EPR.
56.	Can you explain why we are seeing such a significant increase in the Regulatory charges from RPRA?	The increase amounts to a \$700,000 increase in regulatory charges for 2019. This is an increase to the 2018 budget, but is consistent with the 2018 run-rate of regulatory charges and reflective of the higher cost of RPRA as an organization.
57.	Is there a plan to give credit for post-consumer recycled material in Ontario?	If stewards are interested in investigating this, please let us know.
58.	Do we have any idea of the evolution of "orphan" material cost? What is the rate used in the 2019 rates?	When evaluating the municipal submissions used in the 2019 fee rates, RPRA determined the municipal deduction for non-obligated material to be \$222,000. RPRA's announcement can be found <a href="#">here</a> .