

CSSA		
1.	Are we going to get copies of the PowerPoint presentations being made today?	The slides and webcast from the October 29 th steward meeting can be found on the CSSA website under the Information Sessions tab or here: CSSA Steward Meetings
2.	Are we going to be able to receive the questions and answers mentioned during the webinar?	This Q&A document includes all the questions and answers asked at the meeting and also includes the answers to questions that were not answered due to time constraints.
3.	How optimistic are you that the 4 existing provinces will all move to 100% industry funding, and does CSSA support this as a policy thrust both for existing and future participating provinces?	The steward obligation is determined by provincial regulation not by CSSA. CSSA does not advocate for any specific level of producer obligation, rather CSSA encourages governments, when implementing EPR programs for packaging and printed paper, to harmonize as many program elements as possible with other jurisdictions including a harmonized definition of obligated producer and a harmonized definition of obligated materials in order to provide increased administrative simplicity for stewards.
4.	Instead of re-creating packaging such as a perfectly decent glass jar, how about washing it and selling it to a company that uses this type of a glass jar? It's wasteful to process materials that can be reused.	Whenever a package can be reused that should be encouraged -understanding that the producer would need to implement the infrastructure for the recovery and reuse of that material. The role of the four stewardship organizations, is to provide producers with a cost-effective way of complying with the printed paper and packaging (PPP) Recycling Regulations in BC, SK, MB and ON. The Regulations in these provinces require producers to assume varying levels of responsibility for the funding of the systems to recover their PPP material for recycling. Through membership in MMBC, MMSW, MMSM and/or Stewardship Ontario, members are in compliance with the Recycling Regulations.
5.	We talked a lot about new technology and new ways of recycling and encouraging stewards to participate in the program, do we have a plan of encouraging stewards to eliminate or reduce use of plastics then?	It is not the stewardship organization's role to dictate to stewards what packaging materials they should or should not use for their products. Stewards' choice of packaging materials are based on a wide variety of factors, one of which is the safe transport of products to consumers with minimal spoilage or damage. Producers must determine the best packaging materials and packaging formats for the delivery of their products to consumers.
6.	In the "What the EU has taught us" highlight in year in Review there is mention towards ensuring the level playing field and making penalties of	What CSSA has learned from the European programs is that Canadian stewardship agencies need to request that regulators make a commitment to effective and consistent compliance efforts when implementing EPR

CSSA Third Annual Steward Meeting, October 29, 2015: Q&A

	non-compliance greater than cost of participation in the relative programs; how does that factor into your considerations.	regulations. Compliance with the regulations is the regulator's responsibility, however, there is a role for CSSA in advocating, on behalf of obligated businesses that the Regulators implement ongoing effective compliance measures once the Regulation comes into effect.
7.	Is it possible that a communication feedback loop can be created between the MRFs/PCFs and stewards? Such a vehicle could share 'pain-points' at the recycling centres regarding design of materials that cause processing difficulty and vice versa.	If stewards are interested in learning more about how a packaging material or format performs through the recycling system CSSA can look into ways to facilitate that communication. Please contact us at stewards@cssalliance.ca for more information.
8.	The rumour is that the fees will move to 100% for all provinces under the new model. How much notification will be given before implementing these fees?	The Fee Project has nothing to do with the steward obligation share in each province which is determined by provincial regulation. The scope of the Fee Project is limited to how to allocate the aggregate stewards' obligation as defined by regulation, i.e., 50% in Ontario, 80% in Manitoba etc.
9.	I attended the Municipal Waste Association Workshop yesterday in Orillia. And their markets committee talked about the anticipated drop in revenue for 2015. In addition, the markets committee suggested it's probably in the order of 20 to 25 percent at least in part due to oil at \$45 a barrel. Looking at Stewardship Ontario's revenues last year at \$92M, what are your anticipated revenues for 2015 – do you anticipate a 20-25% drop?	A decline in commodity revenues is taking place on a global scale and is a general challenge that the whole industry is facing. Because there are global influences such as foreign exchange, impacting commodity revenues over which we have no control, in British Columbia, where MMBC manages the recycling supply chain, we manage the impact of the decline in commodity revenues by producing the highest quality material which will generate the best price. In Ontario and Manitoba where individual municipalities run their own programs total annual revenue earned is difficult to predict and we must wait until municipalities report their data in the spring of each year.
10.	When do we see the balance of the provinces coming on board? Why is Quebec not included in this update program?	Quebec is not included in our annual steward update because Eco Entreprise Quebec (EEQ) manages its own program. We encourage you to contact EEQ for any questions regarding their program. With respect to the timing of the other provinces implementing regulations for EPR of packaging and printed paper, there is no firm timeline we are aware of. We do however know that Nova Scotia has recently announced their intention to conduct further consultation on their proposed EPR programs for packaging and printed paper.
11.	General Question that I have asked before without answer, when are the provinces other than Ontario (for which this is already in place)	GST/ HST applicability on steward fees is related to the nature of the waste diversion or recycling legislation in each province. In Ontario, CRA (Canada Revenue Agency) has taken a position that due to the way the Waste

	going to eliminate the GST/HST fees on payments?	Diversion Act was written (the obligation to divert waste rests with the IFO or Stewardship Ontario rather than the individual stewards), Stewardship Ontario does not provide a taxable service to stewards and therefore HST does not apply to Blue Box fees. In BC and Saskatchewan, because the obligation of the regulations in those provinces lies with the steward, it is deemed that MMBC and MMSW are providing a taxable service to stewards and therefore federal GST is applied. In Manitoba, the applicability of taxes on stewardship fees is currently under appeal. Regardless of each provinces' legislation and the related tax implications, stewards are typically eligible to apply for Input Tax Credits (ITCs) when GST/HST is charged. This does result in a cash flow consideration but in most situations, HST/GST charges should not be an additional cost to businesses.
12.	Can you please confirm that the deadline for Voluntary Stewardship Agreements is December 31, 2015 and confirm that this is a change from previous year?	The deadline to submit a Voluntary Steward Agreement (VSA) for 2016 is December 31, 2015. Last year the deadline for submitting a VSA for 2015 was extended to January 31, 2015. But for 2016, stewards who want to sign up as voluntary stewards must submit a signed VSA by December 31, 2015. Those stewards who have already submitted VSAs in a previous year are not required to submit another. Any existing voluntary steward wishing to terminate their agreement can notify National Steward Services in writing no later than December 31, 2015. More information is available on the CSSA website here .
13.	This is a general question - Is there something we can do with the brand owners and residents of that province passing their obligation to the suppliers who are not resident?	The way in which stewardship fees are handled by a steward is a business decision that does not involve CSSA. Stewardship fees are a cost of doing business and how those costs are either absorbed or passed back to suppliers is a commercial decision and not something that CSSA can comment on.
14.	Have these combined numbers been shared with CCME as they move forward with a plan to meet their goals and increase recycling rates or to meet targets. If not why, when it would benefit stewards in the long run for them either on a provincial or national basis?	We have ongoing dialogue with CCME and keep them apprised of the performance of the CSSA provincial programs. The annual pre-read prepared for stewards and which contains each program's environmental and financial performance metrics is a public document and is available to CCME members and staff.
15.	Can you provide for the percentage increase and decrease for the different materials recycled.	Thank you for the suggestion, we will consider it for future meetings.
16.	What is each program doing to reduce the	Compliance is typically the responsibility of the regulator. However, we know

	amount of free-riders in 2014 and 2015?	how important level playing fields are to our stewards, and that is why CSSA and the stewardship organizations (MMBC, MMSW, MMSM and SO) do work with the regulators to help them identify organizations that are not fulfilling their stewardship obligations
17.	The fee schedule rewards greater tonnages of recyclable materials obtained. A provision of the stewardship programs is to identify areas where material creation can be avoided. Shouldn't an end goal be to reduce the total amount generated?	It is up to each steward to decide the optimal amount of packaging or paper material required to deliver their products safely to consumers.
18.	Is there a way to standardize metrics across all four programs, recognizing that you are reporting based on different regulatory requirements in different provinces? But, say, supply tonnage, generated tonnage, eligible recycled tonnage versus recovered tonnage. It would be a good idea to have a standardized set of metrics for next year.	As you have acknowledged, different provincial regulations have different reporting requirements. However, we understand the desire by stewards to, where possible, be able to compare performance across programs. In the new year, CSSA will undertake a project to look at opportunities to standardize reporting metrics across the four programs and to look at best practices in reporting performance.
19.	We pay fees for fliers that we distribute that will be recycled through the blue box. Is there an incentive for us if we use recycled paper such as a 5 or 10% refund for using, for instance 70% recycled content? This approach would help to promote the circular economy. Do any of these three provinces have any plan to do that? ie/ a plan to provide a fee reduction or rebate for the use of recycled content?	The fee methodology does not provide a discount or rebate for use of recycled content because having the cost to collect and process the material remains the same regardless of whether it is made of recycled content or not. The objective of the fee methodology is to ensure that the costs to manage packaging and printed paper are fairly allocated to all participating stewards.
MMBC		
20.	We appreciate the stability of the fees, but wondering why they fees didn't decrease if total operating costs decreased by about \$5M compared to 2015?	The gross costs of collection and processing are in fact increasing slightly as our collector's household count increases and planned depots open. These increases are more than offset by the increase in the amount of commodity revenues we have budgeted for in 2016 based on our experience with managing the program. Also of note is that commodity revenue is also offsetting the shortfall in the steward reported tonnes from the time fees were

CSSA Third Annual Steward Meeting, October 29, 2015: Q&A

		first calculated for 2014. With fewer steward tonnes reported each year, our fee revenue has declined from the 2014 budgeted levels as fee rates remain unchanged. For these reasons, the fees will not be going down in 2016.
21.	YoY total fee obligation change is -5.7%. Why do materials fees remain the same?	Please see answer above.
22.	I believe it's far less energy intense to process compost than to process recyclables. Does MMBC have statistics demonstrating the comparative costs per tonne to manage compost as a recyclable product?	MMBC was formed in response to the BC government's Recycling Regulation and for the purpose of discharging producers' obligations under the Regulation. The Regulation does not address composting so is currently outside the mandate of MMBC. MMBC remains focused on fulfilling the requirements of the Regulation on behalf of its members.
23.	Will MMBC evolve to make the reports of all complying businesses (stewards) publically available? If not, why not?	Individual steward information and reports are confidential to the stewards and will never be made publicly available. The names of the organizations that have registered with MMBC are available on the We Recycle portal.
24.	Since there is next to no stewardship (no diversion, no recycling) in place for multi-ply non-beverage packaging in BC, are there any services planned for the future of these fees that are being collected?	MMBC and the other stewardship organizations are committed to investing resources and working with other organizations to explore opportunities and technologies to turn plastic laminates into recyclable materials. It would be premature to provide an estimated timeframe on the work at this point in time.
25.	Are there any breakthroughs or progress being made on stewarding multi-ply materials so that they can be recycled?	Please see answer above.
26.	Given the fact that debt has been eliminated and 75% of working capital s achieved, is there an expectation that 2017 will see a fee schedule Decrease? (Especially with more Stewards on board?)	The working capital goal is expected to be largely satisfied by the end of 2016. As for 2017 fee reductions, we'll evaluate our program in one year to make that determination keeping in mind that there are a number of factors that go into the fee rates including commodity markets which are in decline. Also, it is the hope to have the new fee methodology in place for the 2017 fee setting process – this too may impact the fee rates in 2017.
27.	Congratulations to MMBC for managing their expenses! It is so easy to just ask for more.	Thank you!
28.	Is there a plan to show the list of communities and areas within BC that are not yet serviced? (ie the 4%)	MMBC provides information about the service that is provided across the Regional Districts and that can be found in the MMBC 2014 Annual Report on Page 30. MMBC does not however list or keep track of communities that have not yet joined.

CSSA Third Annual Steward Meeting, October 29, 2015: Q&A

<p>29.</p>	<p>Just to clarify, if a company qualifies for the exemption in BC and Saskatchewan (generates less than 1 tonne of household packaging and paper in the province) they are not required to register for the programs or take any action. Is this accurate?</p>	<p>That is correct, if you are exempted from the Recycling Regulation in BC or in SK there is no requirement to register with either MMBC or MMSW.</p>
<p>30.</p>	<p>Correct me please, will the fee for MMBC decrease in 2016?</p>	<p>The fees shared with stewards on October 29th at the Annual Steward meeting are the 2016 fees and they did not change from 2015.</p>
<p>31.</p>	<p>As an MMBC steward, in the past year we have changed our packaging from multi-ply non-beverage to a compostable package. What would be MMBC's response to a steward not paying fees for a compostable package?</p>	<p>It is the BC Recycling Regulation that identifies the obligated packaging under this program. Compostable packaging is obligated under the Regulation which means that stewards of this type of packaging are required to report this material to MMBC as part of their annual steward report and pay fees on it.</p>
<p>32.</p>	<p>Regarding commodity revenues – I don't see them in the pre-read, I only see net costs but that does not break out the commodity revenues. Can you provide commodity revenues as a separate line item in future documents?</p>	<p>The 2015 budget and fee schedule included \$12M in commodity revenue and for 2016, we estimated \$22M. In the new year CSSA will undertake a project to look at opportunities to standardize reporting metrics across all four provincial stewardship programs and other opportunities to provide clarity to stewards in how program performance and budgets are presented.</p>
<p>33.</p>	<p>Can you provide the estimated revenues for the next year as I do not see it in the pre-read?</p>	<p>MMBC estimates that it will earn \$22M in commodity revenues for 2016 (market permitting).</p>
<p>34.</p>	<p>Has the Ministry of Environment taken any of the free riders to court yet?</p>	<p>The BC Ministry of Environment has introduced an approach of administrative monetary penalties for non-compliant stewards. We believe there has been one administrative monetary penalty levied to date and understand that there may be others forthcoming in November.</p>
<p>35.</p>	<p>Because of the setup in B.C., the structure with the single vendor who then has contracts with sub-vendors and the disparity in fees, it would be really good to have a benchmark for B.C. and so that you could benchmark the costs.</p>	<p>It is difficult to benchmark costs across programs as the four provincial regulations which govern the programs are so different. In British Columbia producers are required to finance 100% of the costs to recover their materials for recycling whereas the obligation in Manitoba is 80% and in Ontario is 50%. Stewardship Ontario and MMSM are transfer payment programs where municipalities are reimbursed for the required portion of their costs, whereas MMBC is 100% industry financed and managed. Another significant factor that impacts supply chain costs in BC is the absence of beverage containers in the program as they are on deposit in BC. For these reasons it is very difficult to establish meaningful cost benchmarks against which the programs can be</p>

		compared.
MMSW		
36.	Will the Saskatchewan Minister of Environment still retain material rate approval authority?	The fee schedule is included in the revised Program Plan and therefore by approving the Program Plan on October 28th, the Minister has approved the fee schedule for the transition period. The transition period will end when the exemptions and the Minister's authority to approve fees expire – which we anticipate will be at the end of December, 2016.
37.	Does the single store exemption apply to stores in SK, even though it might be part of a national chain?	If the single store is part of a franchise, chain or banner then that single store is not eligible for the exemption.
38.	In the pre-read document it stated that there will be an exemption for companies that generate less than one tonne of packaging or generate less than \$2 million in gross annual revenue. Do these figures represent sales in the province only?	The revenue threshold refers to gross revenues earned in Saskatchewan only.
39.	If a company qualifies for the exemption in Saskatchewan (generates less than 1 tonne of household packaging and paper in the province) are they required to register for the program or take any action?	No, if you are exempted from the Recycling Regulation in SK there is no requirement to register with MMSW. If the company is part of a franchise, chain or banner the exemptions do not apply
40.	Regarding the cost recovery invoice paid earlier in 2015 which equalled approximately 1/3 of our annual obligation, just wonder if MMSW have any plans to do, a financial audit, audit financial statement for that so that we know that the money is going to the right place and so on.	In February, stewards were issued a cost recovery invoice of approximately 1/3 of their first year assessment. The purpose of this invoice was to repay the expenses incurred to create the program plan and to ready the program for a Jan 2016 launch - a launch that was delayed from the original January 2015 date by the Minister's announcement late in December 2014. The Cost Recovery Invoice was used to cover both the program start-up costs incurred up to 2014 and program management costs for 2015. The start-up costs included: program plan development, meetings with provincial and municipal governments, steward recruitment activities, execution of contracts with municipalities, execution of membership agreements with stewards, support for steward reporting, establishment of a fee schedule, establishing an office in Saskatoon, and holding webinars to keep stewards and stakeholders informed. It was decided to recoup the full start-up costs, funded through a bank loan, at one time due to the uncertainty caused

		<p>by the Minister’s December 2014 announcement that introduced new exemptions, flat fees and a requirement that the Minister approve fees. We also needed to invoice for some operating costs for 2015 to ensure we could maintain the office and staff to advance discussions with provincial and municipal governments, support for 2015 steward reporting, and the costs associated with revising and consulting on the revised program plan. MMSW will publish its first annual report reflecting operations and audited financial statements once it has operated the program for a full year, and those statements will include financials for the years leading up to program launch.</p>
41.	<p>Might it be a good idea to establish a reserve-setting policy or something for future programs prior to the programs being launched so that stewards understand the justification behind accumulating a certain amount in reserve. Perhaps CSSA would consider establishing a policy or framework for accumulating a reserve so that all stewards understand up front.</p>	<p>The reserve policy for each provincial program reflects the terms of the contracts agreed to by the service providers in that province. In B.C., the reserve is a reflection of the contract provision for a six-month termination for convenience and provided the assurance that in the event MMBC was required to windup operations it would have the necessary funds to meet its outstanding obligations. In Saskatchewan the aim is to accumulate the equivalent of three to six months’ supply chain costs since MMSW is required to make payments to municipalities as services are delivered. If rolling out new programs in the future, the requirements of a reserve fund for each program will be shared with stewards.</p>
42.	<p>Is the reason that the supply chain management costs increased by \$1.4 million or is that capital accumulation?</p>	<p>The increase in MMSW budgeted supply chain costs are due to two main factors: our expectation that there will be more municipalities participating in the program in 2016 than would have participated had the program launched as originally planned in 2015 and secondly, there was an increase in the tonnes of material reported by stewards in 2015 vs that that was reported in 2014. These two factors have led to an increase in supply chain costs for the MMSW program for 2016.</p>
43.	<p>Please explain how the 60 percent and the 75 percent interact in SK.</p>	<p>The SK Household Packaging and Paper Stewardship Regulation requires producers to cover 75% of the costs of efficient and effective recycling programs in SK. The 60% refers to the presumed capture rate of MMSW stewards’ tonnes that municipalities will collect and which was used to calculate the per household payment that MMSW will provide to participating municipalities.</p>
44.	<p>In the pre-read document it states that there will</p>	<p>Yes, that is correct, the revenue threshold for the small business exemption</p>

	be an exemption for companies that generate less than 1 ton of packaging or generate less than 2 million in gross annual revenue. Do these figures represent sales in the province only?	refers to sales in Saskatchewan only. If the company is part of a franchise, chain or banner the exemptions do not apply.
MMSM		
45.	Is there any intention of collecting data for IC&I waste in this program or is the government looking at that as a separate initiative/program?	At this time, we are not collecting any IC&I data. The government has not released the results of the Recycling and Waste Discussion paper which is expected later this year.
46.	Are you really counting those plastic bags that are reused as garbage bags in the reuse statistics? This seems to be somewhat counterintuitive when the real desire would seem to reduce their numbers or increase the recycling rate.	The Plastic Bag Guideline that was put out by the government in 2009 indicates that all three R's should be considered and implemented when reducing the number of single-use plastic bags. For this reason we do look at the reuse of these bags for whatever purpose in the calculation of our reuse numbers.
Stewardship Ontario		
47.	Why is there such a delay for quarterly invoices to be issued by Stewardship Ontario to Stewards once data has been entered?	Appendix D of The Stewardship Ontario Rules outlines when invoices are payable to Stewardship Ontario. The Rules currently state that the quarterly invoices are payable on April 30 th , June 30 th , September 30 th and December 1 st . Therefore the first invoice is issued by SO on April 1 each year and those invoices are based on the steward report submitted the prior year.
48.	PET Thermoforms being charged a fee in schedules that does not reflect the efforts made by retailers to migrate to PET for clamshell packaging. Currently, in ON and MB, these are considered other plastic packaging. This provides no incentive or rewards to retailers who made design decisions to enhance the recyclability of their packaging.	This is an important consideration that should be discussed as part of the Fee Methodology project consultation in the new year.
49.	What is the percentage of Stewardship Ontario's program management costs? Why is this not broken out separately?	The program management costs as a percentage of total fee obligation for 2016 is 3.2% which is down from 3.5% for 2015. Please see page 33 of the pre-read document for more information on Stewardship Ontario's 2016 budget.

<p>50.</p>	<p>Is the 2016 Fee schedule set in stone? There will be no changes to my understanding. Is this correct?</p>	<p>The 2016 obligation that was used for the purpose of setting fees was SO's estimation based on the methodology used by Waste Diversion Ontario to set the 2015 steward obligation. WDO has however not yet set the 2016 obligation but SO continues to work with WDO and with municipalities to determine what that obligation should be and how it should be calculated. Stewardship Ontario was represented on the Cost Containment Panel which was struck by the WDO earlier this year at the request of the Minister of Environment and Climate Change to develop recommendations on how the cost containment principles in the Blue Box Program could be used in the annual determination of industry funding to municipalities. The Cost Containment panel submitted its report to the WDO in September. We do not yet know how the panel recommendations might impact the 2016 steward obligation. However, we do anticipate a decision on the 2016 obligation from the WDO board and if that decision is materially different from what was used to calculate the fees, the SO board will make a decision about what changes need to be made to the fee schedule to reflect a revised obligation. SO will certainly share a revised fee schedule with stewards in the event that this is the outcome of the WDO's deliberations.</p>
<p>51.</p>	<p>Where did the natural and synthetic textiles category go? Where would data go if it no longer exists?</p>	<p>When preparing your steward report please report your natural and synthetic textiles for the Stewardship Ontario program under the Natural and Synthetic Material category on the WeRecycling portal. The fee rate for "Other Plastics" is applied to natural and synthetic textiles which stewards can see on their Detail Submission Report, available on the WeRecycling portal. The 2016 fee rates will be entered into the system following Board approval of those fees in December.</p>
<p>52.</p>	<p>With reference to the decrease--a 3.1 decrease in reported tonnage year after year -- the generated tonnage is down only 0.5 percent between 2013 and 2014. Can you tell us what would explain this? Is there more non-obligated material that we have to deal with out of the total, or are we looking at more free riders? Is there any explanations to that situation?</p>	<p>There is an increase in online commerce and likely materials coming across the border through direct mail. We work to ensure that those who are obligated are reporting but this does not extend to those organizations outside Canada. With respect to non-obligated materials, it's an issue that we began tracking in more detail in the 2013 waste composition studies to make sure that we have a good understanding of what is coming through the system that does not meet the definitions of printed paper and packaging in the Blue Box Program Plan. We do not have a lot of historical information to fully understand that trend but what we know is that there is material that is being collected that is</p>

		non-obligated and there are ongoing discussions that we are having about what role those materials have in the system and in the Blue Box Program.
53	Is there any way of providing stewards with some insights on what portion of that decrease in reported tonnage is due to packaging optimization undertaken by stewards vs. an increase in non-obligated packaging or material coming from non-compliant stewards?	It is impossible for us to know what portion of the reduction in steward-reported tonnage is due to packaging optimization being undertaken by stewards and what portion is due to un-stewarded material entering the Ontario marketplace. We do however know, from waste composition studies that there is a trend toward an increase in material entering the marketplace through direct mail from outside the country meaning that there is an increase in non-obligated material being managed in Ontario. However, we do not know the proportion of the decrease attributable to packaging optimization and the portion attributable to non-compliant stewards' material.
54	Given the importance of multi-family's role, apartment recycling, specifically for the City of Toronto, for example, but across the province, what is the trend line in terms of increasing the recovery from multifamily as opposed to single-family households? Is it going in the right direction? I know it's relatively low compared to single family.	We are aware that materials are being recovered at much higher rates through single-family curbside programs as compared to multifamily buildings. We certainly encourage municipalities, who are the service delivery agents here in Ontario, to continue to promote and provide recycling services to multifamily dwellings because we know through composition studies that there are high-value materials that can be recovered from multi-family dwellings and it is our aim to recover as much of this material as possible.