

November 23, 2017

Hon. Chris Ballard
Minister of Environment and Climate Change
Ferguson Block 11th Flr, 77 Wellesley St W
Toronto, ON M7A 2T5

RE: Amendment to the Blue Box Program

The Ontario Chamber of Commerce (OCC) is writing regarding a letter issued by Minister of Environment and Climate Change, Hon. Chris Ballard directing Stewardship Ontario and the Resource Productivity and Recovery Authority (the Authority) to prepare an amended Blue Box Program by February 18, 2018.

It is understood that the amended Plan will transition the program from its current shared cost model to a full producer responsibility pursuant to s.13 of the *Waste Diversion Transition Act*. The correspondence by Minister Ballard notes that this transition “will set the stage for a second phase of transition that will result in individual producer responsibility under the Resource Recovery and Circular Economy Act, 2016”.

OCC would caution against implementing these changes in haste, and requests its participation in the development of the amendment plan in any capacity.

As indicated in the Minister’s correspondence, the approval of the amended plan is tracking for February 2018. OCC members have expressed concern that this does not provide enough time to have comprehensive consultations and dialogue with all relevant stakeholders as to the effects and implications of considerations such as implementing the extended producer responsibility.

At minimum, the OCC would like to see a detailed economic impact analysis as part of any amendment plan. This analysis should take into consideration factors such as the cost of the proposed plan, the availability of infrastructure to support the plan, and a risk assessment. An economic analysis should also recognize that economies of scale in recycling are critically important, and that enough barriers already exist for small- and medium-sized enterprises, remote or sparsely-populated regions and smaller size municipalities.

The OCC would also strongly advise that as the amendment plan is being developed, there should be a robust initiative to include a wide array of stakeholders in the consultation of any considered course of action. If implementing extended producer

responsibility to collect and manage paper products and packing from Ontario municipal governments to brand holders and other commercial connections, then those specific entities that would be covered by the change should be directly consulted. Additionally, working consultations should be held on specifically defining what brands and owners will be impacted and what materials will be impacted by the proposed plan changes.

The OCC also has reservations regarding the governance of the proposal in terms of who will be overseeing the implementation of the changes and who has the final authority to approve the proposed plan. Scope of responsibility of the appropriate lead agency should be made clear to retain transparency and clarity.

The OCC and its members would also like to express their deep reservations regarding the manner in which Stewardship Ontario unilaterally negotiated the proposed amendments with the Authority and the Ministry of Environment and Climate Change. Stewardship Ontario did not consult with its membership and individual producers prior to accepting and supporting the proposed agreements.

The proposed agreement creates an environment where Stewardship Ontario will be in a position to monopolize the recycling landscape in the Province. As existing municipal recycling contracts come to an end, Stewardship Ontario will step in and take over with 100 percent funding. For those municipalities that still have contracts in place, the split of 50/50 will continue until the contract ends. Stewardship Ontario in its capacity as the stewardship body would have the ability to decide whether to contract out recycling service to the municipalities or to contract directly with a recycling hauler.

The OCC and its membership would like an opportunity to meet with Ministry staff and discuss the issues raised in this correspondence further. The OCC would also appreciate the opportunity to be fully engaged in the development of any amendment Blue Box Programs to ensure that policies are fair, transparency and do not place undue burdens on businesses and business competitiveness in the province of Ontario.

Regards,



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CC:

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Ms. Glenda Gies, Chair, Resource Productivity and Recovery Authority

Mr. Steve Orsini, Secretary of Cabinet

Ms. Mandy Maghera, Chief of Staff, Ministry of Environment and Climate Change

Mr. Nicholas Daube, Director of Policy, Ministry of Environment and Climate Change

Mr. Ted Arnott, Critic, Progressive Conservative Party of Ontario

Mr. Peter Tabuns, Critic, New Democratic Party of Ontario