



# **Multi-Material Stewardship Manitoba**

## **Packaging and Printed Paper (PPP) Program Plan**

**June 22, 2009**

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## List of Acronyms

CIP	Continuous Improvement Process
EOL	End-of-Life
EPR	Extended Producer Responsibility
HDPE	High-density polyethylene
IC&I	Industrial, Commercial & Institutional
LDPE	Low-density polyethylene
MB CON	Manitoba Conservation
MMSM	Multi-Material Stewardship Manitoba
MPSC	Manitoba Product Stewardship Corporation
MRF	Materials Recycling Facility
OBB	Old boxboard
OCC	Old corrugated cardboard
P&E	Promotion and Education
PET	Polyethylene terephthalate
POS	Point of Sale
PP	Polypropylene
PPP	Packaging and Printed Paper
PS	Polystyrene
R&D	Research and Development
SRO	Stewardship Responsibility Organization
WRAP	Waste Reduction and Prevention (Act)

## Glossary

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**Beverage Container**

Non-deposit, sealed container packaging used to hold liquids for consumption.

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**Cost Monitoring Study**

The Cost Monitoring Study in Manitoba is what is typically called a datacall in other jurisdictions (See datacall below)

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**Datacall**

The Datacall asks municipalities to provide statistical data for waste generation and diversion activities and costs on an annual basis.

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**Depot**

Refers to a permanent facility where residents can drop off materials. Hours and periods of operation may vary from one facility to another.

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**Diversion**

The management of designated packaging and printed paper (PPP), through reuse, or recycling, instead of disposal into landfills.

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**Effectiveness**

Increasing the material recovery levels

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**Efficiency**

Lowering or controlling costs.

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**Fee-setting methodology**

The calculations used to set Stewards Fees by PPP material categories as set out in the PPP Program Plan

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**MMSM**

Multi-Material Stewardship Manitoba is the governing organization formed to enable stewards to discharge their obligations for packaging and printed paper.

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**Packaging**

Any package or container, or any part of a package or container, that is comprised of glass, metal, paper or plastic, or any combination of any of those materials and includes, but is not limited to, service packaging.

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**Packaging and printed paper stewardship program**

Means a waste reduction and prevention program for waste packaging and printed paper.

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**Pre-packaged goods**

Means goods that are in the packaging in which they would ordinarily be supplied for consumption.

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**Prescribed activity**

- (a) an activity or program of the Government of Manitoba, or of a municipality or local government district, or of a community or incorporated community as defined in The Northern Affairs Act;
- (b) an activity or program of a school, college, university or other educational institution, including, but not limited to, an educational, administrative, fund-raising, public-relations or alumni-relations activity or program;
- (c) an activity or program of a church or other religious organization, including, but not limited to, a religious, administrative, fund-raising or public-relations activity or program; or
- (d) an activity or program of a non-profit organization, including, but not limited to, an educational, administrative, fund-raising or public-relations activity or program.

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**Printed Paper**

Means paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include

- (a) other types of bound reference books;
  - (b) bound literary books; or
  - (c) bound text books.
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**Recycling**

The processing of PPP by manual or mechanical means for the purpose of resource recovery.

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**Reduction**

Design changes to reduce the volume, mass, variety or types of materials, parts, components, packaging or other elements used in the production, sales and distribution of designated PPP in Manitoba.

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**Service packaging**

Means packaging that is filled or applied at the point of sale to enable or facilitate the delivery of goods by a retail seller or a food service industry or other service industry outlet.

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**Steward Fees**

Fees assessed by an SRO on stewards under an approved waste diversion program as set out in the approved Program Rules.

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**Steward of designated material**

(a) the first person who, in the course of business or a prescribed activity in Manitoba, supplies a designated material to another person; or  
(b) a person who, in the course of business or a prescribed activity in Manitoba, uses a designated material obtained in a supply transaction outside of Manitoba.

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**Steward Responsibility Organization (SRO)**

The organization with designated responsibility for implementing the waste reduction and prevention stewardship program for the designated material(s). The SRO has the ability to recover fees from stewards to cover the costs of implementing and operating the stewardship program. In some other jurisdictions such a stewardship organization is referred to as a IFO or Industry Funding Organization.

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**Supply**

Means to transfer a property interest by

- (a) sale, whether conditional or otherwise;
- (b) exchange;
- (c) barter;
- (d) lease or rental, whether with an option to purchase or otherwise; or
- (e) gift;

but does not include a supply that is effected solely to create a security interest within the meaning of The Personal Property Security Act or the Bank Act (Canada)

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**Waste packaging and printed paper**

Packaging and printed paper that through use, storage, handling, defect, damage, expiry of shelf life or other similar circumstance can no longer be used for its original purpose.

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## 1.0 Introduction

The Multi-Material Stewardship Manitoba (MMSM) Packaging and Printed Paper (PPP) Program Plan (“the PPP Program Plan” or “the Plan”) was developed in response to the Packaging and Printed Paper Regulation 195/2008 (“the Regulation”) enacted in December 2008 under the *Waste Reduction and Prevention (WRAP) Act* (“the Act”). This Regulation established requirements for a stewardship program for packaging and printed paper (PPP) materials made from paper, plastic, metal or glass, and sold for use in the province of Manitoba.

On January 12, 2009 the Minister of the Environment sent a Program Letter to MMSM, which described the new Regulation and the program development process (see Appendix 2). In addition to the Program Letter, the Minister of the Environment published two Guidelines. The first Guideline outlined additional requirements of the PPP Program and its operations (see Appendix 3: WRAP Guideline for PPP stewardship); and the second Guideline established specific requirements for plastic bags (see Appendix 4: WRAP Guideline for Plastic Bags).

The PPP Program will provide 80% of the funding for a waste reduction and prevention program for packaging and printed paper normally managed through the municipal waste management system. The Program also includes an enhanced focus on beverage containers, plastic bags, and litter. All product packaging consisting of plastic, glass, paper, or metal, and printed papers normally managed through the municipal waste management system is designated to be included under this stewardship program plan.

The PPP Program Plan is being developed by MMSM, an interim Steward Responsibility Organization (SRO) that was formed by representatives of obligated stewards in response to the Regulation. As part of the Plan development process, MMSM has consulted with stewards, government staff and politicians, municipal organizations, and other interested parties such as Resource Conservation Manitoba, Manitoba Product Stewardship Corporation, and the Manitoba Chamber of Commerce.

### 1.1 Definition of PPP Stewards

The Regulation defines “steward of designated material” as:

*“(a) the first person who, in the course of business or a prescribed activity in Manitoba, supplies a designated material to another person; or (b) a person who, in the course of business or a prescribed activity in Manitoba, uses a designated material obtained in a supply transaction outside of Manitoba.”*

Further details about steward responsibilities and obligations are included in Section 2.0.

### 1.2 Program Goals and Objectives

The PPP Program has been developed to promote the reduction, reuse and recycling of designated packaging and printed paper in the province of Manitoba. A key program objective is to sustainably increase recovery and recycling rates of the designated PPP material. The Program will provide all Manitoba residents with reasonable access<sup>1</sup> to recycling on a province-

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<sup>1</sup> Due to the very different geographic and demographic areas within the province reasonable access in one region or community may appear different than reasonable access in another community.

wide basis. As per the authority and obligation outlined in the Act, in Regulation 195/2008, and the accompanying Guideline, the Program must provide for 80% of the net cost of recycling the designated materials.

### 1.3 Designated Materials

Whereby in Section 1 of the Regulation, designated packaging and printed paper materials are defined as follows:

*“packaging means any package or container, or any part of a package or container, that is comprised of glass, metal, paper or plastic, or any combination of any of those materials and includes, but is not limited to, service packaging”; and*

*“printed paper means paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include: (a) other types of bound reference books;(b) bound literary books; or (c) bound text books.”*

The Regulation further identifies two categories of packaging:

*“pre-packaged goods” means goods that are in the packaging in which they would ordinarily be supplied for consumption”; and*

*“service packaging” means packaging that is filled or applied at the point of sale to enable or facilitate the delivery of goods by a retail seller or a food service industry or other service industry outlet.”*

These definitions are broad in scope. For the purpose of the PPP Program Plan, this definition considers packaging and printed papers normally managed through the municipal waste management system in Manitoba.

Table 1.1 provides a summary of the designated material categories and sub-categories in the PPP Program Plan that stewards will be required to measure and report to MMSM. Appendix 5 provides further details. Unless noted, stewards will be required to report the weight and number of units of each PPP material supplied into the Manitoba market.

**Table 1.1: Designated material categories and sub-categories**

<b>Material Category</b>	<b>Material Sub-category</b>
Printed Paper	Newsprint
	Magazines and catalogues
	Directories
	Other Printed Materials
Paper Packaging	Gable top containers – non-beverage
	Gable top containers – beverage
	Aseptic containers – non-beverage
	Aseptic containers – beverage
	Paper laminates
	Corrugated cardboard
	Boxboard and other paper packaging



Material Category	Material Sub-category
Plastic Packaging	PET bottles < 5 Litres – non-beverage
	PET bottles ≥ 5 Litres – non-beverage
	PET bottles < 5 Litres – beverage
	PET bottles ≥ 5 Litres – beverage
	HDPE bottles and jugs < 5 Litres – non-beverage
	HDPE bottles and jugs ≥ 5 Litres – non-beverage
	HDPE bottles and jugs < 5 Litres – beverage
	HDPE bottles and jugs ≥ 5 Litres – beverage
	Polystyrene
	Other rigid plastic < 5 Litres – non-beverage
	Other rigid plastic ≥ 5 Litres – non-beverage
	Other rigid plastic < 5 Litres – beverage
	Other rigid plastic ≥ 5 Litres – beverage
	LDPE/HDPE film
	LDPE/HDPE film carry-out bags
	Plastic laminates – non-beverage
	Plastic laminates – beverage
	Biodegradable plastic film
	Biodegradable rigid plastic containers – non-beverage
Biodegradable rigid plastic containers – beverage	
Steel and Other Metal Packaging	Aerosol containers
	Paint cans
	Other steel and metal containers and packaging – non-beverage
	Other steel and metal containers and packaging – beverage
Aluminum Packaging	Aluminum – food cans
	Aluminum cans – beverage
	Foil and other aluminum packaging
Glass Packaging	Clear (flint) glass – non-beverage
	Clear (flint) glass – beverage
	Coloured glass – non-beverage
	Coloured glass – beverage

### 1.3.1 *Materials Exempt from the PPP Program*

MMSM has identified the following packaging and printed paper as being exempt from fees under the PPP Program Plan, as detailed in Table 1.2. MMSM will assist stewards during the program implementation with Guidebooks and customer service support.

If a steward requires further clarification about whether their product is exempt from the Program, they can contact MMSM and apply for a special assessment. Each possible exemption will be reviewed on a case-by-case basis. The following Table 1.2 presents material exemptions, but does not address steward exemptions, which are discussed in section 2.3.1.

**Table 1.2: PPP Exempt from the Program**

Packaging Type	Distinguishing Feature	Selected Examples
Transportation and distribution packaging Industrial or bulk packaging	Not intended primarily for residential use or management	<ul style="list-style-type: none"> <li>• Plastic pallet wrap</li> <li>• Corrugated boxes recycled by retailers or grocery stores</li> </ul>
Durable packaging	Useful life of at least five years that is intended for storage, transport or to prevent the loss of product components for durable products; it remains with the product throughout its useful life	<ul style="list-style-type: none"> <li>• Durable case for shavers</li> <li>• Plastic case for cordless drill</li> <li>• Camera bag</li> <li>• CD/DVD cases</li> </ul>
Service packaging that is managed on premise	Service packaging that is managed on premise at a food service or retail establishment	<ul style="list-style-type: none"> <li>• Food service packaging managed on-site</li> </ul>
Other items	<ul style="list-style-type: none"> <li>• Not defined as packaging</li> <li>• “Accessories” that serve no packaging function</li> </ul>	<ul style="list-style-type: none"> <li>• Plastic cutlery</li> <li>• Straws</li> <li>• Paper serviettes</li> </ul>
	Packaging components sold empty as product to the consumer	<ul style="list-style-type: none"> <li>• Garbage bags</li> <li>• Organic waste bags</li> <li>• Empty CD cases</li> </ul>
	Items that constitute an integral part of the product	<ul style="list-style-type: none"> <li>• Toner cartridges, single use cameras</li> </ul>
Packaging materials that are not covered by the Packaging and Printed Paper Regulation	<ul style="list-style-type: none"> <li>• Wood packaging</li> <li>• Ceramic packaging</li> <li>• Crystal packaging</li> <li>• Rubber packaging</li> <li>• Leather packaging</li> <li>• Textile packaging</li> </ul>	<ul style="list-style-type: none"> <li>• Wood boxes and crates</li> </ul>
Printed paper materials that are not covered under the Packaging and Printed Paper Regulation		<ul style="list-style-type: none"> <li>• Other types of bound reference books</li> <li>• Bound literary books</li> <li>• Bound text books</li> </ul>

## 2.0 Steward Responsibilities

### 2.1 Obligated Parties

Stewards of designated material are persons that have responsibilities under the Regulation. The Regulation defines “steward of designated material” as:

*“(a) the first person who, in the course of business or a prescribed activity in Manitoba, supplies a designated material to another person; or (b) a person who, in the course of business or a prescribed activity in Manitoba, uses a designated material obtained in a supply transaction outside of Manitoba.”*

The steward may also be generally referred to as the person in Manitoba who is the “first seller” or “first importer” of a designated material that result in final consumption in Manitoba. Stewards may be from any part of the product distribution chain, such as a brand owner, producer, manufacturer, distributor, retailer or business that imports packaging or printed paper for its own use.

Additionally, obligated stewards are those persons who supply packaging or printed paper for a “prescribed activity”, which the Regulation defines as:

*(a) an activity or program of the Government of Manitoba, or of a municipality or local government district, or of a community or incorporated community as defined in The Northern Affairs Act;*

*(b) an activity or program of a school, college, university or other educational institution, including, but not limited to, an educational, administrative, fund-raising, public-relations or alumni-relations activity or program;*

*(c) an activity or program of a church or other religious organization, including, but not limited to, a religious, administrative, fund-raising or public-relations activity or program;*  
*or*

*(d) an activity or program of a non-profit organization, including, but not limited to, an educational, administrative, fund-raising or public-relations activity or program.*

A steward is the “person” who assumes the responsibility and declares that the designated packaging and printed paper material they supply for consumption in Manitoba complies with the legal requirements of The WRAP Act. While the legal obligation to comply with the Regulation is on any person located in Manitoba who supplies designated packaging and printed paper material for consumption in Manitoba, the Regulation contains a two-stage hierarchy of obligation.

Section 3 of the Regulation describes the prohibitions under the Regulation, whereby:

No person shall supply designated material for consumption unless

(a) “the steward of the designated material operates or subscribes to a packaging and printed paper stewardship program; or”

(b) “the person operates or subscribes to a packaging and printed paper stewardship program.”

As a steward of the designated material in Manitoba, the “first supplier” must declare, report and discharge their individual obligations. If that first supplier does not comply, then the person who supplies the designated packaged product or printed material for consumption has the option of assuming the obligation. If they do not assume this obligation, they are prohibited from supplying the designated material for consumption in Manitoba. Section 3 of the Regulation is important for determining the scope and direction on compliance and enforcement activities.

A person who is higher in the distribution chain (i.e. brand owners and national distributors), regardless of their physical location, may opt to assume the responsibility for the designated packaging and printed materials in Manitoba and in order to comply with Section 3 of the Regulation. That steward would then assume the responsibility for complying with the stewardship requirements for the designated material distributed in Manitoba. Moreover, the Steward’s customers (e.g. distributors and retailers) in Manitoba then would not be in violation of Section 3 of the Regulation.

To prevent being in violation of Section 3 of the Regulation, persons supplying designated material for consumption in Manitoba, may decide to conduct business only with stewards of designated material who have accepted this responsibility themselves by complying with the Regulation.

Figure 2.1 is a simplified decision tree to help organizations determine if they are a steward under the Regulation.

**Figure 2.1: Decision tree to determine who is a Steward**

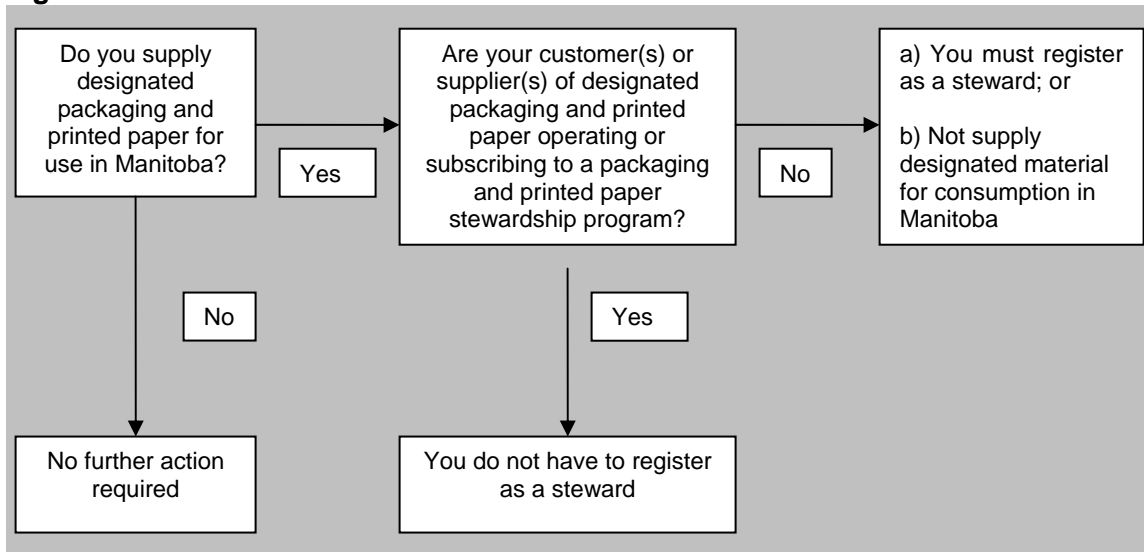


Table 2.1 below describes some situational examples that describe an obligated steward. These examples identify who is principally obligated based on the definition in the regulation, and does not describe all scenarios.

**Table 2.1: Examples of Determining the Obligated Stewards**

Example	Who is Obligated?	Why?
A Manitoba-based food company selling products with designated material directly to a Manitoba retailer.	Manitoba-based food company	First person in Manitoba to supply designated material to another person
An Ontario-based food company selling products with designated material to Manitoba retailer.	Manitoba-based retailer	First person in Manitoba to supply designated material to another person
A Manitoba-based manufacturer of plastic bags to Manitoba retailer. The plastic bags are distributed to customers at point of sale.	Manitoba-based retailer	First person in Manitoba to supply designated material that is service packaging to another person
An Ontario-based manufacturer of plastic bags to Manitoba retailer. The plastic bags are distributed to customers at point of sale.	Manitoba-based retailer	First person in Manitoba to supply designated material that is service packaging to another person
A manufacturer of PET Water Bottles selling empty bottles to be filled by a Manitoba bottler and then sold to a Manitoba retailer	Manitoba-based bottler	First person in Manitoba to supply designated material that is pre-packaged goods to another person
A Manitoba manufacturer of its own brands and private label brands with designated material selling products with designated material to Manitoba retailer.	Manitoba-based manufacturer (obligated for its own brands and private label brands)	First person in Manitoba to supply designated material to another person
An Ontario-based food company selling products with designated material to Manitoba distributor. The distributor sells these products to Manitoba retailers.	Manitoba-based distributor	First person in Manitoba to supply designated material to another person

MMSM will develop a policy that will provide some reporting flexibility by allowing a company to report and pay fees on behalf of an otherwise obligated stewards. The purpose of the process is to provide an opportunity for another company to accept reporting responsibilities and make payments on behalf of a company that would otherwise be the steward in order to reduce the administrative burden on the other steward. This process will be incorporated and described in Year 1 of the Steward Rules, and will describe options that will allow for:

- A Manitoba retailer to report on behalf of a Manitoba based manufacturer
- An out of province manufacturer/distributor to report on behalf of the “first importer” in Manitoba
- A head office or parent company to report on behalf of all its company divisions

## 2.2 Obligations and Responsibilities of the Steward Responsibility Organization

The MMSM PPP Program is being developed under the WRAP Act, C.C.S.M. c. W40 and Regulation 195/2008. Section 14 of the Act (S.M. 1994, c. 22, s. 8.) defines the responsibility of the steward Responsibility Organization (SRO) as follows:

When

- (a) an industry operated WRAP fund is established under the regulations; and
- (b) a management board or other body is established and charged with the administration of the fund under the regulations; The fund shall be used to provide or pay for the following in accordance with the regulations:
  - (c) establishing and administering waste reduction and prevention programs;
  - (d) education programs for the purpose of waste reduction and prevention;
  - (e) expenditures incurred in the collection, transportation, storage, processing and disposal of the waste for the purposes of waste reduction and prevention programs;
  - (f) research and development activities related to waste reduction and prevention;
  - (g) promotion and development of activities and economic instruments to encourage waste reduction and prevention;
  - (h) promotion and development for marketing of the products resulting from recycling;
  - (i) the appropriate disposal of designated material;
  - (j) salaries and other costs of the management board or other body charged with the administration of the fund;
  - (k) salaries and other costs of the government for the administration and enforcement of this Act and the regulations as they relate to the responsibilities of the management board or other body under this Act and the regulations respecting waste reduction and prevention;
  - (l) such other activities in relation to waste reduction and prevention as are prescribed by Regulation.

## 2.3 Steward Rules

Under Section 22 (3) of *The WRAP Act*, a SRO that develops a PPP Program may make Rules setting the amount of fees to be paid by participating stewards and/or prescribing methods for determining the amount of the fees. MMSM will therefore prepare Program Rules for stewards that will outline the following:

- Designation of Stewards
- Definition of designated materials
- Fees for obligated packaging and printed materials
- Reporting and payment requirements of Stewards
- Penalties for late reporting and late payment
- Dispute resolution process for Stewards
- Allowance for a company to pay fees on behalf of an otherwise obligated steward
- Record provisions and retention

The Board of MMSM will review the Rules as required on an annual basis. Notification of all proposed changes to the Rules will be sent to registered stewards and posted on the MMSM website. A notice period of no less than 30 days will be allowed for comment on the proposed changes. Following review of comments received the Board of Directors of MMSM will vote on proposed changes as per the bylaws of the corporation. Following review and approval by the

MMSM Board of Directors, MMSM will communicate to stewards the rule changes to be implemented and the date they will take effect.

### **2.3.1 Steward Exemptions**

The Regulation does not address exemptions from the program and therefore MMSM will be in the position to develop its own exemption process, if it chooses to do so. The MMSM Interim Board has decided not to define any steward exemptions at this time. However, the Board will review exemptions of stewards or classes of stewards as an administrative decision.

### **2.3.2 Dispute Resolution**

If any dispute arises between a steward and Multi-Material Stewardship Manitoba:

- (1) The parties shall attempt to resolve the dispute through designated representatives from each of Multi-Material Stewardship Manitoba and the steward within thirty (30) days upon which written notice of the dispute was first given, or as otherwise agreed upon;
- (2) If the parties are unable to resolve the dispute within the above period, the steward and Multi-Material Stewardship Manitoba shall within thirty (30) days thereafter jointly select an arbitrator to arbitrate the dispute.
- (3) The arbitrator shall render a decision on the dispute and the award arising there from, in accordance to *the Arbitration Act Manitoba*.
- (4) Non-payment or failing to file a Steward's Report by a steward shall not be items subject to arbitration.

## **2.4 Online Data Management System**

MMSM will develop and establish a web-based, on-line steward registration, reporting and data management system. This secure online data management system will be designed to assist stewards in managing their obligations under provincial regulations. It will be a self-operated process that allows stewards to register, set up primary and billing contacts, enter data, process invoices and review reports online.

It also provides a tool to assist MMSM staff to manage the overall program. Some of these functions include:

- Document all contact with companies
- Manage and maintain contacts and company information
- Review submitted reports
- Support compliance and enforcement activities
- Invoicing, penalties and interest charges
- Reports regarding all steward activities

In an effort to promote harmonization with other provincial paper and packaging stewardship programs, MMSM will adopt an online data management system that is similar to the ones used in other provinces<sup>2</sup>.

#### **2.4.1 Data Reporting Requirements**

Under the PPP Program Plan, stewards will be required to measure and report annually to MMSM the total quantity (in kilograms and units) of designated packaging and printed paper supplied for use in the province.<sup>3</sup>

The reported kilograms of packaging and printed paper will be multiplied by the material-specific fees to determine a steward's total fees payable to MMSM for year one. The reported weight and/or units of material will also be collected and may be used by MMSM to modify the fee setting formula in subsequent years of the program.

In addition, stewards reporting to MMSM are required to:

- Identify the brands, products, customers or suppliers for which the steward is responsible
- Provide a detailed explanation of the steps taken to calculate the total quantity of packaging and printed paper
- Provide details on the deducted quantities of designated material that are not managed through Manitoba's municipal waste management system (by material type, number of units and weight) and explain the method by which this deduction was derived (e.g., customer sales records, market research, waste audits etc.)
- Maintain records for a period of at least five years and make these records available to MMSM upon request

MMSM will review the data reporting requirements annually in accordance with Section 3(3) of the PPP Program Plan.

#### **2.4.2 Monitoring and reporting on beverage container sale, recovery and recycling rates**

The PPP Guideline accompanying the Regulation requires that the PPP Program provide "accurate monitoring and reporting on beverage container sales, recovery, and recycling rates". The PPP Program will design a robust data tracking system to establish a solid baseline of the generation and recovery of all beverage containers in the Province including beverage containers collected through multi-material collection programs and other voluntary collection efforts, IC&I locations, as well as attempt to estimate exports outside of the province. This is described more fully in the Enhanced Beverage Container Program in Section 6.3. The generation data will be tracked by number of units, range of size, and material type.

#### **2.4.3 Use of MMSM Reporting Calculator Tools**

Many stewards do not typically track the types and weights of components of PPP, and MMSM recognizes the challenge to meet the reporting requirements for the first year. Therefore, MMSM

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<sup>2</sup> Many stewards that are now obligated under the PPP Regulation are accustomed to using to discharge obligations under similar packaging and printed paper regulations in Ontario and Quebec.

<sup>3</sup> Certain material categories, such as printed paper, will not be required to submit their data on a unit basis.



will allow but not require the use of several calculator tools available for specific sectors and a defined list of products. In the absence of actual packaging data for their designated material, some stewards may use these calculators to develop an estimate of the weight of materials for which they are obligated. The calculators have been developed for the Ontario program, and are also used in Quebec. As the governance structure and makeup of MMSM is similar to that in Ontario and Quebec, MMSM will request usage rights for the calculators from Stewardship Ontario with the objective of harmonizing reporting and reducing the administrative burden on stewards.

## **2.5 Compliance and Enforcement Process**

Stewards that are in good standing with MMSM will be deemed to be in compliance with the WRAP Act. The compliance process will commence with identification of stewards that are not in compliance and followed by initiation of actions necessary to ensure compliance.

### **2.5.1 Enforcement Procedures**

Through the maintenance of a public registry of identified stewards and the development of a tracking system to monitor compliance, MMSM will actively encourage and enforce compliance. The registry will include:

1. All persons and of the products for which these persons are the obligated stewards under the PPP Program Plan; and
2. All persons and of the products that are included under another approved packaging and/or printed material stewardship program.

Field research will be performed by MMSM to identify non-compliant stewards, utilizing leads generated by complying stewards, or independently through store and product audits.

MMSM will institute a non-compliance notification process, including written notification of when fees are due. If stewards and products are identified that have not registered or reported under the PPP Program Plan or an approved packaging and printed material stewardship program, obligated stewards for these materials will be notified. MMSM also will follow-up with 30-day, 60-day, 90-day and 120-day notifications. If the Steward's registration and data submission process is not complete at the end of the 120 days, MMSM may request the Manitoba Government to take enforcement action as stipulated under *the WRAP Act*.

### **2.5.2 Audit Provisions**

Stewards will be required to maintain records for a period of at least five years in support of all data submitted to MMSM. These data will be subject to audit by MMSM commencing in year two of the program. The percentage of reports that will be audited in any given program year will be determined by the MMSM Board of Directors on an annual basis.

### **2.5.3 Manitoba Government Enforcement**

If, after registered letters are sent to a steward and they remain in non-compliance with the Regulation or PPP Rules MMSM will make two more attempts to request compliance in a specified time period. At the end of the specified period of time, if the steward is still not in compliance MMSM a request for enforcement will be sent to the Director of Pollution Prevention

at Manitoba Conservation. The Director will issue a letter to the steward requesting compliance by a certain date. If there is still no compliance enforcement action will be initiated by the Government of Manitoba.

## **3.0 Description of Existing PPP Program**

### **3.1 Existing Infrastructure**

MMSM is creating a PPP Program that is built on the foundation of a stewardship program that has been in place in Manitoba since 1995. An understanding of the current program is important to appreciate both the similarities and differences between the current and proposed programs.

#### **3.1.1 Background**

Legislated industry stewardship was first introduced to Manitoba via the Manitoba Product Stewardship Corporation (MPSC), which was created with the enactment of the Multi-Material Stewardship (Interim Measures) Regulation 39/95 of the Manitoba Government on January 1, 1995.

MPSC is governed by a multi-stakeholder board comprised of ten directors appointed by the Lieutenant Governor in Council and representing the following sectors as identified in Regulation 39/95:

- Grocery distributors (one member)
- Distributors of beverages in containers (one member)
- Publishers of newspapers (one member)
- Retail sector (one member)
- Manitoba municipalities (two members)
- City of Winnipeg (one member)
- Other at-large appointments by government (3 members)

The mandate of MPSC was to:

- Establish and administer a waste reduction and prevention program for designated materials (packaging and printed materials) for Manitoba consistent with the principle of sustainable development as set out in the WRAP Act
- Effectively, efficiently, and economically manage waste designated packaging and printed materials; and
- Administer the (Multi-Material WRAP) Fund.

While Regulation 39/95 provided the government with the ability to levy a fee on a wide range of “designated” packaging and printed materials, since inception, all of MPSC’s programs and activities have been funded entirely by WRAP levies collected from stewards of beverage containers supplied in Manitoba. Specifically, Regulation 39/95 has required stewards of beverage containers to pay a levy of \$0.02 per container that contained a beverage and was supplied for consumption in Manitoba (dairy and any deposit bearing containers were exempt). The levy was paid directly to MPSC by suppliers at various points in the supply chain.

MPSC was required by Regulation to use revenues collected from beverage container stewards to provide or pay for the following for activities:

- Establishing and administering a waste reduction and prevention program
- Education programs for the purpose of the waste reduction and prevention program

- Expenditures incurred for collection, transportation, storage, processing and disposal in connection with the waste reduction and prevention program
- Research and development activities related to the management of designated material
- Promotion and development of activities and economic instruments to encourage reduction and prevention
- The appropriate disposal of waste designated material
- Salaries and other costs of the Board and the Fund
- Salaries and other costs of government for the administration and enforcement of the Act and this regulation as they relate to the responsibilities of the Board and the regulation respecting reduction and prevention of waste designated material

Specific mechanisms to achieve the mandate and to meet requirements of the Regulation were communicated by government to the MPSC Board and stakeholders in supplementary documents such as the Manitoba Product Stewardship Program Municipal Guide Book (January 1995). In general:

- MPSC was to be financed entirely by revenues paid by stewards of designated materials with an estimated annual revenue of approximately \$8 million per year when fully established.
- MPSC was to provide funding to local governments in Manitoba to support residential recycling programs. Offices, schools, businesses and industrial sites were not considered part of the program.
- Funding was to be provided to participating communities based on a per tonne payment for every tonne of material that was delivered to a registered recycling facility. The underlying principle was that, while individual municipal costs would vary, MPSC funding would cover up to 80% of the net cost of efficient community recycling programs. Municipalities were to be responsible for the remaining 20% of costs as well as any costs “above the established municipal program cost guideline”
- Municipal participation was voluntary
- The original list of materials eligible for funding initially included 5 mandatory materials (newspapers, aluminum food and beverage containers, glass food and beverage containers, PET #1 rigid plastic containers, and steel food and beverage containers) as well as three additional optional materials (magazines/catalogues, gable top beverage containers and boxboard).

### **3.1.2 MPSC Programs 1995-present**

Over time, MPSC introduced a number of initiatives to support its mandate, including:

- Province-wide 3Rs and Recycling education and awareness campaigns
- Anti-litter education campaigns
- STAR program (honorarium-based school recycling support)
- STAR-PLUS program (aimed at post-secondary institutions)
- Technical support for community recycling programs (workshops, training, on-site visits, analysis/reports)
- Provision of high quality Promotion and Education tools for community recycling programs
- Provincial waste generation and composition studies (1996, 1998, 2000)

MPSC also added the following materials to the program:

- Rigid #2 plastic containers
- Aseptic containers (aka “juice boxes”)
- Telephone directories
- Rigid #4, #5 and #7 plastic containers
- Residential Corrugated cardboard

### ***3.1.3 MPSC’s Methodology for Providing Support Payment to Participating Municipalities***

MPSC conducted annual cost monitoring studies to determine the actual costs of Manitoba’s municipal recycling programs. MPSC has introduced a number of refinements to the funding system, including:

1. MPSC set funding rates according to municipal categories based on population size.
2. An “efficiency standard” was introduced as the basis for setting the funding rate for each category.
3. A three year rolling average formula was introduced into the annual rate setting formula.
4. An OCC Funding Cap was introduced to ensure that MPSC was only paying for residential cardboard, without introducing unreasonable reporting demands and inefficiencies into the recycling system.

MMSM will continue the Cost Monitoring process established by MPSC to provide data for setting funding rates to municipalities. The three-year rolling average will also be incorporated into the MMSM municipal funding rate methodology.

## **4.0 PPP Program Description**

### **4.1 Overall Description**

The PPP Program will develop and provide 80% of the funding for efficient recycling programs operated by municipalities<sup>4</sup> or other collection agents. It will include select public space and public event recycling on a sustainable basis and will ensure that Manitoba residents have reasonable access to recycling collection points. The type of access will vary depending on the geographic size, location of community, and local decisions regarding level of service, collection infrastructure, and cost.

#### **4.1.1 Collection Strategy and Approach**

MMSM will work with municipalities through a Municipal Advisory Committee to be established, as well as with other service delivery agents as appropriate to achieve its goals. Importantly, MMSM and the PPP Program are one component of, but not the entire Manitoba Government waste management strategy. Program sustainability is important to all stakeholders, therefore cost containment and cost efficiency measures are critical.

In Manitoba, municipal participation in recycling programs is voluntary. This has implications for the achievement of recovery targets. If a municipality chooses not to participate in the Packaging and Printed Paper Program or has limited access to a recycling service provider, MMSM reserves the right to deliver a material recovery program through contracts or other means in the municipality and to invoice the municipality for 20% of the net program costs.

There are three main PPP Program collection channels as described below: municipal residential recycling, public space recycling, and public event recycling.

#### **a) Municipal residential recycling**

Municipal residential recycling includes all municipal, First Nation, or other community recycling programs registered with MMSM. PPP materials will be collected through residential collection systems including both curbside and depot systems that can be public or privately delivered.

- All Manitoba communities will be eligible for recycling program access.
- MMSM will consult with municipalities and First Nations regarding Best Practices approaches to recycling collection and processing in their communities.

#### **b) Public space recycling**

MMSM will initiate select public space recycling on a pilot basis in Year 1 of the Program. This will be cost shared with participating municipalities.

#### **c) Public event recycling**

In Year 1 several pilot public event recycling pilots will be conducted in order to assess the potential scope, infrastructure requirements, sponsorship and cost-sharing opportunities.

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<sup>4</sup> Provincial and federal parks will be treated in a similar fashion to municipalities, in terms of funding.

## **4.2 Payments to Municipalities**

### **4.2.1 The Municipal Funding Allocation Model**

MMSM will provide each participating municipality up to 80% of the net eligible program costs for the efficient collection and processing of designated material.

#### **a) Funding based on Program Efficiency**

MMSM will allocate funding to support municipal recycling systems based on an efficiency standard. The efficiency standard will be related to the median net cost of the programs within each population group, as determined by population size. Municipal efficiency will be calculated using the following methodology:

1. An annual datacall will collect recycling program cost, volume, and system type information from all participating communities. The data from these communities will be verified, analyzed, and entered into the municipal funding cost model.
2. Communities will be sorted into categories based on population, and the median cost for each population group will be determined based on the average net per tonne recycling costs for those communities within that population category.
3. Communities within each population category will be paid 80% of the median net cost per tonne for that population category. This will determine the "efficiency standard" for that group for that particular year.
4. Communities operating at a cost below the efficiency standard will receive funding at a level greater than 80% of their cost while those communities that are operating at a cost higher than the efficiency standard will receive less than 80% of their cost, thus providing an incentive to lower costs.
5. During Year 1, criteria will be established to define whether recycling programs should be considered to be operating at best practice. The reported cost for those communities that clearly do not meet the best practice criteria will not be included in the median net cost calculation. As with program costs that are analysed to be statistical outliers, the costs for such communities will not be used to calculate the efficiency standard for any particular population category. However, those communities still will be eligible to receive recycling support payments.
6. If a community or group of communities is of a sufficient population size or contains other distinctive characteristics that drive its recycling costs, consideration will be given to creating another population category for the purpose of calculating recycling funding rates.

#### **b) Defining Best Practices**

MMSM will review the best practices of PPP recycling programs in other jurisdictions and compare the cost-effectiveness of these programs to the programs in Manitoba. From these analyses, the appropriate criteria for programs in Manitoba will be established to determine whether a recycling program is operating at best practice and should be included in the calculation of the efficiency standard. MMSM will make available the criteria to be developed to all recycling programs and will continue to consult with municipalities about best practices. The development of the best practice criteria will be linked to the project work under the Continuous Improvement Program (CIP) described in Section 4.6.

It should be noted that as data become more available and technology continues to be developed, best practices will evolve. Programs that are considered to be operating at best practice likely can continue to improve over time.

### **c) Capital Cost Changes**

Municipalities will be required, as part of the Municipal Funding Agreement, to consult with MMSM prior to any capital purchases that have a significant impact on the municipality's net per tonne cost.

## **4.3 Municipal Audit Provisions**

MMSM reserves the right to require a financial audit, based on the data call financial questions, of any municipal program and will undertake several random audits in each year to ensure that the costs reported by municipalities accurately reflect their actual recycling program costs. This provision will form part of the Municipal Funding Agreement that each municipality will sign with MMSM in order to be eligible for recycling program support payments.

## **4.4 Target Setting Process**

Regulation 195/2008 and the Packaging and Printed Paper Guideline require that MMSM achieve targets as established from time to time by the Minister of Conservation. In order for MMSM to collaborate with the Minister in setting annual and five-year targets, both MMSM and the Minister need to know the current generation and recovery rates for designated materials. The development of a robust data tracking system for all materials, including beverage containers and plastic bags, is the key first step in capturing this data.

Determining current material recovery rates requires an accurate measurement of material supplied for consumption in Manitoba. Based on experience in other jurisdictions, it will take time to ensure that steward reporting is complete, accurate and timely. MMSM has begun a waste audit process in four cities, to assess the total quantities generated and currently recycled. MMSM will continue to conduct waste audits in order to gain further data points and ensure the best available data for Program planning and fee-setting.

Currently MPSC measures the weight by material that is recovered through the residential recycling system only. There is anecdotal and some verified evidence that some PPP materials are also recovered through informal systems (e.g. school programs, service clubs, "Cans for Cancer") and some material, particularly beverage containers in the western part of the Province, are taken into Saskatchewan where they are redeemed for an illegal deposit refund within the Saskatchewan deposit-refund system. (The Saskatchewan government has taken steps to limit this activity in future). There is also a known but as yet un-quantified amount of material recovered from the IC&I sector.

The next section describes Year 1 targets. Targets for Year 2 to 5 of the Program will be determined after baseline generation and recovery data has been established on the basis of a robust data tracking system.

### **4.4.1 Year 1 Targets**

In Year 1 of the Program, MMSM will implement reporting protocols to accurately calculate the total amount of designated material generated in Manitoba and the current recovery rate of this



material. Combined with the baseline data from the waste audit program, this information will then be used to establish overall recycling targets for Years 2 to 5 of the Program. This is important for two reasons: firstly, as indicated, without accurate baseline information and a robust data tracking methodology it is not possible to accurately measure recovery rates. The 2008/2009 waste audits provide the basis for a good estimation of material generation, but this data is not sufficiently robust to establish current recovery rates. Secondly, the PPP Program will include a wider range of designated materials than are included on the MPSC list of eligible materials. This will initially reduce the overall recovery rate calculation, even if the total number of tonnes of materials actually recovered remains the same. For PPP Program performance measurement, therefore, it will be more appropriate to compare the total tonnes of material recovered in Year 1 against the total tonnes currently recovered through the MPSC program.

Furthermore, Program transition issues, including potential adjustments to existing municipal programs and service provider agreements plus the need to initially focus resources on building new program infrastructure and delivery capability to ensure the long term sustainability of MMSM, will limit the ability to invest in improving recovery rate performance over the first 6 – 12 months. The recovery target for Year 1 is therefore to recover, at a minimum, the total tonnes collected under the MPSC Program in the previous year.

**a) *Plastic Bag Reduction***

The WRAP Plastic Bag Guideline calls for a 50% reduction in the number of plastic bags supplied into the market within 5 years from Program commencement, and outlines ways in which this can be achieved. The actual measures that will be undertaken to reduce the number of plastic bags are discussed in 5.2.

The retail sector, in particular the grocer sector, initiated plastic bag reduction efforts in 2006 in response to public concerns. Many retailers have used a combination of plastic bag reduction strategies including providing subsidized durable multi-use bags to consumers, training check-out staff to reduce the number of plastic bags used to package groceries, and applying a two-cent or five-cent charge to act as an incentive for consumers to use reusable bags. Recognizing these initiatives, the PPP Program will use the quantity of single use plastic bags placed into the Manitoba market in 2006 as the baseline number from which to calculate the impacts on single use plastic bags in the province.

In addition to promoting a reduction in the quantities of plastic bags supplied, MMSM will also stress the practical and environmentally responsible practice of reuse. Single-use plastic bags that are reused as kitchen catchers or for other waste products replace plastic bags that would otherwise be purchased separately for this purpose thereby reducing the total number of plastic bags supplied into the market. This impact will be monitored through MMSM waste audit analyses and will be incorporated into plastic bag reduction calculations. MMSM will report annually, beginning at the end of Year 1, on the total volume of plastic bags supplied and on the estimated impact of these reduction measures in order to assess progress towards the 50% reduction target. Annual targets for further reduction of single use carry-out plastic bags will be set against this benchmark.

**b) *Beverage Container Recovery Target***

The Regulation Guideline calls for a 75% recovery target for beverage containers, as well as a method by which the generation and recovery of beverage containers will be monitored and reported. The beverage container recovery reporting issues are complex and include the issues

of where materials are generated (multi-channel, residential, IC&I, convenience retail outlets, etc) as well as where they are recovered. Unreported recovery does occur through not-for-profit groups, export to neighbouring jurisdiction, and direct sales to scrap dealers. In Year 1 MMSM will establish a protocol to monitor and measure the recovery of used beverage containers. The tracking system is expected to require changes to the existing municipal material recovery reporting system to ensure accurate reporting of beverage container recovery. Additionally, the protocol may include spot audits to determine the percentage of beverage containers collected within the plastic and aluminum container streams. The recovery data tracking system will encompass monitoring of the recovery of beverage containers from residential sources, public spaces and public events, as well as the IC&I sector. Beverage container stewards will continue to report to MMSM both the number of units (and weights of each unit type) supplied for use in Manitoba (as they have been reporting to MPSC). The recovery measurement will continue to be calculated and reported on a weight basis. The beverage container recovery rate will be presented after the first 12 months of accurate beverage container recovery measurement. This benchmark data will then be used to establish recovery rate targets for Years 2 – 5 of the program and to measure annual progress toward the used beverage container target as set out in the Guideline.

#### **4.5 Monitoring and Tracking**

##### **4.5.1 Collection and Analysis of Recycling Program Data**

Recycling program cost and recovery volume data will be collected and analyzed annually in order to:

- Calculate the payments to be made to municipalities in the following year;
- Make continuous improvements to the material recovery rate and to program costs.

The data collected through MMSM's datacall (commonly known in Manitoba as Cost Monitoring) will include the following:

- The volume of material collected by each municipality,
- Contract costs for recycling collection and processing;
- Direct municipal costs for capital items, e.g. buildings, vehicles, balers;
- Direct municipal staff costs;
- Municipal recycling operating costs, e.g. fuel, heating;
- Costs related to transporting material to a broker or market; and
- Expenditures for Promotion and Education;

The net per tonne costs will be calculated by taking the total eligible costs, subtracting from this the revenue from the sale of material, and dividing the result by the number of tonnes recovered by the municipality during that year. Administration costs will be excluded from this calculation and will be paid separately. MMSM will utilize the historical data collected by MPSC to maintain cost and volume trends by municipality and overall.

This data will also be used to benchmark and compare the recycling program recovery rates and costs with other multi-material recycling program jurisdictions.

#### **4.5.2 Calculating and Reporting on Payments to Individual Municipalities**

The payments made to each municipality will be calculated on the basis of the municipal category in which each municipal falls. Administration costs will be paid on a percentage basis, with municipalities that operate their own programs receiving a 5% administration payment, and municipalities that primarily contract for collection and processing services receiving a 3% administration payment.<sup>5</sup>

#### **4.6 Continuous Improvement Program (CIP)**

##### **4.6.1 Rationale**

The core MMSM funding will provide municipalities with 80% of the net cost of recycling PPP materials. It is in the interest of all Program stakeholders that the efficiency and effectiveness of the Program be continually improved. The Continuous Improvement Program (CIP) is intended to direct investments that will increase the efficiency and effectiveness of packaging and printed paper recycling programs in Manitoba. Efficiency refers to lowering or controlling costs. Effectiveness refers to increasing the material recovery levels.

The CIP will be strategic in nature and not simply for providing capital to municipalities or other service delivery agents. For example, it could provide incentives for municipalities to rationalize Material Recycling Facilities (MRFs) in rural Manitoba. These incentives could be grants, low interest loans, and/or the provision of technical expertise.

In order for municipalities and other service providers to be eligible for CIP support, projects must demonstrate one or more of the following elements:

- Potential to increase program cost-effectiveness
- Potential to increase PPP diversion
- Potential to improve Program performance
- Ability to be implemented across multiple municipalities and/or represent collaborative efforts
- Provide an appropriate return on investment and/or payback period

Projects must support municipal operations to meet the criteria of best practices used within the municipal cost model. The development of best practice criteria in Year 1 will be supported by the CIP as appropriate and necessary.

##### **4.6.2 Continuous Improvement Program Priorities**

In general, projects that initiate changes toward greater recycling program effectiveness and efficiency, rather than simply study change, will be given the highest priority for funding through the CIP. Each project will be monitored and assessed over a period of time to measure the impact the investment has made towards improving the system effectiveness and efficiency and driving long-term sustainability.

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<sup>5</sup> Note that Stewardship Ontario implemented a 3% and 1% administration payment for municipalities that were respectively operating their own programs and contracting out their programs. These rates were later changed through negotiations with municipalities to 5% and 3% respectively.

- Efficiency projects should focus on material recovery facility optimization and rationalization and new technology.
- Effectiveness funding should focus on ways to increase the collection and processing of designated PPP materials.

Because of the joint interest of the Province, municipalities, and MMSM, that the CIP will operate on a joint basis with equal representation from each of these three parties. A neutral Chair will be chosen to facilitate the decision-making process. CIP projects will be funded one-third from the Province, one-third from municipalities, and one-third from MMSM. Costs of the CIP will be budgeted for in addition to the municipal financial obligation. After a three year period the purpose and existence of the CIP will be re-evaluated.

#### **4.7 Market Development**

Some PPP materials currently collected in municipal blue box recycling programs have unreliable and weak market demand, attract low or zero revenue and/or must be marketed at a cost. Other PPP materials are not collected and are disposed because there are no reliable markets or because other barriers exist preventing increased recovery.

In Year 1, MMSM will work with municipalities and material processors to assess the barriers and opportunities to increasing recovery and revenue, as well as the need for market development initiatives to overcome such barriers. The focus will be to identify economically viable opportunities to increase demand for those materials for which potential recovery exceeds demand and to identify opportunities to increase the value of recovered materials or higher value applications to reduce the overall recycling cost. In Year 1 \$60,000 will be allocated to this needs analysis and the development of a strategy and plan for market development as required.

## **5.0 Program Enhancements**

MMSM is introducing significant program enhancements in this Plan that include a Litter Reduction Program, an Enhanced Beverage Container Recovery Program, and a Plastic Bag Program. In all three cases it is critical that they are designed and executed in the best possible way in order to create sustainable effective programs. In order to do that specific baseline work is required in each case to establish existing baseline volume and public opinion data, research best practices in other jurisdictions, and establish partnerships with municipalities and other entities to create a commonly shared vision for what can be achieved.

The funding amounts for each of these enhanced programs includes only Year 1 funding at this time as the development of the programs will determine the amount of funding needed in the following years. MMSM is committed to ensuring that these programs are developed into best practice programs.

### **5.1 Litter Program**

The PPP Guideline calls for MMSM to initiate a litter reduction program. The foundation for a successful litter reduction program involves assessing the type and volume of litter found in outdoor spaces and public spaces. Research has shown that the perception of the types and amounts of litter is often quite different than the actual type and amount of data obtained from litter audits. It is therefore critical that a credible baseline is established.

Litter is largely a matter of two factors: human behaviour and ineffective site maintenance (for example, not emptying waste or recycling bins frequently enough). Therefore the responsibility for litter is necessarily a shared responsibility: consumers, local authorities, and stewards all have a role to play. Furthermore, stewards should not have to take responsibility for litter that is not part of their material or product stream.

In Year 1 the PPP Program will commission litter audits to identify the types of litter and the locations most prone to litter activity. These litter audits will be conducted in the cities of Winnipeg and Brandon. The Year 1 budget for the Litter Reduction Program is \$60,000.

#### **5.1.1 Key Components**

The key components of the Litter Reduction Program include:

- Education – educating the public about the costs and negative impacts of litter.
- Enforcement – this is key, because the act of littering is a human behaviour.
- Efficient collection – reducing litter and the cost of collecting litter is closely tied to efficient collection. It is much less costly to collect litter that has been placed into and stays in waste or recycling receptacles than collecting it “off the ground”. Efficient collection through changes in collection schedules and routes can only be achieved if the municipality knows the type and location of key litter areas and takes action to reduce litter.
- Shared Responsibility – a shared approach means that stewards, producers, municipalities, and individuals all share responsibility for and the benefits of litter reduction.

### **5.1.2 Strategy**

A litter reduction strategy will be designed using behavioural research and data from the litter audit. The strategy will use a variety of methods to address the issue including partnering with Take Pride Winnipeg, Communities in Bloom, and other similar organizations, working with municipalities to design individual litter strategies, a P&E campaign to encourage positive human behaviour regarding reduced littering, litter information posted on MMSM and other relevant websites, and litter prevention signage.

### **5.1.3 Communication Channels**

The P&E campaign designed on the baseline data obtained from the litter audit may use any one or all of the following communication channels:

- A series of advertisements in local newspapers.
- Posters and brochures distributed at key community locations.
- Promotional and educational information on litter for adults and students would be posted on the MMSM's and municipal and other websites.
- Litter prevention signs developed and placed at strategic locations.

### **5.1.4 Measurement**

MMSM will conduct follow-up litter audits to measure the success of the litter reduction strategy.

## **5.2 Plastic Bag Reduction Program**

The Plastic Bag Guideline that accompanied the Regulation 195/2008 calls for a 50% reduction over 5 years of single-use plastic bags. MMSM will take a 3Rs approach to the use of plastic bags and the 50% target will be achieved through an effective combination of strategies. The goal is to reduce the number of empty bags disposed in landfill by at least 50%. The primary emphasis will be the reduction of single use plastic bags supplied into the market. This will be followed by the responsible reuse of plastic bags, and thirdly, through increased recycling opportunities for plastic bags. If the goal is to reduce the overall number of bags supplied into the Manitoba market it will be important to emphasize reduction rather than recycling. The introduction of and emphasis of greatly enhanced municipal recycling opportunities for plastic bags runs counter to the reduction message; in fact it will likely encourage the use of more plastic bags as people will think that it is responsible to use more bags and simply recycle them. Some measures will be initiated and undertaken by MMSM; other measures will be undertaken by retail stores but all of these efforts will be counted toward the 50% reduction goal.

The plastic bag program recognizes the significant efforts already underway through industry stakeholders and will build on those initiatives. Reusable bags are now offered by many retailers, often at subsidized prices, to encourage their use. Cashier staffs are trained to reduce the number of bags used to package purchased goods.

### **5.2.1 Measurement**

In order to measure progress toward the 50% reduction target MMSM will need to establish a baseline number of bags supplied into the market. As such, MMSM will require:

- Stewards to report the units and weight of plastic carry-out bags.
- Retailers to report on the number of reusable bags they sell or distribute annually.

Retailers could also use the MMSM data reporting system to track in-store collected tonnes and reusable bags sales thereby simplifying the reporting at a single reporting window.

### **5.2.2 Strategy**

MMSM and the plastic bag stewards including retailers will take a multi-pronged approach to achieving the ambitious target set forth in the Plastic Bag Guideline.

#### **a) Plastic Bag Reduction**

Reducing the number of plastic bags supplied into the market is the single most effective measure that industry can take to reach the target. This will be achieved through the following means:

- Further enhancement of opportunities to acquire reusable bags in retail stores.
- Focused in-store messaging about the benefits of reusable bags
- Continued and increased promotion of plastic bag best practices to further reduce the number of bags provided at retail
- The use of a fee for plastic bags, where retailers choose to do so, as an incentive for consumers to choose reusable bags

#### **b) Plastic Bag Reuse**

Plastic bags are commonly purchased and used to dispose of kitchen, bath, or animal wastes. Consumers will be encouraged to reuse single use bags in their home or workplace rather than purchasing new plastic bags to dispose of wastes. Additionally, consumers will be encouraged to reuse plastic bags for other domestic uses rather than disposing of them after a single use.

#### **c) Plastic Bag Recycling**

The plastic bag recycling program will have two major complementary components.

##### **1. Plastic Bag Collection**

A Plastic Bag Recycling Program will be developed that will include the collection of empty plastic bags at retail store locations and at select municipal locations. Currently over 120 retail locations in Manitoba accept clean empty plastic bags for recycling. The intent of the Plastic Bag Recycling Program is to increase the number of drop-off locations to ensure that Manitobans have reasonably convenient access to plastic bag drop-off locations.

In addition to retail drop-off locations alternate locations within communities will be identified and developed in conjunction with municipal authorities. This program will be cost shared on an

80:20 basis with municipalities or other service providers. The following types of plastic bags will be included in the Program:

- Plastic grocery bags
- Plastic retail bags with string ties and rigid plastic handles removed
- Plastic newspaper bags
- Plastic dry-cleaning bags

MMSM will evaluate the impact of biodegradable bags on the recycling system.

## *2. Plastic Bag Recycling Combined with School Education*

A school-based program will be developed based on the model piloted by Take Pride Winnipeg, which conducted a two-week plastic bag recycling campaign in 2008 in conjunction with over 80 Winnipeg schools. The proposed program will link education with direct recycling efforts, thereby creating impacts much greater than only the environmental benefits of recycling plastic bags. MMSM will explore opportunities to expand this program with take Pride Winnipeg or an alternate service delivery organization. A significant component of the Program will involve the education of school children on the benefits of reducing the use of, reusing, and recycling plastic bags.

### **5.2.3 Plastic Bag Research and Development**

MMSM will investigate and evaluate additional opportunities to affect positive environmental impacts associated with the use of plastic bags. This will include:

- Assessing the impact of minimum thickness guidelines including the net environmental cost/benefit.
- Encouraging the use of increased recycled content in single-use plastic bags.
- Evaluating the use and impact of bio-degradable bags, particularly addressing the impact on recycling systems
- Exploring opportunities through the PPP Market Development activities for local processing

### **5.2.4 Education and Promotion**

MMSM will create a Promotion and Education (P&E) campaign that will educate consumers about the benefits of reducing their usage of plastic bags and of opportunities to recycle their bags. This campaign will consult with key stakeholders, including the Province of Manitoba and municipalities about the P&E program. At this time it is not known what portion of litter is comprised of plastic bags and the proposed litter study (see Section 5.1) will establish a baseline that will inform further litter reduction efforts.

### **5.2.5 Reporting and Monitoring**

The MMSM Annual Report will report on activities and progress made toward the Plastic Bag reduction target. This report will include activities related to plastic bag reduction, and reuse, plastic bag recycling, and industry efforts to increase the percentage of recycled content in plastic bags.

Total Year 1 cost - \$300,000



## **5.3 Enhanced Beverage Container Recovery Program**

### **5.3.1 Best Practice Beverage Container Recovery Program**

The PPP Guideline calls for a 75% recovery rate for beverage containers. In order for MMSM to develop a comprehensive and effective beverage container recovery strategy several key steps are required.

Firstly, the actual used beverage container recovery rate in Manitoba is not known and has never been measured accurately. Estimates for beverage container recovery have been as high as 60%, based on a third-party study conducted in 1999 for the Manitoba Product Stewardship Corporation. There is currently no beverage container recovery data tracking system in place and the MPSC data which is collected is grouped by material type, e.g. PET plastic which includes beverage and non-beverage PET plastic. Information regarding the informal recovery systems (e.g. not-for-profit groups that collect aluminum cans for their scrap value), is not quantified. There are no data on the volumes of beverage containers that are potentially recoverable from key point-source generators including convenience stores, IC&I facilities, and through public space and public event collection programs.

In order to create an effective and sustainable multi-year beverage container recovery strategy, a key first step is to obtain solid baseline and key operational planning data. A robust data tracking system is required to establish a solid baseline of current used beverage container recovery rates, and will include the following:

- An audit of the number of beverage containers recovered through multi-material collection programs and other voluntary collection efforts
- An identification of programs which collect from IC&I locations
- An attempt to measure or estimate of material exports outside of the province

This data tracking system will be created and implemented in Year 1 and will provide the mechanism for monitoring and reporting on used beverage container recovery in subsequent years.

Secondly, in order to inform the development of an effective strategy, behavioural research will need to be conducted during the first year of the program to identify opportunities and messages most effective for Manitoba-specific circumstances. This research will also include reviewing strategies used in other multi-material jurisdictions that may be applicable to Manitoba.

Thirdly, the effectiveness and costs associated with public space and public event recycling will be evaluated through pilot collection projects. Based on these results, vendor standards for recycling at public events and spaces will be developed including identifying linkages to proven incentives to increase recovery performance. P&E related to beverage container recovery will be developed and piloted in conjunction with broader environmental curriculum in a select number of schools. The effectiveness of this P&E channel will be measured for potential application on a broader basis. The lessons learned from these pilots will be peer-reviewed with program operators with similar initiatives in other jurisdictions in order to inform the Manitoba Enhanced Beverage Container Recovery Strategy going forward.

In Year 1, MMSM will establish a beverage container program steering committee that will evaluate the baseline data by recovery sector, the lessons learned from the pilot projects and school based Promotion and Education, and behaviour research results to design and implement the enhanced recovery strategy beginning in Year 2. The Enhanced Beverage Container Strategy will include at a minimum the following elements:

- Public space recycling
- Select public event recycling
- Enhanced P&E including in schools
- Select IC&I recovery programs
- Detailed monitoring of beverage container recovery performance

Total Year 1 Cost - \$675,000

## **6.0 Promotion and Education**

This section describes the promotion and education (P&E) activities that will support the objectives of the PPP Program. The P&E described in this section is that P&E that applies to the entire Program<sup>6</sup>. Drawing extensively from the experience of developing and implementing P&E programs for stewardship programs in other jurisdictions, the P&E program developed by MMSM will be developed around two distinct “communication” components.

The first component is identified as “operational” communication support, meaning the strategic and tactical activities required to support operational functions. Examples of this kind of communication support would be steward and stakeholder specific newsletters, and informational webinars, and providing timely information for the corporate website.

The second component is identified as “consumer” P&E, which will target consumers and generators of PPP waste to participate in the Program.

The following sections describe the plan to support these two communications components, which promote the call to action –increased recycling—directly to target audiences. This involves employing a wide assortment of social marketing tools to reach people with messages that capture their attention, prompt them to absorb information and motivate them to adopt and maintain the desired behaviour.

Examples might include such activities as earned and paid media, educational programs directed at the appropriate student level, point of sale information, and a public information section of the website.

### **6.1 Project Management of the P&E Activities**

#### **6.1.1 Step one - Strategic Communication Plan**

The first step in developing the communication approaches for both operational support and consumer P&E is to prepare a strategic communication plan. It will provide the background, rationale and work plan that will serve as the roadmap for the implementation of the program plan. Communication activities will begin well in advance of the commencement of the program; this will allow adequate time to prepare and inform stakeholders, and to deploy communication tools in anticipation of the launch date. The communication strategy will be dynamic and revised and updated annually to ensure it continues to reflect new developments and new diversion plateaus over the life of the program plan.

Research is a key building block of an effective communication strategy and will be used to inform the development of the strategic plan. It also is necessary to establish the creative elements needed to generate social marketing messages that resonate with the various audiences and that will trigger the desired responses from the various target audiences. (Note-these may differ from one audience sector to another.) The need for a proper investment in research is discussed later in this section.

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<sup>6</sup> Note that the Litter Reduction Program, Beverage Container Enhanced Recovery Program, and the Plastic Bag Program all have P&E activities included with those programs that are in addition to the P&E described in this section.

### **6.1.2 Operations Communication Support**

It will be necessary to understand the expectations of the key stakeholders and the most effective means of reaching them. Key stakeholders include (but are not limited to):

- Stewards
- Government of Manitoba
- Municipalities
- Schools offering recycling education
- Service Providers
- Environmental organizations
- Citizens advocacy groups

A brief online survey tailored to each stakeholder group (depending on their relationship with MMSM) can provide a baseline of information to help establish tactical approaches.

Stewards will require regular communication to help them prepare to meet their obligations. Communication tactics likely will include (but not be limited to) a corporate website containing a broad range of technical information tailored to key stakeholder needs, reporting and filing guidebooks, an e-newsletter, periodic meetings/consultations, formal letters of notification and sector webinars or webcasts.

In order to implement communications with stakeholders a database will be developed of organizations with contact coordinates as well as a systematic process that ensures that each regularly gets the communication vehicles designed for them.

The strategic approach to communications with these operational audiences will be detailed in the communication plan.

### **6.1.3 Consumer P&E**

The primary goal of the consumer P&E program is to increase the diversion and recovery rates of PPP through residential collection, public spaces and public event recycling.

#### **a) Audience Segmentation**

Segmentation of the various target audiences will be complex given the goals of the program. Target audiences will be segmented into the following groups, which will include, but are not limited to, the following:

1. Residents – who are being encouraged to recycle at home and in public spaces. This group can be further subdivided into the following:
  - Those who are already recycling to a relatively high performance level
  - Resistant adopters who need to have perceived barriers to recycling removed before they are open to persuasion
  - Resisters who do not recycle now and who will not likely be motivated to voluntarily recycle

## **6.2 Empirical Research Required to Support Effective Social Marketing**

MMSM will conduct both qualitative (via focus group) and quantitative (via survey) research.

It has been a number of years since opinion research has been utilized as a communication tool for recycling in Manitoba, and the data is dated. Research not only underpins an effective communication strategy, it also establishes the benchmark against which progress is measured and provides key success indicators.

This P&E plan provides for both qualitative and quantitative research to take place during the program pre-commencement period. It is important to conduct this research before any major P&E campaign begins so that the benchmark is not skewed by exposure to promotion messages. At the end of Year 1, tracking quantitative research should be conducted again and thereafter scheduled annually.

Qualitative research will be conducted with representatives of the target audiences to discuss and probe attitudes and behaviours pertaining to recycling. It also may be necessary to test concepts for creative messages and images that can be used in paid media to promote the recycling goals of the program. Qualitative research after the pre-commencement stage will be conducted on an as-needed basis; for example, if a change in creative direction is required.

## **6.3 Audit of Communication Materials Used by Municipalities**

As an additional step in establishing a baseline for P&E development, MMSM will in Year 1 conduct an audit of existing communication and P&E materials used in municipalities and other sectors. Opportunities may exist to utilize existing communication channels effectively on a broader scale.

## **6.4 P&E Advisory Committees**

For the purposes of soliciting input into the P&E component from organizations that have an important stake in the outcome of the program and/or expertise in marketing, MMSM will consider creating two P&E Advisory Committees, as follows:

1. Municipal Advisory Committee: comprising municipal staff responsible for P&E to discuss P&E issues,
2. Industry Advisory Committee comprising representatives concerned about/ interested in P&E activities, e.g. to discuss messages and appropriate descriptive language, to review strategic P&E approaches

## **6.5 Campaign Key Messages**

The campaign messaging will include development of a program slogan and image that would reflect the positive benefits of recycling in Manitoba. This brand would appear on all corporate, operational and P&E materials building over time to be instantly linked with the benefits of the program. Careful attention will be given to defining the differences between key messages around “reducing” as compared to “recycling”.

## **6.6 Guiding Principles of Social Marketing P&E**

Social marketing is the practice of illustrating that a change in behaviour can result in personal as well as social benefits. Typically, a mix of communication tools is used to motivate audiences to adopt the desired behaviour voluntarily. Social marketing is framed by research and evaluation in order to ensure that P&E investments are made from a knowledge base and monitored for effectiveness. Key features of strategic social marketing techniques include these steps:

- Using a variety of tools to build awareness
- Establishing a personal interest in the subject matter
- Educating the target audience concerning the action that would be required
- Motivating action (providing a “call-to-action”)
- Reinforcing/rewarding the newly adopted behaviour (by providing information about results)
- Reminding the target audience of the benefits of the behaviour in order to help establish it as normative

The P&E activities focusing on these steps will be set out in a strategic communication plan.

## **6.7 Tactical P&E Activities**

Depending on the development of the communication strategy and the approved operational and P&E budget, P&E tactics could include (but necessarily be limited to):

### **6.7.1 *Media and Point-of-Sale information***

- Paid media (print) – would require a moderately weighted print media campaign designed to reach identified target audiences and focusing on the recycling message only.
- Earned Media – news releases and stories that would be disseminated throughout the year.
- Point-of-Sale (POS) – production of recycling promotional materials placed at POS of recyclable packaging and printed paper or at another strategic place of deployment. This initiative will be coordinated with the retail sector. Generic POS information will be coordinated by MMSM and made available to any retailer; specific retailers may need more specific POS information relating to the majority of their product or recycling opportunities.

### **6.7.2 *Training and Education***

- Elementary School Education Program – Resource Conservation Manitoba (RCM) is already successfully engaged in student training and education on recycling matters. However, because of budget restrictions, this outreach is restricted. With additional funding support RCM would be able to expand its outreach to students. In addition, an opportunity exists to provide elementary school teachers with educational tools to help them teach students about recycling.
- MMSM will provide a program to assist post-secondary institutions to recover PPP materials. This will be an enhanced version of the previous STAR Plus program initiated

by MPSC and will be integrated with the core values and communication of MMSM. MMSM may deliver this program through its own staff or in partnership with another ENGO.

- The Department of Education and Training, Manitoba Government, has indicated that it will sustain the funding for the Education for Sustainable Development program. MMSM will ensure that private independent schools that do not qualify for this funding will receive funding for recycling programs at their schools. The funding and communication will be integrated with education programming offered by MMSM.
- Website – the MMSM website will have a consumer-friendly public interface that will provide information on what can be recycled in each community, as well as general information about the benefits of recycling.

### 6.7.3 Launching Program

- Launch Event – after finalizing the nature of the launch event the first flight of paid media should be timed to coincide with program launch, supplemented by a press conference and media interviews.
- Earned Media – proactive media relations is required to ensure media throughout the province has access to the launch story and a comprehensive media information kit. Public exposure to the launch event itself can be enhanced by including brief interviews with the Environment Minister, a key spokesperson for MMSM and showing recycling activities such as collection, processing and what new products are made from recycled materials.
- Media interviews – proactive media relations at the time of the launch can generate media interview opportunities and this will help to generate awareness of the launch of the program and industry’s role in it.

**Table 6.1: Stages of Pre- and Post-Commencement Strategic P&E Activities**

Date	Stages
Pre-Commencement (between Minister’s approval and launch date)	Select appropriate project management option for P&E activities Establish Advisory Committees: Municipal and Industry <i>Research:</i> Initiate benchmark qualitative and quantitative research that will include testing messages, images and communication vehicles; undertake communication audit of existing P&E materials used by Manitoba municipalities <i>P&amp;E Strategic Plan:</i> develop strategic communication plan to establish strategic directions and tactics <i>Develop Launch and Year One Operational and P&amp;E:</i> determine how the program will be launched on commencement day; deploy P&E prior to launch; implement operational communication to key stakeholders.
Post Commencement: Year 1	<i>First Quarter and repeat at two intervals:</i> continue earned and paid media activities <i>Near Year End:</i> initiate tracking quantitative research IC&I research to identify target audiences and how to reach them
Years 2 through 5	<i>Tracking Research:</i> conduct annual tracking research. <i>Annual Update:</i> Review the P&E plan and revise according to the results of the evaluation mechanisms, progress toward accessibility and target goals.

## 7.0 PPP Program Fee-Setting Methodology

Under Regulation 195/2008 a plan for a packaging and printed paper stewardship program must include provision for the orderly collection of revenues from subscribers to the program in balance with expenditures for the program. This section describes the detailed fee-setting methodology that will be employed by the PPP Plan. Specific Year 1 MMSM steward fees are detailed in Section 8.

### 7.1 Calculation Steps for Setting Material-Specific Fee Rates

For year 1, MMSM has calculated material-specific fee rates as follows:

**Step 1. Determine the recovery rate** of each designated printed paper and packaging material based on:

- a. Dividing the total tonnes of each designated PPP waste reported recovered through municipal recycling programs by the total tonnes of designated printed paper and packaging waste generated in Manitoba;
- b. Sources of data
  - i. Data for the tonnes of printed paper and packaging waste recovered as reported in the annual MPSC Cost Monitoring Study for the previous year; and
  - ii. Data for the tonnes of printed paper and packaging waste generated as calculated by MMSM using available data from waste audit data;

**Step 2. Determine the net cost** of recycling each designated printed paper and packaging material based on:

- a. Calculating the average net cost of the recycling system per tonne of recyclables over the previous three years, and
- b. Multiplying the per-tonne cost by the number of tonnes marketed in the current year.
- c. The net cost of the recycling system in each year is determined by subtracting the revenue from the sale of each material type calculated as described below from the gross costs to manage each material type calculated as described below.
- d. Sources of data
  - i. Data for determining the gross cost to manage each tonne of each material in the municipal printed paper and packaging recycling system are determined through activity-based cost allocation studies<sup>7</sup>;
  - ii. Data for determining the revenue attributable to each material determined through the material-specific revenue reported by municipalities in the Cost Monitoring Study for the previous three years;
  - iii. Data from the derived revenue from sale of each individual material

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<sup>7</sup> Given the absence of data for Manitoba, material-specific cost data for year 1 are based on Stewardship Ontario data adjusted to reflect the mix of recycling programs in Manitoba.



resulting from revenue sharing agreements between municipalities and their contractors as indicated in the Cost Monitoring Study for the applicable year;

- iv. Prorating the material-specific net costs using the gross cost and revenue data calculated above so that the sum of net cost for all materials is equal to the system net cost approved by the SRO for the purpose of calculating the MMSM payments to municipalities;

The data and calculations used for establishing material-specific net costs will be reviewed and approved on an annual basis by the MMSM Board of Directors using the best available data for that year.

**Step 3. Allocate MMSM calculated municipal support payments<sup>8</sup>** to each material according to a three-factor formula described below. The net effect of the three-factor formula is to share the cost of diversion of printed paper and packaging waste in the most cost-effective manner equitably among the stewards of all designated materials.

- a. Net Cost – A percentage of the payments to municipalities is allocated in direct proportion to the net cost to manage each material as calculated in Step 2.
- b. Recovery Rate - A percentage of the payments to municipalities is allocated according to the relative percent recovery rate of each material as calculated in Step 1.
- c. Equalization – A percentage of the payments to municipalities remaining after that allocated by the net cost and recovery rate factors is allocated based on both the cost to manage a material and recovery. Specifically, this is allocated in direct proportion to the calculated incremental cost for each material to achieve a common threshold percent recovery rate as specified by the MMSM Board.
- d. Sources of data
  1. Net Cost as calculated in Step 2
  2. Recovery Rate as calculated in Step 1
  3. Equalization using Net Cost as calculated in Step 2, Recovery Rate as calculated in Step 1, a threshold for recovery determined by MMSM and the following relative weightings of Net Cost, Recovery Rate and Equalization:

For Year 1: Recovery rate 35% weighting; Net cost 40% weighting; Equalization 25% weighting. The common threshold recovery rate for the equalization calculation is 60%.

**Step 4. Add any material specific market development and other program fees** that may be required to support investments to promote improved markets and recovery for specific materials. These fees may be used to create investment funds to be directed by MMSM.

Each year, the MMSM Board will review and determine the need for additional market development fees on a material-by-material basis on an annual basis.

**Step 5. Add a share of the direct MMSM delivery and administration costs and**

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<sup>8</sup> Under the PPP Guideline accompanying the Regulation, stewards are obliged to pay municipalities 80% of the net cost of municipal recycling programs insofar as those programs are part of the printed paper and packaging recycling program.

**other external charges** to each material based on a calculation of the relative number of stewards reporting generation of each material and the relative quantity of each material generated (based on the MMSM calculated generation data described in step 1). The MMSM Board reviews and amends as necessary the basis for this allocation on an annual basis.

**Step 6. Calculate the total standard fee** applicable to each individual material type by summing the allocated share of costs and fees for each material as determined through steps 3, 4 and 5 above.

**Step 7. Calculate the standard fee rates** for each individual material type by dividing the total fee (step 6) for each material by the quantity, in tonnes, of that material generated as determined by MMSM from waste audit data.

**Step 8. Aggregate standard fees for some material categories** for the purposes of setting fee rates, as determined by MMSM. Standard fees will be aggregated within material categories where necessary to reflect similar fee rates for materials which are managed together and which have similar recycling performance. Fees within material categories typically will remain dis-aggregated when they are managed separately and when the recycling performance is different.

**Step 9. Determine unit-based fee rates for stewards of products covered by enhanced program elements.**

Materials or products which are affected by enhanced programs will attract additional fees to cover the cost of those programs. These fees will be unit-based and will be determined by dividing the total cost of the initiative by the projected quantities of affected products or materials supplied for use into Manitoba.

For year 1 enhanced product specific programs include:

- Beverage recovery program
- Plastic bag program

Stewards with products or materials affected by these enhanced programs, will pay both the standard fees (currently weight-based) plus the relevant unit-based enhanced program fees.

Stewards not supplying materials or products affected by the enhanced programs will pay only the standard fees, but they will be required to report data on the units of packaging and printed paper supplied for consumption in Manitoba.

## **7.2 Proposed methodology for Setting MMSM Fees for Year 2**

MMSM will calculate the Year 2 fees for stewards using the same methodology as for Year 1, with specific modifications and improved data.

### **a) Year 2 Data Sources**

For Year 2, the calculation of fee rates in Step 6 of the methodology will use the quantities of designated PPP materials introduced into the Manitoba market on the basis of Stewards' reports received during Year 1, as well as the estimates from the most recent waste audit data.

The calculation of recovery rates in Step 1 of the methodology for Year 2 will use any additional waste audit data that will be available at the time of setting fees for Year 2.

**b) Consideration of Possible Differences within Material Categories**

Following consultation on Year 2 fee-setting, the MMSM Board of Directors may consider adjusting the weighting of the three factors in the Year 1 methodology and the aggregation of materials within a material group. This action may be considered in order to account for possible differences in the collection and diversion performance achieved, and the relative cost to manage related printed paper and packaging or to meet other PPP Program Plan policy objectives established by the MMSM Board.

**c) In the event of a fee shortfall or surplus**

After completing Step 5 of the Year 1 Program Fee-Setting methodology, the appropriate share of any shortfall or surplus in the total fees collected in Year 1 will be recovered or credited in Program Year 2 fees<sup>9</sup>. This calculation will be based on the combination of:

- Any amount of fees either underpaid or overpaid by stewards of each material category for costs incurred during Year 1;
- Any deficit or surplus in the amount of common expenses incurred during Year 1, allocated on the same basis used to determine allocation of common costs (described in Step 5 of the Year 1 PPP Program fee-setting methodology); and
- Any credits to stewards to account for items managed directly by stewards but for which costs do not fall to the Program.

There are numerous factors that make it difficult to collect the full amount of fees owed to MMSM each year, including but not limited to such things as: non-payment and late-payment by Stewards, mergers and acquisitions, differences in sales between data at the time the fees were established and at which the stewards make payments, and higher or lower actual recovery rates on which payments must be made than had been projected for setting fees.

The amount of any surplus that the MMSM Board of Directors agrees to maintain from material-specific contributions will be directed only to activities prescribed in the PPP Program Plan and fee-setting methodology in respect of the specific material categories for which the contributions have been made.

Any surplus or shortfall in total fees collected in previous years of the program over and above the amount required will be credited to or recovered from appropriate stewards over three years, in order to moderate changes to fee rates based on a combination of the amount of fees either underpaid or overpaid by each material and the same basis used to determine allocation of common costs (described in step 5). The MMSM Board of Directors will review and amend as necessary the basis for this allocation on an annual basis.

**d) Unit-based fees**

As described in Sections 1 and 2, stewards will be required in Year 1 to report the units of each product supplied for use in Manitoba. These data will be used to determine whether MMSM fees in subsequent years can be based on units supplied rather than weight of each material, and if so, how unit-based fees might be implemented. Certain sectors, like the newspaper sector, will not be required to submit their data on a unit basis.

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<sup>9</sup> It is anticipated that this step would carry forward into the fee-setting methodology in subsequent years.

### **7.3 Annual Fee Setting**

MMSM will establish steward's fees annually. Fee setting generally will be completed once the municipal datacall has been completed and verified. The datacall for both recovery and costs will be based on the calendar year. As such, fees for the following program year will be determined and approved by the MMSM Board of Directors before the end of October each program year.

The fees for Year 1 will be re-calculated in October, 2009 based on the cost data for 2008.

## 8.0 Program Budget and Fees

This section describes the preliminary MMSM budget and fees for year 1 and provides projections of the program cost for five years.

### 8.1 Year 1 Financial Obligation

As required by the PPP Guideline, MMSM payments to municipalities are equal to 80% of the net cost of efficient municipal recycling programs.

The methodology used by MPSC to calculate the payments to municipalities will be continued for Year 1 of the PPP Program (the methodology is described in Section 3.1.3). The payments are based on a three-year average of costs in order to modulate swings in costs due to such factors as commodity prices. The calculation steps are as follows:

1. Determine the median net cost per tonne for each of last three years for each of the municipal population categories
2. Calculate the average of the median net cost per tonne over the previous three years, for each of the municipal population categories.
3. Multiply the three year average net cost by the quantity of material recovered in the most recent year, for each of the municipal population categories.
4. Sum the resulting net cost for all municipal groupings.

The *preliminary* financial obligation and fees for Year 1 of the PPP Program have been calculated using the cost data from calendar year 2005 through 2007 and recovery data for fiscal year 2006 through 2008, as shown in Table 8.1.

The Year 1 fees will be recalculated once the calendar year 2008 municipal costs and fiscal year 2009 recovery data are available.

**Table 8.1: Calculation of Preliminary Financial Obligation for Year 1 Fees**

Municipal Groupings	Median Net Cost per Tonne (\$/MT)				FY08 Tonnes	Net Cost
	2005	2006	2007	3 Year Avg.		
City of Winnipeg	\$128	\$165	\$125	\$139	42,531	\$5,925,129
City of Brandon	\$127	\$173	\$193	\$165	2,309	\$380,106
Population 5,001– 15,000	\$185	\$168	\$182	\$179	12,402	\$2,213,761
Population 1,001 – 5,000	\$201	\$199	\$213	\$204	8,530	\$1,740,662
Population <1,000	\$247	\$281	\$341	\$290	1,816	\$526,053
<b>Net Municipal Cost</b>						<b>\$10,785,712</b>
<b>Industry Payments to Municipalities (80% of 3-yr Average Net Cost)</b>						<b>\$ 8,629,000</b>

## 8.2 Cost of Other Program Elements

### 8.2.1 Plan Development and Start-up

The Plan Development and Start-up costs include the costs from when MMSM was formed in 2006 in anticipation of the pending Regulation, until the Program Plan is approved by the Minister (anticipated September, 2009). The source of funding for these costs includes both repayable loans made by stewards to MMSM, as well as a deferred payment agreement with

CSR – Corporations Supporting Recycling (now evolved into StewardEdge). The repayment of the steward loans and StewardEdge fees will be made from steward fees in Year 1. The total for this three-year development period will be an estimated \$500,000.

The Implementation phase will begin after the Minister has approved the Program Plan and will end with the commencement of the Program anticipated April 1, 2010, and will cost an estimated \$1,000,000. These costs will include the development of the final fee schedule based on 2008 municipal program cost data, the full development of the Communication Plan including some preliminary public opinion research, the establishment of the steward data reporting system, and office start-up costs. The Implementation Phase costs will be financed through a \$100,000 repayable loan from stewards and a \$900,000 repayable non-interest bearing loan from the Manitoba Government. The \$100,000 steward loan will be repaid in Year 1 of the Program and the Manitoba Government loan will be repaid in equal instalments over three years.

### **8.2.2 Enhanced Program Cost Elements**

Other Year 1 Program cost elements include the costs described for each of the following in their respective Sections: the Enhanced Beverage Container Recovery Program (section 6.3), the Plastic Bag Reduction Program (Section 6.2), the Litter Reduction Program (Section 6.1), Market Development (Section 6.4).

**Table 8.2: Enhanced Beverage Container Recovery Program for Year 1**

<b>Enhanced Beverage Container Program</b>	
Behavioural Research	\$75,000
School P&E Pilots	\$100,000
Public Space Pilots	\$200,000
Special Events Program	\$100,000
IC&I Incentives	\$50,000
Program Management and Reporting	\$50,000
Program Tracking and Data Management	\$100,000
<b>Total</b>	<b>\$675,000</b>
<i>Anticipated Num. of beverage containers supplied</i>	<i>431,940,200</i>
<i>Projected unit fee per container</i>	<i>\$0.001563/unit</i>

**Table 8.3: Enhanced Plastic Bag Program for Year 1**

<b>Enhanced Plastic Bag Program</b>	
School Program	\$50,000
Winnipeg Collection Program	\$120,000
PR and P&E Program	\$100,000
Plastic Bag Management and Reporting	\$30,000
<b>Total</b>	<b>\$300,000</b>
<i>Projected Num. of carry-out bags supplied</i>	<i>200,000,000</i>
<i>Projected unit fee per bag</i>	<i>\$0.0015/unit</i>

### 8.2.3 Program Management Costs

The Year 1 Program management costs include the costs of implementing the new enhanced programs, steward notification, registration, reporting, customer service, compliance, steward data reporting system, government relations, and the municipal datacall.

### 8.2.4 Year 1 Budget

The following summarizes the Year 1 budget for the PPP Program, including support payments to municipalities, management costs, and enhanced program costs.

**Table 8.4: Year 1 Preliminary Costs**

<b>Preliminary MMSM Year 1 Budget</b>	
Payments to Municipalities	\$8,629,000
Program Start-Up & Plan Development	\$500,000
Compliance Cost	\$50,000
Market Development and R&D	\$60,000
PPP Program Costs *	\$1,318,333
P&E, Anti-litter Campaign, Public Space Recycling, School Education	\$880,000
Continuous Improvement Process	\$75,000
<b>Base Program Total</b>	<b>\$11,512,333</b>
<b>Enhanced PPP Programs</b>	
Beverage Container Program	\$675,000
Plastic Carry-out Bag Program	\$300,000
<b>Enhanced Program Total</b>	<b>\$975,000</b>
	<b>\$12,487,333</b>

\* Includes program implementation costs totalling \$1,000,000 but amortized over 3 years.

## 8.3 Material Specific Fees

The budgeted Year 1 Base Program costs are allocated to each material category using the fee-setting methodology presented in Section 7. The Enhanced PPP Program costs are allocated to products also as described in Section 7. The following sections describe the calculation of Year 1 MMSM fees. The detailed calculation tables can be found in Appendix 6.

### 8.3.1 Base Fees

Costs for the total support payments to municipalities (as described in Section 8.1) are allocated to each material category according to the three factor formula.

Recovery is determined as described in Section 5.4 using the quantities of material recovered as reported by municipalities and the estimated generation of each material based on curbside waste composition audits.

The net cost of managing each material is calculated by subtracting revenue from gross cost. The gross cost for each material is determined from activity-based cost studies conducted in representative municipal recycling programs. For year 1, because of the lack of reliable data from Manitoba recycling programs, material-specific gross cost data from Ontario programs were used and weighted to reflect the type of programs in Manitoba. These were calibrated to the reported cost in Manitoba.

The revenue for Year 1 for each material was based on the figures reported by municipalities. In addition, revenue was imputed for those programs whose service providers retained the revenue to properly attribute the revenue to materials providing the value. The imputed revenue was calculated based on the prices received by programs marketing their own material. Both material-specific gross cost and revenue were calibrated to the aggregated reported net cost for Manitoba.

### **8.3.2 Other Shared Program Fees**

The Year 1 shared costs described in Section 8.2 were allocated across all materials according to the relative number of stewards reporting each material and within material categories based on relative quantities reported. Since stewards have not yet reported data for Manitoba, the data from the Stewardship Ontario 2009 fee calculations were used as the basis for the allocation.

### **8.3.3 Calculating Fee Rates**

The Base Program Fees for each material are distributed over the quantity of each material supplied for use in the Manitoba market to determine fee rates (\$/tonne or ¢/kg). Estimates of waste generation for each material from the curbside waste audits will not reflect precisely the quantities of designated material reported in the following Year because:

- Sales may vary from year to year,
- Some obligated stewards may not report on time,
- It may be difficult to identify a steward for some materials, and
- There is some imprecision in the waste audit data.

Given the likelihood that stewards will report lower quantities in aggregate than the estimates resulting from waste audits, there is a risk of a shortfall if the generation estimates based on curbside waste audits were used alone. Therefore, the experience with the variance in reported quantities compared to those measured at the curb in Ontario has been considered in determining the preliminary fees for Year 1. In subsequent years the projections will be based on the data reported by MMSM stewards in the previous year as practiced by Stewardship Ontario.

The Enhanced Program Fees for the Beverage Container Recovery Program and the Plastic Bag Program payable by stewards of those materials, are shown in Section 8.2.2

### **8.3.4 Preliminary Base Program Fee Rates**

While fees are calculated for seventeen individual material categories, some of the materials are aggregated and have a single fee rate. These are materials that are generally managed together throughout the system and/or have a similar level of recycling performance. This allows for differential fees depending on recycling performance and cost to manage. The materials are aggregated as follows in Table 8.5.



**Table 8.5: Aggregated material categories**

Material Category for Fees	Material Categories Aggregated
Newsprint	50% Newsprint 50% Newsprint, Magazines and catalogues, directories and other paper
Other Printed Paper	50% Newsprint, Magazines and catalogues, directories and other paper 50% Magazines and catalogues, directories and other paper
Old Corrugated Cardboard and Old Boxboard	Old Corrugated Cardboard and Old Boxboard
Other Plastics	PET thermoform, HDPE injection grade, PVC, LDPE, Polypropylene, Polystyrene, other plastics and laminated plastics
Steel	Steel food and beverage cans, paint cans and aerosols

It is anticipated that the aggregations may change to reflect any significant changes to the recycling performance of individual materials or to reflect relevant material management methods.

Table 8.6 presents the preliminary MMSM fees and fee rates for Year 1, based on the current baseline cost and recovery data. These will be revised to incorporate 2008 cost and recovery data.

**Table 8.6: Preliminary Year 1 Base Program Fees**

Material	Base Fees	
	(cents/kg)	(\$)
Newsprint	1.823	\$506,959
Other Printed Paper	3.295	\$576,047
OCC and OBB	12.059	\$2,768,271
Other Paper Packaging	22.924	\$1,171,410
PET Beverage and Non-Beverage Containers	17.648	\$1,035,787
HDPE Beverage and Non-Beverage Containers	11.591	\$456,443
Other Plastics	28.701	\$3,556,862
Steel	9.037	\$433,361
Aluminum Food & Beverage	-0.204	(\$4,975)
Other Aluminum Packaging	8.722	\$41,630
Glass Containers	5.811	\$970,537
<b>Total Base Fees</b>		<b>\$11,512,333</b>
Product	Enhanced Program Fees	
	(dollars/unit)	(\$)
Beverage Containers	0.001563	\$675,000
Plastic Bags	0.001500	\$300,000
<b>Total Enhanced Fees</b>		<b>\$975,000</b>

The detailed calculation tables are presented in Appendix 6.

## 8.4 5-Year Cost Projections

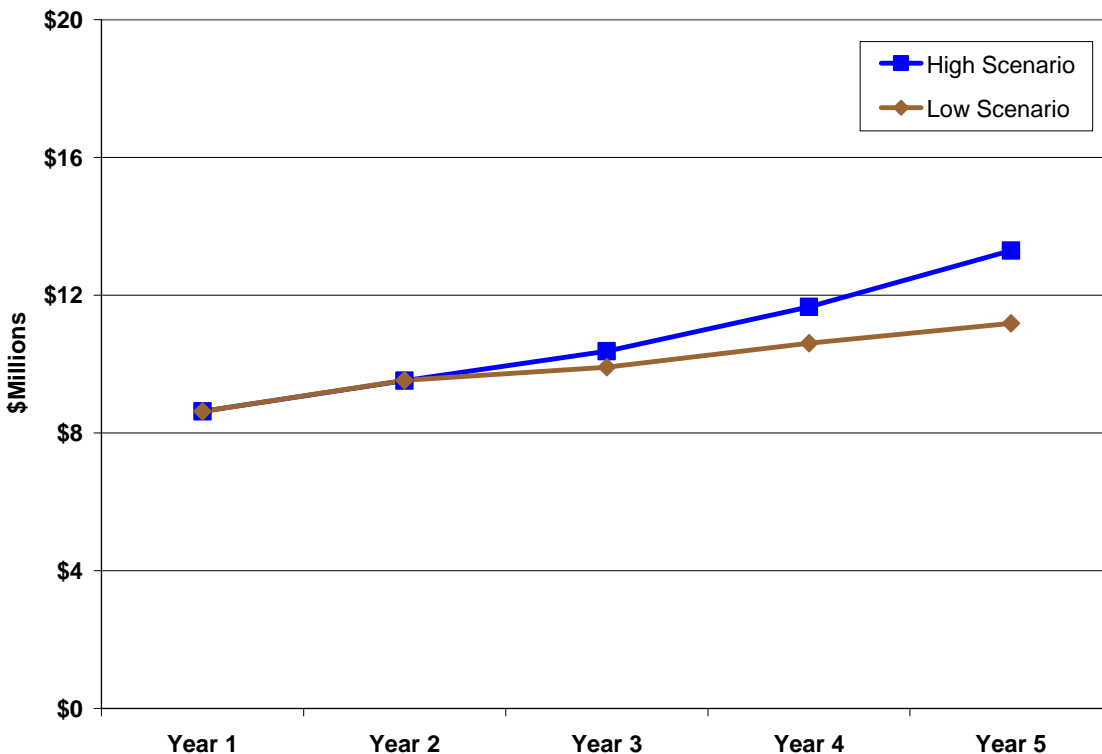
The program cost has been projected for the five years of the Plan based on the best available information. These projections cover only the industry payments to municipalities, 80% of the net cost of the municipal recycling system. Two scenarios have been developed reflecting different possible system and market conditions, as presented in Figure 8.1.

A high cost scenario reflects a combination of a higher growth in recovery, higher increase in cost per tonne, reflecting collection of greater quantities of lighter weight, harder to recycle material, status quo technology and practices and prolonged poor market conditions and commodity prices.

A lower cost scenario reflects a possible combination of a lower growth in recovery, increased implementation of better practices and investment in efficient technology and improved commodity prices resulting from general market conditions and possible market development activities.

The industry obligation is projected to rise from \$8.6 million in Year 1 to between about \$11 million and \$13.5 million in Year 5, reflecting generally the growth in recovery.

**Figure 8.1: Five-Year Program Projection of Industry Financial Obligation**



## 8.5 Date of Industry Obligation

Under the terms of a Memorandum of Understanding signed June 9, 2006 by the MMSM Interim Board (known at that time as the PPPWG -Packaging and Printed Paper Working Group) the SRO has 6 months from Plan approval to implement the Program (see Appendix 7). Assuming a September 2009 Plan approval date, an April 1, 2010 commencement date is forecasted.

## 8.6 Year 1 – April 1, 2009 Obligation Date

Annual packaging information will be collected from stewards beginning January 1, 2010. This will be the steward's 2009 data. Assuming an April 1, 2010 obligation date, MMSM will issue an invoice to identified stewards on May 1, 2010 covering the period April 1 to August 31, 2010. This invoice will be due and payable on June 1, 2010. The second and final invoice for 2010 will be issued on September 1 and will be due on October 1, 2010. This invoice will cover the period September 1 to December 31, 2010.

As additional stewards are identified, they will be notified and will be billed retroactively to April 1, 2010. Stewards identified later than December 31, 2010 will be subject to penalties and interest as outlined in Section 8.8.

## 8.7 Year 2 (full calendar year)

The invoicing and payment schedule will normalize into quarters in 2011 with a Q1 invoice issued on January 1 for estimated 1st quarter fees (estimate based on one quarter of the 2011 annual obligation). Subsequent invoices will be issued on April 1, July 1 and October 1, which will reflect the actual 2011 obligation based on 2010 data submissions (a Steward's prior calendar year's data).

## 8.8 Interest and Penalties

MMSM will charge interest and penalties to stewards that have not submitted fees or stewards that have not registered. Delinquent and later joining stewards are obligated from date of obligation (assumed to be April 1, 2010). Table 8.7 presents MMSM's schedule of interest and penalties. Any fees paid after the year in which they were due will be used to reduce the total steward fees payable in the following year.

**Table 8.7: Interest and Penalties Schedule**

<b>Scenario</b>	<b>30-90 Days Outstanding</b>	<b>91-180 Days Outstanding</b>	<b>Over 180 Days Outstanding</b>
Steward has filed and has been invoiced, but is slow in paying	<ul style="list-style-type: none"> <li>• Back payment to date of obligation</li> <li>• Interest at Prime rate plus 3%</li> </ul>	<ul style="list-style-type: none"> <li>• Back payment to date of obligation</li> <li>• Interest at Prime rate plus 3%</li> </ul>	<ul style="list-style-type: none"> <li>• Back payment to date of obligation</li> <li>• Interest at Prime rate plus 3%</li> <li>• Penalty of 10% of fees owing when filed</li> </ul>
Steward has been notified by MMSM of requirement to file	<ul style="list-style-type: none"> <li>• Back payment to April 1, 2010</li> <li>• Interest at Prime rate plus 3%</li> </ul>	<ul style="list-style-type: none"> <li>• Back payment to date of obligation</li> <li>• Interest at Prime rate plus 3%</li> <li>• Penalty of 10% of fees owing when filed</li> </ul>	<ul style="list-style-type: none"> <li>• Back payment to date of obligation</li> <li>• Interest at Prime rate plus 3%</li> <li>• Penalty of 10% of fees owing when filed</li> </ul>
Non-compliant (non-registered) as of December 31, 2010	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Back payment to date of obligation</li> <li>• Interest at Prime rate plus 3%</li> <li>• Penalty of 10% of fees owing when filed</li> </ul>

## **9.0 Program Performance Measurement and Reporting**

MMSM will report annually on PPP Program performance. This information will be published in the annual report, as described in Section 9.3.

### **9.1 Recovery Rate Measurement**

One of the most important performance measures will be the recovery rate of the designated materials included in the PPP Program. This rate will be measured by dividing the total tonnage of material recovered as reported by municipalities as part of the annual data call by the total tonnage of material supplied into the market according to steward reports. The steward reports will be supplemented by municipal waste composition studies and the data will additionally be cross-checked with data from other similar jurisdictions.

Additionally, in Year 1 MMSM will design a method by which to track the generation and recovery of beverage containers as described in Section 6.3: Enhanced Beverage Container Recovery Program. MMSM will conduct periodic public surveys and/or focus groups to determine the public's awareness and use of the program. An initial study will be conducted in Year 1 to establish a consumer awareness and participation baseline.

### **9.2 Environmental and Economic Sustainability**

MMSM will consider environmental and economic sustainability in its decisions to promote specific types of collection or location and type of processing. Local processing and manufacture into new products will be promoted where both economic and environmental objectives are met.

Applicable national and international agreements will be reviewed to ensure that the Program is in compliance with applicable laws and Regulations.

By ensuring that the Program operates in the most sustainably efficient and effective manner potential negative environmental impacts will be reduced. The Program will report on the amount of greenhouse gas reduced through the recycling of these materials. Stewards of specific material will be asked to report on initiatives in their sector to reduce the environmental impacts of their designated material throughout the product life-cycle, including increased reusability and recyclability.

MMSM is committed to a process of continuous improvement as explained in the Continuous Improvement Program (CIP), the commitment to monitor and contain costs, and to increase recovery.

### **9.3 Annual Report**

In accordance with the Regulation, MMSM will provide the Minister with an Annual Report no later than 90 days after the end of MMSM's fiscal year. In addition to including the independently audited financial statements, the annual report will detail the following:

- The total amount of designated packaging and printed paper collected by the program or its service providers,
- Program cost data including:
  - The total cost of the program for that year,

- The revenue realized from the sale of material by either the Program or its service providers;
  - The total Program net costs;
  - The cost per tonne recovered;
- Financial contributions to the Program by, and the stewardship costs attributable to, each product group of designated material;
- A description of the consultations about the stewardship program carried out by MMSM during the fiscal year, and a summary of the results of the consultations;
- Any information about program performance recommended by the Auditor General for programs of the same nature as the PPP program
- The number of municipalities and other service providers participating in the PPP program;
- The percentage of the Manitoba population that has reasonable access to recycling;
- How 80% of the net program costs are borne by the stewards and users of the product or packaging and 20% of the net program costs are borne by municipalities or other service delivery partners;
- That management of these materials is economically and environmentally sustainable. This section will include the avoided waste collection and landfill costs; and avoided GHG emissions;
- That Program costs were allocated amongst the designated materials as well as beverage containers and plastic bags;
- That fees were set in a fair and transparent manner and how they were collected by MMSM. The Annual report will also show the percentage of fees outstanding at the end of any given year;
- How the effectiveness of the public awareness and education program was measured. This may include tools such as focus groups, surveys, or other tools as defined from time to time;
- That MMSM is operating a province-wide packaging and printed paper collection system with reasonable public access in all regions of Manitoba. The report will include a list of all participating municipalities and other service providers;
- How well the PPP Program is harmonized with other jurisdictions. This can include harmonization of collection and processing methods, best practices, marketing, market development, collection of steward fees, and integration with other stewardship programs;
- How the funds levied for the management of a designated material or product category were directly related to the costs of managing that designated material or product category;
- That decision-making was transparent and how it sought to be responsive to reasonable public input;
- That MMSM ensured a level playing field among stewards responsible for a designated waste stream;
- That MMSM measured and monitored program performance, including the achievement of any designated material recovery rate targets;
- That the Program ensured that responsible environmental practices and recycling collection and processing best practices were followed.

Once the Annual Report is submitted to the Minister, MMSM will post the Report on the MMSM website, as well as provide a printed copy of the Annual Report free of charge, upon request. MMSM will also specify what stewards will do to reduce or eliminate any gap between actual and projected performance.

## 10.0 Stakeholder and Public Consultation

MMSM will develop a full Consultation Plan during the Implementation Phase that will address the specific information-sharing protocol. This consultation plan will be guided by the following principles:

1. Each stakeholder will have the opportunity to be informed of program decisions and actions. Stakeholders include:
  - Stewards of the recyclable material streams
  - Municipalities and other service delivery agents
  - The Manitoba Government, specifically Manitoba Conservation and Green Manitoba
  - Relevant non-government organizations or agencies, and
  - The general public.
2. Each stakeholder group will receive information that is relevant to them, in a timely manner. For example, a change in steward fees will be communicated to stewards but not necessarily to the general public. In contrast, the addition of new materials will be communicated to the general public and all other stakeholders.
3. The primary communications vehicle will be the MMSM website, accessible to all stakeholders. The website will include information such as, but not limited to, Annual Reports, municipal costs and volume, activities related to public space and public event recycling, consultation documents and feedback received during the consultation process, and plastic bag recycling information. All parties interested in a particular aspect of the MMSM decisions or activities will have opportunity to provide feedback via the website or by contacting directly the appropriate MMSM staff.
4. Decision-making will be transparent and will seek to be responsive to reasonable public input. This will be achieved through the measures cited above.

## 11.0 Governance Model and Principles

The Board of MMSM is responsible to establish and amend the governance structure and rules for the organization.

1. The MMSM Board will be comprised of Directors representing Founding Members, defined as being:
  - i) a member of the Obligated steward Community
  - ii) an organization demonstrating that they represent an industry sector
  - iii) in compliance with Pay-for-Say Principle, meaning that they have paid their “Founding Member” fee contribution.
2. The Permanent Board Composition will fairly represent the members who pay fees to MMSM. The MMSM Board will assess from time to time the Board composition to identify any sectors that may be under represented. Additional Board members can then be added by a special resolution of the Board.
3. The MMSM Board has the authority to appoint one Independent Director, to ensure that the Board includes an unrelated Director with a skill set needed by the Board to assist in fulfilling its mandate.

The following principles will govern MMSM Board activities:

- The basis for setting fees will be fair and transparent.
- The information used to set fees must be accessible.
- The Board must be accountable to SRO members.
- The Board must respect the confidentiality and competitiveness of information provided by members to the SRO and Board.

The permanent MMSM Board will have at least two Standing Committees: a Governance Committee and an Audit Committee. The Program Planning Committee will cease to exist after Program commencement.

- *Annual General Meeting* – an Annual General Meeting will be held each year at which time the financial statements for the previous fiscal year will be presented along with reports on Program performance, changes, and future plans.
- *Governance Transition Interim Board to Permanent Board*

### 11.1 Conflict of Interest Policy

A conflict of interest refers to a situation in which private interests or personal considerations may affect a Board or staff member’s judgment in acting in the best interest of MMSM. It includes using a Board or staff member’s position, confidential information or corporate time, material or facilities for private gain or advancement or the expectation of private gain or advancement. A conflict may occur when an interest benefits any member of the Board member’s or staff member’s family, friends or business associates.

MMSM Board and staff members are expected to conduct themselves with personal integrity, ethics, honesty and diligence in performing their duties for the organization. Board and staff

members are required to support and advance the interests of the organization and avoid placing themselves in situations where their personal interests actually or potentially conflict with the interests of MMSM. This Policy does not preclude Directors acting in the interests of individual associations when not performing functions for MMSM.





# **Multi-Material Stewardship Manitoba**

## **Packaging and Printed Paper (PPP) Program Plan**

### ***Appendices***

**June 22, 2009**

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- Appendix 2: Minister's Program Letter
- Appendix 3: WRAP Guideline for PPP Program Plan
- Appendix 4: WRAP Guideline for Plastic Bags
- Appendix 5: Material Categories
- Appendix 6: Detailed Calculation Tables
- Appendix 7: Memorandum of Understanding with Manitoba Government
- Appendix 8: Letter to Manitoba Conservation for a Request for Interpretation
- Appendix 9: Letter of Clarification from Manitoba Conservation

# **Appendix 1**

## ***PPP Stewardship Regulation 195/2008***

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THE WASTE REDUCTION AND PREVENTION ACT  
(C.C.S.M. c. W40)

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**Packaging and Printed Paper Stewardship  
Regulation**

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Regulation 195/2008  
Registered December 22, 2008

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LOI SUR LA RÉDUCTION DU VOLUME ET DE LA  
PRODUCTION DES DÉCHETS  
(c. W40 de la C.P.L.M.)

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**Règlement sur la gestion des emballages et  
des imprimés**

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Règlement 195/2008  
Date d'enregistrement : le 22 décembre 2008

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#### INTERPRETATION

##### Definitions and interpretation

**1(1)** The following definitions apply in this regulation.

"**Act**" means *The Waste Reduction and Prevention Act*. (« *Loi* »)

"**business**" includes farming. (« affaires »)

"**designated material**" means a material designated in section 2. (« matériaux désignés »)

"**goods**" means products or materials that are ready to be supplied for consumption. (« biens »)

"**operator**" means a person who operates a packaging and printed paper stewardship program approved by the minister in accordance with this regulation. (« administrateur »)

9	Refus d'approbation ou de renouvellement
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#### INTERPRÉTATION

##### Définitions et interprétation

**1(1)** Les définitions qui suivent s'appliquent au présent règlement.

« **activité prescrite** » Activité ou programme offert par :

a) le gouvernement du Manitoba, une municipalité ou un district d'administration locale, ou par une communauté ou une communauté constituée selon le sens que la *Loi sur les affaires du Nord* attribue à ces deux derniers termes;

b) une école, un collège, une université ou un autre établissement d'enseignement, y compris une activité ou un programme de nature éducative ou administrative ou ayant trait à la collecte de fonds ou aux relations publiques ou avec les anciens élèves;

"**packaging**" means any package or container, or any part of a package or container, that is comprised of glass, metal, paper or plastic, or any combination of any of those materials and includes, but is not limited to, service packaging. (« conditionnement »)

"**packaging and printed paper stewardship program**" means a waste reduction and prevention program for waste packaging and printed paper approved under section 6. (« programme de gestion des emballages et des imprimés »)

"**person**" includes a partnership. (« personne »)

"**pre-packaged goods**" means goods that are in the packaging in which they would ordinarily be supplied for consumption. (« biens préemballés »)

"**prescribed activity**" means

(a) an activity or program of the Government of Manitoba, or of a municipality or local government district, or of a community or incorporated community as defined in *The Northern Affairs Act*;

(b) an activity or program of a school, college, university or other educational institution, including, but not limited to, an educational, administrative, fund-raising, public-relations or alumni-relations activity or program;

(c) an activity or program of a church or other religious organization, including, but not limited to, a religious, administrative, fund-raising or public-relations activity or program; or

(d) an activity or program of a non-profit organization, including, but not limited to, an educational, administrative, fund-raising or public-relations activity or program. (« activité prescrite »)

c) une église ou un autre organisme religieux, y compris une activité ou un programme de nature religieuse ou administrative ou ayant trait à la collecte de fonds ou aux relations publiques;

d) un organisme à but non lucratif, y compris une activité ou un programme de nature éducative ou administrative ou ayant trait à la collecte de fonds ou aux relations publiques. ("prescribed activity")

« **administrateur** » Personne qui administre un programme de gestion des emballages et des imprimés que le ministre approuve conformément au présent règlement. ("operator")

« **affaires** » S'entend notamment de l'exploitation agricole. ("business")

« **biens** » Produits ou matériaux prêts à être fournis en vue de leur consommation. ("goods")

« **biens préemballés** » Biens qui se trouvent dans l'emballage dans lequel ils seraient normalement fournis en vue de leur consommation. ("pre-packaged goods")

« **conditionnement** » Emballage qui est rempli ou placé au point de vente afin de permettre ou de faciliter la livraison de biens par un détaillant, un débit de restauration ou un autre établissement du secteur des services. ("service packaging")

« **emballage** » Tout ou partie d'un emballage ou d'un contenant comportant du verre, du métal, du papier ou du plastique ou une combinaison de ces matériaux, y compris les conditionnements. ("packaging")

« **fourniture** » Sauf dans le cas d'une fourniture effectuée dans le seul but de créer une sûreté au sens de la *Loi sur les sûretés relatives aux biens personnels* ou de la *Loi sur les banques* (Canada), s'entend du transfert d'un intérêt de propriété :

a) par vente, conditionnelle ou autre;

b) par échange;

"**printed paper**" means paper that is not packaging, but is printed with text or graphics as a medium for communicating information, and includes telephone directories, but does not include

- (a) other types of bound reference books;
- (b) bound literary books; or
- (c) bound text books. (« imprimés »)

"**registry**" means the public registry established under section 17 of *The Environment Act*. (« registre »)

"**service packaging**" means packaging that is filled or applied at the point of sale to enable or facilitate the delivery of goods by a retail seller or a food service industry or other service industry outlet. (« conditionnement »)

"**steward of designated material**" means

- (a) the first person who, in the course of business or a prescribed activity in Manitoba, supplies a designated material to another person; or
- (b) a person who, in the course of business or a prescribed activity in Manitoba, uses a designated material obtained in a supply transaction outside of Manitoba. (« gestionnaire »)

"**supply**" means to transfer a property interest by

- (a) sale, whether conditional or otherwise;
- (b) exchange;
- (c) barter;
- (d) lease or rental, whether with an option to purchase or otherwise; or
- (e) gift;

but does not include a supply that is effected solely to create a security interest within the meaning of *The Personal Property Security Act* or the *Bank Act* (Canada). (« fourniture »)

c) par troc;

d) par bail ou location, avec ou sans option d'achat ou autre;

e) par donation. ("supply")

« **gestionnaire** »

a) La première personne qui, dans le cadre de ses affaires au Manitoba ou d'une activité prescrite y exercée, fournit des matériaux désignés à une autre personne;

b) la personne qui, dans le cadre de ses affaires au Manitoba ou d'une activité prescrite y exercée, utilise des matériaux désignés obtenus au cours d'une opération de fourniture effectuée à l'extérieur de la province. ("steward of designated material")

« **imprimés** » Papiers qui ne constituent pas des emballages, mais sur lesquels se trouvent du texte ou des graphiques imprimés à des fins de communication d'information, y compris les annuaires téléphoniques. La présente définition vise les annuaires téléphoniques, mais exclut notamment :

a) les autres types d'ouvrages de référence reliés;

b) les œuvres littéraires reliées;

c) les livres de cours reliés. ("printed paper")

« **Loi** » *La Loi sur la réduction du volume et de la production des déchets*. ("Act")

« **matériaux désignés** » Matériaux désignés en application de l'article 2. ("designated material")

« **personne** » Sont assimilées aux personnes les sociétés en nom collectif. ("person")

« **programme de gestion des emballages et des imprimés** » Programme de réduction du volume et de la production de déchets provenant d'emballages et d'imprimés approuvé en vertu de l'article 6. ("packaging and printed paper stewardship program")

**"waste packaging and printed paper"** means packaging and printed paper that through use, storage, handling, defect, damage, expiry of shelf life or other similar circumstance can no longer be used for its original purpose. (« vieux emballages et imprimés »)

**1(2)** When the designated material is printed paper, a supply of the designated material by a person is a supply "for consumption" if it is a supply

(a) by the person for use by a final user in Manitoba and not for the purpose of its being supplied again; or

(b) to a second person followed by one or more supply transactions, any of which is a transaction in which the designated material is supplied for use by a final user in Manitoba and not for the purpose of being supplied again.

**1(3)** When the designated material is packaging of pre-packaged goods, a supply of the designated material by a person is a supply "for consumption" if the designated material is supplied containing a beverage or other pre-packaged good

(a) that is supplied by the person for use by a final user in Manitoba and not for the purpose of its being supplied again; or

(b) to a second person followed by one or more supply transactions, any of which is a transaction in which the beverage or other pre-packaged good is supplied for use by a final user in Manitoba and not for the purpose of being supplied again.

**1(4)** When the designated material is service packaging, the designated material is supplied "for consumption" when

(a) a retail seller, or a food service industry or other service industry outlet, uses the designated material to package goods for supply at retail; or

« **registre** » Le registre public établi en application de l'article 17 de la *Loi sur l'environnement*. ("registry")

« **vieux emballages et imprimés** » Emballages et imprimés qui ne peuvent plus remplir leur fonction originale notamment parce qu'ils ont été utilisés, entreposés ou manipulés, parce qu'ils sont défectueux ou endommagés ou que leur vie utile a pris fin. ("waste packaging and printed paper")

**1(2)** La fourniture de matériaux désignés qui sont des imprimés est faite « à des fins de consommation » s'ils sont fournis :

a) à un utilisateur final au Manitoba et non dans le but d'être fournis de nouveau;

b) à une autre personne et s'ils font ensuite l'objet d'une ou de plusieurs opérations de fourniture dans le cadre desquelles les matériaux désignés sont fournis à des fins d'utilisation par un utilisateur final au Manitoba et non dans le but d'être fournis de nouveau.

**1(3)** La fourniture de matériaux désignés qui sont des biens préemballés est faite « à des fins de consommation » s'ils contiennent une boisson ou un autre bien préemballé et s'ils sont fournis :

a) à un utilisateur final au Manitoba en vue de leur utilisation et non dans le but d'être fournis de nouveau;

b) à une autre personne et s'ils font ensuite l'objet d'une ou de plusieurs opérations de fourniture dans le cadre desquelles la boisson ou l'autre bien préemballé est fourni à des fins d'utilisation par un utilisateur final au Manitoba et non dans le but d'être fourni de nouveau.

**1(4)** La fourniture de matériaux désignés qui sont des conditionnements est faite « à des fins de consommation » lorsqu'un détaillant, un débit de restauration ou un autre établissement du secteur des services :

a) utilise les matériaux désignés pour emballer des biens en vue de leur fourniture au détail;



(b) a retail seller, or a food service industry or other service industry outlet, supplies the designated material to facilitate the removal

(i) of prepackaged goods by a final user from the place in Manitoba where the goods are supplied at retail, or

(ii) of goods, whether or not they are retail goods, in relation to which a service has been performed from the place where the service was performed.

**1(5)** For the purpose of clause (a) of the definition "steward of designated material" in subsection (1), a person who

(a) solicits orders, directly or through an agent, for the designated material from persons in Manitoba by advertising or other means;

(b) accepts orders for the designated material that originate in Manitoba; and

(c) causes the designated material to be delivered in Manitoba;

is deemed to be the first person who supplies designated material to another person in the course of business in Manitoba.

**1(6)** This regulation does not apply to a container as defined in the *Used Oil, Oil Filters and Containers Stewardship Regulation*.

## DESIGNATION OF MATERIAL

### Designation of material

**2** The following are designated as designated material for the purposes of the Act:

(a) packaging, but not including containers for which a refundable deposit is payable when the goods are supplied at retail and the packaging of those containers;

(b) printed paper.

b) fournit les matériaux désignés pour faciliter l'enlèvement :

(i) de biens préemballés par un utilisateur final au Manitoba, à l'endroit où ils sont fournis au détail,

(ii) de biens, vendus au détail ou non, à l'égard desquels un service a été offert, à l'endroit de l'offre du service en question.

**1(5)** Pour l'application de l'alinéa a) de la définition de « gestionnaire » figurant au paragraphe (1), est réputée être la première personne qui, dans le cadre de ses affaires au Manitoba, fournit des matériaux désignés la personne qui, à la fois :

a) sollicite, directement ou par l'entremise d'un mandataire, auprès de personnes qui se trouvent dans la province, des commandes à l'égard de ces matériaux au moyen de publicités ou autrement;

b) accepte à l'égard de ces matériaux des commandes provenant de la province;

c) fait en sorte que ces matériaux soient livrés dans la province.

**1(6)** Le présent règlement ne s'applique pas à un contenant au sens du *Règlement sur la gestion de l'huile usée et des filtres à huile et contenants usagés*.

## DÉSIGNATION DES MATÉRIAUX

### Désignation des matériaux

**2** Pour l'application de la *Loi*, sont des matériaux désignés :

a) les emballages, à l'exclusion des contenants pour lesquels une consigne remboursable est payable au moment de la fourniture de biens au détail et de leur emballage;

b) les imprimés.

PACKAGING AND PRINTED PAPER  
STEWARDSHIP PROGRAM

**Prohibitions**

**3(1)** No person shall supply designated material for consumption unless

(a) the steward of the designated material operates or subscribes to a packaging and printed paper stewardship program; or

(b) the person operates or subscribes to a packaging and printed paper stewardship program.

**3(2)** No person shall in the course of business use in Manitoba designated material obtained in a supply transaction outside of Manitoba unless the person operates or subscribes to a packaging and printed paper stewardship program.

**3(3)** No person shall supply designated material for consumption in a retail sale in Manitoba unless the person makes available to the consumer point of sale information under a packaging and printed paper stewardship program.

**Requirements for a packaging and printed paper stewardship program**

**4(1)** A packaging and printed paper stewardship program must be

(a) consistent with the principles set out in subsection 1(2) of the Act;

(b) consistent with any written guidelines established by the minister respecting such programs; and

(c) open to any steward of designated material who wishes to subscribe to the program in accordance with the plan for the program approved by the minister under this regulation.

PROGRAMME DE GESTION DES EMBALLAGES  
ET DES IMPRIMÉS

**Interdictions**

**3(1)** Il est interdit de fournir des matériaux désignés à des fins de consommation à moins que le gestionnaire ou le fournisseur n'administre un programme de gestion des emballages et des imprimés ou ne participe à un tel programme.

**3(2)** Il est interdit d'utiliser, dans le cadre de ses affaires au Manitoba, des matériaux désignés obtenus à la suite d'une opération de fourniture à l'extérieur de la province, à moins d'être l'administrateur d'un programme de gestion des emballages et des imprimés ou de participer à un tel programme.

**3(3)** Il est interdit de fournir des matériaux désignés à des fins de consommation dans le cadre d'une vente au détail au Manitoba à moins de mettre à la disposition du consommateur, au point de vente, des renseignements en vertu d'un programme de gestion des emballages et des imprimés.

**Exigences du programme**

**4(1)** Le programme de gestion des emballages et des imprimés :

a) est compatible avec les principes énoncés au paragraphe 1(2) de la *Loi*;

b) est compatible avec les lignes directrices que le ministre établit par écrit pour ce genre de programme;

c) est accessible aux gestionnaires qui désirent y participer conformément au plan du programme que le ministre a approuvé en vertu du présent règlement.

**4(2)** A plan for a packaging and printed paper stewardship program must include provision for

(a) the establishment and administration of a waste reduction and prevention program for packaging and printed paper with waste reduction and prevention targets as set out in the plan;

(b) the appropriate management of waste packaging and printed paper in accordance with any written guidelines established by the minister;

(c) a province-wide, convenient collection system for waste packaging and printed paper without user fees at the point of collection;

(d) a system for the payment of expenditures incurred in the collection, transportation, storage, processing and disposal of waste packaging and printed paper in connection with the waste reduction and prevention program;

(e) the orderly collection of revenues from subscribers to the program in balance with expenditures for the program;

(f) the establishment and administration of education programs for the purpose of the waste reduction and prevention program;

(g) the establishment and administration of a point of sale information program for the purpose of the waste reduction and prevention program;

(h) the payment of salaries and other costs of government for the administration and enforcement of this regulation and of the Act as it relates to packaging and printed paper; and

(i) ongoing consultations about the stewardship program with persons who the operator considers the stewardship program may affect, including members of the public, in accordance with any guidelines respecting consultation that the minister may establish.

**4(2)** Le plan d'un programme de gestion des emballages et des imprimés prévoit :

a) la création et la gestion d'un programme de réduction du volume et de la production des déchets provenant des emballages et des imprimés ainsi que les objectifs visés;

b) la bonne gestion des vieux emballages et imprimés conformément aux lignes directrices écrites que le ministre a établies, le cas échéant;

c) un système efficace de collecte des vieux emballages et imprimés à l'échelle de la province qui ne comporte pas de frais d'utilisation;

d) un système de paiement des dépenses engagées pour la collecte, le transport, l'entreposage, la transformation et l'élimination des vieux emballages et imprimés dans le cadre du programme de réduction du volume et de la production des déchets;

e) une collecte efficace des revenus auprès des participants au programme qui compensent pour les dépenses engagées dans le cadre de celui-ci;

f) la création et la gestion de projets de sensibilisation dans le cadre du programme de réduction du volume et de la production des déchets;

g) la création et la gestion d'un projet d'information, au point de vente, dans le cadre du programme de réduction du volume et de la production des déchets;

h) le versement des frais que le gouvernement engage, y compris les salaires, dans le cadre de l'application de la *Loi* et du présent règlement à l'égard des emballages et des imprimés;

i) des consultations continues portant sur le programme de gestion des emballages et des imprimés avec les personnes qui, selon l'administrateur, pourraient être touchées par celui-ci, notamment le grand public, en conformité avec les lignes directrices en matière de consultation que le ministre peut établir.

**4(3)** A plan for a packaging and printed paper stewardship program may include

(a) provision for the establishment and administration of research and development activities related to the management of packaging and printed paper;

(b) provision for training and educational activities related to the management of packaging and printed paper;

(c) provision for activities related to pollution prevention and waste reduction; and

(d) any other activities that the minister may approve.

**4(4)** The fiscal year of a packaging and printed paper stewardship program must be the calendar year.

#### **Application for approval**

**5(1)** A person who intends to operate a packaging and printed paper stewardship program must submit a plan for the program and apply to the minister for approval of the plan. Before submitting the plan and application, the person must comply with any guidelines that the minister has established respecting consultation about stewardship programs before the application stage.

**5(2)** An application for approval of a plan for a packaging and printed paper stewardship program or renewal of an approval must

(a) be in the form and contain the information required by the minister; and

(b) include

(i) a business plan for the implementation of the applicant's responsibilities under the Act and this regulation covering the period for which the approval is being sought, and

**4(3)** Le plan d'un programme de gestion des emballages et des imprimés peut prévoir :

a) la création et la gestion d'activités de recherche et de développement en matière de gestion des emballages et des imprimés;

b) des activités de formation et de sensibilisation en matière de gestion des emballages et des imprimés;

c) des activités en matière de prévention de la pollution et de la réduction des déchets;

d) toute autre activité qu'approuve le ministre.

**4(4)** L'exercice des programmes de gestion des emballages et des imprimés correspond à l'année civile.

#### **Demandes d'approbation**

**5(1)** Les personnes qui ont l'intention d'administrer un programme de gestion des emballages et des imprimés soumettent un plan pour le programme et demandent au ministre de l'approuver. Avant de soumettre le plan et la demande, elles se conforment aux lignes directrices établies par le ministre relativement à la consultation portant sur les programmes de gestion et devant être tenue avant la présentation d'une demande.

**5(2)** Toute demande d'approbation du plan d'un programme de gestion des emballages et des imprimés ou de renouvellement d'approbation :

a) est présentée en la forme et contient les renseignements qu'exige le ministre;

b) comprend :

(i) un plan opérationnel précisant comment l'auteur de la demande s'acquittera des obligations que lui confèrent la *Loi* et le présent règlement pour la période visée par l'approbation,

(ii) a description of the consultations about the proposed stewardship program carried out by the applicant before applying and a summary of the results of the consultations.

**5(3)** After receiving a plan for a packaging and printed paper stewardship program, or for the renewal of an approval, the minister must file it in the registry. The minister is to

(a) receive comments on the plan for 28 days from the date it is filed in the registry; and

(b) consider the comments before making a decision on whether or not to approve the plan under subsections 6(1) and (2).

**5(4)** An application for renewal of an approval must be received by the minister no later than 60 days before the expiry of the existing period of approval.

**Applicant must meet requirements for approval**

**6(1)** An applicant must meet the requirements of the Act, this regulation and any written guidelines established by the minister before being entitled to an approval of a packaging and printed paper stewardship program plan or renewal of an approval.

**6(2)** The minister may grant an approval subject to conditions.

**6(3)** The minister may grant an approval on an interim basis subject to conditions to be complied with by the applicant pending confirmation or refusal of the approval.

**Issuance of approval**

**7(1)** In this section "**approval**" includes an interim approval granted under subsection 6(3).

**7(2)** The minister must issue a letter of approval to an applicant who is entitled to an approval of a packaging and printed paper stewardship program plan or a renewal of approval.

(ii) des précisions ayant trait aux consultations sur le programme de gestion des emballages et des imprimés proposé qu'a tenues l'auteur de la demande avant la présentation de sa demande et un résumé des résultats des consultations.

**5(3)** Le ministre dépose au registre les plans des programmes de gestion des emballages et des imprimés et des demandes de renouvellement d'approbation qu'il reçoit et :

a) accepte les observations à propos des plans pendant les 28 jours suivant leur dépôt au registre;

b) étudie les observations avant de décider s'il approuve ou non les plans en vertu des paragraphes 6(1) et (2).

**5(4)** Le ministre doit recevoir les demandes de renouvellement d'approbation au plus tard le sixième jour avant l'expiration de la période d'approbation.

**Exigences**

**6(1)** L'auteur d'une demande doit se conformer à la *Loi*, au présent règlement et aux lignes directrices écrites que le ministre établit, le cas échéant, avant que son plan de programme de gestion des emballages et des imprimés ou sa demande de renouvellement d'approbation ne puisse être approuvé.

**6(2)** Le ministre peut accorder une approbation conditionnelle.

**6(3)** Le ministre peut accorder une approbation provisoire sous réserve des conditions que l'auteur de la demande est tenu de respecter en attendant la confirmation ou le refus de l'approbation.

**Approbations**

**7(1)** Pour l'application du présent article, sont assimilées aux approbations les approbations provisoires accordées en vertu du paragraphe 6(3).

**7(2)** Le ministre délivre une lettre d'approbation à l'auteur d'une demande qui a droit à une approbation de son plan de programme de gestion des emballages et des imprimés ou à son renouvellement.

**7(3)** A letter of approval must set out any conditions imposed by the minister.

**7(4)** An approval expires on the date stated in the letter of approval.

**7(5)** An approval is not transferable.

**Minister may impose new or additional conditions**

**8** The minister may impose new or additional conditions on an approval granted under section 6.

**Procedure for refusal of approval or renewal**

**9(1)** When the minister proposes to refuse to grant or renew an approval of a packaging and printed paper stewardship program plan, the minister must serve a notice of the proposal and a statement of the reasons for it on the applicant.

**9(2)** A notice under subsection (1) must inform the applicant that he or she may, within 10 days after the notice is served, make representations in writing about the proposal.

**9(3)** If the applicant does not respond within the time stated in the notice, the minister may carry out the proposal stated in the notice.

**9(4)** If the applicant responds within the time stated in the notice, the minister must consider the representations by the applicant before

- (a) carrying out the proposal; or
- (b) granting the approval or renewal.

**Continuance when renewal pending**

**10** When an applicant applies for renewal of the approval of his or her program plan within the time limit prescribed in subsection 5(4), the approval is deemed to continue

- (a) until the renewal is granted; or
- (b) if the applicant is served with a notice under subsection 9(1), until the minister carries out his or her proposal or issues the renewal.

**7(3)** La lettre d'approbation précise les conditions que le ministre impose, le cas échéant.

**7(4)** L'approbation expire à la date indiquée dans la lettre d'approbation.

**7(5)** Les approbations sont incessibles.

**Conditions**

**8** Le ministre peut imposer des conditions nouvelles ou supplémentaires à l'égard des approbations accordées en vertu de l'article 6.

**Refus d'approbation ou de renouvellement**

**9(1)** S'il décide de refuser une approbation ou un renouvellement d'approbation pour le plan d'un programme de gestion des emballages et des imprimés, le ministre signifie à l'auteur de la demande un avis en ce sens qui précise les motifs de sa décision.

**9(2)** L'avis mentionné au paragraphe (1) précise que l'auteur de la demande peut, dans les 10 jours qui suivent sa signification, présenter des observations écrites à l'égard de la décision.

**9(3)** Le ministre peut donner suite à sa décision si l'auteur de la demande ne présente pas d'observations écrites dans le délai prévu dans l'avis.

**9(4)** Si l'auteur de la demande présente des observations écrites dans le délai prévu dans l'avis, le ministre les étudie avant :

- a) de donner suite à sa décision;
- b) d'accorder l'approbation ou le renouvellement de l'approbation.

**Prorogation**

**10** Lorsqu'une personne présente une demande de renouvellement d'approbation du plan d'un programme dans le délai prévu au paragraphe 5(4), l'approbation est réputée prorogée :

- a) jusqu'à ce que le renouvellement soit accordé;
- b) si l'auteur de la demande reçoit signification de l'avis mentionné au paragraphe 9(1), jusqu'à ce que le ministre donne suite à sa décision ou accorde le renouvellement.

### **Suspension or cancellation of approval**

**11(1)** The minister may suspend or cancel the approval of a plan for a packaging and printed paper stewardship program where the operator is in breach of any provision of the Act or this regulation.

**11(2)** Where the approval of a plan for a packaging and printed paper stewardship program is suspended under subsection (1), the operator must not operate the program until he or she satisfies any requirements for reinstatement imposed by the minister.

**11(3)** When the minister proposes to cancel or suspend the approval of a packaging and printed paper stewardship program plan, the minister must serve a notice of the proposal and a statement of the reasons for it on the operator and subsections 9(2) to (4) apply to the notice and the proposal with necessary modifications.

### **Cancellation in certain circumstances**

**12** Despite anything in this regulation, the minister may cancel the approval of an operator who

- (a) ceases to operate a program; or
- (b) applies to surrender his or her approval.

### **Amendment of plan**

**13(1)** An operator may apply for approval of an amendment to a packaging and printed paper stewardship program plan subsequent to the approval of the plan by the minister and must

- (a) file the amended program plan with the minister without delay for the minister's approval; and
- (b) provide the minister with such information as he or she may require about the amendment and its effect on the program plan.

**13(2)** An operator must not act on any amendment to a program plan until the minister has notified the operator in writing that the amendment has been approved.

### **Suspension ou annulation de l'approbation**

**11(1)** Le ministre peut suspendre ou annuler l'approbation du plan d'un programme de gestion des emballages et des imprimés d'un administrateur qui contrevient à la *Loi* ou au présent règlement.

**11(2)** L'administrateur ne peut offrir un programme de gestion des emballages et des imprimés dont l'approbation du plan fait l'objet d'une suspension en vertu du paragraphe (1) tant qu'il ne remplit pas les exigences de rétablissement qu'impose le ministre.

**11(3)** S'il décide d'annuler ou de suspendre l'approbation du plan d'un programme de gestion des emballages et des imprimés, le ministre signifie à l'administrateur un avis en ce sens qui précise les motifs de sa décision; les paragraphes 9(2) à (4) s'appliquent alors à l'avis et à la décision avec les adaptations nécessaires.

### **Annulation**

**12** Malgré les autres dispositions du présent règlement, le ministre peut annuler l'approbation accordée à l'administrateur :

- a) qui cesse d'offrir un programme;
- b) qui demande de renoncer à son approbation.

### **Modification du plan**

**13(1)** Un administrateur peut demander l'approbation d'une modification du plan d'un programme de gestion des emballages et des imprimés après que le ministre a approuvé le plan :

- a) en déposant aussitôt que possible auprès du ministre le plan modifié afin qu'il l'approuve;
- b) en fournissant au ministre les renseignements qu'il peut exiger au sujet de la modification et de ses répercussions sur le plan.

**13(2)** L'administrateur ne peut mettre en œuvre les modifications au plan tant que le ministre ne l'a pas avisé par écrit qu'elles ont été approuvées.

**13(3)** After receiving an amended program plan, the minister must file it in the registry. The minister is to

(a) receive comments on the amended program plan for 28 days from the date it is filed in the registry; and

(b) consider the comments before making a decision on whether or not to approve the amended program plan under subsection (4).

**13(4)** The minister may approve the amendment or, subject to subsection (5), may refuse to approve the amendment.

**13(5)** When the minister proposes to refuse to approve an amendment, he or she must serve a notice of the proposal on the operator and subsections 9(2) to (4) apply to the notice and the proposal with necessary modifications.

#### **Implementation and operation of plan**

**14** An operator must ensure that the packaging and printed paper stewardship program plan, as approved under section 6 or amended under section 8, or approved as amended under section 13, is implemented and operated substantially in accordance with its intent, subject to any conditions imposed by the minister.

#### **Providing information**

**15** An operator must provide any information about the packaging and printed paper stewardship program requested by the minister.

**13(3)** Dès qu'il reçoit un plan de programme modifié, le ministre le dépose au registre et :

a) accepte les observations à propos du plan pendant les 28 jours suivant son dépôt;

b) étudie les observations avant de décider s'il approuve ou non le plan de programme modifié en vertu du paragraphe (4).

**13(4)** Le ministre peut approuver les modifications ou, sous réserve du paragraphe (5), refuser de les approuver.

**13(5)** S'il décide de refuser l'approbation d'une modification, le ministre signifie à l'administrateur un avis en ce sens. Les paragraphes 9(2) à (4) s'appliquent alors, avec les adaptations nécessaires, à l'avis et à la décision.

#### **Mise en application du plan**

**14** L'administrateur veille à ce que le plan de programme de gestion des emballages et des imprimés approuvé en vertu de l'article 6, modifié en vertu de l'article 8 ou modifié et approuvé en vertu de l'article 13 soit essentiellement mis en application et administré conformément à son objet, sous réserve des conditions qu'impose le ministre, le cas échéant.

#### **Communication de renseignements**

**15** L'administrateur communique les renseignements que demande le ministre au sujet du programme de gestion des emballages et des imprimés.

### REPORTS AND CONFIDENTIALITY

#### **Annual report**

**16(1)** Within 90 days after the end of the fiscal year, an operator must provide to the minister an annual report summarizing the program activities of the operator in the fiscal year and containing audited financial statements covering the program for the fiscal year.

### RAPPORTS ET CONFIDENTIALITÉ

#### **Rapport annuel**

**16(1)** Au plus tard le quatre-vingt-dixième jour suivant la fin de l'exercice, les administrateurs fournissent au ministre un rapport annuel résumant les activités de leur programme au cours de l'exercice et contenant les états financiers vérifiés du programme pour cette période.



**16(2)** Without limiting the generality of subsection (1), the annual report must include

(a) particulars of the financial contributions to the stewardship program by, and the stewardship costs attributable to, each product group of designated material covered by the program;

(b) a description of the consultations about the stewardship program carried out by the operator during the fiscal year and a summary of the results of the consultations; and

(c) any information about program performance recommended by the Auditor General for programs of the same nature as the stewardship program.

#### **Information to be confidential**

**17(1)** Except as provided in subsection (2), information given to the minister under section 15 or in any document upon which a report provided under section 16 is based is confidential to the extent that any information in the document would be reasonably expected to identify the volume of sales of any designated material or type of designated material, or the market share of any designated material or type of designated material, of any steward of designated material. No person who obtains the document shall knowingly disclose, or permit any person to disclose that information, except with the consent of the person who provided the report or document.

**17(2)** Information given to the minister under section 15 or a report provided under section 16 or any document upon which the report is based may be disclosed

(a) for the purpose of the administration or enforcement of the Act or this regulation or legal proceedings related to that enforcement;

(b) when required by law; or

(c) when the information in the report or document is publicly available.

**16(2)** Sans que soit limitée la portée générale du paragraphe (1), le rapport annuel comprend :

a) des détails sur l'apport financier au programme de gestion des emballages et des imprimés attribuable à chaque groupe de produits faisant partie des matériaux désignés ainsi que sur les frais de gestion liés à chacun de ces groupes;

b) des précisions ayant trait aux consultations sur le programme tenues par l'administrateur pendant l'exercice et un résumé des résultats des consultations;

c) des renseignements au sujet de l'efficacité du programme recommandés par le vérificateur général dans le cadre des programmes de même nature.

#### **Confidentialité**

**17(1)** Sauf dans les cas prévus au paragraphe (2), les renseignements fournis au ministre conformément à l'article 15 ou contenus dans un document sur lequel est fondé le rapport prévu à l'article 16 sont confidentiels dans la mesure où ils sont de nature à révéler le volume de vente d'un matériau désigné ou d'un type de matériau désigné ou la part du marché que détient un gestionnaire pour un matériau désigné ou un type de matériau désigné. Il est interdit à quiconque obtient le document de divulguer sciemment ces renseignements ou de permettre qu'ils soient divulgués sans le consentement de la personne qui a fourni le rapport ou le document.

**17(2)** Il est permis de divulguer les renseignements communiqués au ministre en vertu de l'article 15, le rapport mentionné à l'article 16 et les documents sur lesquels est fondé ce rapport :

a) pour l'application de la *Loi* ou du présent règlement ou aux fins d'une poursuite judiciaire liée à cette mise en application;

b) lorsque la loi l'exige;

c) lorsque le public a accès aux renseignements contenus dans le rapport ou les documents.

**Availability of annual report**

**18(1)** The minister must

(a) table a copy of the annual report in the Assembly within 15 days after receiving it if the Assembly is sitting or, if it is not, within 15 days after the next sitting begins; and

(b) file a copy of any annual report received by him or her under section 16 in the registry.

**18(2)** After providing the minister with an annual report under section 16, the operator of packaging and printed paper stewardship program must make a copy of the report available without cost to any person on request.

## GENERAL PROVISIONS

**Minister may establish guidelines**

**19** The minister may establish written guidelines respecting

(a) the requirements for a packaging and printed paper stewardship program and the operation of such a program, including waste reduction and prevention targets that the program should be designed and operated to meet;

(b) the management of waste packaging and printed paper;

(c) the criteria for program performance evaluation; or

(d) any other matter provided for under this regulation.

**Service of notices**

**20(1)** A notice that is required to be served by the minister must be served on a person in accordance with subsection (2), and

(a) if the person is an individual, on the individual;

(b) if the person is a corporation, on a director or officer of the corporation; or

**Accès au rapport annuel**

**18(1)** Le ministre :

a) dépose à l'Assemblée législative une copie du rapport annuel dans les 15 premiers jours de séance de celle-ci suivant sa réception;

b) dépose au registre une copie de tout rapport annuel qu'il reçoit en application de l'article 16.

**18(2)** Après avoir fourni un rapport annuel au ministre en application de l'article 16, l'administrateur d'un programme de gestion des emballages et des imprimés fournit gratuitement une copie du rapport aux personnes qui en font la demande.

## DISPOSITIONS GÉNÉRALES

**Lignes directrices**

**19** Le ministre peut établir par écrit des lignes directrices concernant :

a) les exigences à l'égard des programmes de gestion des emballages et des imprimés et de leur administration, y compris les objectifs que ces programmes devraient viser;

b) la gestion des vieux emballages et imprimés;

c) les critères d'évaluation de l'efficacité du programme;

d) toute autre question prévue au présent règlement.

**Signification des avis**

**20(1)** Lorsqu'il est tenu de signifier des avis, le ministre les signifie conformément au paragraphe (2), selon le cas :

a) si le destinataire est un particulier, directement à celui-ci;

b) si le destinataire est une personne morale, à un de ses administrateurs ou dirigeants;

(c) if the person is a partnership, on a partner who is an individual or a corporation, in the manner set out in clause (a) or (b), as the circumstances require.

**20(2)** A notice may be served on a person or on a director or officer of a corporation

(a) by personally giving a copy to the person, director or officer;

(b) by sending a copy to his or her address last known to the minister by any method, including registered mail, certified mail or prepaid courier, if there is a record of delivery by the party who delivered the copy; or

(c) by telephone transmission of a facsimile of the notice or by other electronic transmission to the person, director or officer, if there is a record

(i) of the telephone number to which the transmission was sent,

(ii) of the date on which the transmission was sent, and

(iii) that the transmission included the full text of the notice.

**20(3)** A notice sent by mail is deemed to be received by the intended recipient on the earlier of

(a) the day the intended recipient actually receives it; and

(b) the fifth business day after the day it is mailed.

**20(4)** A notice sent by a method referred to in clause (2)(c) is deemed to be received by the intended recipient on the earlier of

(a) the day the intended recipient actually receives it; and

(b) the first business day after the day it is sent.

c) si le destinataire est une société en nom collectif, à un associé qui est un particulier ou une personne morale, conformément à l'alinéa a) ou b).

**20(2)** Les avis peuvent être signifiés soit à une personne, soit à un administrateur ou à un dirigeant d'une personne morale, selon le cas :

a) à personne, par remise d'une copie à la personne, à l'administrateur ou au dirigeant;

b) par envoi d'une copie, par n'importe quel moyen, à la dernière adresse du destinataire connue du ministre, notamment par courrier recommandé ou certifié ou par messenger port payé, si la personne qui les signifie a consigné leur envoi;

c) par télécopie ou sous une autre forme de transmission électronique à la personne, à l'administrateur ou au dirigeant s'il y a un document indiquant :

(i) les numéros de téléphone où les avis ont été envoyés,

(ii) les dates auxquelles les transmissions ont été effectuées,

(iii) que le texte intégral des avis a été transmis.

**20(3)** Les avis envoyés par courrier sont réputés reçus par le destinataire prévu :

a) à la date où il les reçoit;

b) le cinquième jour ouvrable qui suit leur mise à la poste, si cette date est antérieure.

**20(4)** Les avis envoyés par un moyen mentionné à l'alinéa (2)c) sont réputés reçus par le destinataire prévu :

a) à la date où il les reçoit;

b) le premier jour ouvrable qui suit l'envoi, si cette date est antérieure.

COMING INTO FORCE

**Coming into force**

**21(1)** This regulation, except section 3, comes into force on the day it is registered under *The Regulations Act*.

**21(2)** Section 3 comes into force on the same day that section 27 of the *Multi-Material Stewardship (Interim Measures) Regulation*, Manitoba Regulation 39/95 is repealed.

ENTRÉE EN VIGUEUR

**Entrée en vigueur**

**21(1)** Le présent règlement, à l'exception de l'article 3, entre en vigueur à la date de son enregistrement sous le régime de la *Loi sur les textes réglementaires*.

**21(2)** L'article 3 entre en vigueur à la date d'abrogation de l'article 27 du *Règlement sur la gestion des matériaux multiples (mesures provisoires)*, R.M. 39/95.

## **Appendix 2**

### ***Minister's Program Letter***



MINISTER OF CONSERVATION

Legislative Building  
Winnipeg, Manitoba, CANADA  
R3C 0V8

Mr. Justin Sherwood  
Multi-Material Stewardship Manitoba  
Canadian Council of Grocery Distributors  
112, 7720 – 5<sup>th</sup> Street East  
Calgary AB T2H 2L9

JAN 12 2009

Dear Mr. Sherwood:

Thank you for your participation in the development of Manitoba's Extended Producer Responsibility (EPR) initiative.

As we discussed on December 22, 2008, the new Packaging and Printed Paper Stewardship Regulation has been approved and registered. The Regulation is available at the following link: [http://web2.gov.mb.ca/laws/regs/index\\_annual.php](http://web2.gov.mb.ca/laws/regs/index_annual.php).

Laurie Streich, Director of the Pollution Prevention Branch of my department has initiated discussions with Ken Friesen on the program planning process. We will also be consulting with our Municipal Advisory Committee in January.

Although the Regulation does not directly address the issue of visible product fees, Manitoba's position as I expressed during our November 18, 2008 conference call, is that we will not approve any program plan with visible fees.

The Province is committed to improving Manitoba's recycling programs, reducing the amount of paper and packaging going into landfills, setting aggressive targets for the re-use of plastic bags and requiring all bags in Manitoba to be recyclable or biodegradable. As we had discussed previously, plastic bags will be a designated material under the new Regulation and eligible for municipal recycling system funding support, consistent with other designated materials. Our preference is for the new stewardship program to offer maximum convenience for Manitobans and provide for the recovery of bags through municipal recycling systems.

I appreciate the support of Multi-Material Stewardship Manitoba in developing Manitoba's EPR initiative. I trust that our positive working relationship will continue as the new program is established.

Yours sincerely,  
ORIGINAL SIGNED BY  
STAN STRUTHERS

Stan Struthers  
Minister

c.c. Honourable Jim Rondeau  
Ken Friesen

## **Appendix 3**

### ***WRAP Guideline for PPP Program Plan***

**Guideline for Packaging and Printed Paper Stewardship**

Section 19 of the Packaging and Printed Paper Stewardship Regulation under the Waste Reduction and Prevention Act allows the Minister to establish written guidelines to set additional requirements for the packaging and printed paper stewardship program and its operation. The Minister may establish guidelines for the management of packaging and printed paper, or issue guidelines that set criteria for program performance evaluation or address any other matter provided for under the regulation.

The program requirements and plan evaluation criteria for packaging and printed paper are established as follows:

**1. STEWARDSHIP PLAN**

Stewards are required to submit a stewardship program plan proposal for approval by the Minister. The following program requirements, as set out in the regulation, must be included in any proposed program plan. Additional instructions pertaining to the requirements of the program plan and program are provided in sections 2 through 10.

A plan for a packaging and printed paper stewardship program shall include provision for:

- a) the establishment and administration of a waste reduction and prevention program for packaging and printed paper with waste reduction and prevention targets as set out in the plan;
- b) the appropriate management of waste packaging and printed paper in accordance with any written guidelines established by the Minister;
- c) a province-wide, convenient collection system for waste packaging and printed paper without user fees at the point of collection;
- d) a system for the payment of expenditures incurred in the collection, transportation, storage, processing and disposal of packaging and printed paper in connection with the waste reduction and prevention program;
- e) the orderly collection of revenues from subscribers to the program in balance with expenditures for the program;
- f) the establishment and administration of education programs for the purpose of the waste reduction and prevention program;
- g) the establishment and administration of a point-of-sale information program for the purpose of the waste reduction and prevention program;
- h) the payment of salaries and other costs of government for the administration and enforcement of this regulation and of the Act as it relates directly to packaging and printed paper; and
- i) on-going consultation about the stewardship program with persons who the operator considers the stewardship program may affect, including members of the public, in accordance with any guidelines respecting consultation that the Minister may establish.

The Plan may also deal with research and development, training and educational activities, as well as activities related to waste reduction and pollution prevention.

In addition to these provisions, the Minister may provide additional program guidance.

**2. REQUIRED PROGRAM PLAN COMPONENTS**

For a program plan to be accepted for evaluation and approval the following program components must form part of the program plan proposal:

- 1) A funding formula for service providers that reflects the range of program conditions across the province and promotes recycling program effectiveness and efficiency.



- 2) Where community-based collection and recycling services form part of a proposed stewardship program plan for packaging and printed paper, the program operator shall fund 80% of the cost of managing designated materials through municipal residential diversion programs.
- 3) Program support for schools, post-secondary education institutions, public space, and public event recycling designed to minimize waste from packaging and printed paper.
- 4) Program support for a comprehensive litter abatement program
- 5) Accurate monitoring and reporting on beverage container sale, recovery and recycling rates.

### **3. PROGRAM PLAN EVALUATION**

For the purpose of plan evaluation, proposed plans shall demonstrate how:

- 1) the cost of managing designated waste materials is borne by the stewards and users of the product or packaging rather than by the taxpayer.
- 2) the management of these materials is economically and environmentally sustainable.
- 3) industry stewards determined the method by which these materials are managed and how these costs are borne by the affected stewards, users of the product or packaging, and potential program partners.
- 4) fees, if any, required to support implementation of an approved program plan will be set and collected by an approved not-for-profit IFO established for that purpose.
- 5) a public awareness and education program will be undertaken.
- 6) the operator provides a province-wide collection system that provides public access in all regions of Manitoba that is convenient and consistent.
- 7) the product stewardship program in Manitoba is harmonized, where practical and feasible, with those of other provinces.
- 8) funds raised for the management of a designated material or product category will be directly related to the costs of managing that designated material or product category.
- 9) the transparency of program operations is provided through the development of industry proposals, program plans, and annual reports, which will be available to all stakeholders.
- 10) the operator undertook appropriate consultations on program plan proposals prior to submission of those proposals to Government.
- 11) the operator will resolve stakeholder disputes.
- 12) the operator will conform to regulatory requirements to ensure a level playing field among stewards responsible for a designated waste stream.
- 13) the operator will measure, monitor and report on program performance, including meeting designated material recovery rate targets.
- 14) the operator will adhere to guideline provisions for pollution prevention and best management practices (Section 10 of this Guideline).

### **4. PUBLIC CONSULTATION PROCESS FOR PACKAGING AND PRINTED PAPER**

- 1) Stewards shall:
  - a) ensure that stewardship program decisions and activities include processes or measures for informing those affected by decisions and actions in a timely manner; and
  - b) provide meaningful opportunity for public consultation and due process, including the timely release of pertinent information, and
  - c) where applicable, employ collaborative decision-making and consensus-building processes.

- 2) Stewards shall seek input at strategic points (development and amendment of program plan, annual reporting, continuous review of operations) from:
  - a) government;
  - b) service delivery agencies;
  - c) relevant external agencies; and
  - d) the public.
- 3) Prior to submitting its program plan to the Minister, the applicant is required to consult with affected stakeholders and the public. To do this stewards shall:
  - a) at the outset of any program plan consultation, identify:
    - i. who they expect to consult with;
    - ii. the purpose of the consultation; and
    - iii. how they will conduct the consultation.
  - b) seek input from those who:
    - i. have a mandate or responsibility in an inter-related program area;
    - ii. are expected to implement the proposal;
    - iii. are expected to bear the cost of implementing the proposal;
    - iv. will be impacted by the proposed plan.
- 4) In its program plan proposal, identify to the Minister:
  - a) who has been consulted in the process of developing and evaluating the plan and/or proposal options;
  - b) any objections and concerns raised by those who were consulted; and
  - c) endorsement of proposed responsibilities by program partners.

## **5. DESIGN OF AN ADEQUATE COLLECTION SYSTEM**

- 1) The program plan shall adequately provide for the collection and management of designated packaging and printed paper.
- 2) Stewards may partner with existing collection systems established by other stewards or another IFO for other designated materials.
- 3) Consultation with local governments, including municipal corporations, Community Councils, and First Nations should occur to determine the most effective collection system for the community.
- 4) The collection system design should consider and prioritize the degree of risk presented by the product.
- 5) The plan shall adequately provide for reasonable and free consumer access to collection facilities and recycling services. Accordingly, consumers are not to be charged a fee by the program operator at the point of collection.

## **6. ACHIEVING DESIGNATED MATERIAL RECOVERY RATE**

- 1) The Minister will confirm targets in consultation with the program operator and other stakeholders that are ambitious, yet achievable as minimum program performance targets.
- 2) The minimum program performance target for beverage containers will be the recovery of 75% of the containers sold in the province.
- 3) The minimum program performance target for plastic bags is set in the Guideline for Plastic Bags.
- 4) The expectation is that all stewards will commit to continuous improvement in program performance.
- 5) The Minister may establish other performance requirements in consultation with the program operator and other stakeholders.

## **7. ESTABLISHING APPROPRIATE PERFORMANCE MEASURES**

- 1) A steward may recommend appropriate program performance measures in the plan submitted for approval. The measure(s) must be able to show both what is recovered and what is not.
- 2) The Minister may specify one or more performance measures or targets in approving the program plan.
- 3) A steward may include any type of performance measures or targets in the program plan, in addition to any required by the Minister.
- 4) Examples of performance measures that could be considered by stewards, include:
  - a) sales and recovery data;
  - b) municipal waste composition study results, including data from Manitoba studies, other provincial agencies, and Statistics Canada.
  - c) periodic surveys of public awareness of the program and use of the collection system;
  - d) the amount of designated packaging and printed paper collected by the program or its service providers;
  - e) the efficiency of recycling programs as measured by cost per tonne recovered;
  - f) number of collection points and participation rates; and
  - g) how the products were managed with respect to the principles of pollution prevention and 4R hierarchy.

## **8. DISPUTE RESOLUTION PROCEDURE**

- 1) A program plan shall adequately provide for a dispute resolution process which allows for fair, transparent and unbiased independent processes where all views are known when stakeholder or public interests may be affected.

## **9. THE ANNUAL REPORT**

Section 16(1) of the Packaging and Printed Paper Stewardship Regulation requires operators of approved program plans to submit an annual report within 90 days after the end of each fiscal year. In addition to Section 16 (2) of the regulation which provides the minimum requirements for an annual report, operators shall:

- 1) post a copy of the report on the program website;
- 2) document the performance in adherence to the program plan; and
- 3) specify what the stewards will do to reduce or eliminate any gap between actual and projected performance.

An annual report may also include information on the following:

1. Educational Materials and Strategies
  - a) Includes a description of educational materials and strategies.
  - b) Meeting program plan performance measures likely will require a successful public education strategy.
  - c) Some examples of educational tools include newspaper, radio and TV advertisements, web pages, flyers and posters.
2. Collection Facilities
  - a) Include information about collection/processing facilities.

### 3. Reducing Environmental Impacts

- a) Include efforts taken to reduce environmental impacts through a reduction in the disposal of packaging and printed paper. In reporting on these measures program operators shall consolidate and aggregate individual steward reporting requirements to protect proprietary information as well as to manage large volumes of information.
- b) Identify efforts to reduce the environmental impacts of designated material throughout the product life-cycle, including increased reusability and recyclability.
- c) Demonstrate a commitment to continuous improvement.

### 4. Consistency with the principles of Pollution Prevention and the 4Rs Hierarchy

- a) Include a description of how the recovered product was managed in accordance with the principles of pollution prevention and the 4Rs hierarchy.
- b) The operator may report on what percentage of material is managed according to the principles of pollution prevention and at each level of the 4R hierarchy.

### 5. Recovery Rate

- a) Document product recovery rate information.
- b) Aggregated data of the total amount of product sold and collected, along with the recovery rate if applicable or an alternative performance measure if not, is a key performance measure, as long as it shows both what is recovered and what is not.
- c) The amount of product collected and processed in each regional district should be reported if possible.

### 6. Financial Statements

- a) Submit independently audited financial statements in accordance with the Regulation.
- b) Demonstrate commitment to financial transparency and accountability for management of all funds collected. Individual companies' proprietary information will not be disclosed in any documentation. The program operator/IFO is responsible for establishing secure data reporting and management systems.

## **10. POLLUTION PREVENTION AND BEST MANAGEMENT PRACTICES FOR PACKAGING AND PRINTED PAPER**

For packaging and printed paper, Manitoba promotes the principles of pollution prevention and the 4Rs of reduce, reuse, recycle and recover. In accordance with Manitoba's principles of sustainable development, product stewards shall:

- a) promote environmentally acceptable uses of products from packaging and printed paper that have a more beneficial or less adverse impact on the economy, environment, human health and social well-being when compared with competing uses of products from packaging and printed paper.

Stewardship program operators shall:

- a) where environmentally and economically sustainable, promote local processing, manufacture and use of products from packaging and printed paper as an alternative to exporting recovered material to another jurisdiction; and
- b) operate in a manner supportive of national and international agreements.

## **Appendix 4**

### ***WRAP Guideline for Plastic Bags***

## **WASTE REDUCTION AND PREVENTION (WRAP) GUIDELINE FOR PLASTIC BAGS**

Section 19 of the Packaging and Printed Paper Stewardship Regulation allows the Minister to establish written guidelines respecting requirements for a packaging and printed paper stewardship program and its operation including waste reduction and prevention targets that a program should be designed and operated to meet. Under the regulation guidelines may be established for:

- the management of waste packaging and printed paper,
- waste reduction and prevention targets,
- criteria for program performance evaluation, or
- any other matter provided for under the regulation.

Single-use plastic bags are defined as service packaging and are a designated material under section 2 of the regulation. The criteria, intended to reduce the use-of single-use plastic bags and reduce waste going to landfill are established as follows:

### **PURPOSE**

- Manitoba's retail sector will work in partnership with the Manitoba Government, Manitoba municipalities, environmental and consumer organizations to address the environmental concerns associated with single-use plastic bags.
- Industry Stewards will work with the Manitoba Government and other key stakeholders to enhance consumer education and awareness to influence consumer choice to divert plastic bags from landfill and increase demand for plastic bag alternatives.
- Where plastic bags are chosen by the consumer, and not reused in the home, expanded in-store recycling opportunities will be developed with retail participants and through municipal recycling systems.

### **Industry Stewardship**

- As part of Manitoba's overall program framework for Extended Producer Responsibility (EPR) under the Packaging and Printed Paper Stewardship Regulation, industry stewards will promote alternatives to the use of plastic bags and increase the recovery and recycling of unwanted bags through in-store recycling opportunities and enhanced municipal recycling programs.
- A province-wide plan to address the environmental concerns associated with single-use plastic bags will be developed as part of the Packaging and Printed Paper Stewardship Program plan to be submitted to the Minister of Conservation within six months of the registration of the Packaging and Printed Paper Stewardship Regulation (PPPS Regulation).
- Industry Stewards will only supply single-use plastic bags to consumers that meet standards for being recyclable or bio-degradable.
- Bio-degradable plastic bags will be clearly labelled as such.

### **Waste Reduction and Prevention Target**

- Through 3R (reduce, reuse, recycle) strategies achieve a target of 50% reduction in the use of plastic bags within five (5) years of this guideline coming into force.
- Annual review of progress towards this target will be undertaken. Industry is expected to report on their distribution of plastic bags.

### **Program Plan**

- Recognizing current industry and community efforts to reduce the use of and to recycle plastic bags and the role and responsibility among industry stewards and other stakeholders, the proposed plan is to include, but is not limited to the following actions:

### ***Reduction:***

1. Measure and report on the use of single-use plastic bags in Manitoba annually.
2. Evaluate the opportunity to reduce the number of single-use bags used through setting of minimum thickness guidelines.
3. Increase promotion and availability of reusable bags as an alternative to single-use disposable plastic bags.
4. Increase the amount of recycled content in plastic bags.
5. Evaluate the use of bio-degradable bags and the need to increase their availability.
6. Promote and implement incentives to encourage consumers to reduce demand for plastic bags.
7. Promote and implement incentives to encourage consumers to use reusable bags.
8. Promote and implement best practices for plastic bags by Manitoba retailers.

### ***Recycling***

1. Expand programs to encourage consumers to recycle plastic bags, including, in-store and municipal recycling services.
2. Provide province-wide plastic bag recycling opportunities in stores that offer single-use plastic bags at check-out.

### ***Education and Promotion***

1. In partnership with the Manitoba Government and key stakeholders, launch an annual province-wide promotion and education program to encourage consumers to reduce the use of plastic bags, and to reuse and recycle bags already in circulation.

### ***Litter Abatement***

1. Establish a comprehensive litter reduction program for plastic bags.

### ***Reporting and Monitoring***

1. As part of the annual report of the Packaging and Printed Paper Stewardship Program, Industry Stewards will report annually on activities related to plastic bag reduction and use, take-back, recycling and recycled content.

### **Future Actions**

- Additional actions to phase out the use of single use plastic bags as service packaging will be undertaken if the established waste reduction and prevention targets are not achieved.

# **Appendix 5**








## ***Material Categories***










**Categories and Materials Covered Under the Packaging and Printed Paper Program Plan**

Category	Material	Definition
<b>Printed Paper</b>	Newsprint	Includes all newspaper printed paper materials. <u>Examples:</u> Newspaper publications, newsprint inserts and flyers, newsprint park guide, newsprint auto or real estate supplement <u>Excludes:</u> Newspaper used as product packaging would be included in the boxboard and other paper packaging subcategory
	Magazines and catalogues	Includes magazines (bound periodicals printed on glossy paper that typically include a masthead), catalogues (bound glossy paper containing product lists), or other similar printed and bound material (light or medium weight coated paper). <u>Examples:</u> Weekly magazine, retailer seasonal catalogue, travel magazines, bounded glossy promotional brochures and guides <u>Excludes:</u> Posters, Purchased calendars
	Directories	Includes printed directories of residential and/or business information such as telephone numbers, postal codes and websites. Typically these are distributed annually. <u>Examples:</u> Phone book <u>Excludes:</u> Product manuals (this would be included in the other printed materials subcategory)
	Other Printed Materials	Includes all other printed paper/materials that may be distributed to homes, and is not included in the printed paper categories above. <u>Examples:</u> Blank and printed envelopes; Promotional inserts within envelopes; Printed information found within packaged products such as assembly instructions, user guides, promotional information, warranty cards, product safety information and coupons; Annual policy information including policy documents, statements; Monthly, quarterly or annual statements; Investment fund reports, fund prospectus; Contracts; Free promotional calendars; Lottery tickets and fund raising tickets; Cash register receipts <u>Excludes:</u> Soft or hard covered fiction or non-fiction books or textbooks; Purchased copier/printer paper; Greeting cards purchased individually or in bulk; Blank envelopes purchased in bulk; Day timers; Personal medical records; Notebooks; Purchased calendars; Clothing hang tags (this would be included in the boxboard and other paper packaging subcategory)
<b>Paper Packaging</b>	Gable top containers – non-beverage	Includes non-beverage polycoated cartons. <u>Examples:</u> Sugar, confectionary products, laundry and cleaning products
	Gable top containers – beverage	Includes polycoated cartons. <u>Examples:</u> Ready to serve beverages such as milk and juice in cartons
	Aseptic containers – non-beverage	Includes polycoated and foilized boxes. <u>Examples:</u> Soup, sauces
	Aseptic containers – beverage	<u>Examples:</u> Ready to serve beverages such as juice, milk
	Paper laminates	Includes laminated paper packaging that is in majority paper (51% by weight) but has more than 15% by weight of non-paper. This includes metalized foil/paper/plastic laminates where paper represents the greatest percentage by weight. In the event that there are 2 or more components, 60% of packaging has to be paper for the material to be considered a paper laminate. <u>Examples:</u> Fiber cans (with metal/plastic bottom and lid), fiber pots, wrappers, blister package, paper hot drink cup, paper ice cream carton


**Categories and Materials Covered Under the Packaging and Printed Paper Program Plan**

Category	Material	Definition		
	Corrugated cardboard	Includes all cardboard/corrugated packaging and kraft paper shopping bags that contain less than 15% by weight of other closely bonded, impregnated or laminated materials that cannot be easily separated <u>Examples:</u> Television box, pizza box, paper carry out bag		
	Boxboard and other paper packaging	Includes boxboard or fiber board containers, molded pulp paper packaging as well as other paper packaging which contain less than 15% by weight of other closely bonded, impregnated or laminated materials that cannot be easily separated. <u>Examples:</u> Cereal boxes, egg cartons, formed trays, tissue paper box, clothing hang tags, newspaper used as packaging material (i.e. in shoes or gift packaging)		
<b>Plastic Packaging</b>		<b>Resin Codes</b>		
	PET bottles < 5 Litres – non-beverage	 PET	Includes #1 <u>bottles and jars only</u> . All other forms of PET should be entered as Other Rigid Plastics. <u>Examples:</u> Salad dressing bottles, peanut butter	
	PET bottles ≥ 5 Litres – non-beverage	 PET	Includes #1 <u>bottles and jars only</u> that are > 5 Litres. PET Bottles < 5 Litres should be entered as PET bottles. All other forms of PET should be entered as Other Rigid Plastics or Other Rigid Plastics > 5 Litres. <u>Example:</u> water bottles	
	PET bottles < 5 Litres – beverage	 PET	Includes #1 Ready to serve <u>beverage bottles only</u> . <u>Examples:</u> soft drinks, water bottles	
	PET bottles ≥ 5 Litres – beverage	 PET	Includes #1 <u>beverage bottles only</u> that are > 5 Litres. Beverage PET Bottles < 5 Litres should be entered as Beverage – PET Bottles. <u>Example:</u> water bottles	
	HDPE bottles and jugs < 5 Litres – non-beverage	 HDPE	Includes #2 <u>bottles, jugs and jars only</u> . All other forms of HDPE containers should be entered as Other Rigid Plastics. <u>Examples:</u> Laundry detergent, bleach, vinegar, shampoo	
	HDPE bottles and jugs ≥ 5 Litres – non-beverage	 HDPE	Includes #2 <u>bottles, jugs and jars</u> > 5 Litres. HDPE Bottles and Jugs < 5 Litres should be entered as HDPE Bottles and Jugs. All other forms of HDPE should be entered as Other Rigid Plastics or Other Rigid Plastics > 5 Litres. <u>Examples:</u> laundry detergent, bleach	
HDPE bottles and jugs < 5 Litres – beverage	 HDPE	Includes #2 Ready to serve <u>beverage bottles and jugs only (e.g. juice, milk)</u> .		

**Categories and Materials Covered Under the Packaging and Printed Paper Program Plan**

Category	Material		Definition
	HDPE bottles and jugs ≥ 5 Litres – beverage		Includes #2 <u>beverage bottles and jugs</u> > 5 Litres. Beverage – HDPE Bottles and Jugs < 5 Litres should be entered as Beverage – HDPE Bottles and Jugs.
	Polystyrene		Includes all rigid forms of #6 plastic and foam. <u>Examples:</u> Hot drink cup, clamshell containers, foam packaging (i.e. for appliances), foam packing “peanuts”
	Other rigid plastic < 5 Litres – non-beverage		Includes all formed rigid plastic containers that are <b>not included</b> in the PET, HDPE or Polystyrene categories. These include #1, #3, #4, #5 and #7 jugs, tubs, lids, closures, trays, bottle pumps, cups, tubes etc. <u>Examples:</u> Margarine tubs, hand cream tubes, ‘microwaveable’ trays, pudding cups, plastic blister packaging
	Other rigid plastic ≥ 5 Litres – non-beverage		Includes all rigid plastic containers that are not included in the PET or HDPE > 5 Litre categories. These include #1, #3, #4, #5 and #7 jugs, tubs, pails & lids > 5 Litres. <u>Example:</u> Pails
	Other rigid plastic < 5 Litres – beverage		Includes all formed rigid plastic containers that are <b>not included</b> in the Beverage – PET and HDPE categories. These include #4, #5 and #7 bottles and jugs. <u>Example:</u> Juice
	Other rigid plastic ≥ 5 Litres – beverage		Includes all formed rigid plastic containers that are <b>not included</b> in the Beverage – PET and HDPE > 5 litre categories. These include #4, #5 and #7 bottles and jugs. <u>Example:</u> Juice
	LDPE/HDPE film		Includes polyethylene film/wrap only, where film is not less than 95% by weight. It is typically stretchy and more porous than other types of film. All other film that is not LDPE/HDPE should be allocated to the Plastic Laminates category. <u>Examples:</u> frozen vegetable bag, milk bag, shrink wrapped products (i.e around 24 water bottle tray) <u>Excludes:</u> Foam wrap and expanded film

**Categories and Materials Covered Under the Packaging and Printed Paper Program Plan**

Category	Material	Definition	
	LDPE/HDPE film carry-out bags		Includes polyethylene film carry-out bags only (similar to cling wrap with some differences in thickness). It is typically stretchy and more porous than other types of film. All other film that is not a LDPE/HDPE film carry-out bag should be allocated to the LDPE/HDPE film category. <u>Example:</u> plastic shopping bag
	Plastic laminates – non-beverage	Includes other flexible plastic wraps, bags liners, expanded foam and wrap including PET, PVC, PP, multi-layered and laminated flexible packaging. Includes metalized foil/paper/plastic laminates where plastics represent the 50% or more by weight. <u>Examples:</u> Pouches for fresh pasta, dry pasta packaging, candy wrappers, coffee pouches, cheese wraps, cereal liner bags, pre-packaged deli meat pouches, bubble wrap	
	Plastic laminates – beverage	Includes other flexible multi-layered and laminated flexible plastic packaging plastic. Includes metalized foil/plastic laminates where plastics represent the 50% or more by weight. <u>Examples:</u> Beverage pouches	
	Biodegradable plastic film	Includes film consisting of natural or a combination of natural and synthetic polymers that is largely based on renewable resources. These include packaging made of starch, cellulose, sugarcane, Polylactic Acid or Polylactide (PLA), Polyhydroxyalcanoates (PHA), etc. <u>Examples:</u> shopping bag, vegetable bags, food films, mailing films	
	Biodegradable rigid plastic containers – non-beverage	Includes non-beverage containers consisting of a natural or combination of natural and synthetic polymers that is largely based on renewable resources. These include packaging made of starch, cellulose, sugarcane, Polylactic Acid or Polylactide (PLA), Polyhydroxyalcanoates (PHA), etc. <u>Examples:</u> trays, pails, lids	
	Biodegradable rigid plastic containers – beverage	Includes beverage containers consisting of a natural or combination of natural and synthetic polymers that is largely based on renewable resources.	
<b>Steel and Other Metal Packaging</b>	Aerosol containers	Includes all aerosol containers that are more than 50% by weight of steel. <u>Examples:</u> Air freshener cans, paint and solvent spray cans, deodorant and hairspray cans	
	Paint cans	Includes all sizes of paint cans that are more than 50% by weight of steel. <u>Examples:</u> Paint cans, driveway sealant cans, rust coating cans	
	Other steel and metal containers and packaging – non-beverage	Includes all other containers that are more than 50% by weight of steel or other metal. <u>Examples:</u> Food cans (i.e. soup), lids and closures	
	Other steel and metal containers and packaging – beverage	Includes all other containers that are more than 50% by weight of steel or other metal. <u>Examples:</u> Ready to serve beverages such as can of juice.	
<b>Aluminum Packaging</b>	Aluminum – food cans	Includes sealed, rigid containers lids for food products. Does not include aluminum aerosol containers (this would be included in the foil & other aluminum packaging subcategory) <u>Examples:</u> Pet food cans, sardine cans	

**Categories and Materials Covered Under the Packaging and Printed Paper Program Plan**

<b>Category</b>	<b>Material</b>	<b>Definition</b>
	Aluminum cans – beverage	Includes sealed, rigid containers aluminum beverage cans <u>Examples:</u> Ready to serve beverages such as juice and soft drink can
	Foil and other aluminum packaging	Includes semi-rigid foil trays, lids, seals and aluminum tubes, caps, screw on lids and aluminum aerosol containers that are at least 95% aluminum <u>Examples:</u> Foil wrap, pie plates, yogurt/sour cream seals, frozen lasagna trays, aluminum mousse or hair spray cans
<b>Glass Packaging</b>	Clear (flint) glass – non-beverage	Includes clear glass container packaging that is 50 % or more of glass by weight with the exception of Pyrex, ceramics or crystal. <u>Examples:</u> Pickle jars, salsa jars
	Clear (flint) glass – beverage	Includes clear glass container packaging that is 50 % or more of glass by weight with the exception of Pyrex, ceramics or crystal. <u>Example:</u> Ready to serve beverages such as juice, wine, spirits, water
	Coloured glass – non-beverage	Includes coloured (e.g. green, brown, blue etc.) glass container packaging that is 50% or greater of glass by weight with the exception of Pyrex, ceramics or crystal. <u>Examples:</u> Olive oil bottles, balsamic vinegar
	Coloured glass – beverage	Includes coloured (e.g. green, brown, blue etc.) glass container packaging that is 50% or greater of glass by weight with the exception of Pyrex, ceramics or crystal. <u>Example:</u> Ready to serve beverages such as juice, wine, spirits, water
Note: weight of LDPE/HDPE carry-out bags units is to be included in LDPE/HDPE film carry-out bags		

# **Appendix 6**

## ***Detailed Calculation Tables***

**Model Parameters for Setting Year 1 Fees**

<b>Obligation Estimation (Sheet 3)</b>	
80% of Reported Net Cost	\$ 8,629,000
Negotiated Cost Reduction (from Cost Bands)	\$ -
Obligation to Municipalities	\$ 8,629,000
<b>Costs Allocated to Material Categories</b>	
Allocated Printed Paper Cost	\$ 571,100
Allocated Packaging Cost	\$ 8,057,900
<b>Other Program Costs</b>	
Program Start-Up & Plan Development	\$ 500,000
Compliance Cost	\$ 50,000
Market Development and R&D	\$ 60,000
MMSM Program Costs	\$ 1,318,333
P&E, Anti-litter Campaign, Public Space Recycling, School Education	\$ 880,000
Continuous Improvement Process	\$ 75,000
<b>Total</b>	<b>\$ 2,883,333</b>
Printed Paper Aggregation Factor	0.500

	<b>Anticipated Generation to be Reported by Stewards (Sheet 3)</b>
	(tonnes)
Newsprint	35,584
Magazines and Catalogues	5,827
Telephone Books	1,530
Other Printed Paper	5,826
Old Corrugated Containers	9,740
Polycoat & Laminates	5,110
Old Boxboard	13,216
PET bottles	5,869
HDPE bottles	3,938
Plastic Film	4,901
Other Plastics	7,492
Steel Food & Beverage Cans	4,161
Aerosols	387
Paint Cans	248
Al Food & Beverage Cans	2,440
Other Aluminum Packaging	477
Glass	16,701

<b>Basis of Initial Allocation of Common Costs (Sheets 1 &amp; 3) *</b>	
	(%)
Printed Paper	17.8%
Paper Packaging	26.23%
Plastics	39.66%
Steel	5.66%
Aluminum	5.32%
Glass	5.38%
<b>Total Stewards</b>	<b>100.0%</b>

\* Based on Ontario Stewards, and will be updated for Manitoba for Final Year 1 Fees.

<b>Material Category for Fees</b>	<b>Materials being Aggregated</b>
<b>Newsprint</b>	50% Newsprint 50% Newsprint, Magazines & catalogues, directories and other paper
<b>Other Printed Paper</b>	50% Newsprint, Magazines & catalogues, directories and other paper 50% Magazines & catalogues, directories and other paper
<b>OCC &amp; OBB</b>	OCC & OBB
<b>Other Plastics</b>	PET thermoform, HDPE injection grade, PVC, LDPE, PP, PS, other plastics & laminated plastics
<b>Steel</b>	Steel food & beverage cans, paint cans and aerosols

## Model Inputs

<b>Factor Weightings Sheet 3</b>		%
Recovery Rate Factor Weighting		35
Net Cost Factor Weighting		40
Equalization Factor Weighting		25
Equalization Threshold		60

Material	Year 1 Tonnage		Year 1 Cost Data
	Generation (Sheet 1) (tonnes)	Recovery (Sheet 1) (tonnes)	Net Cost (Sheet 2) (\$/tonne)
Newsprint	35,584	27,673	\$12.24
Magazines and Catalogues	7,022	3,646	\$12.24
Telephone Books	1,530	1,190	\$37.19
Other Printed Paper	10,166	3,951	\$72.45
Old Corrugated Containers	15,077	9,702	\$316.57
Polycoat & Laminates	6,387	1,170	\$1,076.98
Old Boxboard	13,216	5,842	\$248.49
PET bottles	5,869	2,403	\$634.47
HDPE bottles	3,938	2,531	\$234.18
Plastic Film	5,302	410	\$2,788.17
Other Plastics	8,813	682	\$1,383.90
Steel Food & Beverage Cans	5,688	2,729	\$79.82
Steel Aerosols	387	39	\$79.82
Steel Paint Cans	248	25	\$79.82
Aluminum Food & Beverage Cans	2,600	1,007	(\$683.96)
Other Aluminum Packaging	477	29	(\$683.96)
Glass	16,701	5,779	\$98.52
<b>Total</b>	<b>139,006</b>	<b>68,809</b>	



Table 1: Generation and Recovery (full-year obligation)

Category	Material	Year 1						Basis for Distribution for Common Costs			
		Quantity Generated	%age of Generated	Quantity Recovered	Recovery Rate	Quantity to Disposal	% of Total Disposed	Density	Volume	Relative number of stewards reporting	
		(tonnes)		(tonnes)		(tonnes)		kg/m3	m3		
<b>PRINTED PAPER</b>											
	Newsprint	35,584	25.6%	27,673	77.8%	7,911	11.3%	250	142,337	10.7%	10.7%
	Magazines and Catalogues	7,022	5.1%	3,646	51.9%	3,376	4.8%	275	25,535	2.0%	2.0%
	Telephone Books	1,530	1.1%	1,190	77.8%	340	0.5%	275	5,565	0.4%	0.4%
	Other Printed Paper	10,166	7.3%	3,951	38.9%	6,215	8.9%	135	75,305	4.6%	4.6%
	<b>Printed Paper Total</b>	<b>54,303</b>	<b>39.1%</b>	<b>36,460</b>	<b>67.1%</b>	<b>17,842</b>	<b>25.42%</b>		<b>248,741</b>	<b>17.8%</b>	
<b>PACKAGING</b>											
<b>Paper Based Packaging</b>											
	Old Corrugated Containers	15,077	10.8%	9,702	64.3%	5,375	7.7%	55	274,119	10.9%	10.9%
	Polycoat & Laminates	6,387	4.6%	1,170	18.3%	5,217	7.4%	35	182,498	6.2%	6.2%
	Old Boxboard	13,216	9.5%	5,842	44.2%	7,374	10.5%	60	220,266	9.1%	9.1%
	<b>Paper Packaging Total</b>	<b>34,680</b>	<b>24.9%</b>	<b>16,714</b>	<b>48.2%</b>	<b>17,966</b>	<b>25.59%</b>		<b>676,883</b>	<b>26.2%</b>	
<b>Plastic Packaging</b>											
	PET bottles	5,869	4.2%	2,403	40.9%	3,466	4.9%	25	234,771	9.9%	9.9%
	HDPE bottles	3,938	2.8%	2,531	64.3%	1,406	2.0%	25	157,513	6.6%	6.6%
	Plastic Film	5,302	3.8%	410	7.7%	4,892	7.0%	28	189,373	8.3%	8.3%
	Other Plastics	8,813	6.3%	682	7.7%	8,132	11.6%	25	352,532	14.8%	14.8%
	<b>Plastics Total</b>	<b>23,923</b>	<b>17.2%</b>	<b>6,027</b>	<b>25.2%</b>	<b>17,896</b>	<b>25.49%</b>		<b>934,190</b>	<b>39.7%</b>	
<b>Steel Packaging</b>											
	Food & Beverage Cans	5,688	4.1%	2,729	48.0%	2,959	4.2%	90	63,201	5.1%	5.1%
	Aerosols	387	0.3%	39	10.0%	348	0.5%	90	4,297	0.3%	0.3%
	Paint Cans	248	0.2%	25	10.0%	223	0.3%	90	2,751	0.2%	0.2%
	<b>Steel Total</b>	<b>6,322</b>	<b>4.5%</b>	<b>2,793</b>	<b>44.2%</b>	<b>3,530</b>	<b>5.03%</b>		<b>70,249</b>	<b>5.7%</b>	
<b>Aluminum Packaging</b>											
	Al Food & Beverage Cans	2,600	1.9%	1,007	38.7%	1,593	2.3%	30	86,674	4.5%	4.5%
	Other Aluminum Packaging	477	0.3%	29	6.0%	448	0.6%	30	15,910	0.8%	0.8%
	<b>Aluminum Total</b>	<b>3,078</b>	<b>2.2%</b>	<b>1,036</b>	<b>33.7%</b>	<b>2,042</b>	<b>2.91%</b>		<b>102,583</b>	<b>5.3%</b>	
<b>Glass</b>											
	Glass	16,701	12.0%	5,779	34.6%	10,921	15.6%	300	55,669	5.4%	5.4%
	<b>Glass Total</b>	<b>16,701</b>	<b>12.0%</b>	<b>5,779</b>	<b>34.6%</b>	<b>10,921</b>	<b>15.56%</b>		<b>55,669</b>	<b>5.4%</b>	
<b>PACKAGING TOTAL</b>		<b>84,703</b>	<b>60.9%</b>	<b>32,348</b>	<b>38.2%</b>	<b>52,355</b>	<b>74.58%</b>				
<b>TOTALS</b>		<b>139,006</b>	<b>100.0%</b>	<b>68,809</b>	<b>49.5%</b>	<b>70,197</b>	<b>100.00%</b>		<b>1,839,574</b>		<b>100.0%</b>

Allocation of Stewards Within Material Categories

Weight 40%  
Volume 60%

Table 2: Gross and Net Costs (full-year obligation)

Category	Material	Quantity Recovered	Net Cost of Current System				Net Cost to Achieve 60% Equalization Threshold			
			Per-tonne	Total Net Cost	% of Net Cost	% of Printed Paper Cost	% of Packaging Cost	Cost to Manage Rest of 60%	%age Cost of Tonnes to 60%	%age of Printed Cost
<b>PRINTED PAPER</b>										
Printed Paper	Newsprint	27,673	\$ 12.24	\$ 338,743	3.1%	47.5%	\$ -	0.0%	0.0%	0.0%
	Magazines and Catalogues	3,646	\$ 12.24	\$ 44,630	0.4%	6.3%	\$ 6,944	0.0%	4.3%	
	Telephone Books	1,190	\$ 37.19	\$ 44,253	0.4%	6.2%	\$ -	0.0%	0.0%	
	Other Printed Paper	3,951	\$ 72.45	\$ 286,226	2.7%	40.1%	\$ 155,675	0.8%	95.7%	
<b>Printed Paper Total</b>		<b>36,460</b>	<b>\$ 19.58</b>	<b>\$ 713,852</b>	<b>6.6%</b>	<b>100.0%</b>	<b>\$ 162,619</b>	<b>0.9%</b>	<b>100.0%</b>	
<b>PACKAGING</b>										
Paper Based	Old Corrugated Containers	9,702	\$ 316.57	\$ 3,071,190	28.5%	30.5%	\$ -	0.0%		0.0%
Packaging	Polycat & Laminates	1,170	\$ 1,076.98	\$ 1,260,516	11.7%	12.5%	\$ 2,866,948	15.2%		15.3%
	Old Boxboard	5,842	\$ 248.49	\$ 1,451,635	13.5%	14.4%	\$ 518,786	2.8%		2.8%
<b>Paper Pack'g Total</b>		<b>16,714</b>	<b>\$ 346.02</b>	<b>\$ 5,783,341</b>	<b>53.6%</b>	<b>57.4%</b>	<b>\$ 3,385,734</b>	<b>18.0%</b>		<b>18.1%</b>
Plastic Packaging	PET bottles	2,403	\$ 634.47	\$ 1,524,900	14.1%	15.1%	\$ 709,436	3.8%		3.8%
	HDPE bottles	2,531	\$ 234.18	\$ 592,807	5.5%	5.9%	\$ -	0.0%		0.0%
	Plastic Film	410	\$ 2,788.17	\$ 1,143,501	10.6%	11.4%	\$ 7,726,993	41.0%		41.3%
	Other Plastics	682	\$ 1,383.90	\$ 943,371	8.7%	9.4%	\$ 6,374,652	33.8%		34.1%
<b>Plastics Total</b>		<b>6,027</b>	<b>\$ 697.66</b>	<b>\$ 4,204,579</b>	<b>39.0%</b>	<b>41.7%</b>	<b>\$ 14,811,081</b>	<b>78.5%</b>		<b>79.2%</b>
Steel Packaging	Food and Beverage	2,729	\$ 79.82	\$ 217,871	2.0%	2.2%	\$ 54,559	0.3%		0.3%
	Aerosols	39	\$ 79.82	\$ 3,087	0.0%	0.0%	\$ 15,434	0.1%		0.1%
	Paint Cans	25	\$ 79.82	\$ 1,976	0.0%	0.0%	\$ 9,881	0.1%		0.1%
<b>Steel Total</b>		<b>2,793</b>	<b>\$ 79.82</b>	<b>\$ 222,934</b>	<b>2.1%</b>	<b>2.2%</b>	<b>\$ 79,874</b>	<b>0.4%</b>		<b>0.4%</b>
Aluminum Packaging	Al Food & Beverage Cans	1,007	\$ (683.96)	\$ (688,637)	-6.4%	-6.8%	\$ -	0.0%		0.0%
	Other Aluminum Packaging	29	\$ (683.96)	\$ (19,720)	-0.2%	-0.2%	\$ -	0.0%		0.0%
<b>Aluminum Total</b>		<b>1,036</b>	<b>\$ (683.96)</b>	<b>\$ (708,357)</b>	<b>-6.6%</b>	<b>-7.0%</b>	<b>\$ -</b>	<b>0.0%</b>		<b>0.0%</b>
Glass Packaging	Glass	5,779	\$ 98.52	\$ 569,363	5.3%	5.7%	\$ 417,801	2.2%		2.2%
<b>Glass Total</b>		<b>5,779</b>	<b>\$ 98.52</b>	<b>\$ 569,363</b>	<b>5.3%</b>	<b>5.7%</b>	<b>\$ 417,801</b>	<b>2.2%</b>		<b>2.2%</b>
<b>PACKAGING TOTAL</b>		<b>32,348</b>	<b>\$ 311.36</b>	<b>\$ 10,071,860</b>	<b>93.4%</b>	<b>100.0%</b>	<b>\$ 18,694,490</b>			
<b>TOTALS</b>		<b>68,809</b>	<b>\$ 156.75</b>	<b>\$ 10,785,712</b>	<b>100.0%</b>		<b>\$ 18,857,110</b>	<b>100.0%</b>		<b>100.0%</b>
<b>Industry Obligation</b>			<b>\$</b>	<b>8,628,570</b>						



Table 3: Fee Schedule By Material Type (full-year obligation)

Category	Material	Program Start-Up & Plan Development	Compliance Cost	Market Development and R&D	MMSM Program Costs	P&E, Anti-litter Campaign, Public Space Recycling, School Education	Continuous Improvement Process	Total - Base + All Program + Start-up + Admin Fees	Net Total - Base + All Program + Start-up + Admin Fees	Surplus or Shortfall in Fees to be Credited in Subsequent Year	Municipal Obligation
	<b>Weight for Factor</b>	<b>\$ 500,000</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>	<b>\$ 1,318,333</b>	<b>\$ 880,000</b>	<b>\$ 75,000</b>				
<b>PRINTED PAPER</b>											
Printed Paper	Newsprint	\$ 53,746	\$ 5,375	\$ 6,450	\$ 141,710	\$ 94,593	\$ 8,062	\$ 506,959	\$ 506,959	\$ -	\$ 197,024
	Magazines and Catalogues	\$ 10,060	\$ 1,006	\$ 1,207	\$ 26,524	\$ 17,705	\$ 1,509	\$ 116,211	\$ 116,211	\$ -	\$ 58,201
	Telephone Books	\$ 2,192	\$ 219	\$ 263	\$ 5,780	\$ 3,858	\$ 329	\$ 30,614	\$ 30,614	\$ -	\$ 17,973
	Other Printed Paper	\$ 22,772	\$ 2,277	\$ 2,733	\$ 60,043	\$ 40,079	\$ 3,416	\$ 429,222	\$ 429,222	\$ -	\$ 297,902
<b>Printed Paper</b>		<b>\$ 88,770</b>	<b>\$ 8,877</b>	<b>\$ 10,652</b>	<b>\$ 234,057</b>	<b>\$ 156,235</b>	<b>\$ 13,315</b>	<b>\$ 1,083,006</b>	<b>\$ 1,083,006</b>	<b>\$ -</b>	<b>\$ 571,100</b>
<b>PACKAGING</b>											
Paper Based Packaging	Old Corrugated Containers	\$ 54,672	\$ 5,467	\$ 6,561	\$ 144,151	\$ 96,222	\$ 8,201	\$ 1,587,648	\$ 1,587,648	\$ -	\$ 1,272,374
	Polycoat & Laminates	\$ 30,877	\$ 3,088	\$ 3,705	\$ 81,413	\$ 54,344	\$ 4,632	\$ 1,171,410	\$ 1,171,410	\$ -	\$ 993,352
	Old Boxboard	\$ 45,597	\$ 4,560	\$ 5,472	\$ 120,224	\$ 80,251	\$ 6,840	\$ 1,180,624	\$ 1,180,624	\$ -	\$ 917,681
<b>Paper Based Packaging</b>		<b>\$ 131,146</b>	<b>\$ 13,115</b>	<b>\$ 15,738</b>	<b>\$ 345,788</b>	<b>\$ 230,817</b>	<b>\$ 19,672</b>	<b>\$ 3,939,682</b>	<b>\$ 3,939,682</b>	<b>\$ -</b>	<b>\$ 3,183,407</b>
Plastic Packaging	PET bottles	\$ 49,361	\$ 4,936	\$ 5,923	\$ 130,148	\$ 86,875	\$ 7,404	\$ 1,035,787	\$ 1,035,787	\$ -	\$ 751,140
	HDPE bottles	\$ 33,117	\$ 3,312	\$ 3,974	\$ 87,319	\$ 58,286	\$ 4,968	\$ 456,443	\$ 456,443	\$ -	\$ 265,468
	Plastic Film	\$ 41,699	\$ 4,170	\$ 5,004	\$ 109,948	\$ 73,391	\$ 6,255	\$ 1,702,590	\$ 1,702,590	\$ -	\$ 1,462,123
	Other Plastics	\$ 74,120	\$ 7,412	\$ 8,894	\$ 195,429	\$ 130,451	\$ 11,118	\$ 1,854,272	\$ 1,854,272	\$ -	\$ 1,426,847
<b>Plastics Packaging</b>		<b>\$ 198,297</b>	<b>\$ 19,830</b>	<b>\$ 23,796</b>	<b>\$ 522,844</b>	<b>\$ 349,003</b>	<b>\$ 29,745</b>	<b>\$ 5,049,092</b>	<b>\$ 5,049,092</b>	<b>\$ -</b>	<b>\$ 3,905,578</b>
Steel Packaging	Food and Beverage	\$ 25,474	\$ 2,547	\$ 3,057	\$ 67,166	\$ 44,834	\$ 3,821	\$ 381,882	\$ 381,882	\$ -	\$ 234,983
	Aerosols	\$ 1,732	\$ 173	\$ 208	\$ 4,566	\$ 3,048	\$ 260	\$ 31,385	\$ 31,385	\$ -	\$ 21,398
	Paint Cans	\$ 1,109	\$ 111	\$ 133	\$ 2,923	\$ 1,951	\$ 166	\$ 20,094	\$ 20,094	\$ -	\$ 13,700
<b>Steel Packaging</b>		<b>\$ 28,315</b>	<b>\$ 2,831</b>	<b>\$ 3,398</b>	<b>\$ 74,656</b>	<b>\$ 49,834</b>	<b>\$ 4,247</b>	<b>\$ 433,361</b>	<b>\$ 433,361</b>	<b>\$ -</b>	<b>\$ 270,081</b>
Aluminum Packaging	Al Food & Beverage Cans	\$ 22,468	\$ 2,247	\$ 2,696	\$ 59,242	\$ 39,544	\$ 3,370	\$ (4,975)	\$ (4,975)	\$ -	\$ (134,543)
	Other Aluminum Packaging	\$ 4,124	\$ 412	\$ 495	\$ 10,874	\$ 7,259	\$ 619	\$ 41,630	\$ 41,630	\$ -	\$ 17,847
<b>Aluminum Packaging</b>		<b>\$ 26,593</b>	<b>\$ 2,659</b>	<b>\$ 3,191</b>	<b>\$ 70,116</b>	<b>\$ 46,803</b>	<b>\$ 3,989</b>	<b>\$ 36,655</b>	<b>\$ 36,655</b>	<b>\$ -</b>	<b>\$ (116,696)</b>
Glass Packaging	Glass	\$ 26,880	\$ 2,688	\$ 3,226	\$ 70,873	\$ 47,308	\$ 4,032	\$ 970,537	\$ 970,537	\$ -	\$ 815,531
<b>Glass Packaging</b>		<b>\$ 26,880</b>	<b>\$ 2,688</b>	<b>\$ 3,226</b>	<b>\$ 70,873</b>	<b>\$ 47,308</b>	<b>\$ 4,032</b>	<b>\$ 970,537</b>	<b>\$ 970,537</b>	<b>\$ -</b>	<b>\$ 815,531</b>
<b>Factor Allocation to Printed Paper</b>											
<b>Factor Allocation to Packaging</b>											
<b>Total</b>		<b>\$ 500,000</b>	<b>\$ 50,000</b>	<b>\$ 60,000</b>	<b>\$ 1,318,333</b>	<b>\$ 880,000</b>	<b>\$ 75,000</b>	<b>\$ 11,512,333</b>	<b>\$ 11,512,333</b>	<b>\$ -</b>	<b>\$ 8,629,000</b>

Table 3: Fee Schedule By Material Type (full-year obligation)

Category	Material	Common Costs (less credit)	Total Fees	Anticipated Generation to be Reported by Stewards in Year 1	Disaggregated Material Fee Rate		Preliminary Year 1 Aggregated Fee Rates
				(tonnes)	(\$/tonne)	(cents/kg)	(cents/kg)
Weight for Factor							
<b>PRINTED PAPER</b>							
Printed Paper	Newsprint	\$ 309,935	\$ 506,959	35,584	\$14.25 /tonne	1.425 ¢/kg	1.823 ¢/kg
	Magazines and Catalogues	\$ 58,010	\$ 116,211	5,827	\$19.94 /tonne	1.994 ¢/kg	
	Telephone Books	\$ 12,641	\$ 30,614	1,530	\$20.01 /tonne	2.001 ¢/kg	3.295 ¢/kg
	Other Printed Paper	\$ 131,320	\$ 429,222	5,826	\$73.67 /tonne	7.367 ¢/kg	
<b>Printed Paper</b>		<b>\$ 511,906</b>	<b>\$ 1,083,006</b>	<b>48,768</b>			
<b>PACKAGING</b>							
Paper Based Packaging	Old Corrugated Containers	\$ 315,274	\$ 1,587,648	9,740	\$163.00 /tonne	16.300 ¢/kg	12.059 ¢/kg
	Polycoat & Laminates	\$ 178,059	\$ 1,171,410	5,110	\$229.24 /tonne	22.924 ¢/kg	22.924 ¢/kg
	Old Boxboard	\$ 262,942	\$ 1,180,624	13,216	\$89.33 /tonne	8.933 ¢/kg	12.059 ¢/kg
<b>Paper Based Packaging</b>		<b>\$ 756,275</b>	<b>\$ 3,939,682</b>	<b>28,066</b>	<b>\$140.37 /tonne</b>	<b>14.037 ¢/kg</b>	
Plastic Packaging	PET bottles	\$ 284,647	\$ 1,035,787	5,869	\$176.48 /tonne	17.648 ¢/kg	17.648 ¢/kg
	HDPE bottles	\$ 190,976	\$ 456,443	3,938	\$115.91 /tonne	11.591 ¢/kg	11.591 ¢/kg
	Plastic Film	\$ 240,467	\$ 1,702,590	4,901	\$347.39 /tonne	34.739 ¢/kg	28.701 ¢/kg
	Other Plastics	\$ 427,425	\$ 1,854,272	7,492	\$247.51 /tonne	24.751 ¢/kg	
<b>Plastics Packaging</b>		<b>\$ 1,143,514</b>	<b>\$ 5,049,092</b>	<b>22,200</b>	<b>\$227.44 /tonne</b>	<b>22.744 ¢/kg</b>	
Steel Packaging	Food and Beverage	\$ 146,900	\$ 381,882	4,161	\$91.77 /tonne	9.177 ¢/kg	
	Aerosols	\$ 9,987	\$ 31,385	387	\$81.16 /tonne	8.116 ¢/kg	9.037 ¢/kg
	Paint Cans	\$ 6,394	\$ 20,094	248	\$81.16 /tonne	8.116 ¢/kg	
<b>Steel Packaging</b>		<b>\$ 163,280</b>	<b>\$ 433,361</b>	<b>4,796</b>	<b>\$90.37 /tonne</b>	<b>9.037 ¢/kg</b>	
Aluminum Packaging	Al Food & Beverage Cans	\$ 129,568	\$ (4,975)	2,440	-\$2.04 /tonne	-0.204 ¢/kg	-0.204 ¢/kg
	Other Aluminum Packaging	\$ 23,783	\$ 41,630	477	\$87.22 /tonne	8.722 ¢/kg	8.722 ¢/kg
<b>Aluminum Packaging</b>		<b>\$ 153,351</b>	<b>\$ 36,655</b>	<b>2,917</b>	<b>\$12.56 /tonne</b>	<b>1.256 ¢/kg</b>	
Glass Packaging	Glass	\$ 155,006	\$ 970,537	16,701	\$58.11 /tonne	5.811 ¢/kg	5.811 ¢/kg
<b>Glass Packaging</b>		<b>\$ 155,006</b>	<b>\$ 970,537</b>	<b>16,701</b>	<b>\$58.11 /tonne</b>	<b>5.811 ¢/kg</b>	
<b>Factor Allocation to Printed Paper</b>				48,768			
<b>Factor Allocation to Packaging</b>				74,680			
<b>Total</b>		<b>\$ 2,883,333</b>	<b>\$ 11,512,333</b>	<b>123,448</b>			

## **Appendix 7**

### ***Memorandum of Understanding with Manitoba Government***

# MEMORANDUM OF UNDERSTANDING

BETWEEN

**THE GOVERNMENT OF MANITOBA,**

as represented by the Minister of Energy, Science and Technology  
and Minister responsible for Green Manitoba Eco Solutions (“Green Manitoba”),  
a special operating agency under  
*The Special Operating Agencies Financing Authority Act*,  
and the Minister of Conservation  
and Minister responsible for the administration of  
*The Waste Reduction and Prevention Act*,

(hereinafter referred to as “Manitoba”),

- and -

**CANADIAN COUNCIL OF GROCERY DISTRIBUTORS,  
CANADIAN FEDERATION OF INDEPENDENT GROCERS,  
CANADIAN RESTAURANT AND FOOD SERVICES ASSOCIATION,  
THE RETAIL COUNCIL OF CANADA,  
FOOD AND CONSUMER PRODUCTS OF CANADA,  
REFRESHMENTS CANADA,  
CORPORATIONS SHARING RESPONSIBILITY,  
COCA-COLA BOTTLING COMPANY,  
MANITOBA LIQUOR CONTROL COMMISSION,  
and MANITOBA TELECOM SERVICES INC.,**

(hereinafter referred to, collectively, as  
the “Printed Paper and Packaging Working Group”  
or “PPPWG” or individually, as “Member”).

## INTRODUCTION

Printed Paper and Packaging (“PPP”) is a category of materials broadly encompassing packaging (i.e. glass, metal, paper or plastic, or any combination thereof) and printed paper that is no longer used for its original purpose and that is normally managed and disposed of through the municipal waste collection systems.

Manitoba intends to enact a regulation under *The Waste Reduction and Prevention Act (Manitoba)* (the “WRAP Act”) to change the current product stewardship approach for PPP in the Province of Manitoba, to a regulated, steward-responsibility model for the management of PPP (“PPP Regulation”).

A PPP Regulation would identify PPP as a designated material under the WRAP Act.

The Printed Paper and Packaging Working Group is prepared to develop a detailed PPP stewardship plan proposal (“Proposal”) that would, among other things, be consistent with the requirements of the Regulation, identify the ways in which industry stewards would manage the disposal of PPP, and establish one or more management organizations (“PPP Industry Funding Organization” or “PPP IFO”).

**NOW THEREFORE** the following represents the understandings of the Participants to this Memorandum:

1. That the PPPWG would develop and prepare a Proposal consistent with all relevant principles set out in the WRAP Act and with any written guidelines that may be established by the Minister of Conservation in regards to PPP stewardship programs.
2. That within, but no later than, six (6) months following the date that the PPP Regulation becomes law, the PPPWG would present a Proposal to Green Manitoba for Green Manitoba’s review to determine whether such Proposal may be sent to the Minister of Conservation for his approval under the PPP Regulation. It is further understood that any revisions or modifications that Green Manitoba or the Minister of Conservation, or both, may require the PPPWG to make to such Proposal, would also be made by the PPPWG within this six (6) month period (or such longer period as the Minister of Conservation may allow) and would continue to be made by the PPPWG until the Minister of Conservation is completely satisfied with the form and contents of such Proposal. If approved by the Minister of Conservation, such Proposal would become a PPP Stewardship Program Plan under the PPP Regulation.
3. That the PPPWG understands that the establishment of a PPP IFO would be a condition, or one of the conditions, of the Minister of Conservation’s approval of a Proposal.
4. That the PPPWG intends to recover any and all reasonable costs that the PPPWG actually incurs and pays in connection with the preparation and development of its Proposal. Provided that the PPPWG’s Proposal is approved by the Minister of Conservation, and subject to provision 8 of this Memorandum, the PPPWG intends to recover such reasonable and actual costs from any fees or revenues that may be paid in the future by industry stewards to the PPP IFO under an approved PPP Stewardship Program Plan.



5. That the PPPWG would use its best efforts to cause any approved PPP Stewardship Program Plan to be fully implemented and the PPP IFO to be incorporated and operational, all within, but no later than, six (6) months following the date that the Minister of Conservation may approve the PPPWG's Proposal as a PPP Stewardship Program Plan.
6. That the funding mechanisms relating to the collection and distribution of funds required to support the operations of any approved PPP Stewardship Program Plan would be implemented by the PPP IFO, and not by the PPPWG or any Member of the PPPWG.
7. That the PPPWG would require the PPP IFO, upon its incorporation, to reimburse and pay to Green Manitoba any and all reasonable costs, whether internal or external, actually incurred by Green Manitoba after April 1, 2006 in regards to the coordination of any approved PPP Stewardship Program Plan throughout the Province of Manitoba, provided, however, that any such costs would have to be substantiated by Green Manitoba with appropriate documentation. The PPPWG would require the PPP IFO to reimburse and pay such costs of Green Manitoba as a pre-incorporation obligation that would be ratified and adopted by the PPP IFO upon its incorporation.
8. That if:
  - (a) in accordance with Manitoba's legislative prerogative, Manitoba determines that it will not proceed with the enactment of any PPP Regulation, or
  - (b) the Minister of Conservation does not approve any Proposal submitted by the PPPWG, provided, however, that such Proposal would first have to be consistent with the requirements of the PPP Regulation, any written guidelines issued by the Minister of Conservation that set out the requirements of industry stewards when they develop a stewardship program for designated material, and any revisions or modifications that the Minister of Conservation may, at his discretion, require the PPPWG to make to such Proposal, or
  - (c) upon the occurrence of both (a) and (b);

Manitoba would, upon the written request of the PPPWG, give consideration to reimbursing the PPPWG for any and all reasonable third party (such as external consultants and accountants) costs that the PPPWG or any Member actually incurred and paid in connection with the PPPWG's preparation and development of such Proposal. The PPPWG would substantiate any request for reimbursement by submitting all

- supporting documentation (such as “paid” invoices and receipts) and furnishing written details or explanations of such third party costs that Manitoba may reasonably request. For clarification, the PPPWG would not request Manitoba to reimburse any in-kind costs of the PPPWG or any Member of the PPPWG.
9. That best efforts are necessary by all Participants to this Memorandum to establish, as expeditiously as possible, improved PPP product stewardship practices in the Province of Manitoba. However, it is understood that nothing contained in this Memorandum is to be interpreted, either expressly or impliedly, to fetter or restrict:
    - (a) Manitoba from carrying out its legislative authority under the Wrap Act or in regards to any PPP Regulation; or
    - (b) the Minister of Conservation in exercising his administrative discretion in determining whether to approve any Proposal.
  10. That this Memorandum is not intended to have any legal or binding effect but is intended to form the basis on which the Participants would establish a process that reflects their understandings of this purpose of this Memorandum.
  11. This Memorandum may be executed in any number of counterparts, and all such counterparts taken together shall constitute one and the same document.
  12. This Memorandum contains the entire understandings between the Participants pertaining to the subject matter hereof and supersedes and cancels all prior understandings, communications and discussions between the Participants, whether verbal or written. There are no representations, undertakings, or agreements between the Participants in connection with the subject matter of this Memorandum.
  13. The primary contacts for day-to-day communications related to this Memorandum are as follows:
    - (a) On behalf of Manitoba  
  
Green Manitoba Eco Solutions  
Main FL – 270 Osborne Street North  
Winnipeg, MB R3C 1V7  
  
Attention: Jim Ferguson (Lead, Waste Management)  
and Doug Smith (Director)

(b) On behalf of the PPPWG

Earthbound Environmental  
Box 143  
Steinbach, MB R0A 2A0

Attention: Ken Friesen (Project Manager)

- and -

Corporations Sharing Responsibility  
26 Wellington Street East  
Suite 601  
Toronto, ON M5E 1S2

Attention: Derek Stephenson (Project Director)

**SIGNED** by the authorized signatories of the Participants, each on the dates noted below.

\_\_\_\_\_  
Minister of Energy, Science and  
Technology

Date:\_\_\_\_\_

\_\_\_\_\_  
Minister of Conservation

Date:\_\_\_\_\_

\_\_\_\_\_  
Justin Sherwood, Canadian  
Council of Grocery Distributors

Date:\_\_\_\_\_

\_\_\_\_\_  
Jane MacKay, Coca-Cola  
Bottling Company

Date:\_\_\_\_\_

\_\_\_\_\_  
Ingrid Loewen, Manitoba Liquor  
Control Commission

Date:\_\_\_\_\_

\_\_\_\_\_  
Fred Riddle, Manitoba Telecom  
Services Inc.

Date:\_\_\_\_\_

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Anthony van Heyningen,  
Refreshments Canada

Date: \_\_\_\_\_

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Gemma Zecchini, Food and  
Consumer Products of Canada

Date: \_\_\_\_\_

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Gary Sands, Canadian Federation  
of Independent Grocers

Date: \_\_\_\_\_

---

Michael Ferabee, Canadian  
Restaurant and Food Services  
Association

Date: \_\_\_\_\_

---

Rachel Kagen, The Retail Council  
of Canada

Date: \_\_\_\_\_

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Damian Bassett,  
Corporations Sharing  
Responsibility

Date: \_\_\_\_\_

## **Appendix 8**

### ***Letter to Manitoba Conservation for a Request for Interpretation***



June 8, 2009

Manitoba Conservation  
Att. Rod McCormick  
123 Main St.  
Winnipeg, Manitoba  
R3C 1A5

Re: Regulation Policy Interpretation

Dear Rod,

Further to phone calls, questions, and discussions between yourself and MMSM staff on steward definition and following the feedback from the June 4 Industry Consultation we would request that you provide a policy interpretation in writing regarding the following issues.

The stewards of packaging and printed paper need to be able to know who the steward is based on the Regulation and that we are consistent with this under the rules of the program. We have understood you to say at different times that:

- a) you would like the steward to be as high up the supply chain as possible
- b) you will only enforce against companies based in MB
- c) stewards can figure out among themselves who should pay the stewardship fees.
- d) the legal drafters found the regulation to be acceptable

We acknowledge that the Regulation is based on the successful oil container and filter stewardship regulation. However, the stewardship issues related to packaging and printed paper are much more complex in that there are many more types of packaging, many more suppliers of products in packaging, and the supply chain is typically more complex.

1. Steward definition

The Regulation identifies the steward as the person that first supplies into MB. You have, however, indicated that the enforcement will be against the entity that resides in MB, the first “seller” although you leave open the possibility of enforcing against

someone outside of MB. You have further indicated that if the person that first supplies the material into MB chooses not to comply with the Regulation, the first seller of the material in MB becomes de facto the obligated steward. This is causing considerable confusion, as you heard at the June 4 Consultation. The obligated steward, “the first supplier into the Province”, can choose not to be obligated simply by choosing not to comply with the Regulation. One result is that a MB distributor or retailer may have some of its product coming from an out of province supplier (steward) who is complying with the Regulation and some product coming from another supplier (steward) from outside the Province that chooses not to comply with the Regulation. If the MB distributor or retailer cannot sell a product unless it is “part of an approved stewardship plan” then the MB company must determine and then report on which packaging sold in his/her store is covered under a stewardship plan and which material is not covered under a stewardship plan and must submit stewardship fees for that portion that is not covered. As many retail stores receive packaged products from numerous different suppliers this will cause an excessive administrative burden for MB retailers. The Regulation or Guidelines do not indicate that the MB Government will only enforce against stewards within the Province of MB.

Please clarify in writing:

- (a) Whether the MB Government has the legal authority to enforce the Regulation against stewards that are not resident in Manitoba;
- (b) If the MB Government has that legal authority, that it will take action against non-resident stewards that do not comply with the Regulation.
- (c) If MB does not have that legal authority, that it will enforce the Regulation only against stewards that reside within the Province of Manitoba.

## 2. Definition of Packaging

Empty packaging may be supplied by a person that resides either within or outside of the province and the packaging may then be filled by someone in the Province (e.g. empty bags are shipped into the Province, filled in MB, and then sold in MB). Empty packaging could then be considered a product until such time as it is filled and then becomes a package for the contents. Would you please clarify at what point is that packaging considered to be packaging under the Regulation? If this is not clear under the Regulation we would propose to deal with this matter under the rules of the program if this approach is considered to be enforceable by MB under the Regulation.

MMSM can and will create Rules for stewards regarding reporting and compliance with the Regulation. MMSM cannot, however, create any rules that go beyond the Regulation. It is in the interests of all parties to bring clarity to these matters and to minimize the potential for challenges following program launch. A meeting including your legal drafters and our legal counsel may resolve this most expeditiously. It is crucial that we receive this policy interpretation prior to submitting the Program Plan to the Minister.

Best regards,

A handwritten signature in black ink that reads "Justin Sherwood". The signature is written in a cursive style with a large, stylized initial "J".

Justin Sherwood  
MMSM Board Chair

cc. Minister Stan Struthers  
Laurie Streich, Director Pollution Prevention  
Jim Ferguson, Green Manitoba  
MMSM Board  
Potential PPP Stewards  
Ken Friesen, MMSM Project Manager



## **Appendix 9**

### ***Letter of Clarification from Manitoba Conservation***



Conservation  
Pollution Prevention

123 Main Street, Suite 160, Winnipeg, Manitoba, Canada R3C 1A5  
www.manitoba.ca

June 15, 2009

Mr. Justin Sherwood, Board Chair  
Multi-Material Stewardship Manitoba  
Canadian Council of Grocery Distributors  
112, 7720 – 5<sup>th</sup> Street East  
Calgary AB T2H 2L9

Dear Mr. Sherwood:

Thank you for your letter of June 8, 2009 requesting a policy interpretation regarding the “Steward” under the Packaging and Printed Paper Stewardship Regulation.

The Regulation defines a “steward of designated material” as:

- a) the first person who, in the course of business or a prescribed activity in Manitoba, supplies a designated material to another person; or
- b) a person who, in the course of business or a prescribed activity in Manitoba, uses a designated material obtained in a supply transaction outside of Manitoba.

In your letter, you attributed the following four statements to me.

**A. “You would like the steward to be as high up the supply chain as possible.”**

The Regulation identifies the “first supplier in Manitoba” as the steward of “prepackaged goods”, “service packaging” or “printed paper”. The first supplier in Manitoba will be either a manufacturer/brand owner, distributor/“first importer”, or retailer. A steward of service packaging will primarily be a retailer.

Although the retailer could be the steward of prepackaged goods under the above definition, the regulation is flexible enough to allow for anyone in the supply chain to be the steward. Therefore, it would be acceptable if MMSM’s program chose to identify retailers as the stewards. However, as you expressed concern about the administrative burden on retailers, it would also be acceptable to identify brand owners or “first importers” as the steward. The regulation also provides for businesses that supply products into Manitoba to become stewards.

The definition of steward is consistent with the definition of a beverage container steward under the current MPSC Program. The beverage industry should be able to provide you with insight into the workings and steward registration process related to the MPSC steward program.

**B. "You will only enforce against companies based in Manitoba."**

Enforcement of the regulation would be directed to the first supplier in Manitoba, who as described above, may be a manufacturer, first importer, distributor, or retailer. Enforcement of the regulation on businesses located outside of the province would be directed primarily to advising of the prohibition on the supply of a product within the province unless that product is included within a stewardship program. Manitoba may only take more direct action, such as laying charges, against businesses operating in the province.

**C. "Stewards can figure out among themselves who should pay the stewardship fees."**

Again, it may make more sense for MMSM to organize the program around stewards at a higher level in the supply chain to minimize the administrative burden on retailers. These can be stewards in Manitoba, as well as outside, to meet the program requirements as set by MMSM. We believe that MMSM may organize the steward registration on a similar basis as Ontario and Quebec. Your position identifying a steward as a business that sells a product "into" Manitoba is incorrect.

**D. "The legal drafters found the regulation to be acceptable."**

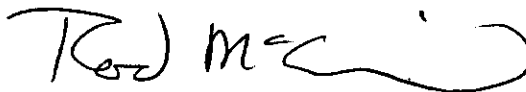
As you pointed out in your letter, the regulation is based on the Used Lubricating Products Regulation. The Packaging and Printed Paper Regulation is also similar to the new Tire Stewardship Regulation. In addition, it has similar provisions to those pertaining to stewards within the Multi-Material Stewardship Regulation.

With regard to the definition of Packaging, Sections 1.3 and 1.4 deal directly with empty containers or bags being supplied. The Regulation only covers packaging that contains a good.

We would hope that MMSM is able to convince companies outside of Manitoba to comply with your steward rules in order to minimize the burden on their customers in the province, much like the voluntary stewards in Ontario's program.

I hope this letter clarifies your concerns. We are willing to meet and discuss these issues with you at greater length if required.

Sincerely,



Rod McCormick  
Policy Analyst