



Part 2: PPEC Analysis

Submission on Draft Strategy for a Waste-Free Ontario: Building the Circular Economy

EBR Registry Number 012-5834

By PPEC (Paper & Paperboard Packaging Environmental Council)

PPEC is the national association representing the environmental interests of Canada's paper packaging industry. Broadly speaking, it represents the mills that make paper and board packaging grades and the converters who turn these into boxes, bags, and cartons. PPEC was established in 1990; was a member of Canada's National Packaging Task Force for 10 years; has been represented on the boards of both Waste Diversion Ontario and the Recycling Council of Ontario; and has a long record of environmental achievement, including being the first in North America to use and develop a market for old boxboard packaging collected from curbside.

PPEC Response to Strategy for a Waste-Free Ontario document

There is much to commend in the way the province is addressing the issue of resource recovery and waste reduction, as indicated by Bill 151 and the *Draft Strategy for a Waste-Free Ontario*.

In particular, we would like to highlight our approval of the following approach:

- Enhancing the Circular Economy
- Moving to Full Producer Responsibility (where applicable)
- Collecting Better Data and making Evidence-Based Decisions.

Our specific comments are as follows:

1. EFW and alternative fuels “will not count as (waste) diversion” (page 5)

We support the ministry's statement that while EFW and alternative fuels are legitimate waste management options, they will not count as waste diversion (page 5). We recently posted a blog on



this very subject, [The more plastics you add to Ontario's Blue Box, the more it costs](#), pointing out that most Blue Box materials in Ontario already have recycling rates in the 60s, 70s, 80s, and 90s.

The recycling rate for plastics, by contrast, barely scrapes over 30 percent. Allowing plastic users to claim EFW as “diversion” is an invitation to them to sit back and pump out more, mostly virgin, plastics while claiming a “diversion” rate equal to that of other materials like paper. This is patently unfair, constitutes an un-level playing field, and discourages brand holders from moving away from fossil-fuel derived feedstocks.

We also have a concern that used paper materials that we are counting on to recycle may instead be diverted to EFW to justify the economics of an EFW plant. See blog on this subject: [Plastics' burning ambition and paper's feedstock supply](#) (August 19, 2014).

2. We support the move to Full Producer Responsibility

We support the move to Full Producer Responsibility for the Blue Box. The paper industry has a major interest in this matter. Some 75% of the material collected in the Blue Box is paper of one kind or another, most of it used again and again as a feedstock to produce new printed paper and packaging. Paper products provide half of all Blue Box revenues.

But the Blue Box is only part of the story. Our recycling mills rely far more on the collection of old corrugated boxes from the back of factories and supermarkets, and on the used printing and writing paper collected from offices. The infrastructure to recycle this material has existed for years.

This is why it is so important that the provincial politicians who make decisions on who controls the Blue Box, make them based on overall need, not just on what municipalities say they want or are lobbying for. There are *economies of scale* to be achieved by better coordinating the location and capacities of *all* transfer stations and material recycling facilities (MRFs) in the province, whether they cater to industrial, commercial or institutional recycling or to what comes out of people's homes. Too many MRFs, with all the same bells and whistles, is a recipe for financial disaster.

If producers are to be held fully accountable for Blue Box materials, then they need to have control over what materials are collected and how they are collected and processed. We believe that, implemented properly, Full Producer Responsibility will do that.

3. We agree that “reducing greenhouse gases from the waste sector will guide the priority setting for resource recovery and waste reduction” (page 10).



We support the ministry's overarching GHG approach and its recognition that the organics ending up in landfill should be a major target of attention. Some paper materials are composted so we have a direct interest in this matter as well.

We do wish to express a concern, however, that another large section of Ontario's waste stream, paper, which also emits carbon dioxide and methane in landfill, is not receiving the same attention.

The province does not plan to address this issue for *three years*, until 2019 (*page 32*). If Ontario is serious about being a leader in reducing GHG from waste then the key streams to address are organics and paper. This is why Nova Scotia leads Canada in waste diversion (41% compared to Ontario's 24%). We are very disappointed that Ontario does not plan to move on paper earlier.

- We agree that "the costs to recycle must be more viable than the low costs of sending materials to landfill" (*page 11*) and that "prohibiting the disposal of particular wastes can help direct materials to recycling where infrastructure is already in place" (*page 26*).**

So why not make landfill more expensive? Why not institute some landfill bans or levies? Paper recovery in the province is pretty respectable (74% for the Blue Box, including 98% for old corrugated boxes) and we estimate 85% for old corrugated from the IC and I sector. But landfilling in Ontario and Michigan is cheaper, which is why substantial tonnes of paper end up there. This is material that our recycling mills could use. Instead, we have to import used paper from the United States to keep our mills going and our customers happy.

We have already submitted an action plan to the ministry, suggesting a pilot project on banning old corrugated (OCC) from Ontario landfills. The [environmental benefits are clear](#). We estimate a ban on OCC would reduce Ontario methane and carbon dioxide emissions by up to 175,000 tonnes/year, the equivalent of taking up to 33,000 cars off the road or eliminating the carbon emissions of up to 70,000 homes. A ban would mitigate a looming landfill crisis (80% of Ontario's landfills will be full within 15 years) and create between 200 and 300 jobs (a conservative estimate). It could be extended to other paper grades (packaging and printed) for larger impact.

Corrugated is a widely recycled material and has been for decades. Every single packaging mill in the province uses OCC from industrial and/or residential sources to make new packaging, most of it 100% recycled content.

Why wait? We have the infrastructure to recycle it right now. If nothing is done to ban corrugated from landfill for five years, that's over a million tonnes of OCC needlessly languishing in landfill when our Ontario packaging mills could use it; at least \$100 million in foregone recycling revenues; an



earlier Ontario landfill crisis; and close to 90,000 tonnes of unnecessary GHG escaping into the atmosphere. There is no good reason to wait three years before even “consulting” on it (*page 32*). Move it up the priority list!

5. We are concerned that the ministry is relying on green procurement and “stimulating end markets” as its prime solutions rather than landfill bans and levies.

Government procurement specifications for printing and writing paper may achieve something, although we suspect mills will just import more used paper from the US to meet supply, but it will do nothing for the packaging grades. Most paper packaging made in Ontario is already 100% recycled content.

The ministry’s draft strategy is unfortunately rather vague on what exactly it means by “stimulating end-markets.” The best thing it could do to stimulate end-markets is to make the alternative (landfill) more expensive (or unavailable). The issue is not so much end-markets but its relative cost to landfill. Higher landfill costs will lead to greater capture (and hopefully reduce the need to import waste materials, which also has an energy cost).

6. Miscellaneous Comments:

(Page 6). “Residents, municipalities, businesses and waste management companies are responsible for (the ongoing success of the Blue Box program).”

You are completely missing a key factor in the Blue Box success, the existence of Ontario paper recycling mills and end-markets! Paper materials represent 75% of what’s collected, and 50% of total Blue Box revenues. The Blue Box would be a failure without these Ontario mills and end-markets, and the converters who turn the recovered materials into recycled products.

(Page 8) “Collecting and managing residential waste in Ontario has been largely funded by municipal taxpayers.”

While this is true it should also be recognized that a significant percentage of those *municipal* taxpayers are, in fact, individual businesses (industry) paying local taxes.

(Page 19) “Responsible producers would be required to register with the proposed Authority, and would negotiate agreements with municipalities or service providers as needed to enable them to meet their obligations, individually, collectively or through third-party delivery.”

What if the negotiations fail, or a bunch of larger municipalities work together to fix a price, and the delay causes the producers to miss a recycling target? Who is responsible for that?



(Page 20) "Consultation on the transition of the Blue Box program would also considerhow to address municipal contracts and assets, including existing contracts for collection and post-collection management and how to avoid "stranded assets."

Municipalities are not the only ones impacted by contracts and stranded assets, the private sector is too. What happens to a private sector MRF when a municipality fails to renew a contract? Who pays the financing for that MRF?

(Page 21) "The province is proposing to establish performance measures and fill data gaps by ...working with other governments, including municipalities, industry associations, and not-for-profit groups to explore voluntary data-sharing agreements."

PPEC is willing to share shipment and recycled tonnage data on an aggregated basis so that the province has a better understanding of how paper fibre moves in and out of the province.

(Page 23) "The province is proposing to convene a stakeholder working group to steer a comprehensive review of the 3Rs Regulations."

PPEC is offering to participate.

(Page 24) "To ensure a level playing field for service providers, the province would consider: ... the development of provincial standards (e.g. recycling standards)."

We have some concerns about the recently released CSA recycling standards as they apply to paper and are looking at developing more specific standards for paper materials.

(Page 25) "The province is proposing to develop an Organics Action Plan, steered by a stakeholder working group, to address the unique considerations inherent to organic wastes."

PPEC pioneered the composting option for some paper packaging materials back in the early 1990s and has maintained an interest in this option, and in quantifying how much and what type of paper is being composted in Ontario. We would be interested in participating in any discussions.

(Page 33) "Measuring progress (in reduction of waste sent to landfill) as demonstrated by declining tonnes of waste sent to landfill, with a goal of zero waste."

Landfills get fat, not heavy, so there is a need to measure progress by volume as well. It is cubic volume that will fill Ontario's landfills, not the weight of what goes in there.