mwin Position & Comments
on the
AMO/AMRC Alternate Funding Approach to Ontario's Blue Box Funding Model
June 2008

Comments and Position

It is recognized by mwin that the current Blue Box Funding Model, which is a 50/50 shared model between industry and municipalities, provides both benefits and disincentives to drive diversion and the efficiency of the Blue Box System. These are commonly known and will not be discussed in this document.

mwin's position on solid waste management is supported by its Integrated Waste Management Position Paper approved by the mwin board in September, 2003 (Attachment #1). The position is covered through guiding principles on the management of solid waste, but does not address the role of producer responsibility.

The mwin board agreed that the main issue in the AMO/AMRC discussion paper should be, the establishment of and the multi-stakeholder agreement on, the key principles required to formulate an alternative funding approach to Blue Box funding in Ontario. Agreement on key principles by all stakeholders is required before any significant movement to an alternative funding model can be made. To this end the mwin board had three general comments as follows:

1. **Stewards/Manufacturers should be fully responsible for the financial and environmental impacts of their post consumer packaging, printed materials and products for their full life cycle, including the end of life cost and environmental impacts.**

   These products and post consumer packaging should include all municipal, industrial, commercial & institutional (IC&I) materials found in the municipal solid waste management system (i.e. where municipalities are designated to service IC&I businesses). It should be noted that IC&I businesses not designated to be serviced by the municipal solid waste management system are outside of the scope of this paper and that a solid waste management system should consider all treatment options found in an Integrated Waste Management System.

   The benefits of Full Producer Responsibility will provide a greater incentive to stewards to minimize their financial and environmental impacts through the internalization of the full costs of managing products and post consumer materials in the municipal and IC&I solid waste and diversion systems. Internalization of costs will lead manufacturers/stewards to Design for the Environment (DFE) in order to minimize their financial costs and environmental impacts that result from the management of their products and post consumer materials ending up in the solid waste and diversion systems.

   mwin believes that the current shared funding model does not provide direct feedback to manufacturers/ stewards in order for them to consider the financial & environmental impacts of their packaging and product designs. It appears that a number of stewards are starting to look at DFE, however, a full producer responsibility model will provide greater incentives for all stewards to ensure that their products and post consumer materials utilize resources efficiently since, it will be

these same stewards that are fully responsible for all the impacts of their products and packaging throughout the design, manufacturing, distribution and end of life decisions.

In support of minimizing environmental impacts of products and post-consumer materials across their whole life cycle, manufacturers/stewards, as part of DFE, can begin to use Life Cycle Assessment (LCA) tools now available to support their design and end of life decisions. It is recognized that LCA is not the one and only deciding factor in the design of a product or packaging. The primary purpose of packaging is the safe and efficient delivery of products to customers, however, this must be done in a cost effective fashion, including the full lifecycle cost of the package and product. The use of LCA could provide valuable information to the stewards on the relative impact of their DFE decisions and changes on the environment and make it possible to communicate the benefits of these changes to the consumer.

2. The Forgotten R – Reduction

One of the keys in the implementation of 3 R's to manage solid waste is reduction. Not enough emphasis has been placed on reduction to encourage the wise use of resources and to minimize the impacts of products and post consumer materials on the economy and environment. m**win** supports greater at-source waste reduction where manufacturers/stewards have the ability to influence reduction through DFE.

3. Data Collection

m**win** recommends a fundamental shift in the measurement of generation and diversion from tonnes per year of material diverted to the use of **Kilograms/Capita/Year** that will properly reflect annual and actual changes in generation, diversion and disposal.

Despite the fact that many municipalities are reporting that a higher percentage of their solid waste is being diverted, the actual tonnes going to landfill has held steady or is growing in some cases. The only data that will support reduction initiatives will be kg/capita/year data to assist in developing effective policies to promote reduction through DFE and other measures throughout the life of the product and including consumer's behaviour and actions.

Attachment #1

mwin *Position Paper On*
Integrated Waste Management

PRINCIPLES OF INTEGRATED WASTE (Resource) MANAGEMENT

Integrated Waste (Resource) Management means that communities and stakeholders should be guided by the following principles in making waste management decisions. Communities can be viewed in the broadest possible terms to include businesses, governments, citizens and non-governmental organizations and other stakeholders.

Overall Approach
An overall approach should take into consideration all of the community's solid wastes, using a systems approach that considers the full range of management options available to the community.

Solid waste includes, but is not limited to, all components of household, industrial/ commercial/institutional (ICI), household hazardous waste and construction/demolition wastes as well as other sources of municipal waste. Management options include, but are not limited to, source reduction, reuse, recycling, biological management (aerobic and anaerobic composting, biogasification), combustion with energy recovery and advanced thermal management (such as pyrolysis distillation and gasification) and landfilling.

<u>Guiding Principles</u>

Social Sustainability
Takes into account a community's circumstances and goals, while selecting the particular mix of available management options suitable to its needs and consistent with the concept of community sustainability. This will translate into a community's willingness to participate in and support for the overall system.

Environmental Sustainability
Reduce overall environmental burdens by optimizing the use of the resources contained in the waste while minimizing the generation of waste management emissions.

Economic Sustainability
The chosen mix of management options is based on the best balance between cost and benefits and that cost which is acceptable to the community. Cost information should reflect the full costs of the system and be based on accepted accounting principles.

Life Cycle Approach
Integrated waste management planning uses a lifecycle approach involving an inventory of environmental effects (burdens) conducted in accordance with acceptable international standards such as ISO 14000.

Waste Definitions

1) **Recovery:**

   Resources originating in the waste stream subjected to upgrading (valorisation) into products that displace virgin materials by processes such as:

   a) Reduction through on-property management i.e. backyard composting, grasscycling, evapotranspiration

   b) Reuse – using the material(s) in its same form

   c) Recycling

      A material is considered to be recycled if it has been subjected to:
      i) an appropriate level of processing related to the specifications for the intended use and
      ii) the resulting products have value as commodities between two parties, such as, products from mechanical recycling, biological treatment (humus, bio-gas) and chemical recycling (CO, hydrogen, oils or constituent elements)

   d) Reduction of waste mass by processes that:
      i) transform energy embodied in the waste into alternative fuels through distillation, gasification or biological conversion)
      ii) combust waste to produce steam and/or electricity

2) **Disposal:**

   The safe handling and management of residuals.

3) **Diversion Credit:**

   Credit for diversion is appropriate for:

   a) Reduction
   b) Reuse
   c) Recycling
   d) Reduction of waste mass by processes that:
      i) transform energy in the waste into alternative fuels by processes exhibiting a low environmental burden, such as distillation, gasification, biological conversion (fermentation, anaerobic digestion/ dedicated bio-reactors)
      ii) combust the waste to produce steam and/or electricity provided:
         - the material being combusted has a calorific value of not less than 16 megajoules per kilogram (approximately the calorific value of soft coal) and;
         - the useful recovered energy is not less than 25%* of the original energy embodied in the waste material (*currently, North American EFW plants operate between 13% and 17%)

Note: Credit is not given for any residuals sent to landfill for disposal resulting from any of these management options.

Revised June 2, 2003