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September 29, 2009

Ulli Watkiss City Clerk City of Toronto 12th Floor, West Tower City Hall Toronto, ON M5H 2N2

Dear Ms. Watkiss:

I have received the Administrative Inquiry from Councillor Michael Walker dated September 21, 2009, entitled "5-cent Plastic Bag Tax – Environmental Initiative".

Provided in consultation with the General Manager, Solid Waste Management Services, the following addresses the Councillor's questions:

Background:

- City Council on December 1, 2 and 3, 2008, adopted the following motions (Relevant pages 90 through 96):
- http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-01-cc27-dd.pdf
- Municipal Code Chapter 604, Packaging:
- http://www.toronto.ca/legdocs/bylaws/2009/law0356.pdf

1) How is the City measuring the success of this new bylaw?

The intent of the motions on plastic bags adopted by Toronto City Council at its meeting of December 1, 2 and 3, 2008, are to reduce, at source, the number of plastic bags that must be managed by Solid Waste Management Services. The success of this by-law will be measured by:

- compliance with the requirements of Municipal Code Chapter 604, Packaging by retail business establishments; and
- progress towards reducing, at source, plastic retail shopping bags by 70%.

Toronto City Council directed the General Manager of Solid Waste Management Services to:

"report annually to the Public Works and Infrastructure Committee on the source reduction of plastic retail shopping bags used by customers, using all available information, including relevant data voluntarily provided by the appropriate industry associations to the General Manager, and any recommended changes to the minimum amount charged by retailers for plastic retail shopping bags, to ensure

progress towards the goal of 70% reduction in the use of plastic retail shopping bags by customers."

The first annual report on the progress towards the goal of 70% reduction in the use of plastic retail shopping bags by customers will be submitted in the Summer of 2010 to Public Works and Infrastructure Committee, one year after the requirements under Municipal Code Chapter 604, Packaging, came into effect.

2) Since June 2009, how many plastic bags have been charged for under this new bylaw?

In preparation of the annual report, the General Manager will request industry associations to provide relevant data on the impact of the \$0.05 charge for the period between June 1, 2009 through May 31, 2010 and report to Committee, as directed by Council, in summer 2010.

Some retailers have publicly cited percent reductions in the use of plastic retail shopping bags at their stores since the policy requiring a minimum \$0.05 charge for each bag began, for example:

- Metro (Metro Ontario Inc.), in a June 29, 2009 press release, stated: ""Four weeks after introducing a \$0.05 charge for single-use grocery bags, Metro grocery stores across Quebec and Ontario are reporting that 70 per cent fewer bags have been distributed in store, when compared to the monthly average."
 http://www.metro.ca/corpo/centre-nouvelles/communiques2009/200906291.en.html
- Loblaw Companies, which began charging \$0.05 per bag in January 2009, six months ahead of their obligation to do so under Municipal Code Chapter 604, stated: "stores involved in the Company's plastic bag reduction pilot program in the City of Toronto resulted in distributing approximately 75 per cent fewer plastic shopping bags per \$1000 in sales. The data reveals that a nominal charge for bag strategy is the key driver behind significantly reducing plastic shopping bag use."

 http://micro.newswire.ca/release.cgi?rkey=1704203007&view=62151-0&Start=20&htm=0

3) How many times per year does a business report to the City regarding the number of plastic bags it dispenses to its customers?

In preparation for the first annual report on the progress towards 70% reduction in the use of plastic retail shopping bags the General Manager will request any relevant information on the number of plastic bags distributed by retailers since June 1, 2009 through appropriate industry associations.

Retailers are not under any obligation, under Municipal Code Chapter 604, Packaging, to report to the City regarding the number of plastic bags they sell to their customers.

4) If a retail business does not offer an alternative to a plastic bag and contravenes the bylaw, how does ML&S take enforcement action – what is the process followed?

ML&S is using a progressive enforcement strategy for the City's new plastic retail shopping bag bylaw. Enforcement will generally be reactive in nature (responding to specific complaints). First step will focus on education, enforcement officers educate retailers about the new bylaw (e.g., minimum charge for bags, signs posted at checkout, charges recorded on receipts, and permit the use of re-useable containers). Following this initial educational step, officers will give the retailer a

reasonable amount of time to comply with the new bylaw. Officers will re-visit the retailer to verify that they are complying with the new bylaw. If not, the retailer will be given one more opportunity to comply with the bylaw. After this second educational visit, if the retailer has complied with the bylaw, no further action will be taken. If the retailer has not complied with the bylaw, the officer will take appropriate enforcement action, which would include the laying of charge(s) (e.g., fail to allow customer to use reusable container, fail to charge customer a minimum five cents for each plastic bag).

A retailer is only obligated, under Municipal Code Chapter 604, Packaging, to provide a free alternative when they do not provide (and therefore charge) for plastic bags at all. If a retailer provides, and charges, for plastic bags, they do not have to provide a free alternative; however, if they wish to provide a free alternative that is acceptable.

5) If the City has enforced this bylaw, how many Orders and Fines have been issued to businesses in contravention of this bylaw since June 2009?

Thus far, ML&S has issued 20 verbal warnings and provided 21 retailers with information about the new bylaw. ML&S has also attended the farmers markets at City Hall, Metro Hall, North York Civic Centre and the East York Civic Centre to educate vendors about the new bylaw.

Yours truly,

Joseph P. Pennachetti City Manager

Mayor David Miller
 Richard Butts, Deputy City Manager
 Geoff Rathbone, General Manager, Solid Waste Management Services