



STAFF REPORT ACTION REQUIRED

Potential Changes to the Waste Diversion Act, 2002, and the Blue Box Program Plan and Impacts on Hot Drink Cup and Plastic Take-out Food Containers

Date:	October 19, 2009
To:	Public Works and Infrastructure Committee
From:	General Manager, Solid Waste Management Services
Wards:	All
Reference Number:	p:/2009/swms/Nov./023PW

SUMMARY

As requested by the Public Works and Infrastructure Committee on November 12, 2008, the General Manager of Solid Waste Management Services met with hot drink retail stakeholders to seek a resolution that achieves the goals of waste reduction and compatibility of hot drink cups, with Toronto's Blue Bin program. This report provides the results of expert research, details of new Provincial direction on the Blue Box Program Plan and recommendations for ongoing direction on in-store packaging materials.

RECOMMENDATIONS

The General Manager, Solid Waste Management Services recommends that:

1. City Council direct the General Manager, Solid Waste Management Services, to defer any further work with respect to policies and by-law development related to plastic take-out food containers and hot drink cups until the changes to the *Waste Diversion Act, 2002*, and the Blue Box Program Plan are announced by the Minister of the Environment, and the General Manager can assess the impact on Toronto's strategy for plastic take-out food containers and hot drink cups.

2. City Council direct the General Manager, Solid Waste Management Services, to report to City Council on the Minister of the Environment's direction regarding changes to the *Waste Diversion Act, 2002*, and the Blue Box Program Plan and, if the Minister's directions does not achieve City of Toronto's goals related to in-store packaging, a local waste reduction and waste diversion plan be developed for hot drink cups and plastic take-out food containers.
3. City Council direct the General Manager to continue to conduct research and pilot studies into effective means of promoting source reduction of hot drink cups at the retail level, consistent with City policies.
4. That City staff actively participate and provide the City of Toronto perspective and background research on Working Groups established by Waste Diversion Ontario or the Ontario Ministry of the Environment to address barriers to the addition of problematic packaging to the recycling system.

Financial Impact

There are no immediate financial impacts arising as a result of this report.

DECISION HISTORY

Proposed Measures to Reduce In-Store Packaging

At its meeting of November 12, 2008 the Public Works and Infrastructure Committee considered the recommendations contained in PW20.1 "Proposed Measures to Reduce In-Store Packaging Waste and Litter, Municipal Hazardous and Special Waste and Plastic Water Bottles". The Public Works and Infrastructure Committee:

- Referred recommendations 2 and 3 back to the staff with a request that the General Manager of Solid Waste Management Services meet with hot drink cup retailers in order to seek a resolution that achieves the source reduction and compatibility with recycling goals identified in the staff report.
- Requested the General Manager seek funding opportunities for technological improvements to the MRFs through the Continuous Improvement Fund.
- Requested the General Manager to report back to Public Works and Infrastructure Committee in conjunction with the WDA review.

The Public Works and Infrastructure Committee Decision document on Hot Drink Cups can be viewed at (relevant pages 3 and 4):

<http://www.toronto.ca/legdocs/mmis/2008/pw/decisions/2008-11-12-pw20-dd.pdf>

At its meeting of December 1, 2 and 3, 2008, City Council adopted motions which amended recommendations contained in PW20.1 “Proposed Measures to Reduce In-Store Packaging Waste and Litter, Municipal Hazardous and Special Waste and Plastic Water Bottles” related to plastic take-out food containers.

The City Council Decision document can be viewed at (relevant pages 90 through 96): <http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-12-01-cc27-dd.pdf>

ISSUE BACKGROUND

Hot Drink Cups

In order to contribute to the 70% waste diversion target, the General Manager of Solid Waste Management Services brought forward a report to the November 12, 2008 Public Works and Infrastructure committee titled “Proposed Measures to Reduce In-Store Packaging Waste and Litter, Municipal Hazardous and Special Waste and Plastic Water Bottles”.

That report recommended that Toronto implement a policy to encourage the source reduction of hot drink cups by mandating a \$0.20 discount each time a customer uses a refillable container for hot drinks at a retail location in Toronto. The report recommended that all hot drink cups sold in Toronto be compatible with Toronto’s Blue Bin program and that hot drink cups that are not compatible be banned from sale or distribution in Toronto by December 31, 2009.

After consideration of those recommendations, the Public Works and Infrastructure Committee referred the matter of hot drink cup compatibility with the Blue Bin program back to staff and requested that the General Manager of Solid Waste Management Services meet with hot drink retailers in order to seek a resolution that achieves the source reduction and compatibility with recycling goals identified in the staff report.

As a result of this request, the General Manager of Solid Waste Management Services established the Hot Drink Cup Taskforce comprised of representatives of hot drink retailers, hot drink cup manufacturers, recycling companies and other stakeholders. In order to better understand the issues, expert advisors were hired to conduct independent research into the possible technical requirements for sorting hot drink cups at City Material Recycling Facilities (“MRFs”), the marketability of post-consumer hot drink cup material, public education campaigns and financial incentives aimed at changing consumer behaviour.

Plastic Take-out Food Containers

City Council also directed the General Manager of Solid Waste Management Services, at its meeting of December 1, 2 and 3, 2008, to report back on progress towards compatibility of plastic take-out food containers with the City of Toronto’s Blue Bin

program and to ban the sale or distribution of plastic take-out food containers that were not compatible with the Blue Bin program by February 28, 2011.

Concurrently with this work, the Minister of the Environment held consultations on changes to the *Waste Diversion Act, 2002*, and the Blue Box Program Plan. Solid Waste Management Staff have submitted comments on the proposed changes during the initial consultation phase and the Minister is expected to announce planned changes to the Act and the Blue Box Program Plan for comment on the Environmental Registry.

COMMENTS

As part of the request from Public Works and Infrastructure Committee on November 12, 2008, staff was directed to report back on the progress towards a resolution with hot drink retailers that achieves the source reduction and recycling goals identified in the staff report.

Hot Drink Cup Taskforce

In December 2008, the General Manager met with a small group of hot drink retail representatives to discuss the consultations requested by the Public Works and Infrastructure Committee. At that meeting a terms of reference for the Hot Drink Cup Taskforce was discussed and a wider group of hot drink retail and industry stakeholder representatives was identified. The General Manager invited these stakeholders to join the Hot Drink Cup Taskforce.

Between January and May 2009, the Hot Drink Cup Taskforce met to discuss, and provide input, into the following areas:

Source Reduction of Hot Drink Cups

- Consideration of the existing staff recommendations from the November 12, 2008 Public Works and Infrastructure report (i.e., a mandated 20 cent discount when a customer uses a refillable mug in lieu of a single-use cup at a retail location).
- Increased Education (e.g., a communications campaign designed to promote source reduction of single-use hot drink cups).
- A by-law mandating hot drink retailers to provide a discounted price for coffee sold in refillable mugs supported by an education campaign.
- A ban on single-use hot drink cups.
- Other industry-lead measures to source reduce single-use hot drink cups.

Compatibility with the City of Toronto Blue Bin program

In order for hot drink cups to be compatible with the City of Toronto's Blue Bin program, three things must occur:

- Consumers must place empty single-use cups in the Blue Bin stream (e.g., in the residential Blue Bin program, in the recycling slot of a Toronto litter bin, etc.) in accordance with the instructions provided.
- The hot drink cups must be reasonably recoverable and sorted from Toronto's single stream recycling at a Material Recovery Facility ("MRF").
- An end-market must be willing to accept the recovered post-consumer hot drink cups as usable stock in a recycling process.

In order to achieve compatibility with the City of Toronto's Blue Bin program a number of areas of consideration for change were identified:

- Change in cup design to make the single-use cup compatible with the current City of Toronto Blue Bin program.
- Change in the sorting and separation at the Material Recovery Facility ("MRF") to recover cups and lids effectively.
- Adapt paper mill technology to accommodate cups/lids.
- Behaviour change, on the part of the consumer, to manage post consumer cups in a way that would ease compatibility with the Blue Bin program (e.g., discarding plastic lids before recycling cups).
- Recyclability targets and milestone dates for achieving compatibility with Toronto's Blue Bin program.

Experts were retained to assist the Hot Drink Cup Taskforce and to understand the issues mentioned above. A summary of the research can be found in Attachment A to this report.

A list of the stakeholders that participated on the Hot Drink Cup taskforce can be found in Attachment B to this report.

Staff prepared a report to submit to the June 2009 Public Works and Infrastructure committee detailing the work of the Hot Drink Cup taskforce and describing a draft resolution with hot drink cup retail stakeholders. At that time it was determined that the proposed strategy could not meet the needs of both parties and the report was not submitted. Shortly after this time, the Minister of the Environment requested a report on changes to the Blue Box Program in Ontario and is expected to release a proposed new

waste diversion strategy in November 2009, including new direction for the *Waste Diversion Act, 2002*.

In light of the significant local and Provincial impacts of the contemplated changes to the *Waste Diversion Act, 2002*, and the Blue Box Program Plan, staff are suggesting that further action on In-Store Packaging recommendations adopted by City Council in December 2008 be put on hold until the details of the proposed legislative amendments become available and the implications are analysed.

In the interim, Solid Waste staff should actively participate on Working Groups established by Waste Diversion Ontario which will address packaging waste issues on a Provincial basis.

Minister of the Environment Direction on Waste Diversion Ontario Blue Box Program Plan

On August 14, 2009, the Ontario Minister of the Environment directed the Chair of Waste Diversion Ontario to revise the Blue Box Program Plan by:

1. Establishing a diversion target of 70% (net of residue) to be achieved by December 31, 2011.
2. Improving the methodology for calculating diversion by including additional avenues where residential Blue Box materials are collected.
3. Including packaging-like materials, sold as products, that are compatible with the current collection and management systems.

The Minister also directed a review of material management issues associated with the current management of Blue Box materials; the review to include:

1. Moving to a greater consistency of materials collected across Ontario.
2. A process and identification of appropriate parties involved, to establish mechanisms for the identification and management of problematic materials for the Blue Box program.

The Minister's letter sets a provincial target of 70% waste diversion through the Blue Box program in Ontario. Apart from the change to a target of 70% (up from 60%), there is also direction to change how municipalities calculate diversion: not only by counting Blue Box diversion net of MRF processing residue, but also counting as diversion only the Blue Box material that is actually utilized by recycling markets (net of residue also) and re-use applications.

The Minister's letter also requested a process to identify and address types of Blue Box materials "that pose operational or materials management problems in maximizing

diversion within material categories”. Toronto has identified, through the research and consultation described earlier in this report, that hot drink cups pose an operational and material management problem in both our MRFs and the material markets. The Director of Policy and Planning, Solid Waste Management has been asked to participate as a municipal representative on the Waste Diversion Ontario team tasked with addressing the Problematic Materials request from the Minister. Staff will share the research conducted by Toronto on Hot Drink Cups with the Problematic Materials team in order to provide other municipalities and Waste Diversion Ontario with our approach to identifying a problematic material type.

Through this new process for identifying materials which pose operational and material management problems, staff will also seek to identify plastic take-out food containers as problematic. The variation in material type material composition that make up plastic take-out food containers in the marketplace creates difficulty in separating and marketing of this kind of packaging.

On October 19, 2009 the Minister of the Environment provided further direction in a speech during Waste Reduction Week. Minister Gerretsen indicated that his office will be releasing a proposed new waste diversion strategy in mid-November 2009 as part of the Report on the *Waste Diversion Act, 2002*. It is expected that this position paper will call for a waste diversion strategy that would be based on 100% Extended Producer Responsibility. It is then expected that a new *Waste Diversion Act, 2002*, will be proposed in spring 2010 which will have significant impact on the role of municipalities in the delivery of the Blue Bin program. Staff are recommending deferring any further local policy and by-law development action related to capturing and processing hot drink cups and plastic take-out food containers through the Blue Bin program until this new information is available and has been analysed.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment A: Summary of Expert Research conducted for the Hot Drink Cup Taskforce
Attachment B: Hot Drink Cup Taskforce membership