

Municipality of East Ferris

Report to Council

Report No.: R-2024-01

Date: March 26, 2024

Originator: Antoine C. Boucher, Municipal Engineer

Subject: **Blue Box Transition Updates**

RECOMMENDATION

That Council receives this report for information.

PURPOSE

The purpose of this report is to explain the transition of the provincial Blue Box Program to full producer responsibility, describe the key decisions required during the transition process, and inform Council of the changes to come in relation to the transition of East Ferris's blue box recycling services. Our transition date is September 1st, 2025.

Subsequent report R-2024-02 will address staff recommendation regarding the current Blue Box Recycling Contract and the preferred Municipal option to continue curbside blue box service during the transition period of September 1st to December 31st, 2025, as mandated by the province.

BACKGROUND

Blue Box Regulation

On June 3, 2021, the Ontario Minister of Environment, Conservation and Parks approved [Ontario Regulation 391/21 Blue Box](#) under the [Resource Recovery and Circular Economy Act, 2016](#). The regulation shifts the responsibility for collection, hauling, processing and marketing of blue box materials, including related promotion and education activity, from communities to producers of paper products, packaging, and packaging-like products. As a result, these producers will become fully financially and operationally responsible for the residential Blue Box Program. The Ontario Blue Box Program Transition Timeline can be viewed in Appendix A.

The intent of the regulation is to expand the residential Blue Box Program to all Ontario communities and most First Nation communities, standardize the list of blue box materials collected across the province, require minimum service levels, and establish diversion targets for blue box material. Resource Productivity and Recovery Authority (RPRA) is the regulatory body mandated by the Government of Ontario to enforce the province's circular economy laws and to oversee and monitor producer responsibility programs.

The regulation is being implemented in two phases:

1. Transition **for all Municipalities** (July 1, 2023, to December 31, 2025) – this transition phase enables the producers to transition eligible communities and First Nation communities over a period of two and a half years.
2. **East Ferris's transition** date will be on September 1st, 2025 - see Appendix B
3. Post-transition **for all Municipalities** (will start January 1, 2026) – the full producer responsibility program comes into effect including targets and standardization of blue box materials.

The regulation states what entities must be serviced by producers during the transition period and post transition. These entities are referred to as eligible sources.

Eligible sources currently serviced include:

- residential homes (permanent or seasonal)
- residential units in mixed use buildings
- multi-residential buildings (apartments and condominiums)
- permanent or seasonal households within campgrounds and trailer-parks

Eligible sources not currently serviced include:

- schools (public and private, elementary to secondary, but not post-secondary)
 - Schools currently have their own service provider.
- non-profit long-term care facilities and retirement homes
 - There are none in East Ferris
- public spaces (e.g., community parks, sidewalks)
 - During special events, when blue boxes are provided, staff manages the collection.

Under the regulation, producers have no legal obligation to collect blue box material from **Non-Eligible sources** during or after transition as these sources are not captured in the Blue Box Regulation. Therefore, costs associated with providing collection to this sector (and related promotion and education (P&E), administration, and processing) **will continue to be the responsibility of the business owners.**

Non-Eligible sources include:

- industrial or commercial properties (not including residential units on the property),
- not-for-profit organizations,
- municipal buildings or facilities,
- daycares,
- places of worship (not including a residential home on the property)
- campgrounds and trailer-parks for temporary stay, and
- commercial farms (not including a residential home on the farm property).

Also, **No-Longer Eligible** sources since not serviced before August 15, 2019:

- for-profit long-term care and retirement homes receiving community blue box collection (if service was received as of August 15, 2019)
 - Nipissing Manor will continue to have its own service provider.

Staff will inform property owners of **Non-Eligible** sources of the incoming regulation change so that they better understand that they will not receive blue box service being categorized as Non-Eligible sources during and/or post transition. The Municipality understands that recycling services for these Non-Eligible sources were negotiated on an individual basis at their own cost. Therefore, property owners of Non-Eligible sources will be advised of the Municipal transition allowing them to make necessary changes if applicable to ensure continuity of their individual blue box collection service.

Furthermore, to our knowledge, property owners of Non-Eligible sources identified above are not currently serviced in the recycling collection contract, nor being charged for the service, other than the municipal buildings and facilities. Staff will negotiate with the post-transition contractor to continue servicing our facilities during the transition period and for the post-transition. Blue box collection service for our facilities will be at our own cost, effective Fall 2025 with no impact to our current budget year.

Current Blue Box Service in East Ferris

The following provides a high-level description of East Ferris's current blue box services.

Curbside:

- All households receive curbside service in the community.
- Residents on Private Roads must bring their recycling to the nearest maintained intersection.
- Collection is on a bi-weekly basis.

Depots:

- There are no depots for recycling under the current contract.

Currently, the Municipality of East Ferris pays the costs to collect, haul and process blue box materials. East Ferris's 2022 blue box costs were \$114,077 as submitted to the provincial Datacall. Under the current Blue Box Program, producers are required to pay approximately 50% of net blue box operating costs through quarterly payments from Stewardship Ontario. For Ontario communities to receive financial compensation, they must submit annual data to the provincial Datacall. From the last Datacall reporting year, East Ferris received \$72,987 from Stewardship Ontario, representing over 50% of our blue box program costs.

Producer Responsibilities and Community Options:

Producers of blue box materials (paper products, packaging and packaging-like products) typically sign up with a Producer Responsibility Organization (PRO) to help them carry out their regulatory obligations under the Blue Box Regulation.

The PRO administering the new residential Blue Box Common Collection System (CCS) in Ontario is [Circular Materials](#) (CM), which represents most producers of blue box materials. CM has assumed responsibility for overseeing and managing procurement for the collection, promotion and education, and receiving/consolidating of blue box materials. Individual PROs are responsible for processing and marketing blue box materials. All Ontario communities must engage with CM to establish their new blue box system which starts on their transition date.

The Municipality of East Ferris will need to decide between two options that are only applicable during the transition period (September 1-December 31, 2025).

- Option 1: Opt-in and continue to operate the blue box program on behalf of CM
- Option 2: Opt-out and hand over full operational responsibility of the blue box program to CM. CM will procure a service provider to ensure residents continue to receive blue box service.

It is important to note that the Municipality of East Ferris will choose one of the two options for curbside blue box service to be implemented during the transition period.

Option 1: Opt-in and provide service as a contractor for CM

All communities have access to agreements on CM's website to provide collection and P&E services as a contractor for CM during the transition period. Service to non-eligible sources may continue under this option with the full cost being paid by the community. If the community chooses this option, blue box operating costs and payment for providing this service from CM will be included in the community budget.

Staff have reviewed the implications of Option 1 and identified that it is not in the best interest of the Municipality to pursue an opt-in agreement.

Option 2: Opt-out and hand over full operational responsibility of the blue box program

CM assumes full operating and financial responsibility for blue box service delivery and procures/manages the service provider.

Curbside service - CM will determine who the service provider will be, which may be the existing contractor or a new contractor. Service to non-eligible sources may continue during transition if the community can make an arrangement with the CM service provider to continue providing the service at the community's cost.

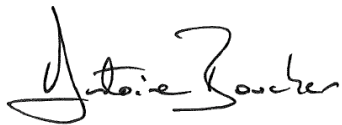
Staff have reviewed the implications of Option 2 and identified that it is in the best interest of the Municipality to pursue an opt-out agreement. Supporting information is provided in a separate report to Council.

NEXT STEPS

CM has requested that all transitioning communities decide whether they wish to opt-in or opt-out of providing blue box services well in advance of their transition date. Therefore, staff have reviewed the applicable agreements and received clarity from the Continuous Improvement Fund (CIF) and CM on information to determine the preferred alternative between pursuing an agreement or handing over operations of the blue box program to CM during the transition period.

Recommendation identifying Option 2 as the preferred alternative is provided in the supplementary report R-2024-02.

Respectfully Submitted,



Antoine C. Boucher, P. Eng.
Municipal Engineer

I concur with this report and recommendation,



Jason H. Trottier, HBBA, CPA, CMA
CAO/Treasurer

Appendix A: The Ontario Blue Box Program Timeline

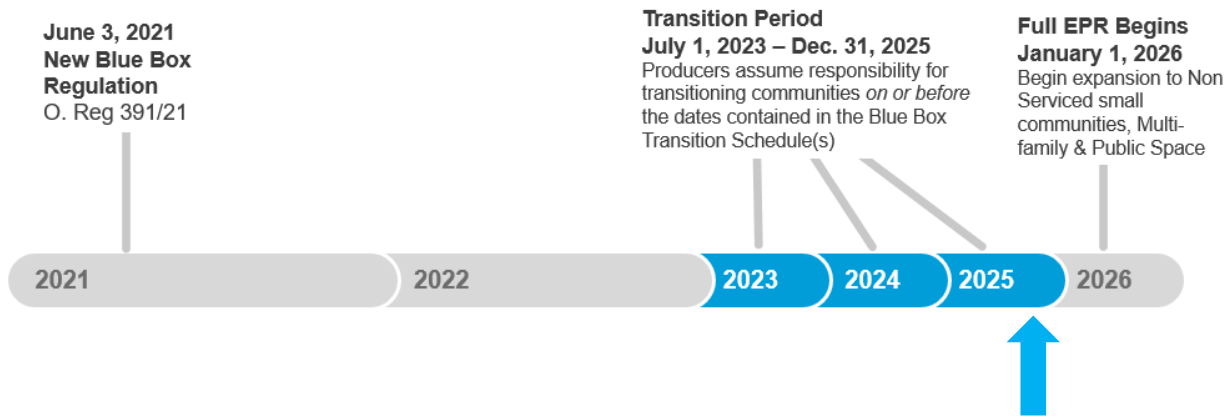
- 1994** [Ontario Regulation 101/94](#) under the [Environmental Protection Act](#) set out requirements for communities with a population of at least 5,000 to establish and operate curbside Blue Box Programs.
- 2002** [The Waste Diversion Act](#) (WDA) formalized financial support by requiring producers of printed paper and packaging managed by the Blue Box Program to fund up to 50% of community net operating costs. Waste Diversion Ontario (WDO) was established as a non-crown corporation to develop, implement and operate waste diversion programs, including Blue Box. [Stewardship Ontario](#) (SO), was created as an industry organization to represent producers and to develop the Blue Box Program Plan.
- 2016** [The Waste-Free Ontario Act](#) is passed and repeals the former WDA and enacted the [Resource Recovery and Circular Economy Act](#) (RRCEA) and the [Waste Diversion Transition Act](#) (WDTA). The RRCEA introduces a framework where producers are given full responsibility for the management of post-consumer waste from their packaging. Under this act, the WDO was replaced by a new organization, the [Resource Productivity and Recovery Authority](#) (the Authority).
- The legislation also affected existing producer responsibility programs for tires, electronics and hazardous waste, all of which are at varying degrees of transition and allowed for the creation of new programs.
- 2017** The Minister of the Environment and Climate Change directed the Authority and SO to jointly develop a proposal for an amended Blue Box Program Plan (a-BBPP). A draft was developed and two phases of consultations were completed. A final proposal was never submitted to the Ministry.
- 2019** In June, the Province appointed a Special Advisor on Recycling and Plastic Waste, David Lindsay, to provide advice on how to improve recycling through the Blue Box Program and better manage plastic pollution. Mr. Lindsay facilitated meetings between representatives of the community and producer sector to provide input. In July, the report was released, titled "[Renewing the Blue Box: Final Report on the blue box mediation process](#)".
- In August, the [Ministry announced](#) that it provided SO [direction to begin planning](#) to transition Ontario's Blue Box Program to full producer responsibility.
- 2020** Stewardship Ontario was required to submit a plan to the Authority by June 30, 2020. The Authority approved the plan on December 16, 2020.
- 2021** On June 3, 2021 the [Ontario Regulation 391/21 Blue Box](#), was filed setting out the FPR requirements for producers of blue box materials to meet.
- 2023-25** The first communities began transitioned on July 1, 2023, with all communities in the province scheduled to be operating under the new framework by December 31, 2025.
- East Ferris transitions on September 1st 2025.

2026

January 1st, 2026 - Post-Transition for entire province. Circulation Material (PRO) oversees all Ontario's Blue Box Program as full producer responsibility.

Appendix B: Community's Blue Box Transition Timeline

Blue Box Transition Timeline



The Municipality of East Ferris will transition on September 1st, 2025