

ROMA Delegation Request 2024  
Non-Eligible Sources / Blue Box Transition / EPR  
Ministry of Environment, Conservation and Parks

## Summary

Industrial, commercial and some institutional (IC&I) properties, including mixed-use properties, not for profits, etc. are not captured in the new Blue Box Regulation (O.Reg. 391/21). As a result, costs associated with continuing to provide blue box program services (collection, processing, promotion and education, administration, etc.) to this sector will remain the responsibility of Ontario municipalities. This is an inefficient and costly approach that will negatively impact the environment.

Options for blue box collection during and post-transition have been dictated by Circular Materials, the primary Producer Responsibility Organization (PRO) in Ontario. Options include separate or co-collection with eligible sources during the transition period and separate collection only post-transition (2026 and beyond). The options are restrictive, inefficient, and disadvantageous to municipalities who have positively supported the diversion of blue box materials from landfills for the past three decades for both residents and small businesses.

This approach presents significant concerns for municipalities and their taxpayers for a number of reasons:

- Inefficient collection method: banning the co-collection of eligible and non-eligible materials post-2026 is an inefficient way to collect these materials as many non-eligible sources reside on eligible source collection routes. This will unnecessarily result in additional collection trucks on the roads and an increase in greenhouse gas emissions.
- How will a non-eligible source collection program be funded: many municipalities embed the cost of blue box recycling in municipal taxes equally amongst residences and businesses regardless of their participation. With eligible sources being funded by the producers under the new Blue Box Regulation (O.Reg. 391/21), this reduces the tax base for this service that will be applied to IC&I properties. This shift in cost burden will negatively impact the IC&I sector, particularly small local businesses, non-profit organizations, daycares, places of worship, post-secondary schools, municipal buildings, etc. The mechanism to bill this distinct group of customers will also be administratively cumbersome for municipalities.
- Lack of competition: the waste management sector has seen fewer service providers bidding on municipal waste collection contracts in the last 5-10 years. This suggests a lack of competition in the marketplace, putting municipalities in a disadvantageous position to procure competitive pricing for such a service for non-eligible sources, thus

putting more pressure on small local businesses, non-profit organizations, daycares, and places of worship.

- Recyclable materials will go to landfill: if municipal collection services are discontinued to IC&I properties, those that do not meet the criteria set out in IC&I Source Separation Programs (O.Reg. 103/94) will likely not participate in a recycling program if it comes at an additional cost. This will result in blue box materials going in the garbage stream and consequently an increase in tonnages going to the EWSWA's Essex-Windsor Regional Landfill, thereby reducing the lifespan of this landfill and landfill capacity in Ontario.

The County of Essex and the EWSWA are urging the MECP to reconsider the criteria for non-eligible sources in the new Blue Box Regulation (O.Reg. 391/21); at a minimum to expand producer responsibility to include IC&I properties not governed by O.Reg. 103/94 to bridge the gap between the two regulations' criterion while promoting continued participation in recycling programs.

## Background

In 2022, the Province passed the new Blue Box Regulation (O. Reg. 391/21) under the Resource Recovery and Circular Economy Act (RRCEA). The new Blue Box Regulation shifts the responsibility for funding and operating the blue box program from municipalities to producers of paper, packaging, and other similar products. Eligible communities (municipalities, local services boards, or First Nation communities) transition to this extended producer responsibility (EPR) model between July 1st, 2023 and December 31, 2025. The new Blue Box Regulation takes full effect on January 1st, 2026. Essex County, which is the area that the EWSWA currently operates a blue box program for, transitions on August 28th, 2024.

The new Blue Box Regulation requires producers to collect from eligible sources including residences, multi-residential buildings, schools, and non-profit long-term care and retirement homes, but excludes sources (i.e., non-eligible) that are currently receiving blue box curbside collection services. Non-eligible sources include IC&I properties, as well as not-for-profit organizations, municipal buildings and facilities, daycares, places of worship, campgrounds and trailer parks, and commercial farms, etc.

Current waste diversion (recycling) regulations governing the IC&I sector include O.Reg. 102/94: Waste Audits and Waste Reduction Work Plans and O. Reg. 103/94: Industrial, Commercial and Institutional Source Separation Programs. These regulations target very large IC&I establishments and fail to address small and medium establishments, which have been excluded from the new Blue Box Regulation, but currently receive blue box services from their municipality like the EWSWA.

As producers are not required to collect from non-eligible sources, there are options to have this material collected via curbside collection and at depots and then processed and mixed in

with eligible sources during the transition period (January 1, 2024-December 31, 2025) at a cost to municipalities. After the transition period ends (beginning January 1, 2026) this material must be separated from eligible sources and handled solely by municipalities if they wish to continue collecting from these locations. This model has been dictated by Circular Materials as the primary PRO in Ontario.

This approach leaves significant gaps in waste diversion requirements at a time when landfill capacity in the Province is reaching a crisis point with approximately 10 years remaining. Further, efficiencies will be lost when separating the collection and processing of eligible and non-eligible source blue box materials, putting more strain on supply-chain resources and unnecessarily increasing costs.