

REGIONAL MUNICIPALITY OF OTTAWA-CARLETON
MUNICIPALITÉ RÉGIONALE D'OTTAWA-CARLETON

REPORT
RAPPORT

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DATE 23 January 1997

TO/DEST. Co-ordinator
 Planning and Environment Committee

FROM/EXP. Environment and Transportation Commissioner

SUBJECT/OBJET **DEPOSIT/RETURN SYSTEM FOR
SOFT DRINK CONTAINERS**

DEPARTMENTAL RECOMMENDATION

That the Planning and Environment Committee receive this report for information.

BACKGROUND

Councillor Cullen, in a memorandum dated 20 December 1996, requested that staff review whether the Region should support the re-establishment of a deposit/return system for soft drink containers. The Councillor had received information from the Toronto Environmental Alliance (TEA) urging that Regional Council adopt such a position. TEA had also launched a lawsuit against Coca-Cola Bottling Ltd. for contravening the Province's refillable regulations.

In 1985, the Province passed Regulation 623-85 which required that refillable soft drink sales be maintained at a minimum of 30 percent of total sales volume. Since the inception of this legislation, the quotas have not been met by industry and the Province has not enforced the regulation.

During the summer of 1996, the Ministry of Environment and Energy (MOEE) circulated a discussion paper entitled *Responsive Environmental Protection* which proposed, among other things, that the refillable quota legislation be struck down. Regional Council's comments on this issue stated: "*Product stewardship measures should be implemented in place of existing refillable and disposable container regulations*". At this time, the results of the consultation have not been released by the MOEE.

In December 1996, the Crown Attorney's Office withdrew TEA's charges against Coca-Cola Bottling Limited.

DISCUSSION

The issue of product stewardship with respect to Blue Box programs in Ontario is ongoing. Historically, the programs were funded by municipalities, the Province and industry. Currently, however, municipalities are funding the entire system. There are a number of Blue Box funding models, including:

1. Soft Drink Deposit Return System

This is the system which TEA is requesting Regional Council to support. Soft drink containers are redeemed at retail outlets for a small deposit, thereby avoiding collection in the Blue Box Program.

2. Return to Vendor System

The Green Dot Program in Germany is a full return to vendor system where all packaging goes back to the point of purchase and municipalities are not required to operate recycling programs.

3. Industry Funding

Funding mechanisms, such as the Canadian Industry Packaging Stewardship Initiative (CIPSI), provide "top up" grants to municipalities to operate recycling programs.

RMOC Perspective - Product Stewardship

A large variety of items are collected in the Blue Box Program, from fibre items such as boxboard and magazines to packaging material such as soft drink containers and mixed plastics. The basis of this approach is that the higher value materials, for example aluminium, newspapers, high density polyethylene (HDPE) and polyethylene terephthalate (PET) plastics, help to "carry" the lower value materials such as mixed household paper and plastics, thereby achieving a higher diversion rate. This is an integrated system designed for long-term sustainability.

In the short term, a deposit return system for soft drink containers would get a portion of the aluminium and PET materials out of the Blue Box, about 3 percent by weight. Subsequently, the RMOC would lose revenue from the sale of this material, as aluminium cans contribute significantly to Blue Box revenue. The RMOC would still require infrastructure and incur costs to collect, sort and process other plastic and aluminium containers such as bleach and shampoo bottles, imported beer cans and foil.

CONCLUSION

The present RMOB Blue Box Program was designed as an integrated system under the current regulatory/stewardship framework, where a wide range of materials is being collected for recycling and where the higher value materials, in part, subsidize the lower value materials. In the short term, a deposit/return system on only soft drink containers may put further financial pressure on recycling programs collecting a mixture of lower value materials, and would not achieve the overall objective of full product stewardship. In the long term, a deposit/return system could become part of a comprehensive product stewardship system.

Product stewardship initiatives from industry have been, and continue to be, strongly encouraged by municipalities. Comprehensive stewardship initiatives which include all materials collected in Blue Box programs are preferred. Solid Waste Division staff will continue to monitor developments regarding any proposed regulatory changes by the MOEE, activities by industry, lobby groups and other municipalities. The Planning and Environment Committee will be updated on any new developments related to this issue.

*Approved by
M. J. E. Sheflin, P.Eng.*

KHW/PM