

As part of the 30-day consultation process for proposed changes to Membership Agreements, Rules and Policies, stewards were invited to submit questions in addition to those raised during the two October webinars (see [posted webinar Q&As](#)) and to send submissions to a dedicated email address.

A total of 23 submissions were received at the end of the consultation period on November 10. An additional four submissions were received after November 10. Questions were received from more than 20 stewards.

This document summarizes the submissions and provides answers to received questions.

Summary of Submissions

Written submissions were received from the following organizations:

- Arctic Beverages
- Burger King
- Canadian Beverage Association
- Canadian Tire
- Canadian Beverage Container Recycling Association
- Coca-Cola
- Conagra
- Costco
- Cycle Environnement
- Envirotech Associates
- Electronics Product Stewardship Canada
- Food & Consumer Products of Canada
- Ingram Micro
- Kellogg Canada
- Manitoba Liquor and Lotteries Corporation
- McDonalds
- Nespresso
- Pepsico
- RB Canada
- Retail Council of Canada
- ReclayStewardEdge
- Recochem
- Tim Hortons (TDL Group)
- Staples Canada
- The Brick
- Value Village
- Williams Sonoma

The main issues or themes raised in the submissions included:

- **Consultation:** Some stakeholders expressed concerns about both the consultation process and proposed timelines for implementing some of the changes (focused primarily on the Reporting and Deductions Policy). Some submitters noted that some of the proposed changes are significant and that a Jan. 1 implementation date presented many challenges to stewards (again this was primarily in response to the Reporting and Deductions Policy).
- **Reporting of Gross Weights – Reporting and Deductions:** Most of the feedback received focused on the draft Reporting and Deductions Policy. Comments included:
 - Not allowing deductions for returns is unfair and promotes duplicate reporting
 - Lack of clarity on the difference between exclusions (e.g. for IC&I) and deductions is confusing.
 - Allowing only restaurants to take deductions is unfair/illogical
 - A substantive change of this nature requires further analysis and rationale
- **Parallel Importation Policy:** Some submitters felt that the policy required more clarity and that implementation issues need to be considered with a longer timeline (confusion was focussed on inter-provincial implementation within Canada).
- **Administration Fees:** While most submitters recognized the need for penalties and interest charges for non-compliant stewards, some felt that billing for staff time to manage existing steward accounts should be a cost of doing business, already covered by steward fees.

The program boards will be considering all steward feedback on these issues and other proposed changes and will make final decisions within the next month.

Question	Answer
<p>1. I have a question regarding Gross Weights. It is stated that if obligated PPP is supplied to a residential consumer, it must be included in the steward's annual report regardless of whether it is disposed of in the garbage or outside of the home. Later the statements seem to indicate that regardless of where PPP is supplied to that it must be reported, and deductions will only be allowed from Food Service/Restaurant-Bound product. I just want to clarify then, that CSSA is expecting the following to be true.</p> <ul style="list-style-type: none"> 1- Every single piece of PPP that is issued intra-provincially, must be reported. 2- Only PPP that is destined for Food Service/Restaurant use may be claimed as a deduction. (at time of reporting) 3- CSSA must approve any deductions. <p>I ask, because as a supplier (operating in BC) that sells both to Wholesalers/Grocers, and food service distributors both intra and inter-provincially), we have openly removed the product destined for Food Service/Restaurants previously (which is very easy for us to do as it is a differently packaged product) on the basis that the PPP will never end up in a residential setting. Going forward I'd like to ensure our compliance so just want to ensure I clearly understand the requirements. Please let me know if there is something that I am missing!</p>	<p>Regarding your three questions:</p> <ol style="list-style-type: none"> 1. You are correct that if you have residency in British Columbia, then you are obligated for all your PPP supplied to consumers in that province. If you also supply PPP to consumers where you are NOT a resident, but where there are stewardship regulations, you may elect to become a Voluntary Steward, or the retailers and/or wholesalers you supply are the First Importers and obligated to report on that PPP 2. If the proposed Reporting and Deductions Policy is approved, only Restaurants will be eligible to request a deduction for the PPP supplied to consumers that is managed through the Restaurant's own on-premise waste management system. 3. If the Policy is approved, deductions will require approval before being permitted <p>The program boards will be considering Steward feedback on this and all other proposed changes and will make final decisions about deductions in November/December.</p> <p>As it is sometimes difficult to capture all nuances through the Q&A process, if you need further assistance, please submit additional information to stewardfeedback@cssalliance.ca</p>
<p>2. The webinar indicated the changes would come into effect Jan. 1, 2018, does that mean the changes apply to reporting in 2018 for PPP data from 2017 or does it apply to data from 2018 in reporting year 2019? When will the Steward guideline document be updated to reflect the changes for 2018?</p>	<p>If approved, the new Rules, MAs and Policies will be effective January 1, 2018, and will impact your 2018 report and 2019 fees. The proposed changes will have no impact on 2018 steward fees or 2018 steward invoices. The Guidebook will be revised to reflect all changes approved by the program boards and will be available in early 2018.</p>

3.	Could someone please contact me to clarify deduction/exclusion for items that we would sell to a Food Service Chain (considered as an exclusion and IC&I)?	If the proposed Reporting and Deductions Policy is approved, Brand Owners would no longer be able to claim a deduction for the portion of their products that are sold to a Food Service Chain. Only restaurants would be able to request deductions. The program boards will be considering steward feedback on this and all other proposed changes and will make final decisions about deductions in November/December.
4.	Minor language changes, new index and headings and clear language edits for membership agreements for clarity and harmonization being conducted in all 4 provinces – do we have to sign new agreements as stewards or new appendix be attached to existing agreements or no action will be needed.	No, you do not need to sign a new agreement as the Membership Agreement(s) continue until you notify the program(s) of your intent to exit the program(s).
5.	Primary contacts – do we have to update our current agreements to add/change/amend/edit/validate the primary contacts with formal nomination from senior official. What is the process?	The new Primary Contact Policy was introduced to ensure that <i>new Primary Contacts on new steward accounts</i> are appointed by a senior officer. If your <i>existing</i> Primary Contact changes, you can access the Primary Contact Change Form here – and please ensure the new Primary Contact is appointed by a senior officer. There is no impact to your current Membership Agreements if your Primary Contact changes.
6.	Adjustments – will the minor adjustments be reflected in the agreements?	Assuming your question is about the proposed policy, any of the minor edits to the Adjustment Policy will be reflected in the policy itself, not in the Membership Agreements.
7.	Harmonization of dispute resolution policy – we welcome the new outlined process. We believe that this policy is already in practice but is merely being formalized now.	Thank you for your feedback. You are correct that each program already has a dispute resolution process in place, and that this revised version harmonizes and simplifies the process.
8.	Please confirm that CSSA is working to ensure higher steward compliance and add more stewards to the program including e-commerce based first importers.	The programs use a number of methods to seek out “free riders”, through: - anonymous web submission pages available on program websites for anyone to submit the name of a company who may be an unregistered steward: <ul style="list-style-type: none"> • Recycle BC • MMSW • MMSM • Stewardship Ontario - a full-time resource dedicated to reviewing available information regarding new and existing businesses, to identify unregistered stewards and ensure that they are registered - escalation of unregistered stewards to regulators for compliance action.

9.	Please can you bring in more guidance and possibly consult on defining and scoping 'purchased outside of a normal distribution network'.	Purchased outside of a normal distribution network typically means the product is purchased offshore and imported into Canada, and is outside of the resident Brand Owner's known supply chain. Additional guidance documents are being developed for stewards.
10.	What activities and actions are you taking to increase steward compliance? Would you consider publishing enforcement activities that CSSA undertakes?	<p>The programs use a number of methods to seek out "free riders", through:</p> <ul style="list-style-type: none"> - anonymous web submission pages available on program websites for anyone to submit the name of a company who may be an unregistered steward: <ul style="list-style-type: none"> • Recycle BC • MMSW • MMSM • Stewardship Ontario - a full-time resource dedicated to reviewing available information regarding new and existing businesses, to identify unregistered stewards and ensure that they are registered - escalation of unregistered stewards to regulators for compliance action.
11.	What kind of organizational changes must be reported according to the new requirement in the MMSM?	Section 6 of the proposed MMSM Rules requires notification of change in Primary Contact, bankruptcy, closing, merger, acquisition, sale, or divestiture of all or part of its business and any other change that could impact the Steward's obligation to pay stewardship fees.
12.	If we already have a membership agreement(s), do we need to re-apply for a new one by December 1 st ?	No, you do not need to re-apply as the Membership Agreements continue until you notify the program(s) of your intent to exit the program(s).
13.	<p>I would like to clarify a point made during the October 17th webinar regarding reporting gross weights. If a company in Ontario uses deductions, for example from return-to-retail plastic bag quantities, in 2018 this company will need to first request approval to use the past deduction? How long will the process take and what will it involve?</p> <p>Could you provide the reason why is Ontario moving away from this deduction but Provinces, like Manitoba, are keeping it?</p>	<p>Going forward, if the new policy is approved, the only deductions that will be permitted by Stewardship Ontario will be for Restaurants. The process for Restaurants to request a deduction will be for stewards to submit their reports with total weights, along with a completed Deduction Request form. The request must be approved by the program(s) before it can be applied. Manitoba will continue to allow deductions for plastic bags returned to retail as provided for in its Program Plan.</p> <p>The program boards will be considering steward feedback on this and all other proposed changes and will make final decisions about deductions in November/December.</p>

<p>14.</p>	<p>I had asked a question yesterday as to whether returns were an exception to reporting gross weights. To clarify we do accept returns from our customers and this is what I was referring to. These are quantities that never make it to the end consumer and thus do not enter the residential waste stream.</p> <p>Please advise if this is an allowable exception to reporting gross weights.</p>	<p>In accordance with the draft Reporting and Deductions Policy, consumer returns (except for plastic bags in MMSM program) would no longer be permitted as a deduction.</p> <p>However, returns of products never supplied to a consumer would be excluded from your report (e.g. when a Brand Owner sells product to a retailer, and the retailer returns it to the Brand Owner without supplying it to a consumer). The program boards will be considering Steward feedback on this and all other proposed changes and will make final decisions about deductions in November/December.</p>
<p>15.</p>	<p>Under the policy for steward-initiated adjustment requests, in item#20. The scope and cost of the review will be outlined in a contract with the steward. Can you clarify which contract this refers to and help to point to the scope and cost of third-party review?</p>	<p>An Adjustment Audit is initiated collaboratively with program staff, the third-party auditor and the steward. An individual contract is drawn up to cover each specific request, the content of which depends upon the required scope of the Adjustment Audit.</p>

<p>16.</p>	<p>Under Parallel Importation Policy, need some clarifications with this point: IV. Policy 6. When branded goods are imported into the province outside of a resident brand owner's or voluntary steward's distribution network, the brand owner or voluntary steward does not have the necessary information to include any PPP resulting from these parallel imports in its annual steward reports. This results in unreported material entering a province. 7. All first importers of goods must be able to provide evidence that the obligated materials that they supply to the market have been obtained from a registered brand owner's or voluntary steward's distribution network. In the absence of such evidence, the first importer is: (a) deemed to be the obligated steward for all such goods; and (b) required to report all such volumes of obligated materials supplied to consumers in the province regardless of whether the brand owner or voluntary steward is also registered as a steward in the program.</p> <p>a. If a Brand that is imported by a Steward, and the Brand is a registered Remitter or Voluntary Steward, with their Brand name appearing in the Steward List, it's the responsibility of the registered Steward to report and remit to CSSA. If we report and pay again, that would be double report and double payment. How is this fair to Stewards?</p> <p>b. Can you help to elaborate what and how does a Steward able to demonstrate the "distribution network" of another brand?</p>	<p>If you are a steward that is importing products from a Brand Owner or Voluntary Steward that is on the Steward List, and if you have evidence that you have received their products within their distribution network then you do NOT have to report the PPP associated with those products.</p> <p>Substantiation could include a Purchase Order, a Distribution Agreement etc. that demonstrates that the goods you are supplying to consumers were received through the Brand Owner's known network.</p>
<p>17.</p>	<p>One of the questions today about 30 days to report error versus 2 years Adjustment request, can I get clarification?</p> <p>a. Does this mean that if Stewards discover an error in reporting on the 50th day after reporting for one of the Quarter is not eligible to request for Adjustment?</p>	<p>If a steward discovers an error in its report, it must notify the program of that error within 30 days of discovering it, not within 30 days of submitting the report.</p> <p>This means that if you submit your report on May 31st, or day 1, and then discover an error in your report on day 100, you must report the error to the program before day 130.</p> <p>After a steward has notified the program of the error, they then have two years from the report submission deadline (day 1) to seek an adjustment as outlined in the Steward Initiated Adjustment Policy.</p>

18.	How does reporting with “Gross weight” versus “Net weight” affect a company in the industry sector that sells computers? What we report is the weight of the packaging per the category, we have never even obtain any gross or net weight but they are just ‘weight’ in kilogram.	The reference to gross weights means the weights in kilograms of all obligated PPP before taking any deductions. Based on your scenario, it may be that you are already reporting gross, as you do not take any deductions, therefore, there would be no impact to your organization
19.	What is the % penalty for making adjustments, or late payment or late reporting? Please provide the proposed changes in dollar \$ or percentage %?	All administrative fees, penalties and interest charges are outlined in the Administrative Fee, Interest and Penalty Policy. To answer your specific questions, there is no % penalty for making an adjustment to your report. The penalty for late reporting is 10% of all fees owing once reports are filed. The interest charge for late payment is either prime plus 3% (MMSM) or prime plus 4% (all other programs). Additional penalties are applied at 10% of the amount owing beginning on the 181 st day following the invoice payment deadline.
20.	Is there any red-line (indicating changes) in Agreements for SK and BC that we can review? Will the approved changes in Agreement after 1st Jan	Please click the following links to access the comparison versions: <ul style="list-style-type: none"> • Recycle BC Membership Agreement • MMSW Membership Agreement Approved changes will be effective as of January 1 st 2018
21.	<ol style="list-style-type: none"> 1. Do you need any action from Steward to sign any document on the changes in ‘RULES’ if approved by Board by 1st Jan 2018 for any of the provinces? 2. Will there be any coming reduction or increase in the rates/fees of Printed Paper, Paper Packaging and Plastic Packaging for 2018 and 2019? 3. When (exact date) in January 2018 will the reporting portal be open ? 4. When is the anticipated date of the new 2018’s Steward list to be published? If the reporting portal is opened in January, we would hope to have the Steward list at the same time at least to be useful to reporting. Due to the complexity of reporting, it would be helpful to be able to work on the reporting as early in the year. 	<ol style="list-style-type: none"> 1. Existing stewards will not be required to sign any additional new documentation arising from the revised Rules or MAs. 2. The fee rates for 2018 have been published and are not impacted by these proposed changes to the Rules, MAs or Policies. The 2018 fees were set on the basis of the annual reports submitted by May 31, 2017, Fees for 2019 will be calculated based on steward reports filed by May 31, 2018. 3. The reporting portal will be open for reporting in early January, 2018. Stewards will be notified by email as to the precise date. 4. The steward list will be published in early 2018. We will notify all stewards when lists are available.
22.	Should a steward with a current residency relocate outside the province when does CSSA need to be notified by? Just need to know the deadline when first importer can take over the ownership of reporting if required.	Stewards must provide notice of any change in their business that may impact the Steward’s obligation to pay Stewardship Fees within 30 days of that change. Impacts in reporting obligations due to residency changes will be unique to each situation. Please contact NSS for assistance in your particular circumstances.

<p>23.</p>	<p>1. With respect to the attached policy #1b – mergers, acquisitions, divestitures: can we assume if there are merely brand acquisition/divestments in the stewards business that this On Boarding policy is not activated.</p> <p>2. Also if the parent company changes but the steward legal entity remains intact (with confirmation the new parent accepts all liabilities for the steward legal entity) this does not activate the new policy?</p>	<p>1. Typically, when there are mergers, acquisitions, divestitures, the transitioning process can be managed through the next annual reporting cycle. However, all programs require 30 day notification of any business changes so that each account can be managed appropriately.</p> <p>2. Correct. However, where there is a change in steward information, NSS would need to have the most updated contact information for the steward.</p>
<p>24.</p>	<p><u>Gross Weights</u>: “PPP which is supplied to consumers is not eligible for deductions”</p> <ul style="list-style-type: none"> • Does this mean that all the exclusions detailed in sections 1.9 <i>What is packaging and printed paper?</i> and 1.9.2 <i>Exclusions of the Guidebook of Stewards</i> will no longer apply ? <ol style="list-style-type: none"> 1. Transportation and distribution packaging that is not intended primarily for use or management in the home. 2. Industrial or bulk packaging that is not intended for sale or use by consumers in the home. 3. Other items that are not generally considered to be packaging such as accessories to the product that do not serve a packaging function 4. Packaging that performs an integral role in the long term use or storage of the product. 5. Packaging for product categories covered by separate regulation. <p>As well as packaging and printed paper which are supplied to non-residential consumers (ICI client)</p>	<p>The Guidebook will be revised to reflect any changes in reporting that are approved by the boards. Based on the currently proposed Reporting and Deductions Policy, none of the five items in the list you provided would be impacted and would remain as exclusions.</p>
<p>25.</p>	<p><u>Parallel Importation</u>: For audit purposes, first importers must have evidence that they have obtained their branded products from the distribution network of a brand owner. What exactly are acceptable evidences?</p>	<p>In the case of an audit, you must upon request, be able to provide substantiation to show that the goods were purchased from the Brand Owner’s distribution network in the province in question.</p> <p>Substantiation would include Purchasing Documentation such as a Purchase Order, a Distribution Agreement, Bills of Lading, etc. that demonstrates that the goods you are supplying to consumers were received through the Brand Owner’s known network.</p>