

Consultation on Steward Fees & Reporting Requirements

February 23, 2010



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Multi-Material Stewardship Manitoba

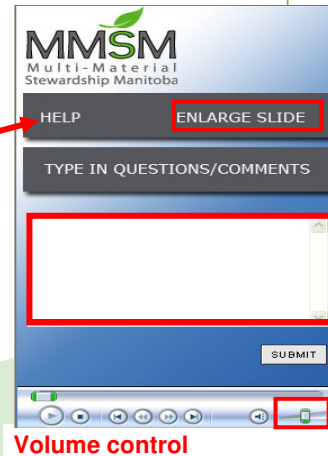
Welcome
Justin Sherwood, Chairman



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MMSM Webcast

- 100+ webcast participants
 - speaker moves slides
 - HELP” box for questions/ comments at left
 - technical issues:
webcast@newswire.ca
 - enlarge slide for larger view
 - use sound slider for volume



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MMSM Background – Ken Friesen, Executive Director

- Packaging & Printed Paper Regulation 105/2008
- MMSM responded with Program Plan
 - June 22, 2009
- Minister approved with conditions
 - September 28, 2010
- Program Commencement Date
 - April 1, 2010



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Presentation Objectives

- Understand registration & reporting process
- Understand 2010 fee-setting process & fees
- Highlight key elements
- Answer your questions
- Next steps



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Presentation Overview

- MMSM Registration & Reporting: Paul Gill
- Questions
- 2010 Fee-setting: Mustan Lalani
- Questions
- Next Steps



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Packaging & Printed Paper Stewardship Program

Paul Gill
MMSM



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To Discuss...

- Packaging & Printed Paper Stewardship Regulation & Rules
- How is Designated Packaging & Printed Paper defined?
- Who is an 'obligated Steward?'
- Steps for determining if you are obligated
- What data has to be reported & how
- Key dates & payment schedule



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Packaging & Printed Paper Stewardship Regulation

Under Regulation 195/2008 Stewards are obligated to:

- Provide a waste reduction & prevention program to manage designated materials
 - province-wide convenient collection
 - provide for 80% of the net cost of collection, processing, marketing the material
 - establish P&E
 - cover the cost of government to oversee this program



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Date of Industry Obligation

- April 1, 2010 commencement date
- Stewards can now report 2009 data using the on-line data reporting & management system



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Program Rules

- To conform with provisions of The Waste Reduction & Prevention Act, Stewards of Designated Packaging & Printed Paper (DPPP) required to:
 - register with MMSM (approved SRO)
 - file annual Steward's Report on DPPP generation
 - pay applicable fees associated with filed Steward's Report
- Harmonized as much as possible with ON & QC stewardship programs



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What The Program Covers

- Packaging & Printed Paper that are:
 - consumed in the household; and/or
 - managed through municipal waste management systems
- Packaging & Printed Paper managed within an IC&I system is not obligated



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Designated Packaging and Printed Paper

- DPPP for purposes of MMSM Program Plan includes:
 - Printed Paper (e.g. Newspapers, flyers, magazines, catalogues, directories, direct mailings, bills, unsolicited mail, product inserts, instruction guides, etc).
 - Packaging (e.g. Product & Service Packaging made of paper, plastic, metal, glass & combinations of these materials)



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Designated Packaging and Printed Paper (2)

- DPPP for purposes of MMSM Program Plan does not include:
 - Transportation packaging
 - where final consumers are non-residential
 - Industrial or bulk packaging
 - not intended for sale or use by consumers in the home
 - Durable packaging
 - e.g., storage boxes with useful life of at least 5 years & which remain with product throughout useful life



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Designated Packaging and Printed Paper (3)

- Other items that are not generally considered packaging:
 - do not serve packaging function (e.g. napkins)
 - empty products (e.g. garbage bags)
 - integral part of the product (e.g. toner cartridge)
- Packaging & Printed Paper materials that are not covered under Regulation:
 - wood, ceramics, crystal, rubber, leather, bound text books, literary books & other reference books



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Who Is An Obligated Steward?

- A Stewards obligation follows a hierarchy:
 1. Brand Owner
 2. First Importer
- Option for Voluntary Steward to report on behalf of the first importer



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Brand Owner

- A Resident in Manitoba company is:
 - a company that is a registered trademark holder or licensee of a trademark (brand); or
 - a company that owns or is the licensee of intellectual property rights of a brand of Printed Paper, product or good
 - a company that has a commercial connection with DPPP



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First Importer

- Resident in Manitoba company that is the first to take ownership (title) of products into the province where the Brand Owner is not resident in Manitoba.



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Voluntary Stewards

- Company outside Manitoba that voluntarily assumes obligations for their products which it supplies into Manitoba
- No requirement for non-Resident in Manitoba companies to volunteer
- Reduces administrative burden on Obligated Steward (i.e. First Importer)
- Must enter into a contract with MMSM
- Not applicable to companies outside Manitoba exempted under section 6 of the program Rules



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Compliance & Enforcement

Compliance

- MMSM not legally required to notify Stewards of their obligation
- MMSM will identify Stewards that are not in compliance



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Compliance & Enforcement (2)

Enforcement

- Manitoba government will enforce against Brand Owner, Franchisor or First Importer in Manitoba
- Companies in Manitoba are prohibited from selling or supplying a product unless material is part of approved stewardship program



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Who Is Exempt?

- Program includes Steward exemptions
- Balance between level playing field & limiting impact on small business
- 2 levels of exemption:
 - Level 1 – 2009 gross revenues in MB below \$750,000
 - Level 2 – 2009 gross revenues in MB above \$750,000, but generated less than \$250 annualized fees upon filing Steward's Report



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2010 Steward's Reports

- Reports to be filed using on-line data reporting & management system
- Based on calendar 2009 DPPP generation data
- Stewards report weight of all packaging material & units for beverage containers & carry-out bags

Deadline for registering & submitting
Steward's Report is March 31st, 2010



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Reporting Options

- Two options for submitting data:
 1. report actual/measured DPPP supplied or distributed in Manitoba in 2009
 - preferred reporting option
 2. report using approved Calculator Tool



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Reporting Actual Data

- Report according to 42 DPPP material categories
- Report kilograms supplied or distributed in MB in 2009
- Describe methodology used to calculate these quantities
- Describe & present estimates of any deductions made for non-obligated materials & sales



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Where Material Data Resides

- Material data to develop reports available from various sources:
 - suppliers
 - bill of materials
 - third party databases
 - packaging specs
 - packaging design staff
 - consultants
- Plan for the longer term



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Reporting Calculator Tools

- Intended primarily for First Importers
- Use granted by application only
- Represents “reasonable estimate” by sector
- Data input is unit driven
- Use of the tool is voluntary
- Cannot be used to quantify Printed Paper or Service Packaging



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On-line Data Reporting & Management System



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Steward No: 0 Welcome: Admin

Welcome to Manitoba's Multi-Material Steward Reporting

Welcome to Multi-Material Stewardship Manitoba's online data management system.

Please follow the steps below to complete your Steward's Report and fulfill any obligations under the Waste Reduction and Prevention Act and the Packaging and Printed Paper Program Plan. Please be aware that Multi-Material Stewardship Manitoba will review your report for accuracy and completeness.

TIPS & TECHNIQUES for using this website

- When moving from field to field use the TAB key
- Shift-TAB key combination will move your cursor back a field
- Please remember to hit the SAVE button to protect your work
- Clicking your Internet browser's BACK button will lose any changes that were not saved

For instructions on how to complete these screens please move your mouse over this icon

Step 1	Confirm Obligation
Step 2	Confirm/Update Contact Information Confirm Company Information
Step 3	Enter Data
Step 4	Methodology
Step 5	Brand Registry
Step 6	Submit Steward's Report
Step 7	Summary Reports and Invoices

Main Menu

- Confirm Obligation
- Contacts
- Company
- Enter Data
- Methodology
- Brand Registry
- Submit Steward's Report
- Summary Reports and Invoices
- Logout

Change Steward:

Helpful Links

- User Guide/Books
- Rules
- FAQ

Customer Service
1-877-883-5828
[Email Customer Service](#)

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Steward No: 0 Welcome: Admin

Enter Data

Obligation Year: 2010
Please note that your 2010 obligation is based upon your 2009 data
To sort ascending/descending please click on the column headers.

ID	Division Name	Calculator	Total Kilograms	Fee
12	add		205,269,496	\$ 19,038,038.39
3	computer access large		Zero	Zero
4	computer access small		Zero	Zero
5	display crt monitor		Zero	Zero
7	display lcd monitor		Zero	Zero
8	display lcd tv		Zero	Zero
6	display crt tv		Zero	Zero
9	home and portable access		Zero	Zero
10	Home audio and video		Zero	Zero
14	Jennifer		Zero	Zero
13	Is		Zero	Zero
11	portable audio and video		Zero	Zero
1	Stewardship Ontario		Zero	Zero
15	t		Zero	Zero
2	vw		Zero	Zero
Total:			205,269,496	\$ 19,038,038.39

[Add Division](#) [Rename Division](#)

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Division: 12 - add

Submitting For: Purchase Order Number:

Use a Calculator:

Subcategory	Kilograms	\$ / Kg	Units	Fee
Category: Printed Materials				
Newsprint- CNA/OCNA Members	<input type="text" value="0"/>	0.001540		\$ 0.00
Other newspaper - non CNA/OCNA members	<input type="text" value="0"/>	0.013460		\$ 0.00
Magazines and catalogues	<input type="text" value="847,413"/>	0.033730		\$ 28,583.24
Directories (telephone / postal books)	<input type="text" value="0"/>	0.033730		\$ 0.00
Other Printed Materials	<input type="text" value="835,412"/>	0.033730		\$ 28,178.45
Total Category:	1,682,825			\$ 56,761.69
Category: Paper Packaging				
Gable top containers	<input type="text" value="9,521,773"/>	0.135080		\$ 1,286,201.10
Aseptic Containers	<input type="text" value="868,145"/>	0.135080		\$ 117,269.03
Paper Laminant	<input type="text" value="5,401,009"/>	0.135080		\$ 729,568.30
Corrugated cardboard	<input type="text" value="5,315,729"/>	0.080200		\$ 426,321.47
Boxboard and other paper packaging	<input type="text" value="55,564,565"/>	0.080200		\$ 4,456,276.11
Total Category:	76,671,221			\$ 7,015,638.00
Category: Plastic Packaging				
PET bottles	<input type="text" value="4,678,232"/>	0.124840		\$ 584,030.48
PET bottles > 5 Litres	<input type="text" value="28,347"/>	0.124840		\$ 3,536.84
HDPE bottles and jugs	<input type="text" value="5,320,243"/>	0.113720		\$ 605,018.03
HDPE bottles and jugs > 5 Litres	<input type="text" value="262"/>	0.113720		\$ 29.79
Polystyrene	<input type="text" value="2,673,539"/>	0.190270		\$ 508,694.27
Other rigid plastics	<input type="text" value="14,760,351"/>	0.190270		\$ 2,808,453.89

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Menu Steward No: 0
Welcome / Admin

Submit Steward's Report

Obligation Year: 2010 **REPORT HAS NOT BEEN SUBMITTED**

Declaration

Company: Stewardship Name: Gord Day
 Steward #: 0 Title: Manager

Current Date: January-22-2010 10:39
 First Submission Date: Not Submitted Last Submission Date: Not Submitted

Obligation for the period of Jan 1 to Dec 31,		Payment Schedule	
Fees:	\$19,038,038.39	May 30, 2010	\$4,759,509.60
		September 30, 2010	\$4,759,509.60

If you have not done so, please submit two payments of \$4,759,509.60 each by May 30, 2010 and \$4,759,509.60 by September 30, 2010. If applicable, MMSM will email both the Primary Contact and Billing Contact if you will have a new 2010 invoice that is posted and is ready to be downloaded.

Please remit payment to MMSM.

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Payment Schedule

- Two payments in calendar 2010:

Payment #1 Due May 30, 2010

Payment #2 Due September 30, 2010

- Invoices generated within the on-line data reporting & management system



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Useful Reporting Information

- Rules for Stewards, Program Summary, Guidebooks & FAQs
 - posted at www.stewardshipmanitoba.org

Guidebook #1: Are You Obligated?

basic program features plus registration requirements

Guidebook #2: Get Ready to File a Steward's Report

process for collecting data and description of DPPP materials
applicable reporting exemptions & deductions

Guidebook #3: How to File a Steward's Report

step-by-step guide to submitting the Steward's Report using on-line data reporting & management system



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Next Steps

- Review Rules for Stewards, Program Summary, Guidebooks & FAQ's
- By March 31, 2010:
 - obligated Stewards must register & file Steward's Report based on 2009 data year
 - MMSM recommends all non-obligated companies register & declare non-obligation status
 - reduce future contact with you



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Additional Support

www.stewardshipmanitoba.org
1-877-883-5828
customerservice@stewardshipmanitoba.org



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Questions?



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Revised Year 1 MMSM Program Costs

Mustan Lalani
MMSM



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To discuss...

- Why revise fees?
- Program cost components
- Methodology & MMSM municipal transfer payments
- Year 1 MMSM stewards' fees



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Why revise the fees?

- Updated municipal costs & revenue from FY09 Datacall
- Increased expectations on government mandated program components
 - e.g., public space, litter reduction
- Mitigate potential cash flow issues



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Program Cost Components

- Payments to municipalities
- Continuous Improvement Process
- Market development
- Promotion & education
- Enhanced programs for:
 - litter reduction
 - plastic bags
 - beverage containers
 - public space recycling



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Methodology for Setting Municipal Payments

Step 1	Annual municipal datacall
Step 2	Categorize municipalities by population size
Step 3	Verify program operating costs
Step 4	Calculate admin costs -3% of contracted operating costs -5% of municipal operating costs
Step 5	Calculate median net cost per tonne for each municipal grouping
Step 6	Set municipal payments at 80% of 3-yr median net cost per grouping



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Methodology Promotes Program Efficiency

- Programs with costs below median benefit through reduced municipal cost share
- Programs with net costs above median have incentive to reduce costs as they will recover less than 80% of their costs



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Year 1 MMSM Payments to Municipalities

Municipal Grouping	Municipal Transfer Payments (\$/tonne)	Anticipated Tonnes Recycled in 2010	Net Municipal Cost by Grouping (\$)
0 - 1,000	\$213/t	2,353	\$502,000
1,000 - 5,000	\$162/t	8,920	\$1,445,000
5,000 - 20,000	\$138/t	13,146	\$1,814,000
Brandon, City of	\$132/t	3,175	\$419,000
Winnipeg, City of	\$108/t	45,992	\$4,967,000
Total	--	73,586	\$9,147,000



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Methodology for Setting Steward Fees

- Principles from ON fee-setting methodology
- MMSM base cost is sum of:
 - 3 year rolling average of median municipal net costs
 - + litter reduction program
 - + MMSM management (including corporate & school P&E, datacall)
- Base costs applied against obligated materials using 3 factor formula



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Methodology for Setting Steward Fees (2)

- Base fees assessed cents/kg sold into MB marketplace
- Aggregate fees where materials are typically managed together & have similar recovery costs
- Program enhancements paid on a per unit basis on top of base fee:
 - Enhanced Beverage Program
 - Plastic Bag Program
 - Paid by beverage container stewards & plastic bag stewards



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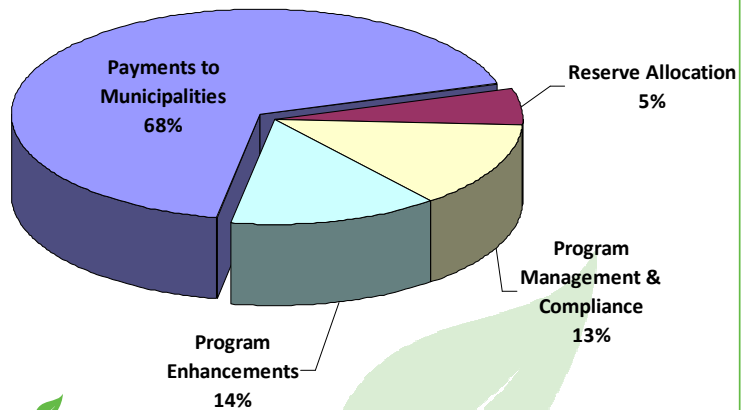
Year 1 Cost Estimates

Year 1 MMSM Budget	
Payments to Municipalities	\$9,147,000
Program Start-up & Plan Development	\$296,710
Compliance Cost	\$50,000
Market Development & R&D	\$60,000
MMSM Program Cost	\$1,464,803
Reserve Allocation	\$723,833
P&E, Anti-litter Campaign, Public Space Recycling, School Education	\$740,000
Continuous Improvement Process	\$75,000
Subtotal	\$12,557,346
Enhanced Programs	
Beverage Container Program	\$675,000
Plastic Bag Program	\$300,000
Enhanced Program Subtotal	\$975,000
	\$13,532,346

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MMSM Cost Centres



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Year 1 Steward Fees

Material	Year 1 Base Fees	
	(cents/kg)	(\$)
Newsprint	2.07	\$736,400
Other Printed Paper	3.79	\$498,372
Corrugated Cardboard & Boxboard	12.93	\$2,972,178
Other Paper Packaging	24.21	\$1,235,356
PET Beverage & Non-Beverage Containers	19.51	\$1,148,834
HDPE Beverage & Non-Beverage Containers	12.83	\$506,891
Other Plastics	31.60	\$3,902,708
Steel	9.89	\$474,647
Aluminum Food & Beverage	-0.58	-\$13,236
Other Aluminum Packaging	9.87	\$46,859
Glass Containers	6.28	\$1,048,337
Total Base Fees		\$12,557,346
Year 1 Enhanced Program Fees	(\$/unit)	(\$)
Beverage Containers	0.0016	\$675,000
Plastic Bags	0.0015	\$300,000
Total Enhanced Fees		\$975,000
MMSM Year 1 Program Total		\$13,532,346

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Beverages



Material	Unit Fee (¢/unit)
2 Litre PET bottle	0.89
600 ml PET bottle	0.47
4 Litre HDPE Milk Jug	0.84
355 ml soft drink can	-0.01
473 ml juice bottle	1.69
250 ml drinking box	0.23

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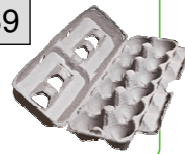
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Paper Products



Material	Unit Fee (¢/unit)
Daily Newspaper	0.44
Magazine - large	3.11
Paperboard box - 525 gram cereal	0.88
Egg Carton	0.69



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Other Containers

Material	Unit Fee (¢/unit)
soap	1.93
PP - yogurt cup (no lid)	1.15
LDPE - frozen peas	0.11
540 ml soup can	0.89
750 ml olive oil green bottle	2.19



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Questions?



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Next Steps

- Register
- Report by March 31, 2010
- Steward fees applicable for 2010
- Fees will be reset for 2011 calendar year
- Questions please contact us

customerservice@stewardshipmanitoba.org



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Thank you!



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