



## Webcast Presentation of Draft Steward Fees for 2011 (November 15, 2010)

### Summary of Questions/Responses\*

<b>Questions on Reporting (12)</b>	
Are you asking for feedback from stewards and if so, by what date?	Stewards have until November 26 to provide feedback on the preliminary steward fees.
When will the reporting portal be available for stewards to submit data for 2010?	The reporting portal will be available to receive reports on January 10, 2011.
When will final fee rates for 2011 be available and how will the rates and reporting requirements be communicated?	The final fee rates will be posted on the MMSM website at the beginning of December 2010.
Will send a reminder to Stewards to submit data in March?	We will send out a reminder to all stewards in March 2011 to submit their reports for 2010.
By posting fees on the MMSM website, will other companies gain access to each other's fees?	The MMSM reporting portal has been designed with the vital need for data security in mind. This is a secure, web-based system. The information provided by each steward is confidential and will never be visible to others in this system.
Where can I obtain assistance to calculate Steward fees	Please call or email our info help desk at customerservice@stewardshipmanitoba.org or 1-877-883-5828
How precise do we need to be about the weight of empty units?	Steward reports need to be as accurate as possible. If you have difficulty identifying exact unit weights, MMSM Customer Service may be able to assist by providing unit based calculators (UBCs) which convert units to weight.
When are Steward reports and fees due?	Stewards need to report their 2010 volumes before March 31, 2011. Fees payable from these reports are due April 30, June 30, September 30, and December 1, 2011.
<b>Questions on Materials/Fees (19)</b>	
Do the sample prices shown reflect MMSM per unit fees?	The examples provided are the approximate fees per unit for each of the container types listed.
Why was there such a large fee increase for aluminum packaging?	The increase in aluminum fees is caused by 2 independent factors.  (1) The revenue for sale of baled aluminum dropped considerably in 2009. This resulted in a substantial increase in net cost to manage aluminum. (2) The estimates of Steward sales for 2010 were higher than actual. This has contributed to a further increase in the per unit fee rate.
Does the same reasoning for the aluminum fee increase apply to the increase in fees for newsprint and other printed materials?	Not quite. The increase in newsprint and other printed paper fee rates is caused by using revised assumptions on sales that are expected to be reported in 2011.
What category does foil board fall into?	If the foil board referenced includes composite containers (typically comprised of cardboard and aluminum), the containers are reported under "Paper Laminants," which falls under "Polycoat and Laminants."

**Questions on Materials/Fees (19) - cont'd**

<p>If a Steward remits fees for steel paint cans through another program (e.g. HHW), does the Steward still pay fees on the can through the MMSM program?</p>	<p>When fees for steel paint cans are submitted to another stewardship program, Stewards will no longer need to submit these fees to MMSM. It is anticipated that the proposed HHW program will be approved and operational by April 1, 2011.</p>
<p>Are steel paint cans included under the steel category (or are they exempt because of the proposed HHW program) and how do Stewards calculate fees for paint cans for sales prior to April 1st when calculations are based on 2010 sales?</p>	<p>Stewards of steel paint containers will report their 2010 sales to MMSM. MMSM will assess their obligation and will invoice them for 3 months of fees, which will be payable April 30, 2011.</p>
<p>Can we report unit sales or do we have to report material on a per kilogram basis?</p>	<p>All fees are based on a per kilogram or per tonne basis. Plastic bags have an additional per unit fee assessed to them which is used to deliver the Plastic Bag Reduction Strategy.</p>
<p>What are the unit rates of Beverage container and carryout bags?</p>	<p>There is no enhanced fee for beverage containers. The plastic bag enhanced fee is \$0.0009/unit.</p>
<p>Please confirm the 2010 fee for other "paper packaging." Is it 12.93?</p>	<p>The draft fee for Other Paper Packaging is \$12.93/kg.</p>
<p>Has a levy rate been established for windshield washer fluid containers and are they collected through the Blue Box program? Do you have any volume results to report on collections to date?</p>	<p>Windshield washer antifreeze is typically contained in a plastic container. This material is levied as are other containers made from the same material.</p>
<p>To what category do shrink bags that are used to package meat belong?</p>	<p>Shrink wrap belongs under "Plastic Laminants," which falls under "Other Plastics."</p>
<p>What about cling wrap and other plastic packaging materials that are not bottles or jugs?</p>	<p>Cling wrap belongs in a "Plastic Laminant" category, and is categorized under "Other Plastics."</p>
<p>What are the rates for corrugated cardboard? Do they remain same?</p>	<p>The preliminary fee rate for Corrugated Cardboard or "OCC" (Old Corrugated Containers) is 11.72 cents/kg.</p>
<p>Does compostable packaging fall under any of these categories?</p>	<p>Yes, the online submission form will provide space for certain biodegradable packaging.</p>
<p>Do stewards have to report compostable packaging?</p>	<p>No, the fees shown for compostable packaging are for illustrative purposes only. MMSM fees are charged on a cents/kg basis (with the exception of carry-out plastic bags, upon which Stewards pay a unit and weight-based fee).</p>
<p>To what category bank statements and other mailouts belong?</p>	<p>Bank statements and other mailouts are in the "Printed Paper" category.</p>
<p>To what category do aseptic containers belong?</p>	<p>Aseptic containers are categorized under "Polycoat and Laminants".</p>
<p><b>Questions on Beverage Containers</b></p>	
<p>Will there be per-unit enhancements fees on beverage containers?</p>	<p>In 2011 there will be no per unit fees for beverage containers because MMSM has signed a Memorandum of Understanding (MOU) with the Canadian Beverage Container Recycling Association, which will take responsibility for the recovery of beverage containers.</p>

**Questions on Beverage Containers (cont'd)**

Is the “enhanced recovery fee” paid to CBCRA in addition to or separate from fees paid to MMSM? For instance, on a 2L pop bottle, which could be consumed in or outside of the home, would the Steward pay a fee to both MMSM and CBCRA?

Stewards of beverage containers will pay a fee to CBCRA. A portion of that fee will be paid by CBCRA to MMSM to fulfill the Steward's obligation to MMSM for that material.

Are you working in conjunction with the Bottlers Association now or is the deposit fee still being charged separately by the Bottlers Association?

MMSM has an agreement with the Canadian Beverage Container Recycling Association (CBCRA) under which CBCRA charges a fee to beverage producers. A portion of this fee is paid by CBCRA to MMSM to cover the beverage Steward's obligation to MMSM.

Would it be possible to get a copy of the Memorandum of Understanding (MOU) between Stewardship Manitoba and the beverage recycling organization?

A copy of the MOU between MMSM and CBCRA will be posted on the MMSM website.

**Questions on Calculators (5)**

Do we need to obtain a new calculator if we already have one from last year? Why are the calculators not on the website and why do stewards need to be approved to use them?

Stewards need to obtain a new calculator every year. The calculators change somewhat from year to year based on new products being included in the calculator. The approval process helps MMSM ensure that stewards are using the most recent calculator.

How long does it take to receive approval to use a calculator?

The approval process for the use of calculators takes approximately 3 days.

**Questions on GST (2)**

Will there continue to be a charge for GST/HST on the fees paid? Ontario has done away with this charge.

At this point GST is being charged to stewards. MMSM is in discussion with the Canadian Revenue Agency about the GST status of MMSM.

**Questions on Program Rules (8)**

If a steward registers now, is it required to back pay for previous years?

Yes. Obligated Stewards that register at any point are liable for fees back to April 1, 2010.

Will we get an accounting to show the cost savings that result from the \$100,000 in Continuous Improvement Program (CIP)?

Yes. MMSM will report on how the funds in the CIP are used and on cost savings achieved.

What happens if fee collection exceeds the 2011 budget? Are you building a reserve or will they be rolled over to 2012?

MMSM is building a reserve of 2 months.

Where should a company register a product that includes a disposable battery?

MMSM manages packaging and printed paper; products that contain a battery are not part of the MMSM program.

If fees are calculated at a higher rate for a specific year but the actual cost is lower for that year, how will MMSM reimburse fees?

All final fees are used for all of 2011. If activity based costing demonstrates that the fees should be adjusted then fees are adjusted for the following year.

Are the fees based on 2010 data?

No. the 2011 fees are based on 2009 data, the most recent year for which complete cost and revenue data are available.

Can you provide the outlook for 2012 fees and industry / municipalities share?

We can only provide 2011 fees at this time. Preliminary 2012 fees will be provided in November 2011

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**Questions on Program Rules (8) – cont'd**

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As a wholesaler, we are charged the recycling fee by our vendors. We sell to Ontario stores and cannot charge them this fee. How can we reclaim this fee? Do you expect any changes to the way stewards raise their fees (i.e. visible vs. integrated fees at the point of purchase)?

MMSM does not become involved in any commercial transactions between vendors or wholesalers.

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**Misc. (1)**

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Our company had difficulties determining our balance this year. For backup records, it would be great if a balance paid or owing was available for view online.

We will pass your comments to our accounting/IT departments.

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\*The number of total questions/comments in each category is shown in brackets beside the category name. Where several similar questions were asked, they have been combined.