



2018 Fee Schedule

Category	Material	Cents/ kg
Printed paper	Newsprint	7.31 ¢/kg
	Magazines and Catalogues	7.64 ¢/kg
	Telephone Books	7.64 ¢/kg
	Other Printed Paper	7.64 ¢/kg
Paper packaging	Corrugated Cardboard	28.48 ¢/kg
	Boxboard	28.48 ¢/kg
	Gable Top Cartons	63.19 ¢/kg
	Paper Laminates	63.19 ¢/kg
	Aseptic Containers	63.19 ¢/kg
Plastics	PET Bottles	36.05 ¢/kg
	HDPE Bottles	26.08 ¢/kg
	Plastic Film	49.89 ¢/kg
	Other Plastics	49.89 ¢/kg
Steel	Steel Food & Beverage Cans	14.87 ¢/kg
	Steel Aerosols	14.87 ¢/kg
	Other Steel Containers	14.87 ¢/kg
Aluminum	Aluminum Food & Beverage Cans	-42.86 ¢/kg
	Other Aluminum Packaging	14.81 ¢/kg
Glass	Glass	6.10 ¢/kg

Additional Material

Category	Material	Cents/ ea
Plastics	LDPE/HDPE plastic carry-out bags	0.06 ¢/ea
	Biodegradable plastic film carry-out bag	0.06 ¢/ea



Introduction to the Four-Step Fee Calculation

Each year, fee rates are calculated and reviewed before being approved by the Board of Directors.

The four-step fee methodology was used to calculate the 2018 Fee Schedule. The methodology was developed by stewards for stewards, and focuses solely on the allocation of costs and commodity revenues to each material in a manner that reflects each material's impact on the recycling system. See Tab 4 below for more information on the methodology. The 2018 fees were calculated based on 2017 steward reports using 2016 data.

Please contact National Steward Services at 1-888-980-9549 or info@cssalliance.ca for assistance or if any questions about this document.

The below Index identifies tabs for background information and detailed calculations.

Index

#	Sheet Title	Description
1	Fee Schedule	2018 Fee Schedule
2	Introduction	Introduction to the Four-Step Model
3	Glossary	Definition of terms
4	Fee Methodology	Overview of fee setting principles and the four steps
5	Model	Detailed calculation model for Fee Schedule



Glossary

GROSS COST - Total cost to collect and process materials.

NET COST - Gross cost minus commodity revenue.

PROGRAM MANAGEMENT COSTS - Costs that are incurred to operate and manage the PPP programs. Costs include management and administrative costs, program-wide promotion and education costs, and any regulatory costs (applicable to the MMSM program).

RECOVERY RATE (RR) - Recovery rate refers to the amount of designated packaging and printed materials that is recovered as a percentage of the amount generated, i.e. disposed of by residents.

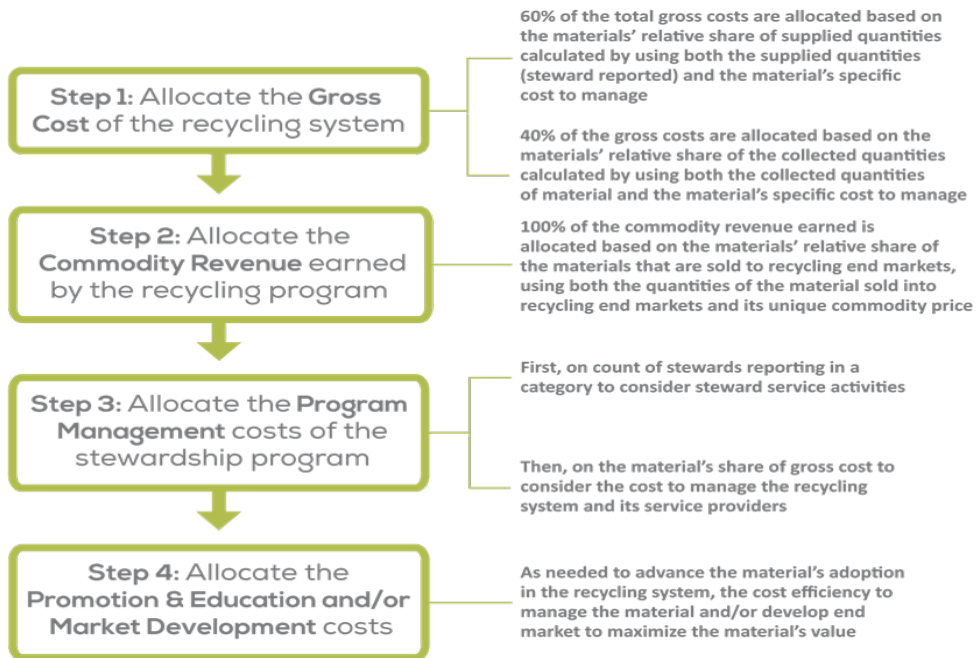
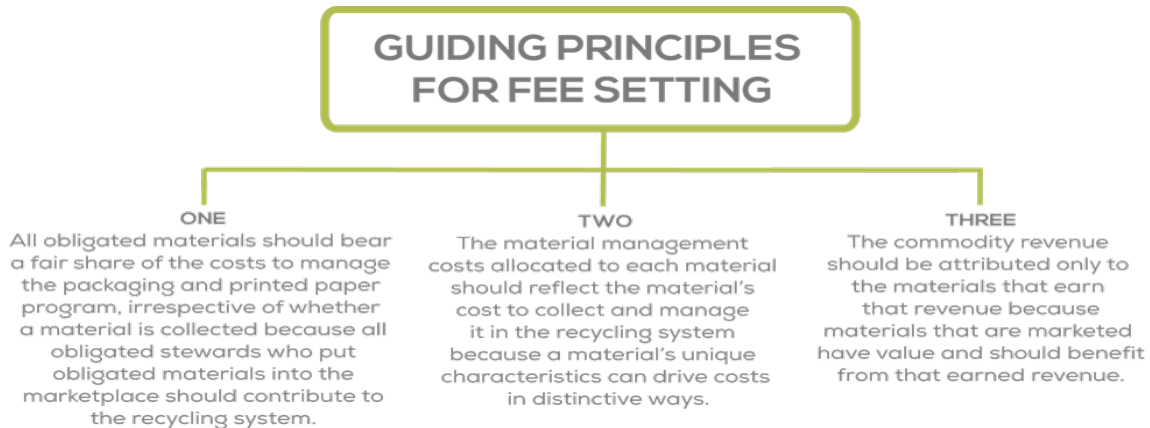
RELATIVE SHARE - Each material's proportionate share of the total supplied tonnes, collected tonnes and marketed tonnes. The relative share of supplied and collected tonnes is calculated using both the quantity of material and its cost per tonne to manage. The relative share of marketed tonnes is calculated using both the quantity of material and its commodity price.

SUPPLIED TONNES - Quantity of designated material reported by stewards in their annual submissions. These tonnes are used to determine ¢/ kg fee rates, and are an input to collected and marketed tonnes.



Fee Methodology

The fee methodology is based on the following set of guiding principles and steps:



$$\frac{\text{Gross Cost} - \text{Commodity Revenue} + \text{Program Management} + \text{Promotion \& Education and/or Market Development}}{\text{Quantities supplied by stewards}} = \text{Material Fee Rate (Cents / kg)}$$



2018 MMSM Four-Step Fee Model

2018 MMSM Budget

MMSM Program Gross Cost (\$)	\$26,277,596
Supplied ABC (60% of gross cost)	\$15,766,557
Collected ABC (40% of gross cost)	\$10,511,038
MMSM Program Commodity Revenue (\$)	\$8,896,207
MMSM Program Net Cost (\$)	\$17,381,389
MMSM Program Management (\$)	\$3,591,695
Surplus Drawdown (\$)	\$0
Market Development (\$)	\$100,000
Total Fees (\$)	\$21,073,084

Category	Material	Relative Shares			AGGREGATED FEES (\$)	AGGREGATED FEE RATES (cents/ kg)
		Supplied / Material Costs (60%)	Collected / Material Cost (40%)	Marketed / Material Price (100%)		
Printed paper	Newsprint	6.5%	11.4%	14.2%	\$ 1,344,233	7.31
	Magazines and Catalogues	0.5%	1.0%	1.2%	\$ 113,102	7.64
	Telephone Books	0.1%	0.2%	0.2%	\$ 18,054	7.64
	Other Printed Paper	1.2%	1.2%	1.1%	\$ 263,809	7.64
Paper Packaging	Corrugated Cardboard	11.7%	17.0%	9.2%	\$ 3,152,188	28.48
	Boxboard	13.9%	17.6%	7.1%	\$ 3,757,104	28.48
	Gable Top Cartons	2.7%	4.2%	1.2%	\$ 702,864	63.19
	Paper Laminates	5.2%	3.2%	0.9%	\$ 1,344,174	63.19
	Aseptic Containers	1.6%	1.7%	0.5%	\$ 413,313	63.19
Plastics	PET Bottles	12.1%	16.0%	16.8%	\$ 2,598,136	36.05
	HDPE Bottles	7.4%	9.6%	17.8%	\$ 898,971	26.08
	Plastic Film	18.1%	2.5%	0.6%	\$ 2,032,398	49.89
	Other Plastics	11.1%	5.0%	1.0%	\$ 3,983,628	49.89
Steel	Steel Food & Beverage Cans	1.7%	1.9%	2.0%	\$ 494,609	14.87
	Steel Aerosols	0.1%	0.1%	0.1%	\$ 36,333	14.87
	Other Steel Containers	0.0%	0.0%	0.0%	\$ 12,202	14.87
Aluminum	Aluminum Food & Beverage Cans	3.4%	4.2%	25.6%	\$ (990,893)	(42.86)
	Other Aluminum Packaging	0.4%	0.1%	0.5%	\$ 41,068	14.81
Glass	Glass	2.1%	3.1%	0.0%	\$ 864,056	6.10
	Total	100.0%	100.0%	100.0%	\$ 21,079,351	