

These sections replaced the original sections in the Blue Box Program Plan on November 4th, 2005 upon approval by the Minister of the Environment.

6.5.3 Canadian Newspaper Association/Ontario Community Newspapers Association Program

As per the approved BBPP, for the program years 2003 and 2004 (calendar year 2004), the first \$1.3 million of the total obligation for CNA and OCNA model is to be paid in the form of in-kind newspaper advertising.

Following approval of the proposed amendment to the BBPP in 2005 and in future years under the BBPP, the CNA and OCNA portion of stewards fees representing payments to municipalities, as calculated by the pay in model, will be in the form of in-kind newspaper advertising under normal old newspaper (ONP) market conditions.

The in-kind advertising program is comprised of:

- Lineage in CNA/OCNA member papers calculated using published CARD rates.
- Distribution and production of one insert per year (defined as a one-page flyer) in all CNA member papers throughout Ontario to be offered to AMO (for example, for Waste Reduction Week).

The in-kind program will also adhere to the following:

- The allowable ad content will include the full range of municipal waste diversion programs and services.
- Advertising space will be allocated in a similar manner as funds are distributed to municipalities through the MFAM (i.e., in-kind space is to be allocated according to tonnes recycled each year).
- Advertising will be spread throughout the year, with the heaviest concentrations between January and November.
- Advertising will be placed relatively evenly throughout the week.
- The overall responsibility for the CNA/OCNA program and the allocation of the CNA/OCNA space will rest with WDO.

Annual funds will be provided for the purpose of implementing and monitoring the advertising program and any administrative expenses incurred by WDO.

9.14.3 Contributions from the Newspaper Industry

For the program years 2003 and 2004 (calendar year 2004) the newspaper industry will be responsible for paying, in cash, to Stewardship Ontario:

- Any funds owing to municipalities in excess of the \$1.3 million in-kind contribution, as calculated by Stewardship Ontario; and
- The appropriate share of WDO and Stewardship Ontario administration costs, program start up and delivery costs, and their share of program shortfall costs.

In future years of the program, under normal newspaper market conditions, the newspaper industry will be responsible for paying:

- To municipalities, any funds owing to municipalities as calculated by Stewardship Ontario in the form of in-kind advertising.
- To Stewardship Ontario, the appropriate share of WDO and Stewardship Ontario administration costs, program start up and delivery costs, and their share of program shortfall costs.

In the 2005 program year, the amount of in-kind above \$1.3 million will be prorated from the date of the Minister's approval of this amendment.

Should old newspaper prices fall below 50 percent of the price per tonne for ONP # 8 and for ONP # 6 received by municipal programs as reported in the 2004 Datacall in the ratio of ONP # 8 and ONP # 6 sold by municipal programs as reported in the 2004 Datacall, CNA/OCNA will be required to contribute in cash the amount which arises from the difference between the 50 percent value and the actual sale price. Consideration of the ratio of ONP # 8 and ONP # 6 is to directly compensate for market price fluctuations rather than for future municipal newspaper collection and processing decisions that result in changes to the quality and grading of the ONP on the market.

In future years, the tonnes of ONP # 8 and ONP # 6 sold by municipal programs as reported in the Datacall will be adjusted to reflect the ratio of ONP # 8 and ONP # 6 sold by municipal programs as reported in the 2004 Datacall. This adjusted tonnage will be used to calculate an adjusted revenue based on the ratio of ONP # 8 and ONP # 6 in the 2004 baseline year. The adjusted weighted revenue per tonne will be compared with 50% of the 2004 baseline year revenue per tonne to activate the mechanism and to calculate the portion of the in-kind contribution to be paid in cash.

Revenue sharing agreements between municipal programs and contractors may change over time and affect the reported revenue in the Blue Box Financial Datacall. In order to neutralize the effect of a significant increase in revenue being kept by contractors, should the price of ONP # 8 and ONP # 6 reported in the Datacall in any year be 15% lower than the average Buffalo Yellow Sheet price for these grades for the year, the Buffalo Yellow Sheet price less 10% will be utilized to calculate the revenue for the year in question for the purposes of the comparison to the baseline year of 2004 to activate the mechanism and to calculate the portion of the in-kind contribution to be paid in cash.