

# ONTARIO PAINTS AND COATINGS

2014-2018

Industry Stewardship Plan

In accordance with the Waste Diversion Act (WDA) and Waste Diversion Ontario's (WDO) Procedures for Industry Stewardship Plans (WDO Procedures) and following an extensive consultation period, Product Care Association (PCA) is submitting a revised Industry Stewardship Plan (ISP) for the designated waste category of "paints and coatings" in Ontario.

# PREPARED AND SUBMITTED BY: PRODUCT CARE ASSOCIATION

MAY 23, 2014

WITH THE COLLABORATION OF



**CANADIAN PAINT  
AND COATINGS  
ASSOCIATION**

**ASSOCIATION CANADIENNE  
DE L'INDUSTRIE DE LA PEINTURE  
ET DU REVÊTEMENT**

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# GLOSSARY OF TERMS

TERM	DEFINITION
<b>Accessibility</b>	The range of options by which Ontarians can dispose of Paints and Coatings, taking into account such factors as the number and location of collection sites including hours of operation.
<b>Available for Collection</b>	Estimated quantity of Paints and Coatings potentially available for collection and subsequently available for end-of-life management that is calculated using an available for collection factor against the amount supplied into market. Used as the denominator to calculate collection, reuse and recycling rates.
<b>Collection Rate</b>	Metric to measure the quantity of Paints and Coatings collected compared to what was available for collection. Calculated as a percentage with the numerator representing the quantity of Paints and Coatings collected and the denominator representing the quantity available for collection.
<b>Collection Target</b>	Projected quantity of Paints and Coatings to be collected on an annual basis, expressed as a percentage.  - Under the MHSW Program Plan, this target is projected based on five-year estimates of available for collection. This ISP does not provide five-year estimates of available for collection
<b>Collector</b>	An entity engaged to collect Paints and Coatings from generators, including municipalities.
<b>Consumer</b>	Synonym for generator (see the definition for generator).
<b>Canadian Paint and Coatings Association (CPCA)</b>	Canadian Paint and Coatings Association represents paint and coating manufacturers, and their industry suppliers, in three primary product categories: architectural paints, industrial and automotive coatings.
<b>Diversion</b>	The management and treatment of materials or products through reuse and/or recycling instead of disposal to landfill or incineration with or without energy recovery.
<b>Diversion Rate</b>	Metric to measure the quantity of Paints and Coatings diverted. Calculated as a percentage with the numerator representing the quantity of Paints and Coatings diverted and the denominator representing the quantity of the total waste diverted plus disposed.
<b>Depot</b>	Facility where generators can drop off Paints and Coatings which may have varying hours and periods of operation by season.
<b>Designated IC&amp;I Generator (also referred to as a small quantity IC&amp;I Generator)</b>	An industrial, commercial or institutional generator (as defined by Ontario Regulation 347) that generates MHSW, arising from use of MHSM, that is not required to submit a Generator Registration Report with respect to that MHSW under subsection 18 (1) of Ontario Regulation 347, made under the Environmental Protection Act.
<b>Event</b>	Collection service operated temporarily, typically a portion of one day, at which generators can drop off Paints and Coatings.
<b>Generator</b>	Generators are the consumers who make Paints and Coatings available for recycling or disposal, including residents, small quantity IC&I businesses, and large IC&I businesses.
<b>Industrial, Commercial, Institutional (IC&amp;I)</b>	Industrial, Commercial and Institutional

<b>Industry Funding Organization (IFO)</b>	A non-profit, industry-funded organization in Ontario that develops, implements and operates a waste diversion program approved by Waste Diversion Ontario for wastes designated by the Minister of the Environment.
<b>Industry Stewardship Organization (ISO)</b>	Any organization (including one steward or a group of stewards) that submits an Industry Stewardship Plan (ISP) to WDO for review.
<b>Industry Stewardship Plan (ISP)</b>	A Waste Diversion Ontario-approved plan allowing one or more stewards to manage wastes that have been designated for a recycling program by the Minister of the Environment.
<b>Municipal Hazardous or Special Materials (MHSM)</b>	Goods and products which are sold or delivered for use in Ontario to generators that result in MHSW.
<b>Municipal Hazardous or Special Waste (MHSW)</b>	Waste that consists of municipal hazardous or special waste, or any combination of them, as defined by the Minister's Program Request Letter and Ontario Regulation 542/06 under the WDA.
<b>Municipal Hazardous or Special Waste (MHSW) Program</b>	The recycling program operated by Stewardship Ontario for the diversion of Paints and Coatings and other designated MHSM.
<b>Ministry of the Environment (MOE)</b>	Ministry of the Environment in the Province of Ontario.
<b>Minister</b>	The Minister of the Environment for the Province of Ontario.
<b>Ontario Regulation 542/06</b>	The regulation under the WDA that designates MHSW.
<b>Paints and Coatings</b>	Means latex, oil and solvent-based architectural coatings, including paints and stains, whether tinted or untinted.
<b>Processing</b>	Manual or mechanical alteration of Paints and Coatings for the purpose of recycling.
<b>Processor</b>	An entity that engages in processing of Paints and Coatings for the purpose of recycling.
<b>Product Care Association (PCA)</b>	Product Care Association is the ISO that has submitted this ISP to WDO.
<b>Program Request Letter</b>	The letter from the Minister to WDO dated December 12, 2006 requiring WDO to develop a waste diversion program (the MHSW Program Plan) for certain categories of MHSW, including Paints and Coatings.
<b>Recycling</b>	Refers to any operation by which materials are reprocessed into products, materials or substances, whether for the original or other purposes. It includes the reprocessing of organic material, but does not include energy recovery and reprocessing into materials that are to be used as fuels.
<b>Recycling Efficiency Rate (RER)</b>	Metric to measure the quantity of Paints and Coatings recycled compared to what was collected. Calculated as a percentage, with the numerator representing the quantity of Paints and Coatings recycled, and the denominator representing the total amount of Paints and Coatings collected through the ISP (minus reuse, if applicable). <ul style="list-style-type: none"> <li>- In the MHSW Program Plan dated July 30, 2009, this is referred to as the Recycling Performance Rate.</li> </ul>
<b>Recycling Efficiency Rate (RER) Target</b>	Projected quantity of Paints and Coatings to be recycled on an annual basis under the program, expressed as a percentage (minus reuse, if applicable).
<b>Recycling Rate</b>	Metric to measure the quantity of Paints and Coatings recycled compared to what was available for collection. Calculated as a percentage, with the numerator representing the quantity of Paints and Coatings recycled, and the denominator representing the quantity

of Paints and Coatings, pesticides, solvents or fertilizers available for collection (minus reuse, if applicable).

- Under the MHSW Program Plan, this is called the RER.

<b>Recycling Target</b>	Projected quantity of Paints and Coatings to be recycled on an annual basis under the ISP, expressed as a percentage of what was available for collection (minus reuse, if applicable). Calculated by multiplying the RER target for Paints and Coatings by the collection target for those materials. <ul style="list-style-type: none"> <li>- Under the MHSW Program Plan, this target is projected based on five-year estimates of available for collection. This ISP does not provide five-year estimates of available for collection.</li> <li>- A recycling target can only be calculated for materials that have an RER Target;</li> </ul>
<b>Reduction</b>	Activities by producers and consumers to avoid the generation of waste at source.
<b>Reuse</b>	Provision of a designated waste to another user for its intended purposes.
<b>Service Provider</b>	Companies that collect, transport and process or safely dispose of Paints and Coatings.
<b>Small Quantity IC&amp;I Generator</b>	See the definition for Designated IC&I Generator.
<b>Steward</b>	The producers of a designated waste, such as brand owners, first importers and manufacturers, who are required to report to an IFO for a waste diversion program.
<b>Stewardship Ontario (SO)</b>	The not-for-profit corporation funded by industry that operates Ontario's MHSW and Blue Box programs.
<b>Supplied to market</b>	Sold, leased, donated, disposed of, used, transferred (the possession or title), or otherwise made available or distributed for use in the Province of Ontario.
<b>Supply Chain</b>	The system of handling the Paints and Coatings returned to the program by including the collection system, transportation and recycling or other approved disposal options.
<b>Transporter</b>	A company that transports Paints and Coatings from collectors to processors.
<b>Vendor Standard</b>	Minimum operating standard that a service provider must meet on a continuous basis to be eligible to provide collection, transportation and/or processing services.
<b>Waste Diversion Act (WDA)</b>	Legislation passed in 2002 that provides for the development, implementation, operation and oversight of waste diversion programs and ISPs in Ontario.
<b>Waste Diversion Ontario (WDO)</b>	The non-crown corporation that oversees Ontario's recycling programs, which currently include Blue Box materials, MHSW, used tires, and electrical/electronic equipment. As part of its oversight role, WDO is also responsible for evaluating, approving and overseeing ISPs.

# INTRODUCTION

In accordance with the Waste Diversion Act (WDA), and Waste Diversion Ontario's (WDO) Procedures for Industry Stewardship Plans (WDO Procedures), Product Care Association (PCA) initially submitted an Industry Stewardship Plan (ISP) for the designated waste category of "Paints and Coatings" in Ontario on September 9, 2013 to Waste Diversion Ontario (WDO).

This ISP has been modified by PCA in response to comments and feedback received during the consultation process. Also, a Transition Plan has been added to the ISP as appendix C to the ISP, in accordance with the WDO Transition Plan Guide dated January 14, 2014.

The request for PCA to submit an ISP in Ontario is made by Stewards representing over 90 percent of the Paints and Coatings Supplied in Ontario, a large majority of which are members of the Canadian Paint and Coatings Association (CPCA). CPCA and PCA have entered into a memorandum of understanding by which PCA will manage the Ontario Paint ISP for the benefit of the CPCA members and other obligated Stewards who choose to participate in the PCA ISP. The ISP is open to any obligated Steward whether or not the Steward is a member of CPCA.

As of May 23, 2014, PCA has received 28 Letters of Intent from obligated Stewards representing about 90% of the volume of Paint and Coating reported in 2013 to Stewardship Ontario. A list of Paints and Coatings Stewards who have indicated their intent to participate in the ISP is included in Appendix A. Copies of all signed letters of intent have been provided to WDO. Participation in the ISP is based on membership in PCA, and all existing and new PCA members will be required to agree to the PCA membership agreement and comply with PCA bylaws and policies.

PCA is a federally incorporated, not for profit product stewardship association governed by a multi sector industry board of directors. PCA is the program operator for paint stewardship programs in seven provinces in Canada, and its membership includes all obligated stewards for Paints and Coatings products in those provinces. PCA also participated in the development of the original Stewardship Ontario (SO) MHSW program plan and implementation.

*"Additional information about this and other transitional matters is found in the Transition Plan which is Appendix C."*

Over the last 20 years, PCA has developed and managed numerous product stewardship programs, and has steadily increased collection volumes in every jurisdiction and product category it has managed. PCA has the experience and expertise necessary to successfully manage complex product stewardship programs. Products managed in other PCA programs include pesticides, flammable liquids, lighting products, smoke and CO alarms and other household hazardous waste product categories.

Currently PCA has over 60 employees including staff at PCA's administrative office in Vancouver, BC, as well as an office in Montreal, and staff in Saskatchewan, Manitoba, Nova Scotia, Newfoundland, New Brunswick and Oregon supporting PCA's programs and services in each of those jurisdictions.

PCA has appointed an Ontario program director, based in Ontario, to work on the development of the ISP, and will establish an office and additional staff based in Ontario upon the approval of the ISP to implement and manage the ISP with support from PCA's administrative office in Vancouver.

This Industry Stewardship Plan describes the proposed program operating system and the transition plan. An operational plan will be provided to WDO. A significant element of the Transition Plan is that PCA has proposed to Stewardship Ontario and to stakeholders and service providers that PCA would assume the entire "supply chain" for the ISP products. Additional information about this and other transitional matters is found in the Transition Plan which is Appendix C.

## 2.1 Consultations

Three webinar consultations were held by WDO (on October 23, 2013, November 5, 2013 and April 9, 2014) to allow PCA to present the ISP in greater detail and to give the opportunity for stakeholders to ask questions and provide feedback. The ISP has been modified consistent with the issues and responses from the consultation process.

In addition to the WDO consultation webinars, PCA has engaged extensively in direct consultations with stakeholders. Municipal outreach has included several meetings and presentations with the major municipal associations (AMO, MWA, RPWCO) as well as in-person meetings and presentations with over 20 different municipalities. PCA has also met directly with a number of Transporters and Processors.

PCA has also been meeting on a weekly basis with Stewardship Ontario (SO), the operator of the IFO responsible for MHSW, since summer of 2013 to discuss the potential transition process and communications to stakeholders involved in the MHSW program and potentially impacted by the ISP.

The consultation process is ongoing, and stakeholders are encouraged to contact PCA or WDO with any comments or requests for further information.

## 2.2 Legislative Background

PCA is submitting this revised ISP for the designated waste category of "Paints and Coatings" in Ontario as designated by Ontario Regulation 542/46 "Municipal Hazardous and Special Waste" under "Phase 1 materials" pursuant to the Waste Diversion Act, 2002. Section 34 of the WDA provides that Stewards who prefer to take direct responsibility for managing their WDA obligations may submit an ISP for consideration by WDO.

In 2006, SO was designated by the MOE as the Industry Funding Organization for all Phase 1 MHSW materials. In July 2008, the Phase 1 waste diversion plan developed by SO and approved by the MOE took effect. In 2009, an amended consolidated MHSW Program Plan (the "CMHSW") was developed by SO and approved by the MOE to include Phase 2 and Phase 3 materials. The CMHSW took effect on July 1, 2010. Phase 2 and Phase 3 materials were subsequently removed from the MHSW program. A revised plan for Phase 1 materials only was developed by SO but has not been submitted to WDO or the MOE for approval.. Accordingly, the ISP performance targets reference the Consolidated MHSW Program Plan targets.

WDO will require PCA to enter into a program agreement as part of the approval process for the ISP. The proposed term of the program agreement is 3 years, however it is the intention of PCA to continue the operation of the program on an indefinite basis, as PCA is doing in other provinces.

# DESIGNATED MATERIALS

## 3.1 Product Definition

This ISP is for the management of post-consumer leftover Paints and Coatings as defined in the Ontario Regulation 542/06 Municipal Hazardous or Special Waste (O. Reg. 542/06):

"Paints and coatings, including aerosol paints and coatings, and the containers in which they are contained"

PCA proposes that the products included in the ISP will be the same as for the Paints and Coatings category as defined in the current 2013 Stewardship Ontario MHSW program Rules:

"Paints and Coatings means latex, oil and solvent-based architectural coatings including paint and stains whether tinted or untinted".

PCA proposes certain minor changes to harmonize the Ontario list of inclusions and exclusions of Paints and Coatings with the other seven provincial paint programs operated by PCA. The following chart indicates the current inclusions and exclusions and the proposed ones:

**TABLE 1**

## DIFFERENCES IN THE DEFINITION OF PAINTS & COATINGS BETWEEN THE CURRENT AND PROPOSED PROGRAM

Current IFO Paints & Coatings Program	Proposed ISO Paints & Coatings Program
• Only aerosols containing architectural paint are included	• All aerosol paints, not limited to architectural will be included
• Automotive paints and coatings not included	• Aerosol form automotive paints and coatings only included
• Marine coatings are not included	• Non-pesticide marine coatings will be included
• 30 L maximum container size	• 25 L maximum container size

The maximum container size limit is proposed to be decreased to 25 L from 30 L in the ISP to match the other seven provincial paint recycling programs that PCA manages in Canada. Based on industry knowledge, there is no standard container size between 25 L and 30 L that will be excluded as a result of this proposed change, and it is expected that this will not result in the exclusion of any waste material.

Appendix B contains a list of included and excluded products.

### ***3.2 Types of Generators served by the Program***

The PCA program will manage program products generated by residential Consumers, and small quantity Industrial, Commercial and Institutional (ICI) Generators as specified in the Minister's Program Request Letter to SO dated December 12, 2006. Accordingly, program products will not be accepted from large volume ICI Generators, identifiable by registration under the Ontario Regulation 347 and generating greater than 100 kg of waste paint per month.

PCA intends to consult with the government and stakeholders regarding this exclusion, which does not exist in other paint stewardship programs, to determine if there is a need for access to the program from this sector.

PCA will work with municipalities that may be interested in accepting and collecting used Paints and Coatings from small quantity ICI Generators as well as investigating other potential collection systems for this category of Generators.

### ***3.3 Market Supply, Container Sizes and Materials***

Paints and Coatings are Supplied into the Ontario market place through major retailers, paint stores, hardware stores, and other channels, and are sold under manufacturer brand names or retailer private labels. Common industry sized containers for non-aerosol Paints and Coatings products include:

- 250 ml
- 0.945 L (1 US quart)
- 3.78 L (1 US gallon)
- 18.9 L (5 US gallons)

Containers for Paints and Coatings are made of steel or plastic, or a combination of the two. The plastics used are high density polyethylene (#2 HDPE) and polypropylene (#5 PP). Aerosol containers are made of steel and come in various sizes.

### ***3.4 Quantity Supplied into the Marketplace***

PCA will require Stewards to report units supplied within the container size ranges used by PCA in other PCA programs, in other jurisdictions. The product sales data will be used to calculate the amount available for collection each year. These sales will be converted to litres (liquid paint volume), as well as tonnes (paint only or paint and container weight) using appropriate conversion factors, and aggregated for the purpose of reporting to WDO.

Paints and Coatings Stewards are currently required to report the weight of paint containers to the SO Blue Box program. PCA expects to obtain this container weight information from SO and compare it to the container weight derived from reports made by Stewards to PCA.

The quantity of Paints and Coatings entering the marketplace for Year 1-5 of the program will be obtained from actual sales data as described above. For the purpose of developing program budgets, the program will reference available SO data for liquid paint volume sold in 2012 and 2013. Sales projections provided by CPCA indicate a 2.2% increase in sales in 2014 over 2013, followed by a 1.6% increase in sales in 2015 over 2014.

# PROGRAM DESIGN

The following are the management options for the waste products in accordance with the pollution prevention hierarchy.

## 4.1 Reduction

A primary objective of the ISP is to encourage Consumers to purchase the correct amount and use the paint they buy. Tools such as paint calculators assist Consumers in buying the right amount of paint for the task at hand. For unwanted leftover paint, the objective is to eliminate the improper disposal of paint in the environment, while recovering the resources present in leftover paint and paint containers. PCA will support waste Reduction by encouraging Consumers to buy only what they need and to use up the paint that they purchase.

As the success of waste Reduction efforts is difficult to quantify, no specific target has ever been developed for the Reduction of leftover Paints and Coatings.

## 4.2 Paint Re-Use

“Paint re-use” means that leftover paint in its original container is given away to someone who can use it. In order to increase the quantity of leftover Paints and Coatings which is re-used, ISP collection sites will be invited to offer a “Paint Exchange” program to Consumers, as in programs operated by PCA in other provinces. In this program, containers of paint that are of high enough quality are placed on display shelving and are available at no cost to other Consumers. This type of exchange program ultimately allows paint to be used for its intended purpose and results in less material needing to be processed. As explained during the consultation process and at municipal meetings, PCA will work with municipalities to develop a reasonable compensation model to make paint Reuse available to Consumers within the first year of program operations.

## 4.3 Paint Recycling

The market for recycled paint continues to develop. The ISP will provide for the recycling of used Paints and Coatings into new Paints and Coatings (product-to product recycling) in priority to product management options that are lower on the recycling hierarchy.

In general, there is a steady shift in the marketplace from oil based (alkyd) paints to water based (latex) paints. This trend is expected to continue due to regulatory requirements, Consumer

preference and improvements to technical specifications. Federal regulations relating to volatile organic compounds and the composition of surface coatings increasingly limit the production of oil based products. There is also an increasing use of plastic in paint containers, instead of steel.

The service providers currently registered to recycle non-aerosol paint for the SO MHSW program include Hotz Environmental Services Inc., Loop Recycled Products Inc. (formerly Photech Environmental Solutions Inc.), and Laurentide ReSource. The service providers currently registered to process and recycle aerosol paint for the SO MHSW program include Veolia ES Canada Services, GRR Aerosols, and Drain-All Ltd.

### Water Based (Latex) Paint

Approximately 90% of paint sold today is of the water based/latex type. The ISP supports the re-use or the recycling of leftover latex paint in priority to other management options. Recycled latex paint is marketed through a number of channels in Canada and overseas. The Canadian market continues to grow for recycled latex paint, and is influenced by the steady improvement in consumer awareness and the trend to “green” building practices.

Not all leftover latex paint is of suitable quality for paint recycling. Paint that cannot be recycled due to being previously frozen, solidified, contaminated paint, etc. will be sent to approved disposal facilities, and the quantities managed in that way will be tracked and reported.

### Oil Based (Alkyd) Paint

Currently, alkyd paint represents approximately 10% of the architectural paint market. Sales of alkyd paint are generally declining due to regulations limiting volatile organic compounds and other factors such as the federal Chemical Management Plan operating under the Canadian Environmental Protection Act.

Although the market is limited, and is in decline due to the same VOC regulations and the improved performance of water based paint, there are companies in Ontario that consolidate and re-process alkyd paint into a recycled paint product. The ISP will re-use or recycle leftover alkyd paint in priority to other management options. Alkyd paint that cannot be recycled will be utilized for its energy value where possible, recognizing that energy recovery is not counted as recycling under the WDA.

### Aerosol Paint

Paint aerosols will be punctured and the contents drained. The residual paint will be safely disposed of at an approved facility. The steel containers will then be recycled. Generally, the residual volume recovered from paint aerosols is very small and represents a variety of product formulations that limit the options for recycling.

## Paints and Coatings Containers

The program will provide for recycling of program product containers, including metal containers, plastic 5 gallon pails (#2 HDPE), plastic paint cans (# 5 PP), and composite containers. PCA intends to make arrangements with Stewardship Ontario, operators of the Blue Box program, with respect to the program product containers recovered in the Blue Box program. The current system of accepting Paints and Coatings, returned in non-original containers will continue, provided that this is acceptable to the municipal and return to retail collection sites, and subject to appropriate precautions (as is now the case). PCA will discuss with collection sites how best to educate Consumers about the benefits of keeping Paints and Coatings in their original containers.

## 4.4 Paint Bulking at Collection Sites

Currently all paint returned to a collection site remains in its original container and is emptied at the Processor's facilities during the recycling process. If requested by a municipality, PCA will determine if the sorting and bulking of paint at the collection site will meet the specifications of the Processor and enable the paint to be recycled.

## 4.5 Standards and Registration/Qualification Process

The existing SO Vendor Standards for transportation carriers, consolidation facilities and Processors will be adopted and service providers will be required to meet and conform to these Vendor Standards in order to be eligible to manage waste Paints and Coatings under the ISP.

The Vendor Standards, policies and procedures may be revised and updated from time to time following consultation with affected stakeholders.

PCA will adopt all existing registrations of service providers currently in place with Stewardship Ontario, and intends to continue to use the same registration/qualification process for any additional Transporters and Processors. The registration/qualification process may be revised and updated from time to time following consultation with the affected stakeholders. For future service provider procurement, PCA will ensure that a fair and transparent process is employed that allows an equitable opportunity to compete. PCA will inform WDO of its selection process and criteria.

# ACCESSIBILITY

PCA has considerable experience in the development and management of collection systems to provide accessibility. PCA currently manages over 1500 collection sites, of which over 500 are municipal and 500 are return to retail.

Program products will be accepted at any approved collection location without charge. PCA has been actively consulting with the municipal collection system which currently collects a significant majority of the leftover Paints and Coatings for the MHSW program. PCA intends to continue utilizing all existing collection facilities, including participating municipalities and retailers as well as other collection sites or Events.

PCA will encourage additional municipalities and retailers to participate as collection sites with the program in order to continue expanding the collection network, in particular for northern and rural communities, including the possibility of “paint only” municipal collection sites. PCA will also consult with service providers, retailers and municipalities and other organizations to identify other possible types of collection sites. PCA will consult with service providers with a view to improving accessibility and to improve efficiencies with respect to the collection and management of program products within the timelines set forth in the Transition Plan.

TABLE 2

## Collection System

Collection Channel	PCA Year 1 Target	PCA Year 2 Target	PCA Year 3-5 Goal
<b>Depots</b>	110	120	25 additional collection sites  for the following 3 year period
<b>Events</b>	425	475	
<b>Return-to-Retail</b>	400	425	

PCA adopts the Minister-approved accessibility targets for SO as indicated above for Year 1 and Year 2. However it is noted that the current Supply Chain, as developed by SO, consisted of 87 depots, 347 events and 199 Return to Retail collection sites in 2013, and that although the Minister-approved accessibility targets are much higher than what is currently being provided in the MHSW program, the collection rate has substantially surpassed the collection target over the past 3 years.

# PROGRAM PERFORMANCE

The proposed WDO Plan Agreement provides that the ISP program performance will be assessed annually by WDO with respect to the following targets, including but not limited to: (a) the collection target; (b) the recycling efficiency rate target and (c) the recycling target, calculated by multiplying (a) x (b). Targets will be calculated based on terms and calculations outlined in the WDO document “Data Requirements for Monitoring Effectiveness and Efficiency of Waste Diversion Programs in Ontario”.

In order to report program performance statistics, PCA will employ a tracking and control database system to record and track waste materials managed from point of collection to consolidation, recycling and disposal. Data will be collected to track the quantity of program products received by the collection system. In addition, data reports will be required of all Processors to track residual volumes of paint and containers received by the program, and how those volumes are managed. This data will be recorded and used for auditing purposes as well.

## *6.1 Available for Collection Factor*

The CMHSW Program Plan approved by MOE assumes that 10% of the quantity of Paints and Coatings Supplied into the marketplace, based on the content weight, and 100% of the number of containers represents the amount that is available for collection in a given year.

Because of its liquid nature, when leftover paint is returned, it is usually returned in its original container. Many municipalities presently accept already empty Paints and Coatings containers in their curbside collections for paper and packaging products. Paints and Coatings Stewards currently report the weight of paint containers to the SO Blue Box program. The quantity of empty Paints and Coatings containers collected through the municipal curbside programs can be estimated through the curb-side waste audit/bale study of blue box materials conducted by SO if available. PCA will be then able to refine the “available for collection” factor based on that available data and plans to do so within the first year of operations.

As indicated above, the volume of Paints and Coatings Supplied will be obtained from Steward reports of units supplied by container size (based on liquid content using common container sizes), which is converted to weight using industry provided average conversion rates.

For the time being, PCA proposes to adopt the available for collection factor currently used in the MHSW program. As better information on the collection of Paints and Coatings and containers becomes available to PCA, the available for collection value will be reviewed at that time and adjustments made, if necessary. Any changes to the available for collection factor will require WDO approval.

## 6.2 Collection Targets and Rates

As explained during the consultation process, PCA has revised the ISP to match the collection targets of the MOE approved CMHSW Program Plan by using the collection targets for Year 4 and Year 5 of the CMHSW program plan, for Year 1 and Year 2 of PCA ISP. As there are no Minister-approved collection targets for Years 3, 4 and 5 of the ISP PCA has proposed increased targets as set out in Table 3, as presented during the consultation process. In accordance with the WDO Plan Agreement, PCA will report the collection rate and the actual collection quantity on a quarterly basis to the WDO.

**TABLE 3**

### Collection Targets for Year 1 to Year 5

Paints and Coatings	Units	Year 1	Year 2	Year 3	Year 4	Year 5
Collection Target	%	67%	77%	90%	95%	95%

Note: Although the Minister-approved collection target is 100% of paint containers, paint containers are also collected through the Blue Box program and current reporting practice does not take into account these quantities. PCA will work with SO to develop Methodology to report on quantities against target to WDO.

## 6.3 Recycling Efficiency Rate Targets – the “RER” targets

Consistent with the existing SO Processing Standards the ISP will adopt, all approved Processors are required to report on the various types of Paints and Coatings that are processed and the amount of waste material produced. The tonnes of containers (metal and plastic) recycled will also be reported. Under the WDA, landfilling, incineration and energy-from-waste are not considered recycling, and these tonnages will not be counted towards the amount of recycled product for the Paints and Coatings ISP.

The RER targets will be the weighted average of both latex and alkyd products thus taking into account the steady shift in the marketplace from oil based (alkyd) paints to water based (latex) paints. As discussed during the consultation process, PCA has revised the ISP to match the RER targets in the Consolidated MHSW Program Plan.

Year 1 and Year 2 of PCA ISP Recycling Efficiency Rate Targets shown in the table below are the same as the Minister-approved RER targets for Year 4 and Year 5 of the Consolidated MHSW Program Plan. For Years 3, 4 and 5, PCA has increased the RER targets to match the targets for Years 1 and 2. In accordance with the WDO Plan Agreement, PCA will report RER results on a quarterly basis to WDO.

**TABLE 4****Recycling Efficiency Rate Targets for Year 1 to Year 5**

<b>Paints and Coatings</b>	<b>Units</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
<b>Recycling Efficiency Rate Target</b>	Weighted avg. % for Alkyd and Latex Paints	75%	80%	80%	80%	80%

**6.4 Recycling Targets**

The Recycling Target is the Collection Target multiplied by the RER Target. The proposed Year 1 to Year 5 Recycling Targets for PCA are set out in Table 5. In accordance with the WDO Plan Agreement, PCA will report the Recycling rate on a quarterly basis to WDO.

**TABLE 5****Recycling Target for Year 1 to Year 5**

<b>Paints and Coatings</b>	<b>Units</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Collection Target	%	67	77	90	90	95
Recycling Efficiency Rate Targets	%	75	80	80	80	80
<b>Recycling Target</b>	<b>%</b>	<b>50%</b>	<b>62%</b>	<b>72%</b>	<b>72%</b>	<b>76%</b>

# PROGRAM REPORTING

According to the Plan Agreement signed with WDO, PCA will report on a regular basis to WDO on the operation and performance of the ISP. In order to track the performance of the program, WDO is requesting an annual business performance plan to be drafted and submitted in advance of each calendar operating year. In addition to the annual business performance plan, PCA will submit an audited annual report for each year of program operations to WDO, on behalf of the participating Stewards, in accordance with the Waste Diversion Act and the Plan Agreement between WDO and PCA. The annual report will also be made available online on PCA's website. The annual report will include information required by the Program Agreement and the Program Plan.

The scope of work for the program performance audit will be determined through the development of an audit plan, in coordination with an independent third party auditor. PCA will provide a statement of revenues and expenses of the Paints and Coatings ISP in Ontario.

# RISK MITIGATION

PCA will be maintaining a strategy to mitigate and manage risks that may affect the achievement of targets stated in the ISP, whether the risks are operational, financial or legal. An important element of such strategy will be the minimization of environmental risk. PCA will work with contractors (collections sites, Transporters and Processors) to ensure compliance with environmental regulations and best environmental practices with respect to the collection, transportation and consolidation of leftover paint. The environmental risk management system includes:

- System wide shipping documentation and tracking;
- Due diligence reviews of collection facilities, Transporters and Processors (primary and downstream) to ensure compliance and for tracking system verification, conducted by a third party auditor or in-house;
- Development of best management practices, including training, reporting and guidelines etc. for collection facilities and Transporters.

# PROMOTION & EDUCATION

Communication efforts will focus on increasing consumer awareness of collection options to ensure program promotion success and to achieve performance targets. PCA will collaborate with WDO, SO, municipalities, retailers and other organizations on joint promotional materials to provide consistent messaging and reduce consumer confusion.

Below are some of the communication activities PCA has developed in other provinces that have proven to be successful in increasing awareness of the pollution prevention hierarchy of Reduce/Reuse/Recycle and driving behaviour change. Many of these activities can be the subject of joint initiatives between the program and municipalities.

## Program Website

A program website will be developed to provide information to Ontario residents and businesses on:

- Collection site locations with details on hours of operation and products accepted
- Description of products accepted by the program
- Explanation of program funding
- Annual reports and other program information
- Information for Consumers on buying the right amount of paint as well as the safe storage and handling of program products

## Mobile Marketing

Explore opportunities to develop an informative app about Paints and Coatings recycling. Integrate mobile, when appropriate, into other forms of outreach.

## Website Linkages

coordination with municipalities, regional governments, and counties, as well as other stewardship organizations including SO to establish links to the program's website.

## Local Government Partnerships

work with municipalities, counties and districts to promote the PCA program. Specific actions include:

- Advertising in municipal garbage collection/recycling calendars;
- Local government website linkages ; and
- Point of purchase Consumer information material will also be made available to all municipalities free of charge.

## Reuse Websites

To promote paint Reuse, PCA will list paint Reuse collection sites on any available Reuse websites.

## Point of Sale (PoS) Materials

At Program launch, a package including retailer posters, brochures and/or rack cards will be distributed to all paint retailers. PCA will continue working with retailers after the program launch to investigate other methods that will increase the utilization of the point of sale materials in efforts to improve program awareness. Program brochures and posters, as well as can-stickers, will be regularly distributed to retailers. Orders can be replenished upon request, free of charge, and materials will be regularly updated. This will also include email blasts, printable formats for display such as PDFs, LinkedIn and Facebook updates, apps for identifying collection sites and Events.

## Point of Return Materials

Collection sites are offered program signage to display, and counter cards to distribute to Consumers

## Purchased Media

Such as newspaper advertisements, and online advertisements

## Earned Media

Such as press releases, newspaper and magazine articles, online blogs, broadcast news stories on TV and radio, etc.

## Social Media

Use of various social media tools to communicate to both Service Providers and the public such as LinkedIn, Facebook, YouTube and Twitter. This will reach an audience which may not utilize traditional media sources.

## Ambassadors Program

Consider implementation of a “summer ambassador program” whereby summer staff are hired as “ambassadors” for the program, and travel throughout Ontario, attending public events to provide information to Consumers, and visit collection sites and retailers.

Stewardship Program Collaboration - PCA has collaborated with other stewardship agencies in other jurisdictions in the past to develop common promotional materials and would look to collaborate with the existing IFO’s as well as any future ISP programs.

## Community Events

Participation in community events, including distribution of promotional materials

## Sponsorships and Partnerships

Promotion of the program through sponsorship of industry events such as conference proceedings, and industry related trade shows as well as speaking engagements to promote best practices and learnings.

## Awareness, Research and Polling

Such as omnibus polling, online surveys, focus groups, etc. to understand Consumer awareness levels, views and attitudes around recycling and recycling behaviour.

# TRANSITION

PCA intention is that the transition of the Paints and Coatings product stewardship program from the SO MHSW program to the PCA ISP program will be accomplished as efficiently and effectively as possible, minimizing disruption or confusion for program members, stakeholders and program users. For further details on the transition period, please review the Transition Plan annexed to the ISP.

## 10.1 Program Operations

PCA's objective of continuing to use the existing collection system and existing Service Providers is intended to minimize the effort required for the transition from the point of view of all stakeholders. The transition should be seamless from the point of view of a Consumer utilizing the system. Under this ISP, the program will take effect at least 3 months following the approval date (hereafter referred to as effective date). The effective date will be approved by Waste Diversion Ontario. PCA has been meeting with SO on almost a weekly basis to identify and resolve transition issues.

To facilitate a full and comprehensive transition plan, both PCA and CPCPA have signed a non-disclosure agreement with SO, ensuring that accurate and current information is provided in the development of a viable transition plan. PCA will continue discussions with SO with the objective of achieving a mutually agreeable transition plan. Key transition plan elements for program operations include:

- **Product definitions:** the existing SO Paints and Coatings product definitions will be adopted.
- **Municipal collection sites:** PCA will assume all existing municipal collection site agreements and will adopt the existing compensation system. After the transition is completed, PCA will consult with municipalities regarding any changes to the system.
- **Retail collection sites:** PCA will seek an assignment from SO of existing agreements. PCA already works with many of the retailers in other PCA programs.
- **Service providers:** PCA proposes to continue the current Service Provider compensation systems and models. After the transition is completed, PCA will consult with Service Providers regarding any changes to the system. Some municipalities and Service Providers have reported that Paints and Coatings are more efficiently handled by them in conjunction with certain other products. PCA will consult with all stakeholders in this regard (including SO, collection sites, Service Providers, and the Stewards of those products) to identify ways to maintain this efficiency.

It is recognized that Stewards representing a minority of the market volume of Paints and Coatings will remain with the MHSW program for a period of time. PCA has proposed to PSO that for efficiency, PCA would assume the obligations of SO under all "supply chain" contracts and systems for the ISP products and then would contract back to SO the use of the supply chain for the remaining IFO Stewards at a proportionate cost for which PCA charge on a "one invoice" basis for all services. This would substantially simplify the administrative effort required of SO to access the program operating system.

## 10.2 Program Finances

PCA is currently working with SO to develop a mutually satisfactory financial transition that will result in the repayment to SO of all outstanding deficit amounts and any other mutually agreed transition costs.

This would include any wind down or final period costs incurred by SO with respect to departing Stewards. Stewards will be required to pay their final period MHSW fees calculated on the basis of the share of each Steward of SO's quarterly costs, pursuant to the provisions of Regulation 542/06 as amended by Ontario Regulation 11/12, subject to any subsequent reconciliation charges.

The MHSW Paints and Coatings program accumulated a deficit of \$7.2 million between July 1, 2008 and December 31, 2011, which is now being recovered by SO from Paints and Coatings Stewards over the 3 year period 2012-2014. As of the date of this ISP, only 25% of the deficit remains to be invoiced.

According to section 3.3 of the 2013 SO Program Rules, a Steward intending to leave the IFO to join an ISP must be and remain in good standing and remains obligated to pay its share of the IFO costs with respect to the period ending on the effective date of PCA's ISP.

## 10.3 Program Cost Elements and Revenue Methodology

Program expenses will be financed by Stewards participating in the ISP. Budgeted expenses will be allocated based on units of program products Supplied into the marketplace, and rates will be subject to adjustment from time to time as needed, subject to a notice period of at least 90 days. All program revenues will be applied to the operation of the program, including the collection system, transport, education and awareness, administration, Recycling and disposal of collected residual products, as well as maintaining a reserve fund. Initial financing for the start-up of the ISP program will be made available from PCA's existing reserve funds, and this expense will be factored into the program budget.

Following the commencement of the ISP, the Stewards will be required to report and remit to PCA based on units supplied, by container size category. This will be done using PCA's existing reporting website/database system, which most Stewards are familiar with as they report for PCA's other provincial programs.

There are no visible fees as part of this ISP.

# IMPROVING PROGRAM EFFICIENCY

PCA hopes to improve program efficiency over time, and is interested in collaborating with stakeholders to implement improvements to ensure program success. For example, paint re-use, as previously discussed, has both environmental and cost benefits and PCA is interested in supporting paint re-use in Ontario, as it does in other provinces, and will initiate discussions with stakeholders to develop a compensation model.

Research and development activities to increase the effectiveness and efficiency of the program will be identified and shared with impacted stakeholders. Research will focus on both recyclable paint and the development of products utilizing Paints and Coatings, which are not of high enough quality for re-processing into paint, but require alternative disposal methods, including oil based paint. An effort will be made to forge relationships with key organizations doing innovative work on sustainability such as the Network for Business Sustainability based in southern Ontario. This will enhance the focus on environmental research and development as well as creating a greater awareness level within the public.

Possible projects could include:

- a. Improved methods for the Processing of leftover paint into recycled paint;
- b. Titanium dioxide (Ti O<sub>2</sub>) pigment reclamation from leftover paint;
- c. Investigation on process to render paint particles in collected paint useable in other recycled product;
- d. Continuation of studies conducted by PCA through the University of Western Ontario with respect to the utilization of paint in concrete applications; or
- e. Recycling of paint containers: the recycling market for steel paint cans is well developed; however, the marketplace for recycled plastic paint cans and composite cans requires further development.
- f. Method on how to improve accessibility network from a Provincial perspective (Depot in remote community)

# MOVING FORWARD

PCA is looking forward to continued interaction with WDO and program stakeholders on the operation of an efficient and successful program for the management of program products in Ontario. Below are some of the commitments PCA has made during the consultation period.

With regard to municipalities, PCA proposes to:

- Assume all existing municipal collection site agreements and compensation models for the ISP products.
- Work closely with municipalities and their associations to achieve a smooth transition.
- Develop a streamlined reporting and claims system for ISP products.
- Make prompt payment and offer electronic fund transfer.
- Continue consulting with municipalities on improvements and simplifications to reporting systems and overall program operations to increase efficiencies
- Work with WDO to establish a transition committee.

With regard to Service Providers, PCA proposes to

- Assume existing SO MHSW compensation models.
- Carry over all SO approved Service providers into ISP system.
- Maintain municipal-Service Provider relationships.
- Conduct on-going consultation with Service Providers and their associations to maximize program efficiencies.

With regard to Stewards, PCA proposes to:

- Operate an efficient product stewardship program, harmonized where possible with other PCA programs.
- Deliver administrative and operational efficiencies by utilizing our extensive Canada-wide experience.
- Improve communication with ISP Stewards and any new Stewards who wish to join the program.

PCA intends to consult with stakeholders on an ongoing basis, in an effort to continue to identify ways to improve program efficiencies and program performance.

# APPENDIX A

## *List of ISP Participants – as of May 23, 2014*

1. 3M Canada Company
2. A/D Fire Protection Systems Inc.
3. Akzo Nobel Canada Inc
4. Behr Process Canada Ltd
5. Benjamin Moore & Co., Limited
6. Chalifour Canada
7. CRC CANADA INC
8. Distributions Fillion Marquis Intl
9. Dynamic Paint Products Inc
10. Farrow & Ball Canada Ltd.
11. General Paint Corp
12. Henry Company Canada, Inc
13. Home Depot of Canada Inc.
14. Home Hardware Stores Limited
15. Korzite Coatings Inc.
16. Loop Recycled Products
17. Macdonald and White Paint Co.
18. MICCA Paint Inc.
19. Peintures MF Inc
20. Piston Ring Service
21. PPG Canada Inc.
22. Rona Inc.
23. Rust-Oleum Consumer Brands Canada
24. Solignum Inc.
25. The Sansin Corporation
26. The Sherwin-Williams Company
27. Valspar
28. Woodplus Coatings

Electronic copies of each letter of intent to join the ISP have been provided to WDO, and are available upon request from PCA by emailing [lauren@productcare.org](mailto:lauren@productcare.org).

# APPENDIX B

## *Description of MHSM Inclusions and Exclusions*

### Paints and Coatings

**Definition:**

Means latex, oil and solvent-based architectural coatings, including paints and stains, whether tinted or untinted.

**Notes:**

- Includes containers in which it is contained.
- Products that match the definition of both paints and coatings that require addition of an ingredient by the user, where the ingredient is not sold with the paints and coatings, report the volume/weight of the paints and coatings supplied to the user.
- Architectural coatings means organic coatings intended for onsite applications at ambient temperatures to interior or exterior surfaces of residential, commercial, institutional, industrial, or government structures including exterior and interior house paints, stains, under coaters, primers and sealers.
- Structures include all components and attachments of both buildings, and non-buildings, including but not limited to driveways, furniture (indoor and outdoor), appliances, floors, cabinets and doors but with the exception of automotive and marine structures.
- Bitumen based roof coatings will be included.
- All aerosol paints, not limited to architectural
- Non-pesticide marine coatings

Sectors into which MHSM is Supplied	Examples	Exclusions	Reporting Categories	Unit of Measure
<ul style="list-style-type: none"> <li>• Residential</li> <li>• Designated IC&amp;I Businesses (small quantity generator)</li> </ul>	<ul style="list-style-type: none"> <li>• Paints and coatings in aerosol containers that match the definition of paints and coatings</li> <li>• Paints and coatings supplied in containers equal to or less than 25 litres.</li> </ul>	<ul style="list-style-type: none"> <li>• Automotive and marine paints (non-aerosol form)</li> <li>• Stucco and spackling compounds</li> <li>• Waxes and polishes</li> <li>• Paints and coatings supplied in containers with a volume greater than 25 L</li> </ul>	< = 250 ml > 250 ml to < =1 L > 1 L to < = 5 L > 5 L to < = 25 L Aerosols	Number of units supplied

2014

# Appendix C to PCA Paints and Coatings ISP

TRANSITION PLAN BASED ON WDO ISP TRANSITION PLAN  
GUIDE

[ 1 ]

# INTRODUCTION

The Paints and Coatings ISP (the “ISP”) was submitted to WDO by Product Care Association (PCA) on September 9, 2013 and contains a summary of the transition plan in section 10, as required by item 22 of the checklist for ISPs. This document contains responses to the ISP transition plan guide issued by WDO and is included as an appendix to the ISP.

The transition plan is important to analyze the most efficient ways to achieve the transition from the point of view of all stakeholders and to consider the potential impact of the ISP on the underlying IFO, Stewardship Ontario (SO), as well as the municipalities, Stewards and service providers participating in the program.

Accordingly, it is important to review the context of the ISP. In the case of the PCA ISP, Paints and Coatings are currently managed by SO, the designated IFO under the Waste Diversion Act. PCA and SO have been working together for a considerable period of time before and after the submission of the draft ISP to develop a workable transition plan. PCA has also consulted extensively with other stakeholders including municipalities and service providers with regard to the ISP submission and will continue to do so after the ISP becomes operational.

Because of the substantial majority (in terms of quantity of product sold in the marketplace) of the Stewards who have indicated their intent to participate in the ISP, the general approach to the required transition is that:

- it would be most efficient to transition the existing “supply chain” from SO to the ISP, rather than developing a parallel system.
- any changes or improvements to the supply chain will be much more effectively considered and addressed after PCA is directly managing the supply chain, and has a greater opportunity to consult with stakeholders with regard to day-to-day operations.

In this context, as the transition plan will indicate, the general intent is to accomplish the transition of SO’s supply chain to the ISP, and after that has been completed, to have an ongoing process of evaluation of program performance in order to identify potential improvements. It was noted by a number of stakeholders during the consultation process that, following the numerous changes to the MHSW program since its inception, a period of stability would be beneficial. PCA intends to continue consultation with stakeholders after the effective date of the ISP.

PCA agrees to participate in a process led by WDO to address and mitigate municipal concerns regarding “fragmentation” of the MHSW program. PCA acknowledges that this transition plan might need to be amended, subject to WDO approval, as a result of this.

The Paint and Coatings ISP was initiated by the Paints and Coatings Stewards represented by the Canadian Paint and Coatings Association who supply more than 90 % of the quantity sold of the Paints and Coatings category.

# CONTENT

## WHAT ARE THE PROPOSED CHANGES COMPARED TO THE EXISTING SYSTEM?

### Overview

As described in the ISP it is the intention of PCA to maintain important elements of the existing MHSW program operations as they relate to Paints and Coatings in order to achieve a smooth transition, including:

- Collection, transportation and processing standards: PCA intends to adopt the current collection, transportation and processing standards as developed by SO.
- Collection System: Maintain the existing municipal and return to retail collection systems, including municipal /service provider relationships.
- Municipal compensation: Assume all existing municipal collection site agreements and municipal compensation models for Paints and Coatings.
- Incentive payment model (MDT&PIP) for transportation and processing of depot collected paint will be continued and all SO approved service providers will be carried over into the ISP system.

The following changes are proposed with regard to reporting systems:

- Program revenue model and steward reporting system: PCA will implement a unit based revenue model.
- Municipal and service provider reporting system: PCA has consulted extensively with municipalities with respect to the current reporting system. For ease of transition, PCA proposes to replicate as much as possible the data entry formats in the PCA reporting system, but is also analysing ways to simplify the current requirements for the submission of supporting documentation, while maintaining the integrity of the claims process. At the same time it is the intention of PCA to expedite the claims approval and payment process.

As PCA gains experience in the management of the supply chain following the effective date of the ISP, PCA will continue consultations with stakeholders including municipalities, service providers and Stewards in order to identify ways to improve program performance and efficiency.

## WHAT WOULD CHANGE FOR CONSUMERS?

*Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes. For example:*

*Outline and explain any changes to consumer accessibility (e.g., collection sites) for recycling services.*

PCA will maintain the elements of the MHSW program that are important to the consumer, including: accessibility, product definition, while working to improve consumer awareness:

- Collection system: the existing municipal and return to retail collection systems will be continued, while opportunities to increase the number of collection sites will be investigated.
- The products accepted from consumers will not change.

PCA adopts the Minister-approved accessibility targets for SO for Year 1 and Year 2. However it is noted that the current Supply Chain, as developed by SO consisted of 87 depots, 347 events and 199 Return to Retail collection sites in 2013 and that although the Minister-approved accessibility targets are much higher than what is currently being provided in the MHSW program, the collection rate has substantially surpassed the collection target over the past 3 years.

PCA recognizes the importance of Return to Retail as a collection channel and will look for opportunities to add retailers as collection sites, which PCA does in other programs it manages across Canada for the same products.

*Identify any other changes for consumers.*

PCA intends to improve consumer awareness, and has developed a strong track record in other provinces and intends to apply similar communication outreach in the province of Ontario (Program Website, Social Media, Point of Sale Materials, Community events...) working in cooperation with municipalities and Stewards, as well as with SO and WDO with regard to the remaining MHSW products.

Except as noted above, there are no other changes proposed that will affect consumers/end users of Paints and Coatings.

## WHAT WOULD CHANGE FOR STEWARDS?

*Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes. For example:*

In general it is intended that Stewards will have a more direct role in program governance, in that PCA and its Board of Directors deal only with household hazardous and special waste products. Also administrative efficiencies are anticipated due to the fact that PCA already administers similar programs in eight other provinces. Changes that would occur in the first year of the operation of the ISP that would impact the Stewards include:

- Stewards participating in the ISP would need to either join PCA as a member or extend their membership in PCA to include the ISP
- Reporting of quantities sold and remittance of fees would be effected by Stewards through the PCA reporting system, which will be consistent with the fee and reporting system used by PCA for other programs in other provinces, which most Stewards are familiar with.
- While initiating their participation in the ISP the Stewards will be required to complete the wind down of their participation in SO for Paints and Coatings in accordance with the rules and procedures of SO. This may include repayment of any deficits, and other wind down costs of SO, as well as filing reports and making payments as required for the final period of operations in which the Steward participated, and any resulting reconciliations among SO Stewards relating to prior periods.

If the Steward is a participant of SO for designated products other than Paints and Coatings, that relationship will continue unchanged.

*Outline the proposed changes to the stewards' reporting framework and the rationale for those changes.*

Stewards currently report sales to SO on a quarterly basis, and are subsequently invoiced by SO for their determined share of costs during that reporting period, subject to annual “true-up” adjustments after the end of the fiscal year.

The ISP revenue model will be based on units of Paints and Coatings sold during the reporting period, which will give Stewards much improved cost predictability. The units will be based

on the paint container sizes currently used in the other PCA paint programs. Rates will be determined based on budgets approved by the PCA Board of Directors with input from Stewards. Generally budgets are based on a multi-year plan and actual program financial performance is regularly compared to budget. A minimum of 90 day notice would be given of any rate increase or decrease required.

Stewards participating in the ISP would report sales of Paints and Coatings on a monthly basis, as is the practice with other PCA programs, provided that participants with projected annual fees below a specified threshold (currently \$10,000) will be entitled to request quarterly reporting, subject to conditions. PCA will consult with Stewards with regard to any other revenue related policy changes.

In order to complete the monthly reports, Stewards would log on to the existing PCA reporting platform, enter sales data for the previous reporting period and an invoice would be automatically generated for that period. Reports and payments must be completed within 30 days of the end of the report month.

*If the ISO operates sister programs in other provinces, would the reporting framework be harmonized across jurisdictions?*

PCA currently manages 14 product Stewardship programs in 8 provinces. The steward reporting system is harmonized as much as possible with programs for similar products in other programs managed by PCA, subject to differences in product definitions. Rates paid by Stewards will also vary by program for a number of factors including sales, recovery rates, supply chain costs, regulatory costs etc.

*Discuss the extent of fragmentation from a steward perspective, which could be caused by the need for a Steward to report to the ISO (for the ISP materials), to the IFO (for remaining materials in the ‘basket of goods’ that would continue to be managed by the IFO), and/or to other ISOs should WDO approve ISPs for other materials in the ‘basket of goods’ in the future.*

Most Stewards who have indicated their intent to participate in the ISP are already members of PCA for other programs in Canada and will find it more convenient to report for Paint and Coatings using the same reporting system they currently use for all PCA programs. Stewards will be required to continue to report to SO for other MHSW products as applicable.

## WHAT WOULD CHANGE FOR MUNICIPALITIES?

*Describe what would and would not change (from the existing system) in the first year of operations, and provide a proposed timeline for implementing those changes. For example:*

In order to achieve the smoothest possible transition, it is proposed that PCA will assume the obligations of SO under the existing “supply chain” for Paints and Coatings. This would be accomplished as follows:

- PCA would assume the obligations of SO under all existing municipal collection agreements with respect to Paints and Coatings including the share of hourly depot hours and the tonnage rate paid to each municipality for Paints and Coatings collected at events. PCA proposes to accomplish this by the use of an agreement that references the terms of the existing MHSW municipal agreements.
- PCA would adopt the current MDT&PIP incentives payment model for the transportation of paint collected from municipal depots, and the processing of all paint collected.
- PCA would assume the obligations of SO for the transportation and processing of paint collected at retail sites.

PCA is committed to continuous improvement for ISP operations in terms of performance and efficiency, but considers that potential changes to the program operations will be best identified after a reasonable period of direct program management by PCA and consultation with stakeholders. Through the consultation process for the ISP approval, PCA has received many comments and suggestions with regard to the existing program and potential changes.

Some examples of issues that have been raised during the consultation process that might be considered for review during the first year of operations are:

- Improvement and simplification of the reporting system by which municipalities submit claims for payment or reimbursement, particularly with respect to the requirements for submitting supporting documentation, while maintaining the integrity of the claims process.
- Improvement in payment timing.
- Investigate options to avoid the requirement to weigh every collection container.

*Are changes to the collection site standards expected? Provide the new collection site standards, if they are known. Describe the proposed outreach/consultation that would be used to develop additional changes to collection site standards.*

PCA proposes to adopt the Municipal Hazardous or Special Waste Collection Site Standards developed by SO (version of October 1, 2012) and currently used by all municipalities (Schedule E of the 2014 amended municipal agreement).

PCA will consult with municipalities on collection site standards to identify ways to improve the efficiency of the collection system and reporting requirements.

*Are changes expected to the reporting framework? If so, explain any proposed changes and discuss their potential impact on municipalities (e.g., costs, administrative work). Outline efforts to mitigate any concerns. For example, would a one-window reporting system for municipalities be possible?*

PCA has devoted considerable time to meeting with municipalities in order to understand the current claims system. PCA is currently designing the municipal and service provider reporting system for the ISP and will replicate the current data entry systems as much as possible. PCA will continue to consult with stakeholders to identify ways to improve and simplify the entire reporting and payment process while maintaining integrity. In particular PCA will work with municipalities and service providers to identify ways to simplify the current requirements for the submission of supporting documentation.

***Will there be training for municipalities on the new requirement?***

PCA intends to provide the municipal staff with a written manual and conduct meetings and webinars on the use of PCA's reporting system. A dedicated 1-800 number as well as qualified staff will be available to address any reporting issues or queries before and after the implementation date.

***Address the extent of fragmentation from a municipal perspective, which could be caused by the need for the municipality to report to the ISO (for the ISP materials, to the IFO (for the remaining materials in the ‘basket of goods’ that would continue to be managed by the IFO), and/or to other ISOs should WDO approve ISPs for other materials in the ‘basket of goods’ in the future.***

PCA is aware of the concerns of municipalities with regard to “fragmentation” relating to reporting and compensation for various MHSW products. PCA is in the process of developing the municipal and service provider reporting system and will examine ways to simplify the reporting process and reduce the administration effort required by municipalities. PCA intends to continue consultation with municipalities and service providers to find ways to reduce fragmentation from a municipal perspective and will consider other reporting improvement recommendations, such as the request to reduce the amount of supporting documentation required with each claim.

PCA is also committed to working with WDO and other stewardship organizations in an effort to identify other ways to harmonize and standardize the reporting process to reduce fragmentation.

***Outline the proposed system for municipal contracts and compensation.***

In a communication dated December 3, 2013, SO and PCA advised all municipalities with which SO has an MHSW contract of the intention of PCA to assume the obligations of SO with respect to Paints and Coatings as of the effective date of the ISP. PCA proposes to accomplish this by the use of an agreement that references the terms of the existing MHSW municipal agreements.

The obligations relating to Paints and Coatings and the municipal collection channel that would be assumed by PCA include:

- Payment of its share of hourly collection rates relating to Paints and Coatings (as set out in the January 1, 2014 amendment agreement between each municipality and SO).
- Payment to transporters and processors of paint collected at depots in accordance with current “incentives” system.
- Payment of specified tonnage rate for collection and post-collection costs for Paints and Coatings collected at events.

Paints and Coatings represent 75.9% of the weight of MHSW materials now collected at municipal depots; remaining MHSW products represent 24.1%.

*If appropriate, explain how co-mingled materials and materials inbound from different sources (IC&I and residential) would be addressed.*

The category of Paints and Coatings includes aerosols, which are typically commingled in collection containers with other aerosol products. Currently, the cost of the aerosols lab packs is divided between the municipality and SO using Stewardship Ontario’s lab pack sampling methodology (“SO methodology for Lab Pack Audits- April 2013”). PCA has proposed to SO that PCA will reimburse SO directly for its share relating to aerosol Paints. In this way the municipalities will continue interacting only with SO on the aerosol lab packs and no additional reporting is required.

*Outline the ISO’s proposed approach and timeline for negotiating new municipal agreements, if municipalities do not agree to accept assignment of the existing IFO – negotiated contracts.*

Based on discussions between SO and PCA, municipalities will be asked to agree to the assumption by PCA of the obligations of SO under the existing municipal agreements, with respect only to Paints and Coatings, resulting in the division of costs as described above. PCA proposes to accomplish this by the use of an agreement that references the terms of the existing MHSW municipal agreements in order to minimize and simplify the municipal approval process. It is anticipated that SO will want to concomitantly amend the existing MHSW agreement with respect to the ISP products, and the documentation required would be coordinated and reviewed with municipalities in advance. PCA understands that not all municipalities will have the new reference agreement signed by the effective date. PCA will offer a grace period where service will continue to be provided to any municipalities who have

outstanding unsigned agreements, and that payments for depot hours and collected materials during any such period will be retroactively paid upon receipt of the signed agreements.

It is recognized that a number of Stewards will remain with SO as of the effective date and that SO, as the IFO, will continue to have obligations to operate a collection system. It has been proposed by PCA to SO that PCA will take over 100% of the supply chain for Paints and Coatings, and then contract back those services to SO, at a cost proportional to the market share of the remaining Stewards. This approach would provide administrative advantages to both SO and the municipalities.

***IF THE ISP WOULD IMPACT ANY CONTRACTS BETWEEN MUNICIPALITIES AND WASTE MANAGEMENT COMPANIES, THEN DESCRIBE HOW THE ISO PROPOSES TO ADDRESS THESE IMPACTS.***

As stated in the December 3, 2013 communication by SO and PCA to the municipalities, the proposed partial assignment of the municipal MHSW contract would not have any impact on existing contractual relationships between municipalities and their service providers.

***ESTABLISH A PLAN TO PROVIDE AND CONSULT WITH MUNICIPALITIES ON AN OPERATIONAL PLAN BEFORE FULL IMPLEMENTATION OF THE PLAN, IF THE ISP IS APPROVED.***

PCA is consulting with the three municipal associations, AMO (Association of Municipalities of Ontario), RPWCO (Regional Public Works Commissioners of Ontario) and MWA (Municipal Waste Association) about the formation of an ISP-municipal transition committee which would be in effect as soon as the ISP is approved. During the transition period, the following activities are proposed, and would be reviewed with the transition committee:

PRE_APPROVAL DATE	
MONTH 1	Continue consultation with municipalities on supply chain transition
	Review documentation to transfer municipal contract obligations to PCA
	Development of reporting and claims system
	Analysis of supporting documentation requirements
APPROVAL DATE	
MONTH 1	Distribute documentation for transfer of municipal contract obligations
	Ongoing development of reporting and claims system
MONTH 2	Review of proposed reporting and claims system and supporting documentation requirements
	Consult on supply chain transfer steps
MONTH 3	Complete preparation for ISP effective date including:
	✓ Reporting system registration, testing and training
	✓ Other transition step requirements

## WHAT WOULD CHANGE FOR SERVICE PROVIDERS?

*Describe what would and would not change (from the existing system) in the first year operations, and provide a proposed timeline for implementing those changes. For example, are there any changes proposed for:*

1. Collection channels?
2. Collection, transportation, or processing standards?
3. Compensation?
4. Reporting?

In the ISP PCA proposes that service providers will continue to participate in the same way that they do now for the MHSW program. PCA proposes to adopt:

- The incentives payment model for transportation and processing of paint collected at municipal depots.
- Contracts for transportation services for paint collected at retail sites.

- Payment to municipalities of specified rates per tonne of Paints and Coatings collected at events (in which case the service provider contracted directly with the municipality).

PCA has met with many of the service providers during the consultation process and has received from them a number of suggestions for changes, such as modifications to some of the transportation zone rates, or consideration of the possibility of combining municipal and return to retail transportation systems.

PCA proposes to continue utilizing all of the existing collection channels. It is PCA's intention to continue to expand the collection system to provide additional convenience to consumers. PCA intends to adopt the current collection, transportation and processing standards as developed by SO.

PCA will continue to consult with municipalities, retailers, transporters and processors on the operation of the system and based on the experience it gains in the operation of the ISP, and with other programs across Canada, investigate ways to improve efficiencies in the collection and management of Paints and Coatings.

*Discuss how any existing service provider contracts between IFOs, municipalities or collection sites would be addressed, (e.g, would they be assigned?).*

The only known contracts for service between service providers and SO, are for transportation and processing paint collected at return to retail collection sites. It is proposed that PCA will adopt these existing agreements.

Service providers also participate in the program through the SO MDT&PIP incentives system, which PCA proposes to continue in its current form, subject to review and consultation with service providers and other stakeholders.

As stated in the December 3, 2013 communication from SO and PCA to the municipalities the proposed assumption by PCA of the obligations of SO for Paints and Coatings does not impact contractual relationships between municipalities and their service providers.

*Discuss how any changes to how service providers would be selected from the new system (e.g., eligibility requirements, RFP process, etc.), and the timelines for implementing those changes.*

As stated above, there is no change proposed to the current system by which service providers participate in the program for Paints and Coatings.

***ESTABLISH A PLAN TO PROVIDE AND CONSULT WITH SERVICE PROVIDERS ON AN OPERATIONAL PLAN BEFORE FULL IMPLEMENTATION OF THE POLAN, IF THE ISP IS APPROVED.***

The following is a proposed list of activities to notify and prepare service providers for the operational transition:

APPROVAL DATE	
MONTH 1	Distribute documentation for transfer of Return to Retail contract obligations
	Ongoing development of reporting and claims system
MONTH 2	Communication to all service providers with regard to reporting claim mechanism
	Consultation on supply chain transfer steps
MONTH 3	Webinar with service providers on PCA reporting system
	Complete preparation for ISP effective date including:
	<ul style="list-style-type: none"><li>✓ Reporting system registration and testing</li><li>✓ Other transition step requirements</li></ul>

## OUTSTANDING ISSUES AND MAKING CHANGES AFTER THE ISP'S APPROVAL.

*If after the ISP is approved, the ISO determines that additional changes are required to those proposed in the ISP, explain the ISO's process for consultation with affected stakeholders.*

*Discuss how the proposed changes will be communicated to stakeholders.*

*Outline any other outstanding concerns that would be addressed between the ISO and each stakeholder group.*

As described in the ISP and in this Transition Plan, it is the intention of PCA to maintain existing program operations for Paints and Coatings as they currently exist in the SO MHSW program while continuing to identify potential improvements. For any proposed changes, PCA will consult with the affected stakeholders using the method of interface preferred by that stakeholder group. Methods of consultation could include written or oral communication, one-on-one and group meetings, committee meetings, and newsletters.

For municipalities, PCA will continue to interact with WDO, AMO, RPWCO and MWA, and has discussed the establishment of an ISP-municipal transition committee. Where committees are involved, communication would initially take place at the committee level, and then a record of the discussions would be provided by the committees to all participating municipalities to solicit further input. If appropriate for a particular issue, special committees can be set up which may include stakeholders such as Stewards or service providers.

PCA will communicate directly with Stewards participating in the ISP program as it currently does with all other programs it manages. PCA will also continue consultation with industry associations representing the Stewards including CPCA and RCC.

Because of the competitive nature of the role of the service providers, discussions will take place one-on-one directly, but for certain topics group meetings may be appropriate. PCA has also consulted with OWMA to which many of the service providers belong.

## HOW WOULD PROGRAM PERFORMANCE CHANGE?

*Explain how the ISO expects program performance could change in the first year and thereafter.*

The Paint and Coatings program has achieved a high collection rate over the past few years of program operation under SO. As stated in the ISP, PCA will use a number of performance measures to measure program performance from year to year. These targets, when compiled, will provide useful information to the WDO and to stakeholders on the performance of the ISP.

Below are the collection targets PCA is proposing to meet for the next five years.

Percent Collection Target	Units	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Paints and Coatings	%	67	77	90	95	95

The following chart contains the Recycling Efficiency Rate Targets PCA is proposing to meet for the next five years.

Recycling Efficiency Rate Target	Units	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Paints and Coatings	%	75	80	80	80	80

*Discuss the challenges the ISO could face in transitioning the system.*

In the context of the proposal to maintain the existing operational model, the transition to the ISP is not expected to negatively impact program performance.

*Outline the steps the ISO would take to monitor the transition and address challenges.*

PCA will continually monitor program performance by comparing current performance data to data available from prior periods and will maintain close contact with municipalities and service providers in order to identify any issues at the earliest possible stage and to resolve them.

## EXPLAIN ANY CHANGES TO HOW MATERIALS WOULD BE RECYCLED?

*Discuss the process and end-uses that would or could be used, and the rationale for any changes from the existing system.*

At the request of several municipalities, PCA will introduce paint re-use, meaning that original containers of leftover paint will be made available at the municipal collection site, or another location, to be given directly consumers. This management option is higher on the recycling hierarchy and will be implemented as soon as possible after the effective date. Some municipalities have also asked about the potential for bulking leftover paint right at the collection site. PCA will investigate the potential for this option but has noted that the bulked paint must be of a quality acceptable to a processor for recycling, or if given away to consumers, must meet existing labeling laws. PCA will consult with interested municipalities and Processors within the first year of operations.

PCA has also confirmed that it will continue the recycling of alkyd paints to the extent possible. Otherwise no change is proposed to the processes and end uses currently employed by the program for the recycling of materials, except for the preference by PCA of product to product recycling.

## IDENTIFY ANY CHALLENGES THAT WOULD NEED TO BE ADDRESSED BETWEEN THE ISO AND IFO

**OUTLINE ANY OUTSTANDING CONCERNS OR REQUIREMENTS.**

PCA and SO have held regular meetings since before the ISP was submitted, for the purpose of identifying and resolving issues relating to the transition of stewards and operations. Three way meetings have been held with WDO from time to time to discuss these issues.

Current issues relate to the question of how to deal with the possibility of a relatively small number of Stewards (by volume) remaining with SO for some period of time after the ISP begins, and how to minimize the financial risk to SO of “stranded costs” during the transition period.

In this section, PCA outlines its analysis of the potential issues, and a transition plan to resolve those issues. Important considerations for the transition plan are to reduce any impact on SO, and to ensure that, according to the “nexus rule”, stewards of other products/programs managed by SO (whether Blue Box or MHSW) do not pay costs that would otherwise be borne by the Stewards of Paints and Coatings.

### TRANSITION OVERVIEW

For the purpose of this transition plan, it is understood that:

- There will be a period of time between ISP approval and implementation.
- SO and PCA will have substantially completed a plan for the transfer of the entire Paints and Coatings supply chain to PCA.
- Although Stewards representing a large majority of the quantity of Paints and Coatings (“market share”) have indicated their intent to join the ISP, a significant number of Stewards, representing a minority of the market share, will not have indicated their intentions, or are awaiting the formal approval of the ISP.
- SO and PCA will continue a campaign of informing the Stewards of the status of the ISP, the number of Stewards who have joined the ISP, and the financial impact on the remaining SO Stewards of continuing a program for Paints and Coatings.
- Remaining SO Stewards of Paints and Coatings will continue to transfer to the ISP over a period of time extending past the ISP approval and effective date.
- SO is obligated to continue a program for remaining Stewards of Paints and Coatings. At a point in time when the residual SO program for Paints and Coatings becomes minimal in size, and SO and PCA enter into a final arrangement for the remaining SO Stewards of Paints and Coatings.

## SUMMARY OF TRANSITIONAL CHALLENGES/SOLUTIONS

Based on discussions between SO and PCA, the following challenges remain. For each of the challenges, the following solutions are proposed:

### STEWARD/REVENUE MANAGEMENT

**Issue:** The challenge for SO of ensuring that no costs relating to SO's Paints and Coatings program are borne by Stewards of other SO products or programs (the "nexus rule"), such as existing bad debts, especially as the market share of the remaining Stewards diminishes over time.

**Solution:** SO will invoice the existing (pre-ISP) pool of Paints and Coatings Stewards for all pre-ISP costs, including supply chain, historic deficit and any wind-down costs such as existing bad debt. SO will continue to invoice remaining Stewards for their share of post-ISP supply chain costs (see below) and administrative costs. When SO's share becomes minimal, PCA and SO, subject to WDO approval, will enter into a final stage agreement relieving SO of the obligation for revenue management. PCA has provided a commitment to finance historic deficits of the qualified Stewards transferring to PCA.

### SUPPLY CHAIN/SERVICE PROVIDER/EXPENSE MANAGEMENT

**Issue:** The challenge for SO of continuing to operate a supply chain for Paints and Coatings after the transfer of the supply chain to PCA for the diminishing number of remaining Paints and Coatings Stewards.

**Solution:** After the completion of the transfer of all supply chain obligations from SO to PCA relating to Paints and Coating, PCA will provide supply chain services to SO, on a "one invoice" basis, in proportion to SO's market share, requiring minimal administrative effort by SO.

## DESCRIPTION OF TRANSITIONAL PHASES OF STEWARD/REVENUE MANAGEMENT FOR SO AND PCA

<b>Phase</b>	<b>Description</b>	<b>Supply chain</b>	<b>Revenue management</b>
Phase 1	Pre ISP effective date	SO operates the entire supply chain for the entire pool of Stewards of Paints and Coatings involving several hundred monthly transactions.	SO invoices full pool of Stewards of Paints and Coatings for: <ul style="list-style-type: none"> <li>• Regular quarterly invoices</li> <li>• Historic deficit instalments (if applicable)</li> <li>• 2013 true up including any residual bad debt (or reserve for same)</li> </ul>
Phase 2	Immediate Post-ISP effective date	PCA assumes all supply chain obligations for Paints and Coatings (municipal contracts, return to retail, service provider contracts and incentives systems).  SO contracts with PCA for supply chain services, PCA issues "one invoice" to SO based on remaining Stewards' market share.	SO invoices full pool of Stewards of Paints and Coatings for: <ul style="list-style-type: none"> <li>• final quarterly invoices</li> <li>• Historic deficit remaining balance (if applicable). ISP will finance qualified Stewards if needed.</li> <li>• 2014 true up including any residual bad debt/wind-down costs (or reserve for same)</li> </ul> PCA - Paints and Coatings Stewards report/remit fees to PCA
Phase 3	Later Post ISP implementation	PCA provides "one invoice" to SO each period for SO remaining Stewards' share by market share of supply chain costs, diminishing as Stewards transfer to the ISP	SO - invoices remaining Paints and Coatings Stewards for ongoing supply chain and SO administrative costs (Stewards who have joined the ISP are not responsible for administrative or operating costs of SO relating to post-ISP effective date).  PCA - Paints and Coatings Stewards report/remit fees to PCA
Phase 4	Final phase	When SO market share becomes minimal, PCA and SO enter into a final stage agreement relieving SO of their obligation for supply chain and revenue management	

PCA believes that this part of the transition plan addresses the remaining issues raised by SO in a manner that ensures that stewards of both SO and PCA remain in full compliance with

the WDA, and that established stewardship targets are met, which is the fundamental purpose of the WDA.

## COMMUNICATION STRATEGY AND MATERIALS FOR TRANSITIONING TO THE NEW SYSTEM

*Describe the expected communications strategy to communicate the transition from the existing system to the new system to key stakeholder groups.*

PCA intends to continue consultation after the commencement of the ISP with the stakeholder groups including Stewards, municipalities and service providers, as well as with consumers and regulators. The manner in which PCA would communicate with each stakeholder group depends upon the method of interface preferred by that stakeholder group. Methods of consultation could include written or oral communication, one-on-one and group meetings, committee meetings, and newsletters.

For municipalities, consultation would be accomplished by utilizing existing interfaces, such as the Municipal Waste Association MHSW committee, as well as the AMO and RPWCO committees. Communication would initially take place at the committee level, and then a record of the discussions would be provided by the committees to all participating municipalities to solicit further input. In addition, PCA would communicate directly with individual municipalities to better understand the circumstances and needs of that municipality. If appropriate for a particular issue, special committees would be established which may include stakeholders other than municipalities, such as Stewards or service providers.

PCA recognizes the importance of consumer awareness and participation for the success of the program. PCA is proposing to conduct an effective consumer information campaign, working where possible in partnership with municipalities, and with SO with respect to the remaining MHSW products. Furthermore, a detailed communication plan has been provided in the proposed ISP and specific methods will be used to raise awareness of the program (e.g. program website, Point of Sale materials, purchased media, earned media, social media, etc.)

PCA will communicate directly with Stewards participating in the ISP program as it currently does with all other programs it manages. PCA will also continue consultation with relevant industry associations representing the Stewards including CPC and RCC.

Because of the competitive nature of the role of the service providers, in general, discussions with regard to transportation and processing may take place with groups, or one-on-one.

## SUMMARY OF THE PROPOSED TIMELINE FOR IMPLEMENTATION OF THE ISP

*Provide a timeline (e.g, with a graphic) that includes key activities and dates for key announcements/decision points. Include activities proposed for before and after the ISP's consideration by the WDO board.*

Under this ISP, the program will take effect at least 3 months following the approval date (hereafter referred to as effective date); the effective date will be approved by Waste Diversion Ontario. For the purposes of these tables the transition period is assumed to be 3 months, however if a longer transition period is determined by WDO, the timelines will be adjusted accordingly.

<b>Ontario ISP Development and Review Task List</b>	<b>Timeline</b>
	AD - Approval Date ED - Effective Date
<b>ISP Review Process/ WDO</b>	
Submission of ISP and Transition Plan to WDO staff	AD – 30 days
<b>Decision of WDO Board on PCA proposed ISP Stewardship Ontario</b>	<b>AD</b>
Discuss municipal contract assignment and next steps	ongoing
Finalize strategy on recruiting effort until ED	ongoing
Discuss Service Provider contract assignment and next steps	ongoing
Joint Meeting with SO to communicate any outstanding obligations with SO to Stewards	AD 0-30 days
SO to submit 2014 Stewards Rules with changes as result of ISP	AD 30-60 days
<b>Stewards</b>	
Finalization of budgeting and communication of draft fee schedule	ED -90 days
Notification to all Stewards of steps required to formalize participation in PCA program, and wind down with SO program	ED -30 days
Steward Registration and Reporting System goes live	AD 60-90 days
Instructional webinar session for new Stewards	AD 60-90days
Registration of initial pool of Stewards complete and PCA reports to WDO and SO on Stewards who are officially a part of the ISP as of the effective date	ED - 30

End of First reporting period for Steward	ED + 30 days
Stewards must have paid their first month invoice to PCA	ED + 60 days
Review of Program Operation Meeting with Stewards	ED + 180 days
<b>Municipalities</b>	
Distribute documentation for transfer of municipal contract obligations	AD 0-30 days
Ongoing development of reporting and claims system	AD 0-30 days
Review of proposed reporting and claims system and supporting documentation requirements	AD 30-60 days
Consultation on supply chain transfer steps	AD 30-60 days
Webinar with municipalities on PCA reporting system	AD 60-90 days
Complete preparation for ISP effective date including:  ✓ Reporting system registration and testing ✓ Other transition step requirements	AD 60-90 days
<b>Service Providers</b>	
Distribute documentation for transfer of Return to Retail contract obligations	AD 0-30 days
Ongoing development of reporting and claims system	AD 0-30 days
Communication to all service providers with regard to reporting claim mechanism	AD 30-60 days
Consultation on supply chain transfer steps	AD 30-60 days
Webinar with service providers on PCA reporting system	AD 60-90 days
Complete preparation for ISP effective date including:  ✓ Reporting system registration and testing ✓ Other transition step requirements	AD 60-90 days