

Dear Municipal Partner:

Since the introduction of our Municipal Hazardous or Special Waste (MHSW) Program in July 2008, Stewardship Ontario has relied on municipalities to be the backbone of our collection system. By working with us to provide accessible drop-off sites and events for consumers, you - and your counterparts across the province - have played a valuable role in our efforts to divert residential waste requiring special care from landfill and to recover its full value.

As you know, on July 1, 2010, with the introduction of our expanded program, and full extended producer responsibility (EPR), companies that introduce these products into the marketplace will be fully responsible for the management and delivery of the MHSW Program, which will now be marketed as "Orange Drop" in all consumer communications. With the pending move to full EPR, Stewardship Ontario representatives have met with many of you in an effort to replace your current "shared responsibility agreements" with service agreements that are fair and equitable for both you and Stewardship Ontario.

During this process, we have given priority to municipalities that operate depots that will be available to the public on July 2, 2010, with a view to having at least reached agreement in principle. Programs that rely on events and/or seasonal services are equally important to Stewardship Ontario, but the scheduling of these services, typically in late summer and early fall, affords us time to discuss terms during July and August and still have an agreement in place before services are offered to the public.

If you intend to hold an event and/or offer services in July and have not been contacted by Stewardship Ontario, please call our Steward Services team at the number below.

At this point, we have agreements in principle with municipalities representing a substantial proportion of the municipal depot network, and new agreements are being reached on a daily basis. However, with only a week until program launch, it is possible we will not have settled terms with some municipalities that intend to provide services on July 2nd.

In these cases, Stewardship Ontario would like to operate under the assumption that a fair and equitable agreement will be reached shortly thereafter. To this end, by June 28th, 2010, Stewardship Ontario will present a "standing offer" to each municipality that intends to offer service in July and that has not yet concluded an agreement with us. This is being done so that municipalities will be offered some level of compensation for their collection services pending a mutually acceptable agreement. Accordingly, the financial terms of the standing offer will be less attractive than those of a negotiated agreement; however, any agreement reached by July 31, 2010 will be retroactive to July 1st.



Stewardship Ontario

If we do not reach agreement in principle before July 1st, and you are not willing to continue to offer services to the Orange Drop program pending the completion of an agreement, please advise Stewardship Ontario as soon as possible so that residents in your municipality can be advised accordingly.

I appreciate that the process we are following represents a very new approach in our ongoing partnership. Whereas in the past our relationship has largely been defined through collective forums, such as the MIPC (the Municipal-Industry Program Committee) for the MHSW Program, this time we have chosen to work individually with municipalities in an effort to obtain agreements that better reflect the unique needs and circumstances of each area of the province - an approach endorsed by MIPC late last year.

The process is not always easy, as it requires that we each closely evaluate what we consider to be "value", given our respective needs and expectations. In addition, we expect specific terms and conditions, including such things as "administrative allowances," to vary somewhat from municipality to municipality. As noted above, our goal is to reach fair and equitable agreements that reflect the wide variation in circumstances that exist in municipalities, and that represent value for both the municipality and Stewardship Ontario. We look forward to concluding such an agreement with each of you.

Finally, please watch for our Orange Drop promotional and educational campaign. We have high hopes that the new campaign will capture the attention of Ontarians and lead to a significant increase in the amount of material we capture for recycling and proper disposal.

For more information on how the service agreement process is working and to help you understand what to expect over the coming months, I encourage you to read the attached fact sheet. If you have any questions or concerns, please do not hesitate to e-mail us at serviceprovider@stewardshipontario.ca or call our Steward Services team at 1-888-288-3360.

In closing, I'd like to thank you for the contributions you've already made to recovering waste and creating a sustainable future for generations to come. We look forward to continuing to work with you as we expand the reach and effectiveness of this important waste diversion program.

Sincerely,

Lyle Clarke
Vice-President, Operations

Questions or Suggestions?

Please join our webinar next Wednesday, June 30 from 11 a.m.-12 p.m. Registration details will follow early next week.