



Stewardship Ontario funding aims to broaden markets for blue box glass

TORONTO (June 8, 2005) —Stewardship Ontario has announced that it is providing a grant of up to \$100,000 to a Guelph glass recycling company to test new processing methods that could broaden markets for hard to recycle mixed glass recovered in Ontario’s municipal blue box system.

“With this grant, NexCycle Industries will enhance its facility to sort, screen and crush mixed glass, creating a glass product from material that has proved difficult to recycle in the past,” said Damian Bassett, Stewardship Ontario’s CEO.

This is one of several grants Stewardship Ontario is making available through its Glass Diversion Fund program. Bassett said these initiatives could lead to the most important developments in recycled glass markets in the past decade. Stewardship Ontario has approved grants of up to \$285,000 for four regional residential glass recycling projects.

“Stewardship Ontario created the Glass Diversion Fund to support local businesses in developing methods for recycling glass that create new markets and can increase the benefits municipalities receive for the glass they collect,” Bassett said.

Over the last five years, many municipal recycling programs have moved away from curbside collection programs that kept clear glass bottles and jars separate from coloured containers. Instead they collect glass together with other containers resulting in a large amount of mixed together, broken clear and coloured glass that is unacceptable to traditional markets.

NexCycle Industries Limited has provided a market for glass from Ontario municipal blue box programs for many years. In 2003, it processed approximately 24,000 tonnes of clear glass and 10,000 tonnes of coloured glass from the blue box program, selling the processed glass to a variety of customers.

With the grant, NexCycle will modify its facility to enable the company to test process approximately 25,000 tonnes per year of mixed broken glass collected in recycling programs. It hopes to begin taking mixed glass from selected municipalities this fall.

According to Peter Robinson of NexCycle, “the quality of post-consumer container glass generated by the Blue Box program has been declining for a number of years. This trend is expected to continue as more municipalities decide to move to a curbside collection and processing system that mixes the clear and coloured glass containers together.”

Ontario municipalities recycled about 115,000 tonnes of glass through their blue box programs in 2003.

“As the primary contributor to the Glass Diversion Fund, the LCBO applauds this grant announcement that moves Ontario an important step forward in developing a sustainable market for recycled glass,” said Andrew Brandt, LCBO Chair and Chief Executive Officer.

In 2004, NexCycle Industries Limited was merged with Strategic Materials, Inc. of Houston, Texas. Strategic Materials, Inc. is the largest glass recycler and powdered glass processor in North America. With over 30 plants and depots located throughout the United States, Strategic Materials handles over 33% of the domestic market for recycled glass.

Stewardship Ontario is an industry funding organization created to collect money from industry to help pay for the Ontario municipal blue box recycling system. Brand owners and first importers who use packaging or printed papers that are handled through Ontario municipal waste management programs are required under the *Waste Diversion Act, 2002* to contribute to a fund that pays 50% of the net cost of the municipal residential blue box recycling system. Stewardship Ontario is authorized under the Act to collect the funds from industry and distribute them to municipalities.

Ensuring viable end markets for recycled materials is vital to the blue box program. Stewardship Ontario is making \$2.5 million available to stimulate market development which will ultimately lead to more stable markets and help contain blue box program costs.

As part of this, Stewardship Ontario launched its Glass Action Plan in April 2004. It comprises two funds: \$500,000 Glass Diversion Fund which supports measures to improve the marketability and expand end markets for mixed glass from Ontario’s blue box programs. The second is the up to \$2 million Glass Market Development Investment Fund which offers investment in Ontario’s glass processing infrastructure.

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Backgrounder attached

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Backgrounder on Waste Diversion Ontario and Stewardship Ontario

Waste Diversion Ontario (www.wdo.ca)

Waste Diversion Ontario (WDO) is a permanent, non-government corporation created under the *Waste Diversion Act* on June 27, 2002. WDO was established to develop, implement and operate waste diversion programs for a wide range of materials that currently include Blue Box Waste, for which a program is approved, Used Tires, for which a program is being reviewed by the Minister, and Used Oil Material and Waste Electronic and Electrical Equipment, for which programs are being developed. Waste diversion programs are developed after materials are designated by the Minister of the Environment.

The WDO has been authorized by the Act to work co-operatively with those industries that produce and distribute these products to establish programs to divert waste materials.

Stewardship Ontario (www.stewardshipontario.ca)

The Minister of the Environment designated Stewardship Ontario as the industry funding organization for Blue Box Wastes (glass, metal, paper, plastic and textiles collected in municipal recycling programs). All packaging and printed paper that fall within these categories are included in the Blue Box Program Plan and in the fees calculation. Companies designated as stewards for Blue Box Wastes can discharge their legal obligations under *the Waste Diversion Act* through membership in Stewardship Ontario and paying the applicable steward fees. Currently, more than 1,760 companies (www.stewardshipontario.ca/stewards/companylists.htm) have registered with Stewardship Ontario as stewards. Fees vary based on the types, amounts and recyclability of packaging materials and printed papers used, i.e. packaging that is not recyclable or that has weaker markets has been designated a higher fee than packaging that has stronger markets.

Glass Market Development Action Plan

The Blue Box Program Plan recommended development of a Market Development Action Plan on Glass (which was launched in April, 2004). A total of \$2.5 million dollars of funding is available through two funds in this program that offer targeted funding for specific measures aimed toward improving the marketability and end market applications of Ontario's mixed residential glass. The LCBO submits fees to Stewardship Ontario for beverage alcohol containers, including containers sold through wine stores owned and operated by Ontario wineries. The LCBO's \$5 million annual contribution to the Blue Box system has exceeded its "obligation" under the Waste Diversion Act, based on the cost of managing the material for which it is responsible. This excess contribution, totaling \$2.32 million thus far, makes up the bulk of the Glass Diversion Fund. The remaining \$140,000 is contributed by other stewards that use glass packaging. Since the Blue Box funding program began in 1998, the LCBO has contributed \$30 million and it will contribute an additional \$5 million next year.

Non-obligated Companies

Many companies that introduce packaging and printed papers into the Ontario marketplace fall under the "de minimis" rule in the Blue Box Program Plan. If their sales are under \$2 million annually they are exempt from registering or paying fees. If their sales are over \$2 million but they produce less than 15 tonnes of "Blue Box Wastes" annually, they are exempt from paying fees but must register with Stewardship Ontario (www.stewardshipontario.ca)

Blue Box Program Plan

A copy of the Blue Box Program Plan can be found at:

www.stewardshipontario.ca/pdf/PlanFeb28/BBPP_Feb28_Plan_Appendices.pdf

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