



December 15, 2014

Mr. Marvin Hunt  
MLA, Surrey Panorama  
120-5455 152nd Street  
Surrey, BC V3S 5A5

Dear Mr. Hunt,

On behalf of the Waste Management Association of BC (WMABC), I'm writing you to provide the Association's comments and recommendations on your review of Metro Vancouver's Integrated Solid Waste and Resource Management Plan (ISWRMP) focusing on the multi-family and industrial-commercial-institutional (ICI) waste streams.

We hope that this review will open the door for a true dialogue about how we can increase the recovery of recyclables from the waste stream in Metro Vancouver and how this review could also provide valuable direction to other jurisdictions in BC.

In the spirit of that dialogue, the WMABC is proposing four core principles that should guide the review of metro Vancouver's ISWRMP.

1. Metro Vancouver's goals of 70% and 80% recovery of recyclables from the waste stream by 2015 and 2020 respectively are supported by the WMABC. The ISWRMP should set goals and not dictate outcomes and bylaws that could arbitrarily restrict investment by the private sector that are aimed at achieving those goals.
2. Metro Vancouver must foster and promote open and competitive markets where investments by the private sector in proven and innovative recycling technologies and infrastructure. We believe that it is these investments that will enable the private sector to meet or exceed diversion goals for the industrial, commercial and institutional and multi residential sector.
3. Taxpayers and businesses must be protected under Metro Vancouver's Integrated Solid Waste Management and Resource Plan. Metro Vancouver should work with the private sector to find ways of building recycling infrastructure at no cost to taxpayers.
4. Incineration cannot be considered a form of diversion, as it is a final disposal technology, like landfills.

For over 30 years, the WMABC has provided a forum and unified voice for BC's private sector waste management industry. The Association is comprised of over 60 member companies including collectors, waste and recycling facility operators, material marketers and industry suppliers. Its members represent over 3,000 jobs in BC and provides the majority share of waste and recycling services handled in the province.

### **FLOW CONTROL**

On October 17, 2014, Environment Minister Mary Polak announced her government's decision to reject Metro Vancouver's proposed Bylaw 280. In the decision, the Minister highlighted the rationale for the rejecting the bylaw based on the:

- potential for Bylaw 280 to create a monopoly on waste management;
- potential for increased illegal dumping;
- possible negative effects on the new packaging and printed paper recycling program; and
- destabilizing effect it may have on private-sector collection and hauling.

The WMABC is opposed to flow control or any other public policy mechanism that forces private collectors of residential, institutional and commercial non-hazardous waste to send these materials exclusively to a public processing, treatment and disposal facilities, and subject to a fee structure controlled by a sole entity, thereby creating a local monopoly.

The WMABC views flow control as:

- a punitive tax to gain additional revenues;
- controlling and restrictive to the private sector waste services sector and its customers' ability to source competitive services;
- prohibitive to investment in new and innovative diversion and recycling technologies, and;
- local government picking winners and losers in the marketplace.

Flow control sends a clear signal that a public entity opposes free enterprise policy initiatives, and will ultimately undermine Metro Vancouver and the province's own waste diversion goals. Economic studies have shown that flow control increases the cost of disposal, on average, by 40%. Flow control measures can have a significant negative financial impact, with increased costs for local businesses and residents for the collection and disposal of residual waste. Flow control restrictions would also deny the consumer access to the most cost-effective waste management options.

Flow control creates a monopoly for waste disposal. Monopolies are insulated from competition and free markets. Monopolies have no need to be efficient, service oriented or cost-effective, because they have a captive customer base that they can control. Any scheme which favours one waste processor and process at the expense of others is unfair and discriminatory. Such a scheme ultimately will cost the taxpayer more. Fixed controlled pricing versus variable market driven pricing never benefits business, the consumer or the taxpayer.



A 2010 study by the CD Howe Institute revealed that the private waste services sector provides more cost-effective and efficient services than the public sector, with the latter providing environmental regulation. A similar study, the Dewees Report prepared by the University of Toronto Law School and Department of Economics and A.T. Kearny concluded that "the empirical evidence conclusively supports the theoretical literature in demonstrating the superior efficiency of the private sector in waste collection".

Thousands of communities in Canada and the United States have achieved high levels of diversion of waste materials that are environmentally protective and cost-effective solid waste services, including recycling, without using flow control.

### **Split fee bylaw**

Metro Vancouver's Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181 as amended by Bylaw No. 183 is a split fee bylaw. The bylaw currently allows for waste and recyclables to be delivered to any receiving facility within or outside of the Region as long as it's a licensed facility.

The WMABC is concerned that Metro Vancouver could amend Bylaw 183 and change the definition of licenses of facilities and/or direct waste to Metro Vancouver waste and recycling facilities. Further, the Region would implement increases in the split fee and collect revenues on waste materials thereby creating a local monopoly similar to what was proposed by Bylaw 280.

### **Franchising of waste collection services**

Another form of flow control is franchising. Similar to flow control, commercial waste and recycling franchises are not good for businesses as it stifles competition, resulting in higher prices with little or no measurable gains in environmental benefits such as increased waste diversion.

Under a commercial waste and recycling franchise, the city or municipal government chooses one waste hauler, or one hauler per designated area or zone to service all businesses. Under a franchise agreement, businesses are: no longer able to select their waste hauling company; tailored waste and/or recycling programs specific to a business are often eliminated, and; a franchise fee can be imposed on businesses as revenue source for the municipality that increases annually.

Proponents of commercial waste franchises claim franchises increase recycling participation as a result from a no-fee recycling collection program offered in conjunction with the waste franchise. "Free" recycling is not free. It is actually a bundled collection price that includes the cost of a free cart and service.

However, the largest barrier to commercial recycling is not availability or cost but difficulties in separately handling waste and recyclable materials at a business location. A franchise proposal does nothing to address this challenge. In fact, recycling programs can be limited by the

franchise proposal because businesses will not be able to customize their recycling, many of which may already exceed the municipality's proposed goals.

It is important to understand there are significant differences between commercial waste and recycling franchises and a municipal residential waste hauling contract. Residential waste pick-up involves a consistent waste stream that does not require customized collection requirements. When pricing a residential contract, a waste hauler knows there will be a consistent type of waste and the average amount of waste a typical home will generate on a weekly basis.

Commercial waste collection has numerous variables that make a one size fits all service structure difficult if not impossible to implement. Waste and recycling collection differ greatly among businesses such as restaurants, gas stations, hotels and office buildings to name just a few and many require tailored services.

Finally, none of the 10 largest cities in North America have exclusive commercial waste franchises. Under the current open market system, businesses are able to negotiate their waste services, allowing businesses to choose the best and most appropriate services at competitive processes.

#### **Licensing of waste collection services**

Privately operated solid waste facilities are regulated by Metro Vancouver's Municipal Solid Waste and Recyclable Material Regulatory Bylaw No. 181 as amended by Bylaw No. 183.

The Bylaw, as well as licenses issued under the Bylaw, specifies operating requirements so as to protect the environment and public health, protect the region's land base in accordance with the host municipality's zoning and land use policies, ensure that regional, municipal and private facilities operate to equivalent standards, and achieve the objectives of the Region's ISWRMP.

The WMABC believes in smart and transparent regulation, developed in conjunction with the private sector that establishes clearly-defined policy objectives such as desired diversion goals. Licensing and regulations governing diversion and recycling facilities should be outcome focused that encourage solution providers and the market to develop innovative ways to meet these standards as opposed to the current prescriptive approach. In a competitive global economy, Metro Vancouver needs a regulatory framework that is effective and fast-moving. It needs to explore a truly joint process whereby government sets the policy outcomes it wants and then collaboratively engages industry to determine the best way to achieve these policies.

This outcomes based approach protects the environment, creates an open and transparent process as well as allows for systematic incentives for companies to invest in new and innovative technologies and infrastructure.

#### **INTEGRATED SOLID WASTE AND RESOURCE MANAGEMENT PLAN**



The WMABC supports Metro Vancouver's goals of 70% and 80% recovery of recyclables from the waste stream by 2015 and 2020 respectively.

The ISWMP establishes four clear goals which are presented in order of priority.

- Goal 1 is to minimize waste generation;
- Goal 2 is to maximize reuse, recycling and material recovery;
- Goal 3 is to recover energy from the waste stream after material recycling; and,
- Goal 4 is to dispose of all remaining waste in landfill, after material recycling and energy recovery.

The WMABC has specific concerns about Goals 2 and 3 and its impact on waste diversion multi-family and industrial-commercial-institutional (ICI) waste streams.

### **Goal 2: Maximize Reuse, Recycling and Material Recovery**

As part of Goal 2, the ISWMP commits the Region to providing opportunities to increase private sector recycling.

Metro Vancouver's current open and competitive market and waste diversion goals has helped the Region reach an enviable 58% diversion of waste from landfill disposal while helped incentivize burgeoning diversion and recycling industries that includes over 60 private companies, currently employing 3,000 persons. Flow control measures such as the ones contained in the ISWMP would be a deterrent for building upon our past successes and any future innovative investment. It creates a false economy for waste management practices, it is protectionist, and discourages future investments in new innovative technologies.

The economic benefits of diversion and recycling are well documented. In 2008, the Ontario Ministry of Environment released a white paper entitled *From Waste to Worth: The Role of Waste Diversion in the Green Economy*, which identified that roughly seven jobs are created in Ontario for every thousand tonnes of waste diverted. When compared to a 400,000 tonne per year incineration facility, the amount of waste it would burn would be equivalent of creating over 2,600 recycling jobs alone, far more than would be employed by an incineration facility and at no cost to provincial and municipal taxpayers.

The ISWMP needs to be flexible in its approach to private waste and recycling facilities to accommodate new and innovative technologies including the recycling of some non-source separated materials to a mixed waste material recovery facility. The current licensing system does not maximize reuse, recycling and material recovery in accordance with Goal 2. Also, there has been a lack of adequate and meaningful consultation with the waste services sector concerning the siting of private facilities notwithstanding the stated strategy within the ISWMP to provide opportunities to increase private sector recycling. Further, the ISWMP needs to prioritize recycling and material diversion over disposal beyond source separate recyclables.

The provincial *Environmental Management Act* enables Metro Vancouver to, for the purpose of implementing an approved waste management plan, make bylaws to regulate the management of municipal solid waste or recyclable material. Before making any such bylaws, however, the *Environmental Management Act* also requires that Metro Vancouver: (i) include in its waste management plan its intention to comprehensively consult with affected stakeholders regarding all aspects of the development and final content of the waste management plan; and (ii) undertaken those consultations. The WMABC does not believe that Metro Vancouver has complied with these statutory obligations.

The ISWMRP states that all actions must be undertaken in consultation and cooperation with (among others) the business community and the public. When the Honourable Terry Lake, Minister of the Environment (as he then was) approved the Integrated Plan, he did so subject to certain conditions. One such condition mandated the establishment of a Plan Monitoring Advisory Committee, or equivalent, to facilitate ongoing public involvement during the implementation of the Integrated Plan in accordance with section 35 of the Ministry of Environment Guide to the Preparation of Regional Solid Waste Management Plans for Regional Districts. Part 2 of the Ministry Guide requires that public involvement must continue through the implementation of the Integrated Plan, that pertinent information is openly exchanged between the public and Metro Vancouver, and that proceedings and results of the consultation are properly documented and available for public scrutiny. Despite these clear consultation and cooperation obligations, the WMABC does not believe Metro Vancouver has consulted with the private waste services sector to increase private sector recycling.

Metro Vancouver must also address the issue of fairness concerning the enforcement of disposal bans. The private waste services sector cannot act solely as the enforcement of the Region's disposal bans and be penalized when generators ignore these commodity bans.

Finally, taxpayers and businesses must be protected under Metro Vancouver's ISWMRP. Metro Vancouver should work with the private sector to find ways of building recycling infrastructure at no cost to taxpayers.

**Goal 3: Recover energy from the waste stream after material recycling**

The ISWMRP makes clear that Goal 3 should be pursued by using non-recyclable material as fuel.

Metro Vancouver's plans for the development of an additional incineration facility goes against the goal of diversion, since it is a final disposal technology. It also comes with a host of potential environmental problems such as impact on air quality, which is not the least of the problems. This is a concern for the residents of Metro Vancouver and the neighbouring Fraser Valley Regional District.

Incineration is not a renewable energy process. Once the waste is burned, the material is gone forever. These facilities are built to dispose of mass volumes of waste, with energy generation as a by-product. The demands of an incinerator for the large amounts of high calorific waste



that are required to produce thermal energy could tempt Metro Vancouver to abandon plans for recycling in order to burn high calorific value waste. By burning plastic and paper packaging, there is no chance we will be able to re-use or recycle the product.

This is the case in Europe, where according to the Wuppertal Institute for Climate, Environment and Energy in Germany, incineration facilities have undermined waste reduction initiatives and distorted the entire waste market, as they are now forced to divert waste that would otherwise go to recycling, or import waste from other regions to keep the facilities in operation. Also, it is our understanding that a number of incinerators in Europe are being decommissioned because of a lack of waste feed stocks, as well as expensive environmental upgrades.

Advocates of zero waste such as the Recycling Council of British Columbia have defined zero waste as diverting up to 90% of materials without burning or burying. However, Metro Vancouver's position on incineration is suspiciously absent in its definition of zero waste.

### **SUMMARY**

Mr. Hunt, the WMABC makes the following three recommendations.

1. The WMABC recommends that to remain consistent with the Minister's October 17, 2014 policy statement, the section on Flow Control within the ISWRMP must be eliminated from the Plan as it could: lead to a monopoly of waste management services; potentially lead to increased illegal dumping; have possible negative effects on the new packaging and printed paper recycling program, and; have a destabilizing effect on private-sector collection and hauling.
2. The WMABC recommends that Metro Vancouver establish an open and transparent dialogue with the private waste services sector to foster and promote open and competitive markets where investments by the private sector in proven and innovative recycling technologies and infrastructure can address waste diversion challenges and opportunities within the multi-family and industrial-commercial-institutional (ICI) waste streams.
3. The WMABC recommends that Metro Vancouver abandon plans for the establishment of a second incineration facility and focus attention on maximizing reuse, recycling and material recovery.

We will follow up with your office to schedule a meeting to discuss. In the interim, if you have any immediate questions, please call.

Sincerely,



Lori Bryan  
Executive Director