



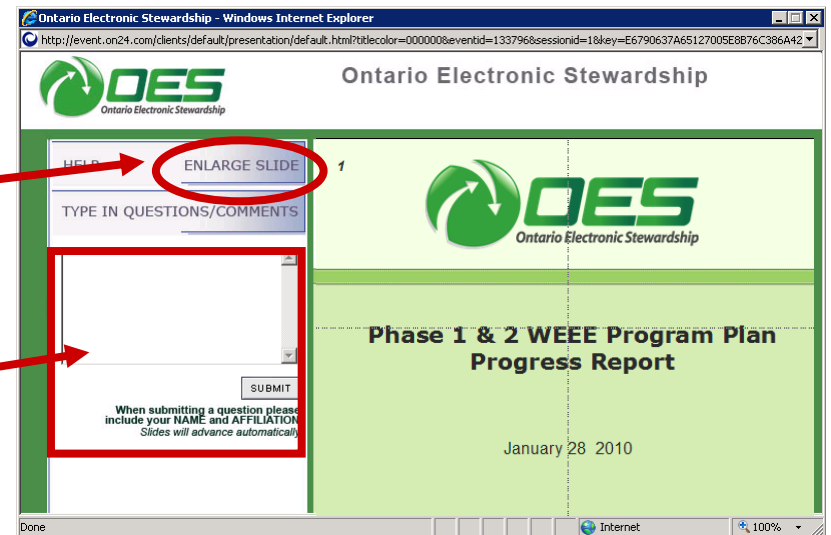
# Phase 1 & 2 WEEE Program Plan Progress Report

January 28, 2010

# Welcome!

- Webcast audience of 150+

- slides advance automatically
- enlarge slide
- email box for questions/comments on left side of webcast console
  - use any time
  - please include name & affiliation



- Archived webcast available for 6 months

# Agenda

- Quick review of Year 1 program
- Preparing to implement Phase 2
- Program enhancements
- Revising material fee rates
- Next steps
- Timing



## Review of Year 1 – Phase 1

# Collection Infrastructure

- Collection network developed to include:
  - municipalities
  - not for profits
  - private recyclers
  - stewards
  - OES directed events
- 96% of Ontarians within 25 km of site or event

OES Collector Sites	End of April	End of Dec
Permanent locations: municipal	61	76
Permanent locations: non-municipal	63	217
<b>Total Permanent Site</b>	<b>124</b>	<b>293</b>
Special Event: Public/municipal	6	116
Special Event: non-municipal	26	107
OES Round-up	0	21
<b>Total Event Based</b>	<b>32</b>	<b>244</b>
<b>Total Sites &amp; Events</b>	<b>156</b>	<b>537</b>

# Partners in WEEE Collection

- Most Ontario municipalities
  - goal in Year 2 to close all gaps with existing & some new municipal partners
- Not-for-profit organizations including
  - all Salvation Army locations
  - Renewed Computer Technology (RCT)
  - Habitat for Humanity
  - Goodwill

# Partners in WEEE Collection

- Strong commitment from retailers including:
  - Staples 68 stores in November
  - developing Best Buy/Future Shop in-store take-back
  - Sony's Green Glove program
  - Sears Canada
  - Leon's store in Belleville
  - MTC, Whitby
  - Colborne's TV, Kingston
- Large number of private recycling companies

# Electronic Recycling Standard (ERS)

- Eight primary processors approved to ERS:
  - ADL, Toronto
  - Artex, Toronto
  - eCycle Solutions, Mississauga, Valleyfield, PQ
  - FCM, Montreal, PQ
  - GEEP, Barrie
  - La Relance, Gatineau, PQ
  - Sims Recycling Solutions, Brampton
  - Toronto Recycling Inc., Toronto

# Collection Results – Less than Planned

- Launched Direct Ship program part way through year
  - direct financial incentive to generators
- On pace for about 20,000 to 23,000 tonnes by end of Year 1
- Collection of WEEE in Ontario is higher
  - some volumes simply are by-passing the program

# Why Collection Targets Not Achieved?

- Competition in marketplace
  - companies operating outside of OES program
- More intensive promotion & education (P&E) required for 'new' program
- OES collection fee too low for some operators
- Gaps in collection accessibility in the province
  - limited service in rural areas
  - some municipalities avoid TVs

# OES Initiatives to Increase Collection

- Study to determine appropriate collection fees for different levels of service
- Reduce barriers to municipalities to address their unique challenges
- Soon to come: direct promotions to IC&I generators
  - highlight opportunities for them to participate

## P&E in Last Quarter

- Post Christmas '09 campaign tailored to the post-holiday consumer for electronics
- Traditional media (80 community, ethnic papers) & online ads to engage consumers, & drive to [www.dowhatyoucan.ca](http://www.dowhatyoucan.ca)
- Magazines ads in popular publications
  - Canadian Living, Chill, Starweek, LCBO Food & Drink
- Program to be expanded to run through February & March

# Print Advertising



Ontario Electronic Stewardship comprises the companies that make and market electronic products in Ontario. They developed and fund a program to divert electronic waste from landfill through reuse and recycling.



# Online Ads (1)

An advertisement featuring a collage of various electronic devices including a monitor, tower PC, printer, and scanner. A black banner at the bottom contains the text "USED ELECTRONICS CROWDING YOUR LIFE?" in green, with "go to [www.dowhatyoucan.ca](http://www.dowhatyoucan.ca)" below it. The DES logo is in the bottom right corner.

**USED ELECTRONICS  
CROWDING YOUR LIFE?**  
go to [www.dowhatyoucan.ca](http://www.dowhatyoucan.ca)



# Online Ads (2)





## Preparing for Year 2 & Phase 2 Start-up

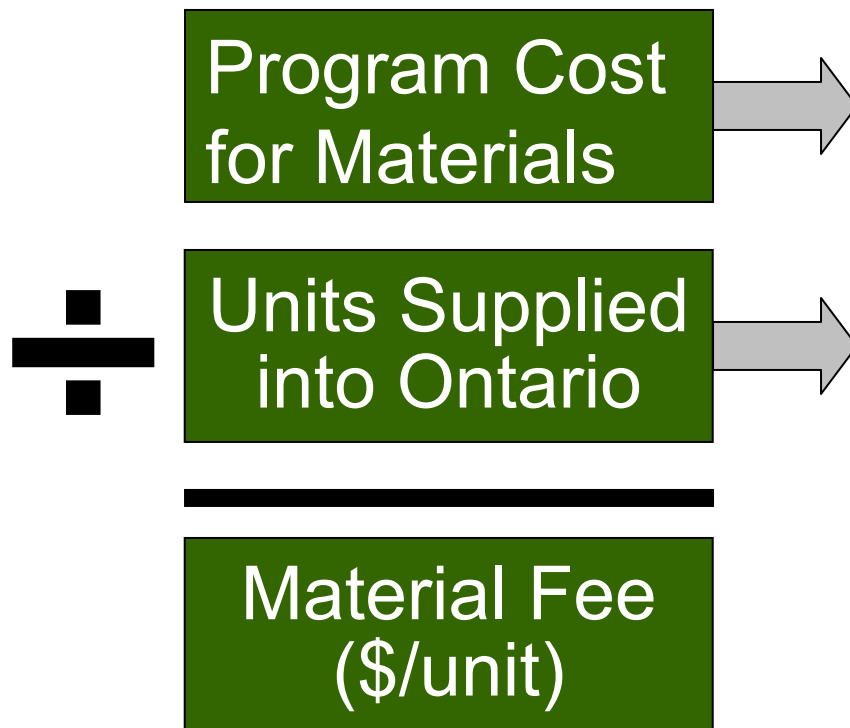
# New Phase 2 Products

Material Groupings	Sub-Groupings
Printing & Imaging Devices	Desktop scanners
	Floor-standing copiers & printers
Computer Peripherals	Modems
Telephone & Telephone Accessories (Physical Connection)	Wired/wireless telephone Answering machines
Cellular Phones, PDAs, & Pagers (Mobile)	Cell enabled devices
Image, Audio & Video Players & Recorders	Personal/ Portable
	Home/ Non-Portable
	Home Theatre in a Box (HTB)
	Aftermarket Vehicle

# Focus of Discussion Today

1. Collection targets
2. Promotion & education
3. Fees paid to collectors
4. Additional collection allowance
5. GST/HST
6. Sales/supplied data
7. Aggregation of data

# Simple Material Fee Calculations



- Collection Targets
  - Collection Costs
  - P&E
- 
- Updated Data for Year 2

# 1) Collection Targets

- For fee-setting, OES will not make any changes to overall Phase 1 & 2 targets
- Collection targets in Table 5.5 of Revised Plan represent the basis for program costs
- OES will raise with WDO the need to combine home/non-portable audio, video devices with those of “home theatre in a box” (HTB):
  - no way to distinguish the products when collected

## 2) P&E

- Increase in P&E expenditures was recognized in Revised (Phase 1 & 2) Program Plan
  - \$2.6 million in Year 1
  - increases to \$3.88 million in Year 2 (+48%)
- OES committed to additional \$2.47million to support expanded level of activity
- Year 1 surplus to be directed to Year 2 P&E
  - estimated to be \$1.5 million

# Increased P&E Spending

Description	\$Million
Year 2: Program Plan	\$3.88
Year 2: +Enhancements	\$2.47
<i>Total P&amp;E in Fees</i>	<i>\$6.35</i>
Surplus Applied to P&E*	\$1.50
<i>Total Year 2</i>	<i>\$7.85</i>

\* Preliminary estimate; to be revised in February

# Consumer & Collectors

- Expanded P&E budget allows for revised P&E strategy & greater opportunities to promote the program
- Media buy at launch of Phase 2 plus expansive post launch campaign
  - all media; may include direct home, TV, radio, billboards, print
- Other forms of additional outreach include
  - explore fund-raising
  - community networking (e.g. info booths at community events)
- Goal: to provide financial support for community P&E by local collectors

# IC&I Campaign

- Industrial, commercial & institutional (IC&I) communications
  - business group outreach (Rotary, Business Improvement Areas, Chambers of Commerce, Board of Trade, trade associations)
  - direct communication with IC&I generators
- Business trade show events/display
- Targeted communications to inform & promote:
  - primary processors approved for Direct Ship Program
  - collectors who offer transportation services
  - provide IC&I facilities opportunities to host collection events

## 3) Collection Fees

- Study to revise how collection fee & activities can be more accurately compensated is underway
- Desire to move to tiered collection fee based level of service provided; for example:
  - higher fee to receive & palletize material
  - different fee if collector provides collection service
  - higher fee if collector transports (e.g. retailer)
  - Incentivize higher level of collection services & performance
- Budget allowance for service fee increases to up to 75% higher than current

## 4) Collection Allowance

- OES is also proposing material specific collection allowance
  - increase flexibility to pay additional “top-up” incentives to achieve collection targets
- For revised fees, collection allowance set at \$50/tonne (all materials)
  - results in 2.5% increase in overall program costs

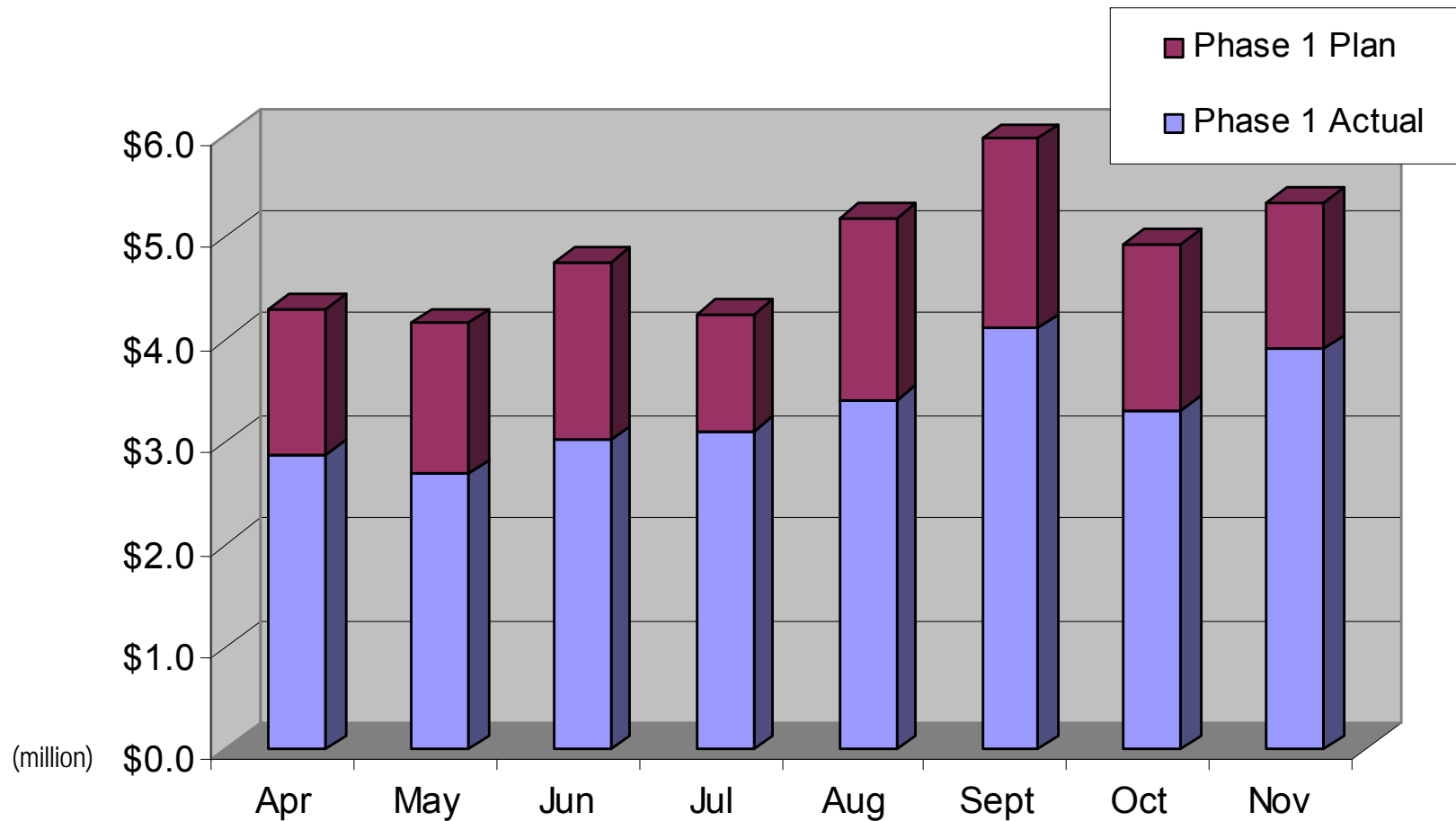
## 5) GST/HST

- GST/HST change & pending ruling from Canada Revenue Agency (CRA)
- Fee model assumes worst case - pay GST/HST with no ability to claim input tax credits
- All processing & handling cost assumptions within the planned range
  - desktop/portable computers excepted

## 6) Units Supplied Into Ontario

- Year 1: number of reported units ~40% lower than projected in first Program Plan
- Phase 1 product data reported at ~20% less than Revised Plan estimates
- Key factors:
  - inaccurate planning estimates
  - impact of the world wide recession
  - shifts in sales patterns (e.g. desktop + monitor replaced by portable computers)

# Revenue – Plan vs. Actual



# Reported Supply

		Projected Units for Ontario
Display Devices	Less than 29 inches	989,000
	More than 29 inches	1,180,000
Desktop Computers		750,000
Portable Computers		1,502,000
Computer Peripherals		3,427,000
Printing, Copying and Multi-Function Devices	Desktop Printing, Copying and Multi-Function Devices	1,794,000
	Floor-Standing Printing Devices	8,700
	Floor-Standing Copying and Multi-Function Devices	8,600
Telephones and Telephone Answering Machines		1,849,000
Cellular Devices and Pagers		4,764,000
Image, Audio & Video Devices	Personal/Portable	2,648,000
	Home/Non-Portable	2,482,000
	Home Theatre in a Box (HTB)	319,000
	Aftermarket Vehicle	236,000

## 7) Aggregation

- To address portable computers as a successive technology to desktop computers
  - ‘mixed’ feedback on complete aggregation from earlier comment period
  - recent trend data shows sales of desktop computers should level over coming year.
- OES proposing partial aggregation in Year 2 to address the shift in sales.



## Revised Phase 1 & 2 Fees

# Revised Phase 1 & 2 Fees (1)

		Phase 1 Plan Fee Rates (\$/unit)	Approved Plan Fee Rates (\$/unit)
Display Devices	Less than 29 inches	\$12.03	\$9.56
	More than 29 inches	\$10.07	\$24.81
Desktop Computers		\$13.44	\$5.32
Portable Computers		\$2.14	\$0.91
Computer Peripherals		\$0.32	\$0.53
Printing, Copying & Multi-Function Devices	Desktop Printing, Copying & Multi-Function Devices	\$5.05	\$2.39
	Floor-Standing Printing Devices	-	\$28.99
	Floor-Standing Copying & Multi-Function Devices	-	\$28.12
Telephones & Telephone Answering Machines		-	\$0.47
Cellular Devices & Pagers		-	\$0.09
Image, Audio & Video Devices	Personal/Portable	-	\$0.37
	Home/Non-Portable	-	\$1.81
	Home Theatre in a Box (HTB)	-	\$8.27
	Aftermarket Vehicle	-	\$1.94

# Revised Phase 1 & 2 Fees (2)

		Phase 1 Plan Fee Rates (\$/unit)	Approved Plan Fee Rates (\$/unit)	Draft Revised Fee Rates (\$/unit)
Display Devices	Less than 29 inches	\$12.03	\$9.56	\$12.00
	More than 29 inches	\$10.07	\$24.81	\$30.00
Desktop Computers		\$13.44	\$5.32	\$7.90
Portable Computers		\$2.14	\$0.91	\$2.50
Computer Peripherals		\$0.32	\$0.53	\$0.35
Printing, Copying & Multi- Function Devices	Desktop Printing, Copying & Multi-Function Devices	\$5.05	\$2.39	\$5.00
	Floor-Standing Printing Devices	-	\$28.99	\$32.00
	Floor-Standing Copying & Multi-Function Devices	-	\$28.12	\$32.00
Telephones & Telephone Answering Machines		-	\$0.47	\$1.30
Cellular Devices & Pagers		-	\$0.09	\$0.10
Image, Audio & Video Devices	Personal/Portable	-	\$0.37	\$0.40
	Home/Non-Portable	-	\$1.81	\$2.30
	Home Theatre in a Box (HTB)	-	\$8.27	\$9.00
	Aftermarket Vehicle	-	\$1.94	\$2.60



## Minor Adjustments to Rules

# Minor Clarifications for Rules

- Revised fees will be part of Rules
- Rules to include minor clarifications e.g.,
  - “home” as in “Home/Non Portable image, audio & video devices” includes products sold to business & IC&I users
  - desktop servers
  - possible changes to reporting


# Next Steps

January 29	Publish/distribute online survey for your feedback
February 4	Comment period ends
February 9	OES Board to approve revised fees for WDO
February 24	WDO Board meeting
February 25	OES notifies steward

*Obligation begins April 1, 2010 – first report due end of May*



Questions?



HELP      ENLARGE SLIDE

TYPE IN QUESTIONS/COMMENTS

SUBMIT

When submitting a question please  
include your NAME and AFFILIATION  
*Slides will advance automatically*



Thank you!