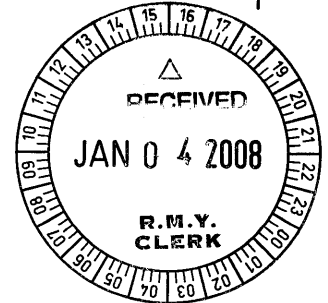




Chair
CPO
Russell
(to change)
A. Campbell

December 31, 2007

Mayor and Members of Council
YORK, REGIONAL MUNICIPALITY OF
17250 Yonge Street
Newmarket, ON L3Y 6Z1



RE: Industry's Stewardship of Municipal Blue Box Recycling Program

Dear Mayor and Members of Council:

Industry stewards of the municipal Blue Box program fulfill their responsibilities under the *Waste Diversion Act, 2002* by funding a 50% share of the net costs of the residential recycling system and by working in partnership with the Association of Municipalities of Ontario and municipalities to identify and implement system improvements. It's a win-win partnership because both municipal taxpayers and consumers of printed papers and packaging benefit from lower recycling system costs.

In fulfilling the first aspect of industry's stewardship responsibility, Stewardship Ontario and Waste Diversion Ontario (WDO) are pleased to enclose the **third** quarterly payment to your municipality for the 2007 program year as industry's share of the net costs of the residential Blue Box recycling program.

The payments to municipalities in this quarter total \$12.1 million. For the 2007 program year alone, Stewardship Ontario will distribute a total of \$48.4 million in cash to Ontario municipalities. This brings the total cash payment made by Blue Box industry stewards to municipalities to more than \$160 million since the program began in 2004. The final payment for the 2007 program year will be sent at the end of March, 2008.

In addition to these cash payments, daily and community newspapers in Ontario made space available for municipal use. In this program year, the space was valued at more than \$1.3 million. A further \$5.5 million has been made available to municipalities this year through the Effectiveness and Efficiency (E&E) Fund. Each year to date, 10% of the stewards' financial obligation to municipalities has been placed in the E&E Fund to provide competitive grants to municipalities to explore new methods of increasing the effectiveness and minimizing the cost of municipal recycling programs. So far, a total of 67 municipal projects valued at more than \$17 million in support have been approved. For information about the E&E Fund and how to apply, please visit the Stewardship Ontario website, www.stewardshipontario.ca. Questions concerning the Fund can be directed to Guy Perry at eefund@stewardshipontario.ca.

As you know, industry stewards are companies that put printed paper and packaging into the Ontario marketplace that is subsequently handled at the end of their useful lives through the municipal residential waste management system. These companies pay fees to Stewardship Ontario, the industry funding organization responsible for "Blue Box Wastes," based on the type

and amount of printed paper and packaging in the residential marketplace. Stewardship Ontario then distributes the funds to municipalities.

The provincial total net system cost is approved by the WDO, which calculates the amount each municipality receives based on information your municipality provides through the annual waste management "Datacall." Funding for the 2007 year is based on a different methodology compared to previous years. It is based on a percentage of each program's reported net system cost as well as the cost-effectiveness of a program relative to other municipal programs in its municipal group. Additional information about how funding for residential Blue Box programs is allocated is available at the Municipal Funding page of the WDO website at www.wdo.ca (shown under "Diversion Programs" then "Blue Box Waste" tabs¹⁹⁰).

Sincerely



Dennis Darby
Chair
Stewardship Ontario



Gemma Zecchini
Chair
Waste Diversion Ontario

¹⁹⁰ The direct link to detail about the funding allocation process for 2007 is
<http://webservices.siriusweblabs.com/dotconnector/files/domain4116/2007%20Funding%20text%20Jan%2026%2007%20updates.doc>