

Background

In accordance with section 53.31.14 of the Environment Quality Act (EQA), contributions must be established in a Schedule of Contributions that has been the subject of consultations with targeted entities. ÉEQ's certification agreement stipulates that the organization must submit to RECYC-QUÉBEC the contribution table along with a detailed report on the results of the consultation, comments received and the way in which the organization considers such comments in the Schedule. As part of its mission, ÉEQ is required to "develop draft Schedules of Contributions and submit them to targeted companies and organizations in the framework of a consultative process." For each Schedule of Contributions, ÉEQ's Board of Directors adopts a consultation process that is transparent and reaches as many stakeholders as possible in order to provide them with information and receive their input at each step leading to the adoption and coming into force of the Schedule of Contributions in any given year. The current process related to the 2020 Schedule of Contributions is the twelfth implemented by ÉEQ.

The recycling crisis will impact the 2020 contribution for companies

The 2020 Schedule of Contributions is established in a context where the closure of Chinese markets has created a ripple effect on world markets for recyclables. This shockwave extends to the curbside recycling system, as the overall drop in revenues from recyclable materials is exerting pressure on municipal net costs, in addition to making their estimation more complex. We therefore anticipate a significant increase of municipal net costs to be compensated.

The 2020 Schedule of Contributions was developed by closely monitoring the situation and considering all changes in municipal costs, in addition to updating the majority of inputs. Indeed, costs to be compensated, recovery rates, quantities expected to be reported, as well as ÉEQ's costs and other provisions have been updated, and the various parameters of the contribution table have been adjusted accordingly. Companies' contribution will also be impacted by the downward trend in quantities of generated materials these past years. Moreover, the rules of the Schedule of Contributions have been updated.

THE SPECIAL CONSULTATION INVOLVES VARIOUS CONSULTATION MECHANISMS. IT COVERS THE APPLICATION RULES FOR THE SCHEDULE OF CONTRIBUTIONS AND THE METHODOLOGY FOR DEVELOPING THE CONTRIBUTION TABLE.

Target audiences

Entities subject to the EQA are companies and organizations that own a brand, a name or a distinguishing guise and market “containers and packaging” and “printed matter” in Quebec. When the brand owner does not have an establishment in Quebec, the first suppliers of their products in Quebec must assume those obligations.

Through the special consultation on the Schedule of Contributions, ÉEQ aims to reach, inform and consult with as many targeted companies and organizations as possible via a series of channels and mechanisms.

Mass communications

- Electronic newsletter
 - ÉEQ’s electronic newsletter is a communication tool used to announce consultation meetings, provide information on consultation mechanisms and invite targeted entities to participate in the consultation process.
 - Due to the significant rate increase, a special invitation will be sent three times to all reporting entities in order to underline the importance of taking part in this special consultation.
 - Given the formal context of the consultation, both companies who have accepted to receive communications from ÉEQ in accordance with the Canadian anti-spam law as well as those who have refused will be advised. The latter, however, will only receive only one notification.
- Website
 - ÉEQ uses its website eeq.ca to provide targeted entities with easy access to information and a mean to submit questions and information requests on the Schedules of Contributions and the special consultation. It also serves to comment on Schedule application rules and send in replies to the consultation questionnaire.
 - Moreover, the website highlights ÉEQ-related news, including information on the consultation meetings on the Schedule of Contributions.
- A summary of the Schedule of Contributions development process
 - In the context of the ongoing crisis impacting markets for recyclable materials worldwide, this summary will provide targeted entities with information on the situation and steps being taken by the organization in order to follow the evolution of municipal net costs.
 - Published a few days ahead of the consultation, this summary will allow targeted companies to learn about:
 - The context supporting the estimation of net costs;
 - The Schedule of Contributions development process;
 - Rates for each material;
 - Explanations on rate variations.

- This document is sent directly to companies and organizations who have registered for the consultations so that they may read it and prepare any questions.
- The summary is also published on ÉEQ's website in addition to other documents from the consultation process (PPT presentation, Excel spreadsheet of the contribution table, questionnaire, etc.).
- Consultation questionnaire
 - The questionnaire is ÉEQ's main consultation tool. While other means are used to announce upcoming meetings or convey their outcome, the questionnaire gives targeted entities the opportunity to share their point of view on proposed new orientations for the Schedule of Contributions and comment on application rules and methodology used to develop the contribution tables.
 - In order to gather the highest possible number of responses, the questionnaire is posted online immediately after the consultation meetings held with companies and organizations, for a period of three weeks. It is also sent to participants and published via newsletter during that period.
- Questions and Comments
 - Companies and organizations may ask questions and submit comments during consultation meetings or send them by letter if they wish to elaborate on particular issues.
- Information relay
 - In order to reach as many companies and organizations as possible, ÉEQ also calls on its vast contact network of association to relay information to target audiences.

Communications with targeted companies and organizations

In developing the Schedule of Contributions, and more specifically in taking into account the current recycling crisis that will increase anticipated municipal net costs, ÉEQ is implementing several personalized communication mechanisms to inform targeted entities and their association representatives.

- Enhanced personalized approaches in the context of contribution increases
 - Personalized approaches with strategic contacts and senior executives from major contributors were implemented to inform them of the impact that the recycling crisis and the reduction of containers, packaging and printed matter will have on their contribution.
 - Customized approaches with primary and strategic contacts from contributing companies who are the most impacted by the increase are also taking place.
 - Clear messages on the anticipated increase were sent to all respondents in order to raise awareness regarding impacts and encourage their participation in consultation meetings.

- These approaches are meant to enhance overall preparedness, so that companies can anticipate upcoming changes, tell us about the impacts the changes will have on their operations, so that we can in turn support them as needed to adjust their internal processes.
- Personalized approaches are also being held with strategic contacts in order to exchange on the organization's future orientations.
- Working group on low-volume producers
 - At the request of ÉEQ's board of directors and in keeping with its desire to be receptive regarding contributing companies' concerns while respecting its mandate to further the evolution of fee structure, ÉEQ has created a working group on low-volume producers. Meetings were held in April and May this year at ÉEQ's offices.
 - Given the nature of the project, ÉEQ favored the creation of a group made up of associations whose members contribute within the established thresholds of flat fees. Objectives were to:
 - Identify issues specific to low-volume producers
 - Respond to companies whose generated quantities or revenues slightly exceed the thresholds and whose contribution is significantly higher than flat fees.
 - Look for solutions (review or add eligibility criteria, etc.)
 - Formulate recommendations to ÉEQ's Board.
 - In light of the discussions held within this working group, ÉEQ's permanence made its recommendations to the Board in keeping with the spirit of the Environment Quality Act (LQE) to make companies accountable for the quantities generated and the types of materials marketed. Strategic orientations on predictability and stability of contributions identified by the Board were also considered, along with equity values in which ÉEQ carries out its mission.
 - Following the Board's decision, ÉEQ will introduce two recommendations in its 2020 Schedule of Contributions: one will affect the calculation of flat fees and the other – applied qualitatively – will allow for data to be collected from low-volume producers.
- Consultation meetings with representatives of targeted companies and organizations
 - Meetings with targeted entities constitute a major step in the companies' consultation process. After having met with several associations representing contributing companies, the consultation meetings will take place in the form of webinars only. Two meetings will be available for all representatives of targeted companies and organizations once ÉEQ's Board of Directors adopts the draft of the 2020 Schedule of Contributions.
 - The object of these meetings is to:
 - Inform companies on the situation and the evolution of curbside recycling in Québec.
 - Submit a draft Schedule of Contributions for consultation purposes that includes the contribution table as well as the application rules.
 - Explain the steps that lead to the development of the contribution table to ensure their full understanding of the process.

- It should be noted that the application rules for the 2020 Schedule of Contributions are posted on ÉEQ's website in both official languages a few days before the meetings to give participants time to read them beforehand.
- Finally, files pertaining to the development of the contribution table will be published in French and English following the consultation meetings.

Special consultation meetings on the 2020 Schedule of Contributions will be held on October 23, 2019, and presented via simultaneous webcasts:

French	English
9:30 a.m. to 11:30 a.m.	1:30 p.m. to 3:30 p.m.

Orientations on next Schedules of Contributions

Following the recommendations of ÉEQ's Board of Directors and in the perspective of stabilizing and predicting rates, the organization will continue to look at the inclusion of materials that are designated or not by the Compensation Plan Rules but excluded from ÉEQ's Schedule of Contributions rules. Efforts to clarify the classification of materials generated by business-to-business (B2B) commerce will continue, as will discussions with the Quebec government in order to target materials generated by large e-commerce platforms not located in Quebec.

The analysis of the impacts of materials on the curbside recycling value chain will conclude in order to allow the revision of the materials list in the contribution table, amalgams of materials rate and, ultimately, identification of problematic and disruptive materials in order to introduce new environmental criteria. It should be noted that this approach is in line with international discussions on eco-modulation and with the spirit of the Environment quality act that aims to make companies accountable for materials they put on the market.