

MMSW Cost Recovery Invoices Q&A

January 30, 2015



	Questions	Answers
1	What is the status of the discussions with the Saskatchewan Government re MMSW Program Launch?	MMSW met with staff at the Ministry of Environment during the week of January 19 th . It was a good first step to discussing the issues that have arisen due to the Minister's December 18 th announcement of exemptions to the program, but more discussion is required. MMSW is committed to continuing discussions with the government and will update MMSW members of any progress made in resolving the issues.
2	When do you expect the MMSW Program to launch?	At this point in time we are unable to provide any guidance on when the program might launch. MMSW needs to ensure that any stewardship program that is implemented in Saskatchewan is cost effective for stewards and respects the principles of fairness, a level playing field and a clear understanding of roles and responsibilities for all parties involved. MMSW is committed to continuing discussions with the government with the aim of launching a successful PPP stewardship program.
3	Should stewards continue to budget for the MMSW program implementation in 2015?	Yes, MMSW believes that it is prudent for stewards to assume that the program will launch in 2015 and should budget accordingly.
4	If the MMSW program has not been launched why are stewards being issued invoices?	Stewards' obligations under the Saskatchewan Household Packaging and Paper Stewardship Program Regulation commenced at the time the Regulation was approved in February 2013, not at the time of program launch. The MMSW Membership Agreement that stewards signed included an obligation to pay their share of program start-up costs. MMSW must now recoup these start-up costs so that the bank loan taken by MMSW to fund the program development can be repaid. In addition, MMSW must ensure an ongoing cash flow so that staff remain available for ongoing discussions with the provincial and municipal governments.
5	What exactly was accomplished during the MMSW start-up phase for which stewards are now being billed?	Start-up costs for the MMSW stewardship program include the following accomplishments: <ul style="list-style-type: none"> - Program Plan Development, - Discussions with provincial and municipal governments - Steward recruitment, - Execution of contracts with municipalities, - Execution of Membership Agreements with stewards, - Establishment of fee schedule,

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		- Support for steward reporting
6	If the MMSW program does not launch, will stewards be refunded their payments?	No, stewards will not be refunded the costs associated with program start-up. These are costs that have already been incurred by MMSW since the Regulation was approved on February 15, 2013. These costs must be recovered so that the outstanding bank loan can be repaid.
7	How is each stewards' share of the start-up costs being determined?	Companies' invoices are being determined on a proportionate basis based on the volume of their reported tonnage and will amount to approximately one third of their first year assessment.
8	The Minister's recent announcement says that the Minister approves the fees for stewards? Has Minister Moe approved this invoice?	This invoice is not related to the program launch. It is related to plan development and plan implementation activities to date. The Minister's announcement does not apply to costs incurred for these items.
9	You say you are working through issues with the Government. What are those issues? Will they result in having to pay a higher bill for those businesses that did not get an exemption?	MMSW suspended the program launch so that it could ensure that the exemptions announced by the Minister do not impose additional financial obligations on those stewards who were not exempted. Our objective is to revise the Program Plan to ensure that stewards pay the costs to manage their material only and are not paying for the management of material stranded by exempted stewards.
10	The CSSA Annual Meeting pre-read document indicates the start-up costs were \$1.2M. Are those the costs that stewards are now paying through this Cost Recovery Invoice?	<p>The start-up costs as outlined in the CSSA Annual Meeting Pre-Read document were based on the assumption that the MMSW program would launch on January 1, 2015 as planned. The Minister of Environment's December 18th announcement exempting a large number of businesses from the program has meant that rather than launching the program, MMSW is still in the start-up phase which now is continuing into 2015. This means that we will continue to incur costs associated with the following activities:</p> <ul style="list-style-type: none"> - Ongoing discussions with the provincial and municipal governments, - Development of a revised Program Plan that ensures MMSW stewards are responsible for the costs associated with the management of their own materials and not that of the materials stranded by businesses now exempted from the Regulation. <p>The invoices stewards are receiving on January 30th represent approximately one third of stewards' annual costs assessed for 2015.</p>