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Waste Management Strategy

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Honourable Ross Wiseman, MHA

Public Accounts Committee

Chair: Jim Bennett, MHA

Vice-Chair: Kevin Parsons, MHA

Members:

Keith Russell, MHA
Eli Cross, MHA
George Murphy, MHA
Tom Osborne, MHA
Calvin Peach, MHA

Clerk of the Committee: Elizabeth Murphy

Appearing:

Office of the Auditor General

Terry Paddon, Auditor General
Sandra Russell, Deputy Auditor General
Cayla Hillier, Auditor III
Lindy Stanley, Audit Manager

Department of Municipal and Intergovernmental Affairs

Colleen Janes, Deputy Minister
Cluney Mercer, Assistant Deputy Minister, Municipal Engineering & Planning Branch
Hugh Donnan, Director of Communications

Multi-Materials Stewardship Board

Mike Samson, CEO

Department of Service NL

Donna Kelland, Assistant Deputy Minister

Department of Environment and Conservation

Jamie Chippett, Deputy Minister
Martin Goebel, Assistant Deputy Minister

The Committee met at 9:00 a.m. in the House of Assembly Chamber.

CHAIR (Bennett): Good morning.

This is a hearing of the Public Accounts Committee of the Province of Newfoundland and Labrador. I am the Chair of the Committee. My name is Jim Bennett; I am the MHA for the District of St. Barbe.

In a moment I am going to ask members and witnesses to introduce themselves. Witnesses who have not yet been sworn will be either sworn or affirmed as they prefer. Some witnesses have already been sworn on a prior occasion of this session, so it is not necessary for them to do it again.

Typically, when we proceed we have segments of roughly ten minutes where different members ask questions. It is like a question and answer session. It revolves around, in this instance, the Review of the Auditor General of the Province of the Waste Management Strategy. This is found in his annual report for 2014, part 3.4. If anybody has any questions and needs to take a break, please ask accordingly.

I am going to begin by having Mr. Osborne introduce himself, and I will ask the Committee members to introduce themselves.

MR. OSBORNE: Tom Osborne, Member of the House of Assembly.

MR. K. PARSONS: Kevin Parsons, the Member for Cape St. Francis.

MR. PEACH: Calvin Peach, Bellevue District.

MR. CROSS: Eli Cross, Bonavista North.

MR. MURPHY: George Murphy, MHA for St. John's East.

CHAIR: When you are speaking you need the little red light because it (inaudible).

We will continue with Mr. Paddon.

MR. PADDON: Terry Paddon, Auditor General.

MS HILLIER: Cayla Hillier, Auditor at the Auditor General's office.

MS JANES: Colleen Janes, Deputy Minister of Municipal Affairs.

MR. MERCER: Cluney Mercer, Assistant Deputy Minister, Municipal and Intergovernmental Affairs.

MS RUSSELL: Sandra Russell, Deputy Auditor General.

MS STANLEY: Lindy Stanley, Audit Manager, Office of the Auditor General.

MR. CHIPPETT: Jamie Chippett, Deputy Minister, Environment and Conservation.

MR. GOEBEL: Martin Goebel, Assistant Deputy Minister, Department of Environment and Conservation.

MR. DONNAN: Hugh Donnan, Director of Communications, Municipal and Intergovernmental Affairs.

MS KELLAND: Donna Kelland, Assistant Deputy Minister, Service NL.

MR. SAMSON: Mike Samson, Chief Executive Officer of the Multi-Materials Stewardship Board.

CHAIR: When people are answering questions, it is important for the light to be on because that is how the Broadcast Centre knows that you are the one who is speaking. It is also helpful if you say your name at the beginning because the transcript is done by Hansard. It gives them more issues if they do not know who is speaking, they will have to try to figure out who spoke.

If you detect a little delay sometimes with the response it is because we have a fairly sizable array of witnesses. By that I include the Auditor General's staff as well. We have eleven people, so the Broadcast Centre might not know which person is about to respond. There may be a slight pause in acknowledging who is speaking, who is responding.

One witness may be better informed, better able to address a particular question than another. Often the witnesses who are in the front row are in the front row because they are considered to have most of the information but quite often in some of the more specialized areas some of the other witnesses are better informed, so that is why we end up going back and forth on occasion.

Did anybody have any questions before we begin?

Ordinarily, we break at around 10:30. I say ordinarily because it is helpful if all of the members of the committee have an opportunity in each session to be able to ask at least some questions, otherwise they may have to sit here for a section, maybe half of the time and not even get a chance to ask questions that they want to ask. Sometimes by the time we get to a particular member the questions that person would have asked have already been asked and answered by somebody else. So repetition is not overly useful to anybody, although sometimes elaboration can be very helpful.

Sometimes groups who appear before us want to make some sort of an opening statement or commentary or explanation, it is certainly not necessary. It is probably half of the time, and the other half of the time people just want to get into a Q and A.

I would like to extend to the witnesses who have come here an opportunity if they want – if anybody had something prepared that they wanted to say, please go ahead.

MS JANES: Good morning –

CHAIR: Oh, sorry. Thank God for the Clerk; she reminds me of the things that I forget. We have not sworn the witnesses yet.

Swearing of Witnesses

Ms Cayla Hillier
Ms Colleen Janes
Mr. Cluney Mercer
Mr. Martin Goebel
Mr. Jamie Chippett
Mr. Hugh Donnan
Ms Donna Kelland

Mr. Mike Samson

CHAIR: So, that being done, I think Ms Janes wanted to make a statement.

Please go ahead.

MS JANES: Good morning.

The four departments and agencies present here today, as partners in the Solid Waste Management Strategy, have agreed that the Department of Municipal and Intergovernmental Affairs will provide some opening remarks on behalf of all.

I would like to thank you for the opportunity; we will keep our comments brief so we can get to your questions. The provincial Solid Waste Management Strategy is a horizontal Strategy with shared responsibility across multiple government departments and agencies. The Departments of Municipal and Intergovernmental Affairs, Environment and Conservation, and Service NL, as well as the Multi- Materials Stewardship Board, all have a distinct and important role to play in the Strategy's full implementation and success. While all entities work together, each also has a specific role which may be important in the direction of some of your questions today.

The Department of Municipal and Intergovernmental Affairs is responsible for the implementation and ongoing support of the regional service boards, and in collaboration with these boards for the infrastructure investments necessary to achieve the goals and objectives of the Strategy.

The Department of Environment and Conservation is the department responsible for the Environmental Protection Act. As such, their role in this Strategy is to develop, interpret, and provide guidance related to environmental standards, to ensure such standards enable proper stewardship of our lands and waters, and to support the other departments and the MMSB on implementation.

Service NL serves as one of the government's primary regulatory bodies, and in terms of the Strategy, is involved in permitting and inspection of waste disposal sites, as well as

monitoring of and enforcement against illegal dumping in co-operation with municipalities across the Province.

The Multi-Materials Stewardship Board is the primary entity responsible for the development, implementation, and management of waste diversion and recycling programs on a province-wide basis for specific waste streams designated by the government. This includes marketing and educational components.

The Strategy identified a number of goals which it aimed to achieve by 2020. The initial focus of implementation was the limitation of open burning, closure of teepee incinerators, consolidation of community curbside collection and waste disposal sites, and the establishment of lined or equivalent to lined landfills at the host regions.

Since originally envisioned, there have been some adjustments to the plan as with the passage of time technologies and processes have changed. Good examples of this include the move from three to two landfills on the Island, and improved transfer station technologies that have made this a more viable and more economical option for the Province. Further refinement may continue to be required on this basis as we work towards the goals of the Strategy.

While infrastructure investments and identification of new needed infrastructure continues to progress in all regions, we are also moving into later focus areas, that of recycling and composting facilities. It is these later phases that will help us make further progress in the waste diversion goals of the Strategy.

In the area of composting, Dillon Consulting was engaged in the spring of 2013 through a contract to prepare a report on potential solutions for organics composting for the Province. The Department of Municipal and Intergovernmental Affairs, the MMSB, and the regional service boards will use the report to inform their work, collaborate on the development of an implementation plan for composting solutions. This report is nearing finalization; and, in fact, is expected to be completed in the coming week.

While this work is ongoing, the MMSB has implemented several initiatives to begin engaging communities, businesses, and households in organic waste management and are making progress with respect to diversion. As departments and agencies of government, we will continue to work with our communities, regional service boards, waste management authorities, and all residents and stakeholders as we proceed towards full implementation of the Strategy by 2020.

We certainly welcome your questions this morning. Depending on the nature of them, we will try to ensure the most appropriate individual responds. It may be multiple individuals in some cases, given the nature of the Strategy. We will certainly respond as comprehensively as we can.

Thank you.

CHAIR: Thank you Ms Janes.

We will begin with Mr. Osborne.

MR. OSBORNE: Thank you, Mr. Chair.

The goal of 50 per cent diversion by 2015 is obviously not going to be met. Can you tell me what percentage of diversion we are currently at in the Province?

MS JANES: Today we are at 27.6 per cent.

MR. OSBORNE: Okay.

Open burning; if I remember correctly, there are thirty-six sites remaining for open burning in the Province. Is that correct?

MS JANES: I have a percentage number. There may be another individual here who can speak to the number of sites more specifically. I believe Cluney is searching for the number there.

MR. CHIPPETT: There are about thirty-six sites in total, and that includes the six remaining teepee incinerator burning sites.

MR. OSBORNE: All of the teepees are not gone? I understood the teepee incinerators had all been closed. There are six remaining?

MR. CHIPPETT: The six that remain are in remote areas. I think five of those are on the South Coast of the Island, and the other one is in Mud Lake in Labrador. There was allowance in the Strategy for continuation in remote areas, otherwise the remainder are closed.

MR. OSBORNE: Okay.

Is there any composting carried out now at all in Labrador?

MR. MERCER: Not to my knowledge, unless it is backyard composting or at a small scale community level, but nothing that we have organized at this point in time.

MR. OSBORNE: Okay.

I understand the challenges with waste diversion in Labrador based on population and geography and so on, the transportation of waste, but it would seem to me that composting in Labrador would solve probably 30 per cent of, or greater – even the fibres that are too costly to transport to the Island or elsewhere could be composted. You would probably be well above the 30 per cent mark if you were to compost in Labrador. Why has that not been a bigger focus of the waste management Strategy?

MR. MERCER: Our initial focus on the Strategy was obviously the greater population, and the focus on landfill development, curbside collection, getting nearly 600 communities to collectively work together so that we could deliver the most economical waste management service. The focus thus far has predominantly been on that type of organization, getting regional service boards, getting operational entities in place, getting people co-operating and working together.

From the beginning, we looked at compost as being something that we would do in the latter half of the Strategy. As Colleen had referenced, in the spring of 2013 we embarked on a composting study. That study will help inform our composting plan that we will roll out over the next six years or so. That is the reason why we have not moved specifically on composting in Labrador at this point in time.

Just to give you an idea of what we have done in Labrador; Labrador has four regions. In Labrador West a landfill has been developed. A teepee incinerator in Wabush has been closed. There is one well maintained waste management facility now in Labrador West. It has all the elements of a modern waste management facility, with exception for compost. We expect within the very near future that we will have that piece of infrastructure in place as well.

The North Coast of Labrador is another region that has been a bit more of a challenge. You have seven or eight isolated Inuit community governments up there. We have met with them on a number of occasions to try to engage a consultant through an RFP process to look at what might be some of the options for those isolated north coast communities. At this point in time we are waiting for one of the community governments to come forward to us to be the sponsoring community for us to engage a consultant to take a look at those options.

In Central Labrador, we just finished a study for the Happy Valley-Goose Bay area. We expect coming out of that study, we will be looking at the long-term plans and the long-term infrastructure that will be in place there over the next couple of years.

There has been a study completed for Southern Labrador as well, from Cartwright to the L'Anse-au-Loup border. The piece of work that was done by the consultant is looking at consolidating all the landfills up there – I think there are seven or eight of them – into a single landfill with consolidated curbside collection. They will have some recycling and some composting attached.

MR. OSBORNE: I am sorry, Cluney. Where did you say that was?

MR. MERCER: It is in Southern Labrador. It would be from Cartwright down to the Quebec border. From L'Anse-au-Loup to Cartwright would be considered the Southern region of Labrador. Labrador has four regions.

MR. OSBORNE: Okay.

The study of options for organic waste; in the response to the questions that were sent out by

the committee it was indicated that study should be finalized by the end of May and will be available to committee members. In your response, did you mention that that is not quite complete yet?

MR. MERCER: Correct. We are expecting the final report this week. The consultant is committed to getting it to us by July 31. When we did a formal response, we were expecting a report near the end of the fiscal year. We did get a report. There was a need for some additional work that we sent them back to do at that time.

Initially, we are looking at five options. They met with the steering committee and we proposed an additional two to be further looked at. They went back and examined those. We did get a revised report back around the end of May, and that report contained – well, they examined the extra options that we had identified. It contained some statements that needed further clarification. We went back with a list of clarifications to them in early May, and that work is nearing completion now. They have committed to having that report to us by July 31.

MR. OSBORNE: Okay.

The Auditor General had determined that there was no projected cost of composting, or that it remains uncertain. Does that report clearly define the projected cost for composting for the Province?

MR. MERCER: Since I have been involved in the file, around 2009-2010, we started to build as we gathered more information. We have completed fifty-plus studies and various analyses over a period of time, so we built a cost projection. In the cost projections that the AG's office was carrying – I think they were carrying a projected cost of \$315 million – included in that cost there is \$76 million being carried for composting facilities.

We carried those and we listed those as a medium risk because we had not completed our composting study, although we had visited numerous composting facilities throughout North America. We had learned what was working and what was not working, what could work on a large scale, what could work on a small scale. So in the cost projection we built in

\$76 million. Based on the information we have seen early in the composting report, it would suggest that is probably a conservative number for us.

MR. OSBORNE: Is there any estimate of the total amount of composting now taking place in the Province? I understand the vast majority of composting is as a result of individual and homeowners' backyard composting.

Can you give me some indication as to the amount of composting that is taking place, and what is commercially composted versus composted through backyard composters?

MR. SAMSON: We do not have a number at this stage of the game, Mr. Osborne, that you could pin on the total amount of composting happening; however, since the inception of the backyard composting program and the MMSB's involvement with it, for example, we have been involved with communities in the distribution of approximately 30,000 backyard composters. Of course, the difficulty is determining on a home-by-home basis how many of those are still in use and how extensively they are used and that sort of thing.

MMSB has also been involved in, along the way, a number of compost pilot projects. We are currently involved in a project with Burin Peninsula Waste Management where approximately 300 homes in the community of Grand Bank are diverting organics sorted at home, collected at the curb, and then composted in the facility at Grand Bank. If memory serves, I think that is somewhere in the order of 500 tons. So it is a relatively small-scale operation.

There are a number of other composting pilots at the community level that have occurred; one in Holyrood. I think we have done some work in Cape St. George. We have done some piloting work in the community of Harbour Breton, and in Holyrood. We have been involved with an in-vessel composting technology at Grenfell College in Corner Brook, where you are seeing the majority of organic waste on the Grenfell Campus being composted on-site using an in-vessel technology.

It is MMSB's place, or we see it as our place, and one of our roles in the Strategy is to test

these things on a pilot basis and see. As things now stand, there is no way to actually measure the volume because of course none of this material in backyards is being weighed and reported in any kind of a reliable way.

MR. OSBORNE: Okay.

The backyard compost program started back in 2005, I think.

MR. SAMSON: Yes, at least that long ago; that is correct.

There have been 30,000 backyard composters distributed to households in Newfoundland and Labrador through MMSB's partnership with communities.

MR. OSBORNE: There is no way of measuring the success of the composters that have been provided to residential consumers?

MR. SAMSON: Not really. We do not have a system in place that allows you to measure what individual homeowners are putting in their composters on a day-to-day basis. We do believe that some 50 per cent or 60 per cent probably of those composters are in active use. Those are anecdotal reports from talking to communities and doing check backs as we normally do. Obviously there is no system in place that allows you to weigh on a daily basis what an individual is putting or not putting in their backyard composter.

CHAIR: Mr. Osborne, we should go on to Mr. Parsons. He is afraid you are going to ask all the composting questions.

MR. K. PARSONS: He is going to ask all the questions.

Good morning. It is nice to have you here on another beautiful day in July.

I have some questions. First of all, I want to make a little statement that I grew up in the Flatrock area. We used to have a regular trip where we used to go to Robin Hood Bay. Most times when you went down there, your truck either came out of there with a flat tire or you were up to your knees in mud.

On a regular basis over the last number of years, on Saturdays it is a treat almost to go down to Robin Hood Bay, to pick up your coffee and wait in the long lineups with your trailer behind, and to see what a great facility it is. We have come a long way. I know that growing up in the area where I grew up, in Flatrock, there was a dump in Flatrock, there was a dump in Pouch Cove, and there was a dump in Torbay.

We have come a long way when it comes to waste management, in this area anyway. I know there is a lot of Newfoundland's geography where you are down and up; and transportation to get to facilities and to try to get it all in two areas is massive, and I understand that.

I just want to get back to, while I have it on my mind here, composting. I think that on composting we should be doing a little bit more on the educational part of it. Are we doing anything in our schools with our children and to promote it?

MR. SAMSON: Yes, MMSB has been very involved in partnerships with community organizations and schools on public education and outreach on solid waste management generally, on waste reduction issues, and of course on composting. We deliver composting workshops in schools. We deliver composting workshops in communities that partner with us annually in our backyard composting program. There is a significant amount of outreach.

There is information, of course, available on the MMSB Web site. We believe that the pilot work that we have been doing at the community level is contributing in a significant way to the awareness of the importance of organics management in Newfoundland and Labrador.

MR. K. PARSONS: I know first back in the 1980s it was not a very popular thing to recycle. Some people did it, and some did not. As our children got more educated and realized the importance, it kind of taught the grown-ups, their parents, and grandparents. I think it could work the same way with composting.

It is important that we work with the communities, like you said earlier. I know in the community where I am from they sell the composters, and it seems like nearly every

household down there now has one. I think it was due to the advertising by the community on the importance. They had them right out front, in front of their town hall, showing they were for sale. I think the more advertising, the more education we do when it comes to composting, will be important for everybody down the road.

I know that you said 27.6 per cent right now is where we are. What is our goal by 2015? Where will we be, do you think, in 2015? Will we be handy to the 50 per cent, 35 per cent, 40 per cent?

MR. SAMSON: We are at 27.6 per cent today. That represents a movement from somewhere in the order of 7 per cent at the outset of the Strategy. Ultimately, the diversion numbers are dependent upon and linked to the completion of the infrastructure – you cannot divert material if there is nowhere else to send it – and in the implementation, development, and marketing of the programs that feed that infrastructure.

The next big gains in diversion will come from the extension of curbside, we believe, in Central Newfoundland, when the materials handling facility comes on stream there. When curbside eventually gets implemented universally on the West Coast there will be significant additions to that.

We also anticipate additional progress on diversion related to organics. Organics is a large piece of the overall waste stream, particularly from a tonnage perspective. The implementation of the construction of infrastructure decisions that will have to be taken by government, the building of the infrastructure, the implementation of the programs, will be a significant gain.

On MMSB's side, we will continue to work on and introduce new Province-wide diversion programs, not unlike the used beverage program and the used tire program that we currently operate, or the Extended Producer Responsibility programs that we oversee. Electronics and used paint are other examples. The next big gains will come from, number one, the extension of curbside; and, number two, decisions in development of implementation on organics. That will be dependent upon the completion of the infrastructure.

MR. K. PARSONS: When the Strategy was first released, it was in 2002 and we had a budget of \$200 million for the cost of the total project. Now it has gone to \$316 million. Why wasn't it changed? In 2002 - the cost obviously changed when the Strategy really came in and was released in 2007. Wouldn't you think there would be an estimate done to say, okay, we are gone five years and the cost of doing things is a lot higher than what it was in 2002? How come that wasn't changed, your first original estimate?

When I read it that was the one thing that struck me. If in 2002 you come out with a Strategy that says it is going to cost this much, and by 2007 you are releasing your Strategy, there should be some kind of adjustment done saying we are five years in and the cost of doing things are a lot different than what they were in 2002. How come that wasn't changed?

MR. CHIPPETT: I will speak to the 2002 number. The Strategy had a range of \$150 million to \$200 million in it. I characterize that as a conceptual estimate based on the types of infrastructure generally expected at the time.

Obviously a part of the new number is the fact that specifics are known about what is going to be at each waste management site, what the actual programming is, what size, and what programs are going to be delivered in those pieces of infrastructure. You would refine estimates over time.

I can speak to that original estimate. The re-release of the Strategy in 2007 was done through Municipal Affairs, so I will pass that one to my colleagues in the front row.

MS JANES: Certainly the \$200 million, as Jamie referenced, was conceptual at the time. I will elaborate a little bit on where we have come from there. Cluney may have a level of detail that he can add to it as well.

In terms of the goals of the Strategy, working with the communities and the regional service boards, the implementation plan was effectively built from the ground up. Until we engaged those communities, until we engaged those regional waste management committees and subsequently boards in terms of what the infrastructure requirements or plans were in their

regions, it was difficult to add precision into the cost.

In 2007 there was a continued carry forward of that \$200 million estimation. Over the course of time, as we have deepened our work with communities and our regional service boards, and completed numerous studies over that period articulating what the infrastructure needs and requirements were, we are able to provide more refinement to what those costs are, in our cost projections, and move more into an area that we have a fair degree of comfort on; the one exception remaining at this point being in the area of composting, which Cluney has already spoken to that. The current report underway will help validate some of our cost assumptions there, and add another layer of comfort in precision to our projections.

I don't know if Cluney has any additional detail that he feels we should add there.

MR. MERCER: I wasn't there in 2007 but I can only assume, looking at the amount of study work that would have been completed between 2002 and 2007, there was basically none. The level of detail in terms of the architecture of what infrastructure was required had not changed. I can only assume that the \$200 million was just carried as it was carried in 2002.

As soon as, though, the picture started to become clear in terms of what the infrastructure requirements were going to be, then I took it upon myself to build a detailed implementation cost plan on a region-by-region basis. That plan has varied over the last six years I have been involved with the file. At one point in time it was in excess of \$400 million because we were still looking at three lined landfill sites on the Island.

With only two now, and not incurring \$80 million to \$100 million capital costs to put facilities on the West Coast, our number is back down closer to the \$300 million range. That is about the only explanation I can give you for 2007.

MR. K. PARSONS: It just seems like, to me - and you are very familiar with this now, Cluney - whenever you do a project, and the project

starts one year, the longer that you wait, even if it is just one year, you can look at the cost estimates just rise like you would not believe. I mean most of the projects that I know in my district with Municipal Affairs start off, and you can guarantee within a year it is probably a 20 per cent increase. It just seems very strange that you would use the same figures in 2002 that you would use in 2007. I understand - but you can understand where the costs are going and stuff like that.

MR. MERCER: When I started to build the detailed cost estimate on a region-by-region basis, then projecting out to 2020 for full implementation of the Strategy and recognizing that some of that infrastructure is probably going to get built within the last two or three years of the implementation period, what we did is we carried a 5 per cent escalation on our years.

If you were to look at my implementation cash flow plan, if you want to call it that - which I think we provided to the AG, and I think we may have provided it to the Chair of the Committee - those numbers actually carry a 5 per cent escalation. Typically we are finding that type of escalation in the construction industry since 2006-2007, really.

MR. K. PARSONS: The AG found that a major problem with most of the oversight was that the steering committee was not meeting on a regular basis. Since the AG report, is there emphasis on making sure that all departments are on the one page and meeting at a regular time so that they can make sure there is proper oversight on the projects?

MR. MERCER: I guess the short answer to your question is yes. Since January 2014 we have met three times, actually. That is not to say that there was not appropriate oversight with respect to the Strategy in prior years.

You can imagine, a lot of what we do is about infrastructure development. To build a material recovery facility, like we are currently in the process of building in Central Newfoundland, is a two-year construction project. There may be some frequency of meetings leading up to certain decision points within the Strategy. Then you spend two years building things where there are not a lot of decision points that need to

get made from a horizontal collaboration perspective.

In the six years that I have been involved, at times we have met several times during the month, and at times we have gone many months without a meeting. That is not to say that during that time frame we did not have significant discussions with maybe one of the partners who were involved. The decision points along the way maybe only would have involved Environment and Conservation. At a director level or an ADM level in Environment and Conservation and Municipal and Intergovernmental Affairs, there would have been significant conversations that would have taken place but not in the form of structured meetings.

We would have exchanged updated briefing materials and those sorts of things through that period of time. In the six years that I have been there, there have been at least three or four Cabinet submissions where we would have provided an update to the Strategy. There were presentations to EPC and other things that we would have worked on collaboratively.

To suggest that there was not any oversight, I think, is misleading.

CHAIR: Mr. Murphy.

MR. MURPHY: Thank you, Mr. Chair.

Good morning to everybody on the other side. It is nice to have you here to get some questions answered as regards to the Auditor General's report.

I will start off by saying that after hearing some of the comments from the other side, Mr. Samson briefly touched on some continued improvement and expansion in Province-wide recycling. If I can ask the question of Mr. Samson, under this category we have the example of the Electronics Recycling Program that is started, can you update for us what the organization is doing to access recycling products in rural Newfoundland and Labrador?

We know that there was a particular bone of contention as regards to consumers paying the fees but still not having access to areas where

these items could be recycled. I am just wondering if I can get an update as regards to the progress of that.

MR. SAMSON: Of course, electronics is an Extended Producer Responsibility program operated on behalf of brand owners in the electronics business by a national organization called the Electronic Products Recycling Association. They have a stewardship agreement that has been approved by the MMSB and its board. What it requires is that there will be ultimately, I believe, nineteen permanent locations for collection throughout the Province.

That permanent collection infrastructure will be supplemented by an annual series of mobile collection events, not unlike what was traditionally done without household hazardous waste, for example. Where we are today is that with, I believe, the possible – there are a couple of the designated permanent areas where I know EPRA has been having some challenges finding a partner to actually handle the materials. That is being dealt with in the short term by the scheduling of mobile events.

There are, in fact, more than nineteen. I believe there are twenty-odd permanent collection locations now operating in the Province because EPRA, working with the waste management authorities, has begun to locate infrastructure at transfer stations and landfill sites.

If you go to Central Newfoundland, for example, EPRA has an arrangement with Central Newfoundland Waste Management Authority that has electronics collection facilities available at all seven transfer stations and the main site at Norris Arm. There are eight, plus a variety of arrangements with green depots and others.

We are still in year one. The program is about one year old. I think it rolled out in August of last year. We anticipate that these issues will be resolved in the relatively short term and that as required in the stewardship agreement, all consumers in the Province will have reasonable access to the electronics recycling program.

MR. MURPHY: Mobile collection, I am curious about how the mobile collections would actually operate. For example, are we going to have a mobile collection station set up, I will

say, at a more remote area of the Province? For example, Harbour Le Cou, the closest point to that for somebody to drop off a piece of electronic recycling I think is probably Port aux Basques. It is a little bit of a hike for a consumer to actually take it and deliver it to Port aux Basques.

I am wondering about the simple aspect of mobile collections too, because I see a problem at the same time. While we are doing recycling for the benefit of the environment, we are wasting an awful lot of energy at the same time to get these items picked up. Do you see where I am going with it? I am just wondering if can you give me some more detail on the mobile collections, how that is going to work for more remote areas of the Province?

MR. SAMSON: Well, what will happen is on an annual basis there will be a series of mobile collection events which will occur in areas of the Province which are not the same as the areas where the permanent infrastructure is located. Those collection events will generally be operated by EPRA, oftentimes in partnership with a local organization.

The example I would draw upon would be the program that MMSB operated for many years on mobile collection events for household hazardous waste. It is a decision taken in the spring that there will be fifteen or eighteen mobile collection events, they will occur in the following places in partnership with the following organizations. Appropriate marketing will occur and public information made available, and people will be provided an opportunity to drop off their electronics.

The challenge, Mr. Murphy, in a jurisdiction like Newfoundland and Labrador as it relates to recycling, and not only electronics recycling but also paint and household hazardous waste, tires, beverage containers, is that with a lot of geography many communities of relatively small population, widely dispersed, the economics are often very challenging. What we have done is we have, as MMSB has done in its beverage program, sort of structured it that way. The rule of thumb is you do the best that can be done to provide reasonably convenient access for all residents of the Province to the program.

MR. MURPHY: Okay.

The cost to the electronics recycling program that are charged to the consumer on their bill whenever they buy a TV or anything, right now, is that going to be the only cost that consumers are going to see as regards the future operation of mobile collections, or are we going to see these fees increase too eventually?

MR. SAMSON: You will. In fact, I have been advised by EPRA that the fees in the display category – well, I should just back up a little. The fee structure in place for EPRA in Newfoundland and Labrador is a harmonized fee structure which is the same in Ontario, Quebec, PEI, Nova Scotia, and Newfoundland and Labrador. It is the same fee structure.

MR. MURPHY: Okay.

MR. SAMSON: What we have been advised, and there had been an issue around the charge on the mid-range size televisions, the thirty-two inch, once you went over twenty-nine you were paying \$42.50. There will be a change to that, I believe, in October. What you will see is the smaller TVs will continue to be at \$12.50, I think, as it currently is. The medium-sized TVs, the twenty-nines through, I believe, forty-twos or forty-sixes that charge will be dropping to \$23.50. Then the larger TVs, the big fifty-fives, and sixties, and eighties, on sort of the luxury end of the market, I think will see a marginal increase of about a dollar.

All of that money, of course, goes to the Electronic Products Recycling Association. None of it is, notwithstanding that it has been construed as such, it is certainly not a tax. None of that revenue accrues to MMSB or to the Government of Newfoundland and Labrador. The agreement provides that the fee structure in the financial statements of EPRA, which are public, will be reviewed on a regular basis, and fees will be adjusted to reflect the actual operational costs of the program in the jurisdiction.

One of the challenges with electronics, as you can appreciate, is that in the early days of the program you are not only taking things that a fee had been paid on, you are taking my father in law's thirty-one inch Trinitron that he bought

thirty years ago and did not pay a fee on, but now EPRA is taking it and incurring the cost to handle it. In the early stages of a program what you have is a bump in volume of materials upon which no fees have been paid. They are called in the business legacy products.

Once you move through the bump of legacy products, and that usually takes a handful of years at the beginning, then there is room generally for adjustment, and we would anticipate adjustment in the fee structure in this jurisdiction.

MR. MURPHY: Okay.

So there is a good chance, obviously by what you are saying, that we are going to see some of these numbers jump – or some of these numbers drop, I should say, that are charged to the consumer right now.

MR. SAMSON: We would anticipate that the numbers are more likely to drop than to jump, yes, but it will depend on the performance of the program on an annual basis. Again, this is an expensive jurisdiction to run these kinds of programs in because of the transportation challenges and those sorts of things.

MR. MURPHY: I am curious, too, at the same time. Did waste management do an assessment, for example, on the continuation if you will, or probably a different way of handling electronics?

I have read studies on actually taking electronics and handling them at the dump site, number one, and having them collected there. I have also read studies on the simple aspect of leaving electronics where they are and burying them together in one site. The environmental cost, for example, of breaking down a piece of electronics into a recycle form again takes an awful lot of energy at the end use, and of course the only beneficiary from the recycling would be the industry.

I am curious about whether the waste management group actually looked at studies as regards the cost of leaving it in the ground so to speak, versus taking it and costing consumers and taxpayers, if you will, adding somewhat a financial burden in some cases to the industry

and possibly to consumers again in end cost and at the same time the cost to the environment in actually recycling these items. Have you seen any studies like that?

MR. SAMSON: There was a lot of work done by the Canadian Council of Ministers of Environment back in the last decade, as they developed a national framework for the implementation of Extended Producer Responsibility. The idea behind Extended Producer Responsibility is that responsibility for the cost of managing material through its whole lifecycle should properly accrue to the people who produced that material, who distribute that material, and ultimately those who consume that material.

Electronics was identified as a priority product group under the EPR framework adopted by CCME back in 2009. The issue with electronics is that much of it is hazardous when landfilled.

MR. MURPHY: Right.

MR. SAMSON: You have components of heavy metals, mercury, lead, cadmium, lithium, the built-in battery stuff and all of that. It is important material, we believe, and the studies would show that this is important material, to keep out of the landfill. Therefore, the decision was taken here in Newfoundland and Labrador; the government took the decision to go in an EPR direction.

The brand owners designated EPRA, which is a national organization that meets all of the required environmental standards in terms of the collection, dismantling, and all that sort of stuff. We wanted all to be very sure here in Newfoundland and Labrador that these hazardous materials produced here in this Province were not ending up somewhere else. We have all seen the things on TV about where sometimes things end up being broken down and recycled in the Third World, not subject to appropriate regulation and that sort of stuff.

All of the material that comes from here goes through the EPRA process. Each stage of the process has been subject to review and certification. It happens in the safest and most environmentally sensitive way possible. We are comfortable that it is the correct answer, and it

is. In fact, nine of ten provinces are currently dealing with electronics through an EPR approach.

MR. MURPHY: Okay. Thank you for that.

I wanted to come back again to the Auditor General's report, too. I wanted to come back to the 50 per cent diversion figure that has been given out for quite some time. In 2002, of course, we saw one number and a particular goal to be met by 2010, that same number. Then in 2007 that number was set again for 2015 at 50 per cent, and right now we are at 27.6 per cent.

I know you are having an issue as regards to infrastructure being put in. Is there anything else holding it up besides the simple fact of the placement of the infrastructure? Why is it that we are taking so long putting this infrastructure in place if we had the goal of 50 per cent diversion? It has been seven years now; I figured that somebody probably would have had a plan put in place when they first initially met the target. What has been happening that we have not been meeting those goals?

MR. MERCER: I will repeat what I said earlier in terms of the initial six years or since 2008 really. I know the Strategy was re-endorsed in 2007 and was provided some funding to do some meaningful infrastructure work. There was a significant amount of time, as you can imagine, to organize the communities.

I have always said that in my twenty-eight year career in government I would suggest that the Waste Management Strategy is probably the largest regionalization effort ever undertaken by government. Getting 615 or so communities to agree to work together so that you have fifteen or eighteen communities agreeing to participate in a curbside collection contract, establishing committees to establish what a governance structure would be for a regional service board that ultimately has the authority to operate waste management facilities and to apply service fees to the residents who they are providing the services to, we had to do all of that first. Before you start building infrastructure you had to do that. You cannot have infrastructure without having a governance structure in place to administer it.

We have only been really six years into this Strategy. We have six out of eight regional service boards on the Island in place. I expect to have the other two in place in the not-too-distant future. We have all the governance in place. We have at least half of the infrastructure in place and we have a plan for the other half. We have seven years left to do it. That has been our focus.

Diversion, obviously, as Mike had indicated, is heavily dependent on infrastructure. You talk about backyard composting; well, backyard composting gets out about 5 per cent to 7 per cent of your organics. It is yard, leaf, and food scraps for the most part. It is not the other 25 per cent of the organic stream that you can compost in your backyard; otherwise you are going to have some major issues. You need larger scale composting facilities to do that. The way we implemented the Strategy was to focus on that earlier stuff first. Once we have everybody working together, then we will deal with the composting piece.

CHAIR: Mr. Peach.

MR. PEACH: Thank you very much, Mr. Chair.

I have some questions. Most of the questions that I have are questions I have raised with some of your staff before, with concerns from my district - from a lot of people in my district, really.

First I want to ask a question about the user fee that is being charged to the individuals, the homeowners. In my district I have a lot of cabin owners who come from all over the Eastern Avalon, really. I will name one area in particular, which is Spread Eagle and Old Shop. The cabin owners there, if they have one bag of garbage, they take it and throw it in the trunk of their car and carry it home, but they are still being charged a fee the same as the homeowners in Old Shop and those places.

We do have about a dozen cabin owners there who are full time and they have no question with the fees being charged, but we have quite a few people who are living there probably three weekends, or perhaps four weekends, out of a

year that they go out there. There has been a big uproar, I would say, from those people.

They have been talking to almost everybody they can talk to on the board who are making the decisions. They are talking about the unfairness. Not the unfairness of being charged a fee at the same rate as everybody else, but the unfairness that they only have a bag of garbage that they throw in their trunk and carry home and they are still being charged the fees the same as people who are there full time.

We also have homeowners whose homes are vacant and they are gone away to Toronto or Fort McMurray or somewhere like that. They are gone year-round. Some homes have been vacant for two and three years, but they are still being charged a fee for garbage collection.

Can you respond to any of that, and why that would be? I know they have a board that makes the decisions and sets the fees. We have been requesting that they review the process and see if there is not some kind of a way that they can eliminate some of the costs to those people. They are saying that we are living in Conception Bay and we are paying a fee in Conception Bay for garbage. We have a cabin out there that we go out for probably a couple of weekends, and then we are still charged a total fee. They have no problem with charging a fee, but they feel it is unfair to be charged the same fee as the homeowner who is there in the community.

MR. MERCER: Yes, under the Regional Service Boards Act – that is the piece of legislation that gives the regional service boards the authority to operate waste management infrastructure, provide the service, and to charge appropriate fees – they have the authority to charge a fee to anyone in a municipality, in a local service district, or in an unincorporated area. While it is a decision of those boards in terms of the fee that would get applied to a seasonal property owner, it is their decision to make.

I use the same analogy, if someone is away from their home for two or three years and lives in a municipality; chances are they are going to pay their property taxes. If their water and sewer runs by the door, if you are hooked up, or even if you are not hooked up, you are going to pay a

water and sewer tax or you are going to pay a water and sewer fee.

The thing that a board has to consider is that if you go into an area – and I will just use maybe Deer Park as an example which has a significant cabin area. It has probably thirty or forty permanent residents there, but it has another 1,000 seasonal properties. They are looking at the provision of waste management services for the entire region. If you create a situation whereby people can sort of opt in and opt out, if you get a significant number of people say I am going to put my garbage in the back of my truck and I am going to take it home, then it really makes it uneconomical or really expensive to provide that service to the dozen or so who says yes, I will come by and pick up my waste.

The waste collection truck is going to roll by the door, and a big part of the overall cost that they will pay on a regular basis is that collection service. From the work that we have done, the two big elements of cost to the homeowner is the operation of landfill, which is about a 35 per cent to 40 per cent cost of the overall household cost, and the curbside collection piece. Getting it collected and getting it to the landfill is about another 35 per cent. Seventy-five per cent of the cost is borne in those two pieces alone. That is maybe some of the rationale that some of the boards are using to have established the fee structure that they have established for seasonal property owners.

MR. PEACH: Just a comment on what you mentioned about the property owners and paying property taxes and water and sewer taxes. In most of the areas that I am talking about there are LSDs so they do not have any water, they do not have any sewer, and they do not have any property taxes. For those who do pay property tax in a town, normally what they will do is if they are gone away and they have the doors barred in the house and nobody living there, they will request an exemption from fees and have their water cut off. That happens a lot of times. This is why they are using their arguments for the cost they are accruing for the collection.

When the dumpsites closed out – and I will go down as far as Whiteway, because I do not know if it goes beyond that, to we will say Chance Cove, Fair Haven in my district - two years ago,

when the dumpsite closed out, there was supposed to be a transfer station or a drop-off site for household furniture, washers, dryers, et cetera in Whitbourne. Two years have gone by now and there is still no site. People are really, really, concerned about the cost they are accruing there. They are paying their fee for garbage collection and then they have to take their household furniture or whatever and go to Robin Hood Bay with it, or they have to go up to Placentia, or some have to go as far as Sunnyside.

Can you give me any light on when that facility should be built? I know that you picked the location there. That lately has changed, so what are the plans there now? What is the future plan for that transfer station or drop-off station?

MR. MERCER: Yes indeed in the Eastern region there were nine of those public drop-offs. For the information of the committee members, a public drop-off is not a drop-off for regular household waste; it is for bulk items such as mattresses and your hot water tanks, your white metals, some C and D material and those sorts of things. It would be a lay-down area basically where you put it in a pile and then at a certain point you load it and you transfer it to a landfill, or in the case of metal you may auction it off.

Yes, there is still a plan for a public drop-off in that area. That is the only one left in the Eastern region not built. I know the consultant who has been engaged by the Eastern Regional Service Board to look at potential sites out there really scoured all areas out there. The Peak Pond area was one area that they had identified for that. That later was tangled in a proposed composting project that the Eastern Board was proposing as a pilot project.

There is still work ongoing. As a matter of fact, there is a piece of land being looked at right now which is right adjacent to the Transportation and Works depot just off the Trans-Canada Highway there.

MR. PEACH: In Whitbourne?

MR. MERCER: Sorry, in Whitbourne. It is appropriately zoned as industrial, so we have been having some discussions as of late – as a matter of fact, even as late as yesterday – with

Transportation and Works in terms of whether or not they need that space. We have identified I think about thirteen hectares there that might be suitable, and certainly would be a suitable location for that facility. The biggest challenge so far has been finding a piece of land.

MR. PEACH: I know that you have been offered a piece of land, which is a dump that closed in Long Cove. Long Cove is a large lay-down area. The town of Norman's Cove said you can go there, and there would be no cost to government or whatever. We have been waiting so long, and we picked an area where there has been a challenge with private property and whatever. I just wanted to make that comment as well.

MR. MERCER: Yes, well the centroid of the location that has been recommended as what would be the most economical for people in that area to bring waste to is Whitbourne. We have been trying to get a location as close to Whitbourne as possible.

Going to Long Cove would be a little further west and away from the centroid, so people would incur more cost to get there. Ultimately, if we cannot find a location in the Whitbourne area then we will have to consider something that is adjacent to it.

MR. PEACH: I agree with you. The central area is Whitbourne because people come from down the shore and whatever.

MR. MERCER: It is certainly a high priority for us. We want to get it done sooner than later, recognizing that dump sites there have been closed for a couple of years and people are having to either hold onto or transport those bulk items a much longer distance than they should have to.

MR. PEACH: I am just wondering about the 27.6 per cent. I was listening to the answers that you were giving on that. Some of them I agree with, but I was just wondering: 50 per cent by 2015. Now according to the findings of the Auditor General we are going to be approximately around \$315.5 million, an overrun of 58 per cent. That is \$115 million, over half of what was projected in the beginning. I know you talked about infrastructure and

things like that, but I am just wondering where the large overrun would occur. I am sure you took into consideration infrastructure and that in the beginning, I am just wondering what the –

MR. MERCER: Well, referring back to the earlier question regarding the \$200 million estimate in 2002 and then again in 2007, the specifics and the details related to the infrastructure requirements back in 2002 and 2007 were not available. I do not think many, if any, knew what the infrastructure would in fact look like.

It took a fair bit of analysis and work to determine that the most economical approach for the Eastern region is for most communities to direct all to Robin Hood Bay, and that we would end up with nine public drop-offs. That level of detail did not exist in 2002, and certainly from the research I have done did not exist in 2007.

The \$200 million number was a very high level number. We are confident that the approach we have taken, and while our projection right now is \$315 million, we have tried to find ways to do this the most economical way that we can from a capital perspective, from an operation and maintenance perspective, and a household cost perspective for residents of this Province. No, we have amended the Strategy in terms of – it called for three landfills, and through analysis we have done, we found that the most economical approach is for Western to go to Central.

We could have built another landfill over there, incurred an extra \$100 million in capital, and the residents over there would have paid another couple of million dollars per year in operational costs. We think we have done good due diligence in terms of appropriate infrastructure, balancing the benefits to the environment, keeping capital costs low and keeping operational costs at a reasonable amount for homeowners.

We have kept abreast of new advances in technology that are happening. There are new things that are being marketed every year. For instance, when we built transfer stations in Central Newfoundland three or four years ago, there is technology now, proprietary technology that is on the market that would suggest there is

a more economical approach to that in terms of transfer stations.

We are currently in the process of doing a design-build RFP for six transfer stations on the West Coast. That will be a design-build, so we are not asking someone to design it for us. We are going to the industry so we can leverage innovation and get the most economical, latest technology that is out there. We think, and we know, we have had reports from industry that we can do it significantly cheaper than you did it four years ago in Central. So, we are open to all of that.

If you look at the \$200 million in 2002, and I think I might have said this to the AG, just apply an inflation factor to that out to 2020 and you will probably come up with a little in excess of \$400 million. That is probably where we would have been if we had built three landfills. We are probably going to be in the \$300 million range.

MR. PEACH: The 27 per cent that you talked about, do we have a breakdown of what portion of that would be in Eastern? How much is completed in Eastern as to what was anticipated to be done? Do we have anything on that, what percentage of the Eastern is already –?

MR. MERCER: Just for clarification, Mr. Peach. You referenced the 27 per cent, which is waste diversion, but your question is more along the lines of the infrastructure in Eastern, how much is done. Is that –?

MR. PEACH: Yes. How much is completed right now as to what we anticipated would be done (inaudible)?

MR. MERCER: In the Eastern region, the plan is that all communities would direct all to Robin Hood Bay, with exception for those in the Clarendville area. The architecture calls for one transfer station in Clarendville.

MR. PEACH: Is the Burin Peninsula included in the Eastern?

MR. MERCER: No.

MR. PEACH: It is not.

MR. MERCER: The Eastern region is all the Avalon, including the isthmus, and includes communities surrounding the Clarenville area. Lethbridge would be in the Bonavista region, and I think once you get past Goobies you would be getting down into the Burin region.

What we have done is – everything is done. The development and redevelopment of Robin Hood Bay is all done. What is left is composting for the Eastern region and the completion of a transfer station in Clarenville.

CHAIR: We will go to Mr. Osborne.

MR. OSBORNE: So there will be two landfills created in addition to Robin Hood Bay?

MR. MERCER: No, including Robin Hood Bay.

MR. OSBORNE: Including Robin Hood Bay.

In the Auditor General's report there is consideration being given to the construction of a new unlined landfill. So the new landfill that is going to be constructed will be unlined?

MR. MERCER: The reference in the AG's report to the construction of an unlined landfill is in Southern Labrador; so not on the Island. The two landfills that will be on the Island will be Robin Hood Bay and Norris Arm.

There will likely be a landfill in Southern Labrador, an unlined landfill. There is an unlined landfill in Labrador West. There is currently a single, unlined landfill in Happy Valley-Goose Bay, and there are landfills on the North Coast, communities north of Goose Bay. We do not know what that will look like at the end of the day yet; but, yes, the reference in the report was to Southern Labrador.

MR. OSBORNE: The Norris Arm site will be lined?

MR. MERCER: The Norris Arm site is lined. As a matter of fact, the first cell is constructed as a lined cell. The board is currently looking at constructing the second cell now, because the site has been in operations for about two years and each of the cells are designed for about five years of capacity.

MR. OSBORNE: Okay.

I just want to have a look at the 27.6 per cent diversion, we have – I know when I was in the department Green Bay was diverting primarily fibres, but they were diverting at the time. We have St. John's with curbside, Corner Brook with curbside, Mount Pearl with curbside, and there were recycling programs put in place in Grand Falls and Lewisporte.

Outside of those programs that are put in place, including the paper and fibre programs put in place, is there anywhere else that waste diversion is coming from? I should include in that the beverage container recycling program and the tire recycling program. Where else is diversion coming from that is making up the 27.6 per cent?

MR. SAMSON: The 27.6 per cent broken down, roughly, about 75 per cent of that is coming from industrial, commercial, and institutional diversion; paper, metals, construction and demolition, C and D materials. The next most significant proportion of that is coming from MMSB's operated programs, beverage and tires. I think beverage is about 7,700 tons a year diverted through the beverage program, and another 5,700 tons, if memory serves, is from the tire program. The balance is, at this stage of the game, coming from residents at curbside.

It is important to note that residential curbside is now available through virtually all the Eastern region, because Eastern Waste Management, which does consolidated collection in rural areas on the Avalon Peninsula, has introduced a curbside program as well. That is roughly the breakdown of where the 27.6 per cent is coming from. As I indicated earlier, we believe the big gains are to come from organics. The next big step will be the expansion of curbside to Central and the West Coast.

MR. OSBORNE: In the past seven or eight years there has not been any major growth in the percentage of waste diversion?

MR. SAMSON: No, I wouldn't say that was the case. I mean, we are starting from the baseline number of 7 per cent in 2002. What we have seen over a period of twelve years is a growth of

about 20 per cent in diversion over that period of time.

As I indicated, it is really related to infrastructure. Once you get beyond, what really drives diversion at the end of the day is to build the infrastructure, put the programming in place, and focus heavily on public education and promotion to drive participation in those programs by homeowners and by the ICI sector as well.

Ultimately, if you look at jurisdictions like Nova Scotia, the big kicker on diversion and the final push on diversion come through regulation and enforcement on the backend. If you go to Nova Scotia and look at the kind of program they are running, what you are seeing is the use of clear bags; garbage is being inspected, and in some instances rejected at the curb. There is a requirement for participation.

We see participation in programs, for example, here in the Eastern region. The City of St. John's says they have, I believe, a 60 per cent participation rate in curbside. The question is: 60 per cent of the people are putting out a blue bag, but how much of the eligible material, how much of the opportunity are you realizing by what is in the blue bag? How much recyclable material or divertible material is still going in the black bag? Those are the kinds of challenges that we are encountering here in Newfoundland and Labrador, and that other jurisdictions have encountered as their waste management systems have been built and matured over a period of time.

MR. OSBORNE: Let me rephrase my question. Back in 2004-2005, curbside recycling was implemented in Mount Pearl and in Corner Brook. There were regulations put in place for waste haulers to ensure that a percentage of their waste was diverted as a result of fibre and so on. There were programs put in place in Lewisporte and in Central for waste diversion, primarily of fibre.

We already had the Beverage Container Recycling Program in place. We already had the tire recycling program in place. There was an agreement, I recall, between the MMSB, government, and the City of St. John's to implement their waste diversion curbside

recycling program once their facilities were built. In my estimation that is what makes up the vast majority of that 27.6 per cent, those programs that were in place in the mid-2000s.

St. John's came in place a little bit later, but the agreement was in place in the mid-2000s. Beyond that, has there been any significant growth in the percentage or the amount of diversion in this Province?

MR. SAMSON: Well, there has been significant growth. As I said, the number has moved from the 7 per cent that we were dealing with in the earlier part –

MR. OSBORNE: That was in 2002. I apologize, Mike, for interrupting. From let's say 2007 to now, what growth has taken place?

MR. SAMSON: We have seen the introduction of curbside throughout all of the Eastern region. Curbside is now available in all of the area, the 17,000 homes that Eastern Waste Management does consolidated collection for. It is all done with split stream trucks. Curbside opportunity is available for all of those residents in the Eastern region.

There has been significant work done in organics diversion on the Burin Peninsula and in a variety of other communities. There has been significant work done in respect to the ICI sector and driving the diversion of, particularly, construction and demolition waste. All of those pieces comprise the growth that has occurred over that period of time. The next big steps that will occur will come in the expansion of curbside and the development and implementation of infrastructure and programs that relate to organics on a large scale.

MR. OSBORNE: The Extended Producer Responsibility program, we see that with electronics now. I know if you purchase a battery at a Walmart, for example, there is a \$15 fee. If you bring your old battery in, you get that \$15 back. That is obviously incentive for many people to bring their old batteries in.

There is no similar incentive in place on electronics. While the program is in place, I still see in the more rural areas of my district, if you want to call it that, televisions and so on being

dumped. Is there consideration given to an incentive program on electronics?

MR. SAMSON: The EPR program, the electronic waste program that is operated in Newfoundland and Labrador by the EPRA, is essentially the same program; it is a harmonized program across the country. I am not aware that there is a deposit refund system in place on electronic products anywhere in Canada. It is not the model that is in use in the country.

The cost that is incurred by the consumer at the time the product is purchased, the entirety of that cost is used by EPRA as a non-profit organization to manage the disposal of the material and in an environmentally appropriate way at the end of its life. Unlike the used beverage program, which is structured as a deposit refund system, electronics is not. Generally speaking, Extended Producer Responsibility programs are not deposit refund systems.

MR. OSBORNE: Okay. What other work is being done in relation to the Extended Producer Responsibility on other products?

MR. SAMSON: The first one introduced in Newfoundland and Labrador was used paint, of course. Paint has been in place for a couple of years now. It is operated on behalf of the paint brand owners by a non-profit organization or a company called Product Care.

The second EPR program in Newfoundland and Labrador was the electronic waste program introduced about a year ago. There is work ongoing at the program development level as we speak in a couple of other areas. One relates to used oil, glycols, and associated automotive products.

There is currently a used oil program in the Province which has had some success; but, of course, containers and oil filters and things are not captured by that program. We have been working on a proposal for the government in respect of implementation of an EPR program for used oil, glycols, and associated products.

The next big wave in EPR is anticipated that it will be PPP, which is printed paper and packaging. We are beginning to see the first

movement on printed paper and packaging at the EPR level in Western and Central Canada at this stage of the game. That is where the next move will be on EPR, subject to government approval, of course.

MR. OSBORNE: Okay.

I do not know if they moved forward with that, but I know some areas were looking at having a manufacturer doing a rough calculation of the amount of cereal boxes, for example, that a manufacturer would bring into a region. That manufacturer would pay an amount based on the amount of packaging that they brought into a region.

Essentially it would be a hidden cost, because the consumer would not pay a surcharge when they bought a box of cereal; it would be built into the cost of the box of cereal. The manufacturer would then rebate to that jurisdiction an amount based on volume of packaging to help divert and recover that waste. Has government –

MR. SAMSON: That is essentially the framework which is under consideration here and elsewhere in the country for printed paper and packaging. That would essentially be it. There would be estimates on the amount of the material that is, of course, subject to verification by audits at the materials recovery facilities. There would be a built-in assessment in the price of materials.

That money would be distributed essentially to waste management authorities, landfill operators, and MRF operators to defray the costs being borne by consumers and taxpayers for the operation of those facilities and the support infrastructure around them. That is certainly where PPP will likely end up from an Extended Producer Responsibility standpoint.

MR. OSBORNE: Okay.

On the tires, they are still being shipped off to Quebec or wherever for burning?

MR. SAMSON: That is correct. Where we are today is that approximately – well, I will step back a step. We continue to collect tires on an ongoing basis from approximately 625 locations

around Newfoundland and Labrador. All of that ongoing generation is collected and shipped directly to a market in Quebec where the tires are incinerated for use as alternative fuel in cement kilns essentially.

The stockpiled tires at Placentia, which were topical for such a period of time, also have been baled by and large. The highway tires, the smaller tires have been baled and they are being shipped to the same customer in the Quebec marketplace for incineration, use as tire-derived fuel or TDF, as it is known. We are currently in excess of 75 per cent depleted at Placentia. Approximately 75 per cent of the stockpile is gone from Placentia, and we anticipate that the Placentia stockpile will be fully depleted by the end of the current fiscal year.

MR. OSBORNE: One other question, Mr. Chair, on tires. One of the disappointments that I had in leaving Environment when I did – because I feel I would have had great satisfaction from an agreement between the Departments of Environment, Transportation, and Municipal Affairs back in 2006. They were going to crumb the tires and use them to insulate infrastructure, pipes and so on. That never happened.

Part of the reason it did not happen was that the equipment – I think it was located in Stephenville by a company that used to shred the tires here – was sold by the MMSB. Is there any consideration now, as opposed to having the tires burned in Quebec and used as an alternative fuel, to revisiting that? The tires, if they were crumbed and put around infrastructure, water, sewer pipes, whatever, my understanding is that infrastructure would last considerably longer than insulating with crushed stone.

If it was dug up 100 years from now it could still be used again to reinsulate. While I understand the amount of tires in this Province would not provide enough material to insulate all the infrastructure that is used on an annual basis, at least it was diversion and a good use of that. I was disappointed when the MMSB sold that equipment as opposed to allowing that plan to proceed. Is there any consideration given to revisiting that idea?

MR. SAMSON: At MMSB we continue to consider any and all proposals in respect of alternative uses for the tires. The current decision of the board and the organization has been to enter into the agreement with the cement producers in Quebec who ship the tires on an ongoing basis out for that utilization.

We do continue from time to time to get proposals from people wishing to do alternative things with the tires. We are always prepared to look at and consider those proposals. Subject to their economic viability, and understanding that there would be public tendering issues and stuff around alternative arrangements, we would certainly be prepared to consider alternative uses for the tires.

As you can appreciate, there are a number of complexities that relate to the alternative utilization of tire rubber in Newfoundland. Volume, as you have indicated, is obviously one. The current volume of between 450,000 to 500,000 units a years is a difficult volume to work with from an economic standpoint. The investment on the front end for alternative uses and the volumes that result from that are challenging from an economic standpoint. We also have issues, of course, that relate to the potato nematode and other sorts of issues that challenge your ability to do certain sorts of things with the tires.

I guess the short answer, Mr. Osborne, would be that we are always interested in finding alternative uses. We have done a lot of work around the use of shredded tires as tire-derived aggregate. We have been pursuing some discussions with various partners around that as a potential alternative, understanding that as the MMSB we do not perceive it to be in our best interests, or the best interests of the program or the Province, to have all our eggs in one basket in respect of the tires, but they have certainly been a challenge. The couple of private sector attempts to do something with the tires over the years, of course, were not successful. The short answer is yes, we do continue to consider and to carry out research on potential alternative uses for the tires.

MR. OSBORNE: Okay.

One quick follow-up on that: it was your predecessor, Mike, at the MMSB where the equipment was sold, but it was to be an in-house, a government and MMSB, to crumb the tires and use it as insulation on infrastructure.

MR. SAMSON: That was certainly before my first run at MMSB, which has subsequently become a second run at MMSB.

MR. OSBORNE: It was, but in any event, that was in-house. It was not a proposal.

MR. SAMSON: Right.

MR. OSBORNE: It was to be done in-house and – anyway, just food for thought.

MR. SAMSON: Thank you.

CHAIR: Mr. Cross, and after Mr. Cross we will take our morning break.

MR. CROSS: Thank you.

I have two or three questions, and they are sort of jumping over the place because a lot of the things I had noted on the sides of my paper and notes I had taken have been touched on.

Mr. Osborne has started this vein of questioning along the lines of the 50 per cent diversion, and some of the comments that have been said throughout the morning were referring to different recycling programs and different programs on the go. I know in the Eastern region there is probably a fair bit more of the curbside going ahead than there is in Central, but is the onus on the towns to initiate this, or is MMSB going to initiate in the Central region that goes to Norris Arm?

I heard comments about Lewisporte and a couple of other names – Grand Falls-Windsor, probably – dropped this morning in the sense of some other programs on the go, but the initiative to get the extra things recycled, like cardboard and the other cans out, as opposed to the beverage containers from the homes, where is that, or at what point –? Would it help us get to the 50 per cent quicker by actively starting programs?

MR. SAMSON: At MMSB what we do is we pilot, we promote, we educate, and we try to incent people to undertake these kinds of programs.

The numbers of things that MMSB has been involved in, and some of the things that have been referred to here this morning – the diversion of household hazardous waste, for example, was an MMSB initiative which was interim to the development of the modern waste management system and the construction of the infrastructure and the development of the programming to allow HHW collection and diversion to occur at the regional level for everybody in Newfoundland and Labrador. As that permanent infrastructure comes on stream and the system matures, MMSB will withdraw.

Our involvement along the way, for example, in composting – and that has been everything from vermicomposting, using worms in a plastic bucket on top of your shelf, to your backyard composting program and the 30,000 bins that have been distributed in partnership with communities throughout Newfoundland and Labrador, the industrial pilot at Grenfell College. It is all about piloting, about testing things out, about getting people used to the ideas about seeing what works.

In the case of composting, we have done a lot of work around recipe development because of course successful composting you do not just throw the stuff in a pile and wait. There are issues that you actually use a recipe. It is not unlike making a cake. All of those kinds of things we have been involved in along the way.

We will not and are not involved, and it is beyond our mandate and scope of operations to be involved in actual collection at curbside and that sort of thing. Those responsibilities very clearly fall to the regional waste management authorities and/or the municipalities. What we do is research, we educate, we will help and we will assist in the marketing of programs and provide advice and counsel to municipalities and others.

I think what is going to happen in Central, just to jump ahead on your question – my understanding of the plan in Central is that most of the collection in Central is consolidated and

done by the Central Waste Management Authority, virtually all of it, I think, with the exception possibly of the Town of Grand Falls. Curbside will roll out throughout Central region all on the same day, all subject to the same rules, all the same program, all administered by Central Newfoundland waste. That is the way it will happen.

MR. CROSS: Okay, because I know when it started the big trucks were coming for the garbage as opposed to the local contractors and the towns. There were dates in place. I just assume – it seems like it has been a couple years now. It was thought the first year-and-a-half, after that they would be into more materials and you would have to sort your garbage and things like that. I guess that day is coming but it is probably delayed a little bit.

MR. SAMSON: My understanding is that the materials recovery facility will be commissioned early in 2015, so we would think perhaps some time next spring curbside will be ready to roll in Central.

MR. CROSS: Okay. As of right now, for the ordinary consumer in most of Central Newfoundland, other than the towns that have taken it upon themselves to have a different way to do it, nothing has changed, other than the garbage is picked up out of our garbage box or whatever at the front of the house.

One truck takes it to, in my case it is Indian Bay. The community next to us takes it to Gander Bay. Then there is another truck that comes in and hauls it away and everybody is just wondering, make no wonder it is costing such an amount and all this because you are moving it around so much. If there is nothing else done it is just as well to throw it in the ground here. Plus, the reclaiming of all the dumpsites in the different communities, the costs are there.

When you visit with local governments, or even individuals, the topic comes up: make no wonder we are paying this big tipping fee and all of this because look at what you are doing with all the garbage. It is just as well to throw it in a hole in the ground here as it is a hole in the ground in Norris Arm. With the people out there, that is the type of attitude. Maybe we have been our own worst enemies to a point that

what we have done so far, because they have not seen the next steps and the next steps, is that we are not sending the right messages, so people are not ready to jump on board.

When the time comes we are going to sort our garbage, and they are not educated or not prepared for that. Maybe that is just a head's up or an idea that maybe we have to do more of that. We have come a long way from the time when we would go to the little store, when I was a kid down on my end, and you would ask for your bottle of pop: are you going to take it out or are you going to drink it in was the question asked, because you had to add the extra two cents on if you were going to carry the bottle away. The bottle was almost like the fellow in the store owned it himself. He got his bottles back and changed them and sold them back as well.

From those days to here, we have grown quite a bit but there is still a fair room to go in some areas, which leads to two other little aspects. One, recently I did some things at my house. I tore out some carpet and I did whatever. I borrowed my sister's truck, used my little card and went to Indian Bay to drop off the materials. This distance is like twenty-five kilometres or so. Jamie would understand because we were neighbours years ago. I thought him the facts, so he knows what I am talking about.

When you go to Indian Bay, you go in and you have your card and you get up along by the antenna somewhere and you are swiping it. Whether it hits or it does not, most times I have gone in and I have come back and had a little charge at the end of my dumping because I expect that. The last time I went in I thought I did all the same things but it was so hard to get the signal to work that when I walked out and saw at the end, cost to user or whatever, it was zero. There was no cost.

I brought in the same materials I have always gone with. I had half a pickup load but when I came out – there is more education to be done to even people like myself because I probably do not go there as often as others, but in the use of that system, if I can go in and drop off about 600 or 700 pounds of garbage and come out and it says zero, then it is an indication that maybe that is not the best system or user-friendly.

I went in and I did not exactly know if I had to go to all the different piles. I went in and was trying to get in unsorted garbage. Everything I always do is go to the trailer and just throw it aboard the trailer. I might have a little bit of gyproc. I might have a little bit of this, a little bit of that, some carpet; it is all garbage as such. How do we get the right stuff to the right sorts and the right places in the landfill? Because everything I went in with went in the back of the trailer that was going to Norris Arm, but if I had sorted or was more educated in that – maybe I have missed part of that education, but there are, out around the trees, piles that look like building materials and shingles and refuse from that.

If I had taken the initiative in advance, I could have been in these different piles because obviously they are going different places. Part of the education for that is maybe something that we need to keep going with as well; or the idea of how a user goes and uses the site, yet when you leave, you do not really understand what you are being charged for, if you have been charged anything. You are not going to get a credit, obviously. I expected to be paying more than I did. I do not think that bears an answer, just probably more information.

Jumping to a further topic now, the (inaudible) sorts of gets me and I just want an answer for it, somehow, is item number six on page 138. I will read it so you do not have to go looking for it. “Consideration is being given to construct an unlined landfill in Labrador that is not in accordance with existing environmental standards.” If the two big sites we have are lined, for what reasons would we be able to now consider constructing another site – I do not know if it is volume, the size, the geography of where it is to, but how can we even consider that, that we start an unlined site at this point?

MR. CHIPPETT: First clarification I guess is that Norris Arm is lined. One of the major amendments to the Strategy in 2007 was to allow for the existence of existing lined landfills if they did the same sort of containment function. So Robin Hood Bay, in fact, is unlined as well.

MR. CROSS: Oh, okay.

MR. CHIPPETT: From the perspective of Labrador, one of the things the Auditor General noted was the lack of a specific policy or guidance document around Labrador. Initially the 2002 and 2007 strategies talked about largely an Island-based waste management system, references to Labrador, and also references to remote communities.

There was not a guidance document at the time of the Auditor General’s report around Labrador. There is now, so I point members to the environmental protection section of our department’s Web Site. You are correct in that given some of the differences in geography, transportation links and so on, and indeed population size in that area, unlined, provided that it can meet the environmental protection standards that we would expect, it could be a very big improvement in Southern Labrador. If memory serves, there are fifteen mainland communities, four isolated communities, and I believe twelve existing landfill sites.

Even though you would be looking at an unlined landfill, it would meet the standards of containment that we would expect as a department and it would be a great improvement for waste management in that region.

MR. CROSS: Okay.

Thank you, Mr. Chair. I do have a couple of other questions later, but I think we are nearing the breaking time.

CHAIR: If you wanted to ask them, you could if you –

MR. CROSS: No, I am good now. I will just (inaudible) –

CHAIR: Okay.

MR. OSBORNE: If I could, I am going to thank our witnesses today – I have a meeting at 11:00 a.m. and I have asked the questions that I was going to ask, so I thank everybody for your co-operation and your answers.

CHAIR: Let’s meet back here at about 11:15 a.m.?

MR. K. PARSONS: Mr. Chair, are we going to try to conclude this this morning, or what is the goal for the –

CHAIR: I suppose we will go until the questions are asked and the answers are provided.

MR. K. PARSONS: Okay.

CHAIR: Ideally, we would finish in the first half of the day.

MR. K. PARSONS: Okay.

Because if we –

CHAIR: A lot of that may be driven by the members' questions, because I sense that some of the questions have become very long and they are not necessarily questions; they are more anecdotal, and that uses up a lot of time. While sometimes that may be necessary for preamble – and some of the witnesses' answers are lengthy, but they are more of a detailed, technical nature - I suspect that the longer answers should not generate a long question; whereas a short question generating a long answer would get us more information and would probably get us out of here in the morning instead of in the afternoon.

MR. K. PARSONS: Okay.

CHAIR: So, 11:15 a.m.

Recess

CHAIR: We are back on, live, and I think we go to Mr. Murphy.

MR. MURPHY: Thank you, Mr. Chair.

I want to talk a little bit about the cost of the Waste Management Strategy. In its response to the Auditor General, the department noted that the original \$200 million price tag was a preliminary estimate and it was based on the level of detail available at the time. I think it was Mr. Mercer who talked earlier that we were possibly talking about, in the future, the possibility of hitting close to \$400 million now, if we had to have a lined facility put out west, and the number I think the Auditor General puts

on it right now for the overall Strategy is about \$318 million.

Could you tell me what benchmarking you are going to be using as your goals up to 2020 to ensure that we are going to not be having any more cost overruns past what you are predicting? What are you using for benchmarks? Do you have an operational plan, for example, set aside that would give us something to chew on, if you will, some benchmarks that the public will be able to see to show that you are going to be on budget for the next time around?

MR. MERCER: Well, I am not sure if you have a copy of it and I think it is included in the AG's report as well, but we did provide a Waste Management Strategy implementation plan out to 2020 by region.

MR. MURPHY: Yes.

MR. MERCER: That is what, I guess, I would be held accountable to at this point in time. They are cost projections. For instance, right now I spoke earlier about what development have taken place in the Eastern Region and I am currently, in my cost projection, carrying \$20 million for composting facilities for the Eastern Region.

We have a plan in place and those are the benchmarks that we have in place based on all the study information that we have done so far and based on the most recent work done under the composting study that would suggest that those numbers are probably good numbers.

MR. MURPHY: Okay.

Are there any impediments now to meeting your goal for 2020 that you would bring up? For example, you might have some difficulties as regards smaller towns. They are going to be looking at extra cost, for example, for the shipping of solid waste. I can think of St. Anthony as being out very publicly talking about that as regards shipping their waste to Norris Point. I wonder if you can comment on that.

MR. MERCER: One thing to be clear on is that our implementation plan in terms of cost deals with the capital costs. It is the capital cost of

putting waste management infrastructure in place. The transportation of waste to its final resting place, the collection of waste, those are operational costs. Those are operation costs that are borne by regional service boards and are paid for by fees collected from homeowners or businesses in terms of tipping fees.

The cost of transportation would not be included in my infrastructure numbers. They would not be a cost to the Province or the Crown; it would be a cost to the user of the service.

MR. MURPHY: Okay.

What I am wondering about is if you put attainable goals in there to put infrastructure in place, obviously if you put the infrastructure in place, somebody has to use it. My question then, as regards that, either A it is government policy that everybody will have to use it. Municipalities are going to struggle with it. Like I said, St. Anthony has already commented on it as well as Corner Brook, I think, was the latest group that I can remember – the latest municipality, I should say, that are commenting on the cost of dumping fees and everything.

What did you do in the way of consultation as regards the setting up of the infrastructure to prevent a load burden on municipalities in cases like this?

MR. MERCER: Well, the plan for infrastructure in each of the regions is actually a plan constructed for the most part by the stakeholders themselves. While we set the goals and objectives of the Strategy, we really work with the stakeholders. For instance, in Corner Brook or the West Coast prior to having a Western Regional Service Board, we had a committee in place of about fifteen community representatives and they represented communities throughout the entire region.

We work with them to actually help develop the capital infrastructure plan and the approach that they would take with some of the guiding principles being that we want to keep capital cost low. We want to keep the household cost, the annual operation cost that we were not funding but they would be funding low, and that we would strive to adopt the newest in technologies and that sort of thing. I think

Colleen had referenced in her opening comment this was really a grassroots – so it is not something that we really pushed down at them from an infrastructure perspective; it is a plan that they helped construct and they bought into and have bought into before we even put the infrastructure in place.

MR. MURPHY: Okay.

Before I move on here, I wanted to come back to the question around tires. Mr. Samson, before we let out on the break Mr. Osborne asked a question about tires and using it on municipal infrastructure. I have often asked why we cannot be using it on roads, using tire crumb to extend the life of roads, for example. Has the Multi-Materials Stewardship Board entertained any proposals as regards using tire crumb for road infrastructure?

MR. SAMSON: Have we entertained any proposals in recent times using it for road infrastructure?

MR. MURPHY: Yes.

MR. SAMSON: No, we have not. We have not been in the market for proposals of late. There has been significant research done into potential uses for the rubber in Newfoundland, predominately in a form called tire-derived aggregate. So, essentially the tires, as opposed to crumb, they are shredded into larger pieces. The general application is as lightweight fill. I am not an engineer and cannot speak to the value of that in the construction process, but we do continue to look at those alternatives.

The great challenge with the tires in Newfoundland and Labrador is the limited volume of tires that are available on an annual basis. While 400,000 or 500,000 highway tires might sound like a lot of tires, the reality is if you are converting it into tire-derived aggregate, if you are going to be using them as tire-derived fuel or you are going to be crumbing them or recycling them, it is not really an economic quantity of tires to be working with on an ongoing basis. It drives the cost of the material up – the raw material that is produced at the end of the day up. That, of course, reflects in construction costs ultimately and it also means

that there is not enough of it being produced to do things with.

Somebody during the break had referenced in a conversation that turning all of the stockpiled tires in Newfoundland back in the mid part of the last decade into tire-derived aggregate would have provided sufficient lightweight fill to do one kilometre of highway. It is very difficult, of course. All of this requires buy in by the engineering community. It needs to be built into design. Those are all challenges when you are trying to deal with the small volumes, and it has been the classic problem here on tires all the way through.

As I indicated in my response to Mr. Osborne, we continue to be interested in an alternative to the all-the-eggs-in-one-basket approach to tire-derived fuel for tires in the Quebec marketplace.

MR. MURPHY: I am just wondering, too, just as a follow-up to whole tire question and the selling of the tires: Do we sell these tires to Quebec for final burning? What is the process right now? We know that the taxpayer right now, the consumer, pays \$3 a tire. So, we know that the money goes to the MMSB. How much money does the MMSB gain just from tire sales in the run of a year?

MR. SAMSON: Well, I would have to check my latest financials. Our tire deposit revenue for the current year, it is budgeted at \$2.8 million. That would be level with the actual for last year which was \$2.8 million. Generally, the tire program is a break-even proposition.

We collect \$2.8 million in revenue. We subsequently collect those tires that are returned. Last year, I think the recovery rate was 72 per cent. So, every 100 tires that went into the market, every 100 program tires that went into the market, we got seventy-two back. We collected them from 625-plus locations in Newfoundland and Labrador. We paid the cost to ship them to Quebec, where the market takes them without charging us a tipping fee.

Similarly, tires that have been stockpiled in Placentia, there of course have been cost associated with managing that tire stockpile over time. A couple of years ago, we went to tender through the Public Tender Act to secure a

transporter to move those tires to the marketplace in Quebec.

The Quebec bound stockpiled tires are going by Oceanex, by sea, where they are offloaded and taken directly to a biocontainment area at the cement kiln and are burned. That was done through a Public Tender Act process, but the \$2.8 million basically covers program costs on tires. It is not a profitable operation.

MR. MURPHY: No.

In the end, the consumer is paying to have these tires shipped to Quebec?

MR. SAMSON: The consumer is paying a fee which ensures that the tires are diverted from landfill and are ultimately reused for the production of something different. In tires generally, whether that is tire-derived fuel, which is very common in many jurisdictions, the tires are being burnt as fuel in Quebec, subject to all the Quebec environmental regulations and meet all of those standards.

In some jurisdictions, they are turned into agricultural products, cow mats, and those sorts of things. The challenge here is again twofold. It is on volume and it is on the fact there are some issues around contamination that relate to this potato nematode issue and the movement of agricultural products to and from Newfoundland and Labrador.

MR. MURPHY: So these tires have to be essentially washed before they are sent?

MR. SAMSON: We require the tires to be clean when we pick them up. That is why, at the end of the day, off-road tires, for example, are not included in our program. ATV tires and farm machinery tires are not program tires. There is no levy paid on them. We do not collect them. We do not export them because they are not approved for export.

MR. MURPHY: They will end up in a landfill somewhere –

MR. SAMSON: They end up actually chopped and landfilled.

MR. MURPHY: Okay.

We do not pay to have them shipped off – I am just wondering about this because it sounds odd. When I think of recycling or the Multi-Materials Stewardship Board, I look at having a continuous use, if you will – quote, end quote on continuous use I guess – but I would like to see something better as regards recycling. I would like to see another product turned into another product instead of the finality, if you will, of rubber being burned as a fuel source.

It kind of does not make any sense to me with regard to environment and to waste management itself. I know that it is gone, it is used as a source, but I would rather see it turned into something else practical that would have again turned into another recyclable product.

I am curious about why the decision was made on the part of the Multi-Materials Stewardship Board or whoever made the policy decision to have a product shipped off to Quebec for the finality of a process of burning rather than turning it into another recyclable product or even back into a tire again, because we are washing these things and we are sending them off to Quebec to do it.

On the open market right now, rubber tire is going for about \$200 a ton. We have a chance here for cost recovery rather than having to spend money on it to get rid of it. I am wondering why we don't go that route. We have to wash them anyway. Why don't we just put the rubber tires out there on the market and gain some revenue back?

MR. SAMSON: All of the research that we have done, Mr. Murphy, indicates that the short answer always as it relates to Newfoundland, the volume of tires we have, is economics. It is finding a financially and economically viable model for doing something else with the material.

We spent many, many, many years babysitting lots of tons of tires down in Placentia and incurring large costs that were associated with the management of that stockpile, fencing, security, firefighting capacity, all of the things that were necessary to deal with it. We explored exhaustively a number of other alternatives: tire-derived aggregate being one. Again, it is very

challenging economically when you are only dealing with 400,000 to 500,000 units a year.

We have looked at potential local uses as TDF. We were in discussions with Corner Brook Pulp and Paper at one point around the utilization of the tires as fuel in Corner Brook, TDF in Corner Brook. For one reason or another, that solution did not come to fruition.

As I said, many rubber tires are recycled into agricultural products and find their ways for use in dairy and beef farms as cow mats and animal bedding and this sort of stuff. It is not a market opportunity in Newfoundland because of the issue that we have with soil contamination. Of course, we have a limited agricultural sector here.

We have looked eight ways from Sunday at opportunities. Tire-derived fuel, your average program tire, we understand, displaces the use of approximately five gallons of petroleum. As opposed to a landfilling application, for every tire that is burned five gallons of oil does not come out of the ground is another sort of way of looking at that.

Tire-derived fuel is a very accepted use in many areas. I am not aware that anybody is actually re-manufacturing tires into new tires but there are lots of potential where volumes warrant and where transportation economics works for the use of crumbed rubber and those sorts of things, and we acknowledge that.

I guess what I would add to that and conclude, because my answer is getting long, is that virtually all of the materials that we collect for recycling in Newfoundland and Labrador end up exported from Newfoundland and Labrador to be dealt with.

MR. MURPHY: I know that there are substantially better prices for other types of rubber in the Province, no doubt, which are sold here or used here probably in smaller quantities too. Have you done an investigation into the market itself? Because the market is out there looking for used rubber. It could be conveyor belt rubber, it could be tires, or it could be other types of rubber that are out there: automotive hoses, for example, radiator hoses, recycling there. There are opportunities there for some of

our junkyards in the Province, for example, to participate. Have you done any research work?

MR. SAMSON: We monitor markets for scrap material generated out of our programs on an ongoing basis, and are watching everything from long-term pricing to spot pricing on individual products and that sort of thing. The determination, I guess it was in 2010 or 2011, was that the most economic opportunity available, the lowest-cost option for citizens of Newfoundland and Labrador as it related to the tires, was to the TDF option at that time.

We continue to be interested in finding alternatives and to explore alternatives. We will see where it takes us. As I said, we are watching it all the time.

MR. MURPHY: Okay.

CHAIR: We should move on to Mr. Parsons now.

MR. MURPHY: Sure.

MR. K. PARSONS: I guess, Mike, a lot of it has to do with transportation costs. When you talk about rubber and making anything else out of it, it is the economics of doing it, and probably making sure that if you were changing it, the cost of recycling per tire would have to be a whole lot more than what it is today to make it economically viable – to suggest some of the stuff Mr. Murphy is suggesting there.

MR. SAMSON: The current programs levies, which have not changed in many, many, many years, are \$3 on smaller tires and \$9 on larger tires. It is the cheapest program in the country. Those are the lowest levies in any jurisdiction in the country.

When you begin to go down the road of certain alternatives, or alternatives which are less economically attractive, ultimately it goes back to the levy on the consumer. The \$3 and the \$9 would need to be looked at in that regard.

MR. K. PARSONS: I just have one final question I want to ask the different departments. The Auditor General's recommendations, when I look at what recommendations he came up with at the end there, amazingly with the

Department of Environment and Conservation, he wanted proper budgets put in place to develop for future plans. With the Department of Municipal Affairs, he wanted to ensure that there was proper support documentation for project costs.

I go back to what I mentioned earlier about the Steering Committee meeting on a regular basis to promote effective oversight so implementation of the Strategy is in place. "The Department of Municipal and Intergovernmental Affairs, Environment and Conservation and Multi-Materials Stewardship Board should ensure that proper reporting be put in place for the remainder of the Strategy."

I wonder what has been done in these areas for the Auditor General's recommendations. Have any of the departments looked at these things? I want to know where you are to with making sure reporting, documentation, and the Strategy is put in place.

MS JANES: I can certainly speak to some of those for Municipal and Intergovernmental Affairs perspective; in fact, through the various questions here today, I think we have highlighted some of that.

Cluney referenced earlier that in terms of the oversight committee we have established or re-established a regular meeting schedule, notwithstanding that there were substantive conversations that were ongoing as needed but perhaps on ad hoc basis in the years leading up to January. We have re-established and recognized the value of a regular meeting schedule to keep all the Strategy partners informed on our progress.

We do have – Cluney will know the precise title of the document, but it is a performance monitoring report that was established a couple of years ago, which we produce now on an annual basis at the end of the year that outlines what we have achieved throughout that year, in accordance with the objectives that we have laid out for ourselves. That is certainly put in place.

In terms of the budget, Cluney has already spoken to the document that I believe you all have in terms of cost projections that we have now and are carrying out to 2020 to help us

fulfill the remaining goals that lie before us in the conclusion of the goals of the Strategy.

From those various perspectives, we think we have certainly taken the recommendations of the Auditor General in the manner in which they are intended and have moved, or continued, to do those kinds of things so that we are accountable for the delivery of the goals that we have laid out for ourselves over the past number of years.

MR. K. PARSONS: I guess my last question is to the Auditor General: How are you finding with the response that you received today?

MR. PADDON: Just a couple of perhaps comments and observations. In terms of reporting, I guess our observation was more around the fact that progress on the Strategy, there was no formalized public reporting progress – and I am not sure that there is anything in place yet. I am not quite sure, but that was sort of the thrust of our concern.

I do know that the Minister of Municipal Affairs had made periodic statements in the House of Assembly, Ministerial Statements and those sorts of things, but it was not my view that would be substitute for a formal report. It was a \$200 million-plus program, now \$300 million, so in our view some regular formalized reporting would be useful. That is one observation.

In terms of the costing, I did hear Mr. Mercer indicate that he would be accountable for the costs against the \$316 million projected cost, so I take that for what it is. That is an element of accountability that has to be a part of this. Time will tell whether the overall Strategy will come in within that overall envelope. Experience would dictate that there is probably some risk around it, but at the end of the day we will see how it is. A regular updating with an update on where costs are as well would perhaps help.

Just on the issue of the Steering Committee, I just wanted to provide a comment based on a comment that Mr. Mercer said earlier. He made the comment or words to the effect that to say that there is no oversight would be misleading. We did not say there was no oversight. I think that would be overstating what – we were essentially saying that this umbrella committee that was intended to monitor overall progress

was not meeting on a regular basis. I would not construe that as saying that there was no oversight.

I would accept the fact that within each department there was oversight and people understood what was happening. Where this is a multi-department project, our view is that the oversight committee, the Steering Committee, would provide an opportunity to ensure that the pieces that integrated were appropriately integrated and people were kept in the loop. That was the only point I would make.

Other than that, it would remain to be seen over the period of time how the implementation of the rest of the Strategy develops. I cannot really provide any comment at this point until we see it.

MR. K. PARSONS: That is it for me, for questions.

CHAIR: Mr. Murphy.

MR. MURPHY: Thank you again, Mr. Chair.

I wanted to come back around to the Steering Committee. I guess just as a follow-up to Mr. Paddon, the department also notes that the Steering Committee has discuss the need for a public reporting approach. I would like to get a little bit more of a definition on that, on exactly what you would be reporting. Was there a discussion on what would not be made public, for example? Why wouldn't the Committee just release all of the information so that the public knew how the Strategy was progressing in the first place? If we knew that we were going to have trouble because of infrastructure, why wouldn't we have heard about that sooner?

I would like to comment from your department, from your organization, on the future of your reporting, on your public reporting and what you are going to be reporting to the public as regards your progress.

MS JANES: As Terry was speaking to the formal reporting, it reminded me that I had not addressed that in my prior response. Certainly, as a Committee, we discussed the fact that while there were individual news releases as we constructed critical pieces of infrastructure and

those types of things that were released, there was not a comprehensive picture of where we were in the Strategy released in the public domain. We were monitoring those things internally and internally we had reports, but there was no outward facing communication.

Certainly it has been a topic that has been talked about at the various oversight committee meetings over the past several months. One of the challenges in devising what that outward public report looks like is to take the technical language out and present it in a way that it is understandable and of value to the public. That is something that we are working on.

We have had a dialogue and our communications people from the various entities are also engaged, but it goes beyond just talking about what we have accomplished in the Strategy or what remains to be done in terms of infrastructure to the education of the importance of the Waste Management Strategy, the environmental objectives, the role that they as individuals can play. Because we, as departments, can invest all kinds of money in infrastructure, we can lay out solid governance structures in our regional service boards, but some of these decisions go right down to the household level. Educating the public is going to be important there, and this is where MMSB will play an important role as a Strategy partner.

It is something on our radar, with the intent to produce something sooner versus later, but there are various discussions in terms of the format and what that may look like in terms of a public report. We certainly did recognize the comments from the AG that the Strategy on the whole we have not spoken to in the public domain and intend to address that.

MR. MURPHY: Yes, I wanted to touch on that too. When it comes to dealing with the various publics that are out there that you are dealing with, this is not only about me and my household, it is about the garage down the road or it could do with the fish plant, I do not know.

As regards consultation with your various publics, I do not know if you are doing it or not, but I certainly have not heard that it is being done. I do not know if there is not enough communication in that regard. What have you

done with regard to consulting with the public, for example, with the formulation of the Multi-Materials Stewardship Board's overall working Strategy in the Province?

MS JANES: I think Cluney Mercer is probably best positioned to answer that.

MR. MURPHY: He might be.

MS JANES: I will turn the mike to him.

MR. MERCER: When we sat down with stakeholders to devise infrastructure plans or the plan of approach in terms of how we would get and meet the objectives of the Strategy, it involved the community stakeholders, community leaders in a lot of cases. They were really the ones who took the lead in terms of having discussions with stakeholders within their communities, whether it be business or whether it be households. They still play a really vital role.

NorPen, as an example, on the Northern Peninsula issue a fairly significant amount of public information related to their programs and that sort of thing in terms of leaflets that will get placed in mailboxes and communiques that they will send out to their stakeholders. A lot of that is really driven by the regional waste management authorities. While we educate from a higher level, the drilling down in terms of dealing with the stakeholders at a community level has really been done by the boards and committees.

MR. MURPHY: Okay.

Mr. Chair, I only have a few more questions, really, and I guess part of what I have is kind of a rehash of a little bit of what we have already gone over.

Coming back to the West Coast again, in response the minister said that government decided – and these were questions that I asked in the House, so perhaps I can get a better response from some people here. When I asked about the failure of the Waste Management Strategy in the Western Region of the Province, the minister came back and in response said that government decided that instead of creating a separate site on the West Coast that they would

save the taxpayers of the West Coast \$1.8 million annually in operating costs, and it made economic sense, and it also made environmental sense as well.

I do not know if he had any documentation to back that one up. Obviously there was a decision that had to be made by the minister here, but did your board have the work to back that one up that it would save money instead? Can we see the reports from that? Is that possible?

MR. MERCER: Yes – well, the decision to go to Central was really made by the Western board. So they had done a significant piece of work with BAE-Newplan in terms of looking at potential sites for landfill development over there, and further assessed the economics of not building that type of infrastructure and transporting to Central Newfoundland in lieu of setting up a series of transfer stations.

So, there is a significant amount of work that was done. I think I provided that documentation to your Committee, or the minister did, back when we made our submission. There are a number of reports. As a matter of fact, I am pretty certain they are on the Web Site of the Western Regional Service Board. There would be three fairly significant documents that lays out that type of analysis.

In that report, the analysis was based on the model that Central Newfoundland is using. It is the same consultant, actually, that did the West Coast analysis that has been involved in developing Central Newfoundland. The cost numbers that were being carried were numbers that were sort of being carried on a per-unit basis for Central Newfoundland. After that report was completed, and because we have been out there scouring the industry, trying to find whether there are new technologies and new approaches and that sort of thing, we were approached by a company out of Ontario that had developed some proprietary technology for transfer stations that is in use in several places in North America right now – and performing very well.

Unsolicited, they provided a proposal to us, which is really a proprietary document that suggested that using the BAE report as a baseline, using our technology, we can save on a

lifecycle basis \$35 million over twenty years and save on the operational costs by about \$1.8 million per year.

Yes, there is documentation to support all of that former Minister Kent would have said. The only clarification, though, is that it was a decision of the board, it was a motion of council passed by the board, and correspondence written to the minister at the time that it was the will of the Western board to transport waste to Central Newfoundland because that was the most economical approach for them. Their primary objective is to keeping household cost as low as possible.

MR. MURPHY: Okay.

Obviously, being proprietary information, we are never going to see those reports from that particular company.

MR. MERCER: We are endeavouring to go through a design build tender process for six transfer stations on the West Coast. What our design build process allows you to do, as I said earlier, is go to the industry. If that industry comes forward or another industry for that matter and provides a very economical solution for the handling and transporting of waste from Central to the West Coast, then that would then become a public document.

MR. MURPHY: On the basis of that, I am still a bit curious about the cost to municipalities, for example. Is this going to bring down costs for municipalities, this transfer station plan?

MR. MERCER: Yes.

MR. MURPHY: It is going to –

MR. MERCER: On the basis of the type of transfer stations that are operational in Central Newfoundland.

MR. MURPHY: Okay.

MR. MERCER: BAE-Newplan suggested that it was basically cost neutral. It would cost no more for a household or a business on the West Coast to transport waste to Central Newfoundland versus operating its own landfill facility. Utilizing the proprietary technology

that I talked about, the suggestion is that there would be significant savings in capital and there would be significant savings in operational costs.

MR. MURPHY: Okay.

Just two more questions, unless somebody else has any? I am gone I think about twelve minutes here now, but if somebody else had questions?

CHAIR: Actually if you stop right now, you would be the shortest questioner of the morning because you are only twelve or thirteen minutes.

MR. MURPHY: Okay, well I have two more questions basically. I did not know if anybody else was done.

The Auditor General in his report talks about phasing out the use of unlined landfills. He talked about the 2002 Strategy that was going to be implemented by 2010. Of course we are talking about 2020 now, but at the same time we also heard this morning that the proposal for Southern Labrador is to put in an unlined site.

I am wondering about, number one, what is the difference between a lined site – I guess for clarity for the general public as well who may be listening – and an unlined site? Why the decision would be to go with an unlined site, which is going against your own policy that you hope to implement by 2020?

MR. CHIPPETT: I will address the last part on the policy. Martin, perhaps you could chime in on the lined versus unlined. As I said earlier, whether it was the initial consultation document around the Waste Management Strategy, the 2002 Strategy or the re-release in 2007, there is acknowledgement that in remote areas, Labrador included, that different approaches might be necessary. Generally speaking, our goal overall is to ensure the best possible protection of the environment while obviously taking things like the economics into account.

When you factor in Southern Labrador, as I said earlier, nineteen communities, twelve landfill sites, and the potential to consolidate all of those into online landfill, provided the geology, the geography and so on worked, you could largely

expect the same level of environmental protection. If you look at in 2007 the main major policy change in the Strategy was allowing for, albeit existing, online landfills to be a part of the Strategy.

When the proper site analysis is done, our department feels that the level of environmental protection can be met with an unlined site.

MR. GOEBEL: I think Jamie kind of covered that, but just to get a little bit more technical perhaps, a lined structure involves a very careful site preparation to have a good bed of material that is nice, flat and smooth, that is above the water table. There are no rocks protruding. There is a filtered layer. There is a membrane layer. There is a clay level and another membrane layer in some cases.

You have a structure basically there that prevents any leachate from entering into the groundwater and any leachate that is generated by the waste during the operation of the landfill is collected and treated. Once the site is closed, there is a cap put on top of the landfill and it diverts most of the water away. Once it is closed, then the liner and the fact that there is a cap, you will basically have a system there that ensures that there is no leachate that gets into the groundwater.

If it is an unlined system that does not mean that you can pollute or do anything like that. You still have to find a site that, as Jamie mentioned, hydraulically will be secure so that there is no leachate generated that gets out in to the environment. There might be some leachate generated, but it would stay in the site.

You are also dealing with much, much smaller quantities of material in the first place. You are also dealing with issues in terms of weather when you are dumping in the winter as opposed to dumping when you can place fill on top of the waste as it is brought to the site. An unlined site in Labrador, given the conditions, given the costs, will still be an appropriate and still be required that it meets the guidelines that were prepared for proper waste management.

MR. MURPHY: Okay. So the choice of putting in an unlined was not as a cost-saving measure; it was the simple fact that it is not

necessarily needed because of the geology of the area? Would I be right in saying that, or partially because of the geology in the area?

MR. GOEBEL: I think it is a combination of factors – a trade-off between costs and site. There will have to be careful work done to find an appropriate site that is still appropriate, again to make sure that there is a proper separation between the groundwater and the bottom of the landfill, that there is control over the leachate that could possibly be generated and that could get into the environment, and other factors that pertain to, for instance, once the site is closed out, that there is a cap there that can prevent the formation of leachate. Given the very, very small quantities involved, generally speaking, we are still going to meet a good environmental standard.

MR. MURPHY: Okay, but –

CHAIR: Mr. Murphy, we should go on to Mr. Peach, and we will come back.

MR. MURPHY: Sure, okay.

MR. PEACH: Thank you, Mr. Chair.

I just have a couple of questions, but I also have to comment. These questions and the answers you have been giving all morning have certainly been very informative and I have really enjoyed your responses.

You mentioned earlier in a question I asked – I think Cluney mentioned it – that the Burin Peninsula waste would be staying on the Burin Peninsula, or would be on the Burin Peninsula, but in the beginning there were talks of the waste going to the Grand Bank site, but then there would be some trucks that would go to Robin Hood Bay. Is that going to be happening now?

MR. MERCER: The plan for the Burin Peninsula is we expect that the organics may stay on the peninsula to be processed in compost, metals, and those sorts of things, maybe even some of the C&D. Even some wood fibre that may get shredded to be used in composting operations, those sorts of things, but there would be no landfill on the Burin Peninsula. There would be a transfer station

located in the – I think the initial report said Frenchman's Cove-Marystown area. So we envision building a transfer station there.

Right now, all the landfill sites south of Marystown have been closed, including Grand Bank that just closed on July 1. They have consolidated everything into the Marystown site at this point in time. Waste that will end up going to a landfill will then get transported to Robin Hood Bay.

It is very interesting – I will just make reference to our report, and I think I might have provided a copy of this report as well to the committee that was done specifically for the Burin Peninsula. It was one of the earlier ones. We have roughly a 20,000 population that would be served down there in that region. One of the suggestions was, well maybe we can operate our own lined landfill.

If we talk about costs associated with a lined landfill that was one of the options that was explored for 20,000 people. It was determined that the cost per household to operate a lined landfill on the Burin Peninsula would be in excess of \$500 per year per household, versus about \$230 per year per household to take organics out and compost and to transport your end waste to Robin Hood Bay.

Like I said earlier, the transportation component is not the big component of the overall cost that everyone thinks it is. The operations of lined landfills are 40 per cent of your overall household cost. The other big piece of it, which you cannot avoid, is your curbside collection piece.

I have sort of addressed both of your questions, but economics is a big part. Waste management is about economies of scale. The more people you can get feeding into infrastructure, the more economical it becomes for the end user.

MR. PEACH: I think probably in the fall of 2013 there were some feelers that went out from Municipal Affairs with regard to interested companies to provide a plan to be able to handle composting and things. Has there been any decision made on that?

I am not sure if I put the question right or not, but I think that is what it was. They called it a feeler that would go out to interested companies that would want to make a bid or would be interested in coming up with a plan to handle composting.

MR. MERCER: What it was in the spring of 2013, we actually issued an RFP, a Request for Proposals, to consulting firms to take a look at looking at what our options might be or what some of the best options might be for composting in the Province to help us develop a composting infrastructure plan. What we asked the proponents to do, in terms of deliverables, was to look at the technologies that are available for composting. There are many out there, some much more expensive than others, some more complex than others.

We asked them to look at the whole suite of technologies that were available, look at our demographics, our population, our waste generation rates, and how much organics can we expect if we get good participation rates from our residents in terms of the feed stock that would be available for composting. We asked them to come up with a bunch of scenarios and to evaluate those on a lifecycle basis.

We were not just interested in the capital cost but we were interested in the overall cost. What it was going to cost to not only build but for those boards that were going to be responsible to operate them. How much would it cost them over a twenty, twenty-five, thirty-year period so that we could really get a handle on the most economical approach?

The consultants under the guidance of a technical Steering Committee that we put together, that consisted of all the partners you see here and representation from the boards and committees that we have out there, so they all came together. It is a fairly large Steering Committee of almost fifteen to twenty people that provided some oversight and guidance and direction to the consultant in doing this piece of work.

We did get a draft report back in March or so, and said that we asked them to look at another couple of options. They submitted that to us in May. We wanted some further clarification on

some issues, just so that it was not misunderstood in terms of some of the assumptions that they made to do their analysis.

We are expecting to have that report. They have committed, as late as yesterday, having that to me by July 31. It is our intention, while we have reviewed the majority of it, the amount of changes that will come back we are anticipating to be very minimal. In short order, we expect to be making that document public.

MR. PEACH: Just a couple of more questions, Mr. Chair.

The MMSB, I never ever could get my head around these tires with regard to landfills, because when I was the Mayor of Norman's Cove we had a directive from the environment or MMSB, one of them, saying you could not put tires into landfills but then shortly after that we had another directive saying if you cut the tire in four pieces or whatever, in pieces, you could put it in the landfill. What is the difference? A full tire versus a tire that is shredded or – can you tell me why that would be?

MR. SAMSON: There is a fairly simple answer to that I guess. Program tires, the regulation that relates to the used tire program in Newfoundland and Labrador says that highway tires are subject to the payment of a levy or a fee and then are available to be made available for collection and ultimately recycling.

The consumer pays either \$3 or \$9, depending on the size of the tire. We collect the tires and then the tires are recycled currently to be used as fuel in Quebec. Certain other tires are not program tires. When you buy an ATV tire, if you buy a tire for a farm tractor, you do not pay a levy on that tire, you do not pay either \$3 or \$9. That tire is not eligible to come back through the recycling program. That is for a variety of reasons, one of which has to do with the tires tend to be dirty and there are a bunch of those kinds of issues.

The program tires - to step back for a second - upon which you paid a levy, are subject to a landfill ban. Landfills are not permitted to accept them; they must come back through the program for recycling. Tires which are not

program tires are eligible for landfill or can be accepted at landfills. The idea of cutting them is that they take less space in the ground, they crush easier, and they take less space. I understand – and maybe somebody else can jump in to speak to this – that whole tires tend to float up in landfills and stuff. That is what the issue is. Some of the tires are program tires; some of the tires are not.

MR. PEACH: Yes, well just to clarify though in the landfills, some landfills are still open. They were told that it did not make any difference about the tires, if it was ATV or if it was off a car or truck or whatever, if they could cut them up in pieces, they could still landfill them. I just want to make that comment.

MR. SAMSON: There is a landfill ban for program tires. If a levy is paid on a tire and it is captured by the waste management regulations that relate to the used tire program, they are not to be accepted in landfills. Other tires are to be.

MR. PEACH: Okay, thanks for clarifying that.

The only other question I have is a question that a lot of people have in the whole Eastern area, who I have heard from several times. It is with regard to Robin Hood Bay.

Once all the landfills are closed, there is going to be a lot of waste going into Robin Hood Bay. The question is: What is the lifespan on Robin Hood Bay? Do you think that Robin Hood Bay is going to be able to handle it twenty years down the road or fifteen years down the road?

MR. MERCER: The City of St. John's, of course, manages Robin Hood Bay. Based on the volume of waste that they anticipate going into Robin Hood Bay, not only what is going in there but what will go in there when the Burin Peninsula trucks to Robin Hood Bay, the Bonavista Peninsula trucks to Robin Hood Bay, and the Clarendville area, the most current projection that I have seen would have a lifespan of at least thirty-five years.

If you look at the geology down there, the surrounding hillsides and that sort of thing, I am not sure where they drew the final elevation. For those of you who might have travelled throughout North America and look at some of

the landfills that have been existence, they are significant mounds. So they did not have valleys to fill and that sort of thing, they are mounded really high.

The fill volume potential within the Robin Hood Bay area is rather significant, probably much more in excess of thirty-five years, depending on how high you want to build it up. Then you have to consider the landscape and the view scape and everything else of the ocean. The latest numbers I saw were thirty-five years, but I do not know at what elevation they were projected to go to.

MR. PEACH: I have not found anybody who was against what is happening with the waste. Everybody thinks it is a good idea. I guess the whole thing would be around how much you are taking out of the waste, in recycling and things like that. I mentioned to you earlier that we used to have five and six bags of garbage and now we are down to one or probably two a week because of the recycling. It certainly works, and I want to thank you for answering my questions and it has been very informative.

Mr. Chair, that is all I have.

CHAIR: Mr. Murphy.

MR. MURPHY: Thank you again, Mr. Chair.

I guess just one or two more now to finish it up. I am going to start off with this one on a bit of a light side. It was interesting to note that the department claims that the original \$200 million price tag did not include inflation costs. The department notes a 5 per cent construction cost index should be considered.

Number one, why did you consider 5 per cent as being the number that you would look at? I take it you would want to gage for inflation here, but have you spoken to Nalcor about that particular number at the same time as regards your future increases that you are possibly going to be dealing with?

MR. MERCER: No, I have not spoken to Nalcor, but I have twenty-eight years in the construction-type industry and spent most of my career, twenty-two years of it or so, in the

transportation and works sector, so I am very familiar with the cost of heavy civil work.

As a matter of fact when I was in TW, I routinely tracked escalation on an annual basis for work. In 2010 or so when we actually built the budget table that I referred to, we consulted with the Department of Finance and we had consulted with TW at the time, because I had been away there for a couple of years, in terms of what were the short-term and long-term projections in terms of escalation we could expect to see in the construction sector.

At that time, the numbers that were given to us was 3 per cent to 5 per cent. So we carried 5 per cent. Through my current position in municipal infrastructure, through water and sewer projects and street paving, and building municipal buildings and others, and we routinely track cost on an annual basis, the cost that we are seeing, the escalation that we are seeing would suggest that it is in that price range.

MR. MURPHY: So it is around 5 per cent?

MR. MERCER: If you are talking about Nalcor and you are talking about Labrador, then in a Labrador environment there are some significant other factors that would come into play when get in an environment like that.

MR. MURPHY: All right.

The Auditor General also made some comments in here about your capital funding, where you are getting it from. You have some monies, of course, from municipal capital works, some through federal gas tax. Somebody can correct me if I am wrong, but I thought I saw an announcement where the federal government has actually signed on for another ten years for the gas tax. I do not know if there is too much of a worry as regards that. Am I right on that?

The Auditor General makes notes here – correct me if I am wrong – that there was probably a question as regards how much funding that you actually had to be able to carry out your strategies in the first place. For example, my interpretation is that there was not enough funding. So I will ask the question: Do you feel that you have enough funding right now to implement your Strategy carrying out to, for

example, 2020? Are your budgetary expectations going to be met?

MS JANES: I will start answering your question, and I think Cluney will elaborate in terms of our capital works budget and the process we will undertake there.

On the gas tax, we have signed a new five-year agreement. It will be a five-year agreement with the ability to extend for an additional five years. In terms of the allocation table under the newly signed agreement, there is an allocation there for the Waste Management Strategy, as there has been in the previous couple of agreements signed with the federal government. The allocation table outlines \$8.85 million annually, and over a five-year period a total of \$44.25 million from the Federal Gas Tax Program, which will be for the Provincial Waste Management Strategy. Beyond that, the expenditures have come from the provincial Budget through our Capital Works Program.

Cluney can speak to our plans there in a bit more detail.

MR. MERCER: Right now we are projecting \$315 million or so to complete the Strategy. We spent \$62.4 million in gas tax funding under the previous agreement. There is a further \$42 million or so under the new agreement. We have spent about \$90 million in provincial funding through our annual municipal infrastructure programs.

There is probably \$60 million or \$70 million in provincial funding that would be required, or some funding source to get us through to 2020. There are some opportunities available under the new Building Canada Plan to leverage some federal money under that program to do waste management facilities. They are an eligible category under that particular agreement, and our annual municipal infrastructure programs.

What we do is we go forward on a regular basis to government saying here is what our implementation plan is for the next one, two, three, four, or five years. We have secured funding in those program areas. We are looking for funding under the municipal infrastructure program to fill the gap to complete this piece of work that we have now identified. It is a regular

budget appropriation or budget approval process that we would go through to do that.

MR. MURPHY: Okay, but you do not anticipate any other problems that you are going to be immediately facing then as regard to getting some sustainable funding to carry out your Strategy now until 2020? I worry about that, if we end up revisiting and we get the same comment from the Auditor General about your funding.

Right now there is no question as regard to the security of that. In 2012-2013, I note there was nothing there as regards to gas tax for example, but there will be this time around. That would be extra monies over and above, Ms Janes?

MS JANES: The new agreement signed is new funding. That will amount to \$44.25 million over the course of the next five years of the gas tax agreement. That is new dollars.

In terms of your reference to 2012 and 2013 in the Auditor General's report, no gas tax money, there was an allocation under the previous agreement. There were choices made through the course of the year in terms of how much gas tax funding to put in an individual year. Over a four-year period, the previous four-year agreement, we had a total of \$40.6 million available.

We may have chosen to spend that in different years, but we did have a total of \$40.6 million from gas tax funding that was put in the prior four years. If we reach back further, is the \$62.5 million that has already been invested from previous gas tax agreements. Now we have new money coming from the new agreement just signed with the federal government of \$44.25 million from gas tax funding that will also be invested on future investments associated with the capital infrastructure for this Strategy.

MR. MURPHY: I take it from the five year funding and the \$44 million, the difference with the \$40 million and the four years, there is a slight difference when you average it out. I think you said \$8.5 million in the run of a year. I take it that is because you have a lot of the hard infrastructure in place and there is not as much of a financial investment on the part of the federal government that would be needed for

future infrastructure to meet your Strategy up until 2020. Do I have that right?

MS JANES: The average over the new five-year agreement is \$8.85 million per year. That is slightly less if we averaged out what the investment was under the gas tax program in the previous four years, which was \$10.1 million. The allocation formula has multiple components. In fact, in the new allocation formula under the new agreement there is a new component, a provincial water and waste water initiative fund designed to be a regional fund.

The allocation formulas in the various agreements certainly are subject to change. The newly signed agreement has an allocation formula that puts about 28.49 per cent of the five-year allocation in the agreement is dedicated to the provincial Waste Management Strategy. Others go into provincial water and waste water fund, and then the remaining goes on a base plus per capita basis to municipalities.

The allocation formula has changed slightly from the prior agreement. Certainly the amount dedicated to the provincial Waste Management Strategy shifted slightly, but we do recognize that based on the investment tables and the projections to 2020 that we have laid out, we need to try to ensure that between the gas tax fund, the provincial Budget under our Capital Works Program, or any other sources that we can identify over the next six years, we need to try to ensure that we have ample funding available for fulfilling the objectives we laid out to 2020.

MR. MURPHY: All right. Thanks a lot. You have some good information there.

Mr. Chair, just a couple of final questions when it comes to the EPRA and their role, so I guess the questions are directed at Mr. Samson. I am wondering about the EPRA. How did they get involved initially when it came to electronics recycling? Was government looking to get electronics recycling done or was it a proposal on the part of the EPRA to step into the Province and start this program?

MR. SAMSON: The short answer is it was government looking to get electronics recycling put in place in the Province under an EPR

regime. The brand owners, the Sansui's, the Sony's, and the Hitachi's of the world engaged in electronics recycling, EPR, in other jurisdictions that created this organization. They designated, as per the regulation, EPRA to be the steward on their behalf in Newfoundland and Labrador.

They developed a plan that was in accordance with the regulation. That plan was subsequently approved by MMSB's board and approved by the government. That is how EPRA came to be in this business.

MR. MURPHY: Okay. What were the other options that government was looking at as regard to that?

MR. SAMSON: We were not looking into other options in the sense that under an Extended Producer Responsibility arrangement, it is the responsibility of the brand owners to designate a steward, and for that steward acting on their behalf to comply with the requirements of the regulations and the jurisdiction.

MR. MURPHY: I asked that for –

MR. SAMSON: We did not choose EPRA. The brand owners chose EPRA.

MR. MURPHY: Okay. The consumer, the only say they would have is whether they would buy that brand or not, in essence I guess.

MR. SAMSON: Yes. Well, all brands are subject to the fee.

MR. MURPHY: Yes. The reason why I ask that is because in my research I ran into companies here in the Province that was actually taking in electronics without any cost to the consumer. As a matter of fact, in some cases they would actually come and pick it up.

I can think of one business up on James Lane, for example, that takes in electronics and recycles them, and makes revenue by taking a massive amount of disk drives, for example, and shipping them off for recycling - that is how they gain their revenue - so I am just curious about the choice between a green job that is created here in the Province. We had a long-standing business here that did not need to see

an electronics fee anyway, and the consumer did not need to be taxed for the work that it was doing. Then we had a choice of companies here that wanted the EPRA to come in and represent them when it came to recycling of the product anyway.

I am just wondering about the consumers say when it came to implementing this government policy here. This company up on James Lane did not have a choice when the program came in. They are still alive, but in essence I guess you could say they are almost being forced out of the market in my mind, which is what is happening here.

MR. SAMSON: Yes, I guess the only response I would have to that, Mr. Murphy, would be that the company on James Lane was not required by regulation to establish permanent collection sites and run mobile collection events to make the program universally available throughout the Province to all citizens in the Province; were not required to take the full range of electronic products that are subject to the EPRA arrangement.

Of course, they are not precluded by the regulation from continuing to conduct their business. In fact, I think there may be a small number of those types of businesses operating in the Province. Generally, what is happening is that materials are going through these types of businesses, the valuable stuff is being removed and the balance is being taken and given to EPRA, who are then responsible for the end of life dealing with that product.

MR. MURPHY: Yes.

MR. SAMSON: Again, it is the trade off in a jurisdiction like Newfoundland where you have to, in order to make programs universally available throughout the Province, sometimes decisions are taken that place those kinds of requirements on certain companies.

MR. MURPHY: Okay.

That was obviously a policy decision on the part of government, or government would have had some say –

MR. SAMSON: Well, the government's policy decision was to enact a regulation which required brand owners associated with a defined class of electronic products to designate a steward and implement a program in Newfoundland and Labrador that ensured those products would be managed in an environmentally appropriate way at the end of their lives. That was the policy decision that was taken by the Government of Newfoundland and Labrador.

MR. MURPHY: Yes.

MR. SAMSON: That is a policy decision which is consistent with any other number of jurisdictions in that regard. The structure of the program was outlined in the stewardship agreement. That stewardship agreement was subject to a multilevel approval process.

MMSB's role as we go forward is to ensure that EPRA, acting on behalf of brand owners, lives up to its commitments under that agreement. We will periodically, on an annual basis, be reviewing EPRA's performance of the program in the Province, and working with EPRA to ensure that the volumes are where they should be and the level of convenience is where it should be.

CHAIR: Mr. Murphy, we should move on to Mr. Cross.

MR. MURPHY: All right, I have nothing else anyway.

Thank you very much for your words.

CHAIR: Mr. Cross, do you have questions?

MR. CROSS: I just have one that I have sort of refined. The others have been answered through other questions.

In the introductory part it talks about the findings of the Auditor General and the cost of the Strategy. It says there was no proper cost estimate prepared at the beginning of the Strategy, so therefore there is no appropriate measure against which we can compare it.

Is there any appropriate or comparable activity taken on by any other jurisdiction which we can

compare it with, like from one of the other provinces, or were their programs started in a different time and the value of the dollar was different so we cannot compare?

MR. MERCER: Every jurisdiction is different. Obviously, you have different densities of population. You have different geographies, all kinds of things; differences in technology, differences in time.

What we have done is we have looked to other jurisdictions in terms of what are they paying as an operational cost or per household cost? For instance, our neighbouring provinces in the Maritimes are all just over \$200 per household per year. They have developed their infrastructure over a number of years. For instance, Nova Scotia's program is in excess of twenty years old. So we really did not have a lot of good information for us to take infrastructure costing information from.

The other interesting thing that we found throughout our discussions with other jurisdictions throughout North America is that we were unable to find another jurisdiction whereby the provincial government or a state government, in terms of the US, were providing the lion's share – in our case, 100 per cent – of the capital funding. In most jurisdictions the capital cost to build transfer stations and expand landfills and build liners and all that kind of stuff is provided by the residents and businesses that operate these facilities. The money is borrowed, it is mortgaged, and it is incorporated into the household fee.

Most of North America is certainly at the envy of the Newfoundland and Labrador government who has committed to 100 per cent of the capital. It is all different, and it is at a different time and a different scale. At least we tried to even search in terms of building material recovery facilities. Even the one in Central Newfoundland that we are building is for 70,000 people; 150,000 with the West Coast coming on board.

Most of the facilities that you are seeing in North America, you are talking about a million people, two million people. The density is just so significantly offside with where we are, and the magnitude of some of the facilities that are

being built just did not provide really reliable cost information.

Our best approach was to figure out what we needed to build. Then on the basis of what we needed to build, what would that cost in our construction sector? That is what we did in the early years. I think our first really detailed cost projection came out in around 2009-2010, early 2010, when we started to get a good feel of what the infrastructure looked like, but it would have been based on our market conditions here at the time with an appropriate escalation built in.

MR. CROSS: Okay.

I had three other little sub comments to follow up there, but you answered all of them in your question. That is one thing I found about most of the answers we received today, and in other hearings we have had recently, is that the answers are very informative and they go beyond usually what you are asking in the question such that you get answers to your follow-up questions when you...

MR. MERCER: Just to make a follow-up comment. Since I became involved in this particular file I became a member of the Solid Waste Management Association of North America and regularly attended some of their largest conferences they would have in North America on an annual basis. There are lots of stakeholders there, municipal stakeholders, private sector, and you get to see the latest in technology.

Through that organization a couple of years ago they did a fairly significant survey of about 3,500 municipalities, regional jurisdictions throughout North America, in terms of what the household cost was for waste management services. It ranged from about \$150 per household to about \$450 per household; the lowest being in the more densely populated areas, like the Eastern Seaboard of the US and the State of California and other places, to \$450 in some of the mid States in Montana, Ohio, and other places where we have a very sparse population, very much similar to ours.

As we have engaged our stakeholders and we started to get an understanding of what this was going to look like, we have always used a

number of roughly \$200 per household. That puts us on the low end of North America but probably on the low end because we are investing 100 per cent capital, where everyone else is having to mortgage their capital.

We felt that from an operational cost we have done very well. We continue to try to find ways to lower the capital cost and to lower the operational cost. On a go-forward basis when we are finished the infrastructure, that should be a major objective of regional service boards in terms of what can we do differently, what new technology can we adopt to deliver the same service or a better service to our homeowners and to our businesses for less cost.

MR. CROSS: Thank you, and thank you to everybody for their answers this morning on my behalf. I give her to the skipper to take her home.

CHAIR: Do any other members have any questions? I have a few questions.

Go back to composting and in particular Labrador's Waste Management Strategy – if there is one. I am not saying that there is or there is not. Has there been any consideration given to partnering with Agrifoods in order to promote composting and then to continue on so that composting becomes a natural thing to do, instead of so many people have to be convinced to do? I have one of those 30,000 composters so I could account for one of them. It is used regularly.

It would seem to be a natural fit, particularly in Labrador, or any rural area where food stuff is quite expensive. To pay to get rid of waste and then to pay to bring in food, to not compost it and take advantage of creating soil – has there been any engagement with Agrifoods to see if it could be promoted through schools or however?

MR. MERCER: I will speak to the plan piece. Mike can maybe speak to the educational piece. We have provision for composting facilities for Labrador. We see there is certainly a potential there. One of the great benefits of composting is getting good fertilizer and that sort of thing but from an economics perspective, your greatest benefit is keeping it out of the landfill which will prolong the life of your landfill for it up to

maybe 30 per cent, 35 per cent, 40 per cent, a longer period of time because that is the volume of waste that you are taking it out, plus it is significantly beneficial to the environment because all those organics is really what causes the nasty leachate that has the potential to impact the environment.

When the infrastructure is put in place there will certainly be an opportunity for the agrifoods, agriculture, and aquaculture industry to get involved with regional waste management authorities to compost a wide range of organic waste streams. Most certainly, the volumes are not very large. When you see the composting strategy or composting study that Dillon Consulting is about to complete and submit to us and we make it public, they do roll up some of the numbers from those sectors in terms of waste generation. They are not large, compared to the amount of organics that would be in the municipal waste stream and in the industrial and commercial sectors.

Certainly there is some opportunity there, but that can only be leveraged of course when you put the infrastructure in place to be able to compost it on a larger scale because those types of organics you cannot do in your backyard composter.

I think Mr. Osborne spoke earlier today about roughly 35 per cent of the waste stream is organic and if you look at the research, 35 per cent to 40 per cent is organics but only 5 per cent to 7 per cent of that you can effectively compost in your backyard composter. It is typically referred to as yard and leaf and as potato scraps and food scraps, that sort of thing, but really your wet organics and your large-scale spoiled vegetables and fruits and things like that that would come from grocery stores, meats and everything else, you can only compost on a large scale, and you have to have the right recipe of the organics and carbon fibre to neutralize it and ensure that you have a stable organic mass.

Yes, there is potential there. We see in Labrador West, as an example, we have all the facilities in place now with the exception of composting. There is space available at that site to put a composting facility. That has the opportunity to take 35 per cent at least of organics out of their

landfill on a go-forward basis, which will extend the life of that landfill significantly.

The same opportunity will exist, but on a much smaller scale of course in Southern Labrador where you only have a 3,000 population. The amount of organics that would be generated is relatively small. Whether they do it at a community level or whether they do it at a regional level at the proposed landfill that would go there, that is a matter of a little piece of analysis that they would need to do to determine what the most economical approach is for them.

If you can keep it in the community and you can defer transportation costs, then that lowers their cost. Those are the kinds of things that communities are looking at, municipalities are looking at, and regional service boards are looking at.

CHAIR: I understand the explanation of why \$200 million became \$316 million. It seems like because there was virtually little to no way to determine how to arrive at the \$200 million in the first place and that the \$316 million seems to be maybe a more reliable number. Is that a firm number today or is there a range? If so, what would the range be?

MR. MERCER: Based on the information that we have now and the technology that we know that is available out there, from a professional perspective that is our best projection, recognizing that there is some risk with that. Any time you build some infrastructure and you think you have all the answers and you have all the information, there may be some change in market conditions and that sort of thing that will either save you some money or cost you more money.

I would not want to leave you with the impression that there is no risk; yes, there is some risk. For the most part because the numbers that we are using is based on good science, based on past practice, based on tender results from similar types of infrastructure that we have already built within the last couple of years, we think they are fairly reliable. Time will tell. The sooner that we can build the infrastructure the better, and the less risk you have from inflation. We have to get our plans finalized in some areas in order to do that.

CHAIR: Going back to the \$316 million, are there some known risks with, say, labour or concrete or land – some will be enormous where others are just contingencies that have not even been considered yet. How far down the construction trail are we?

MR. MERCER: What I did is when we built the implementation cost cash flow, we identified certain things as low risk, medium risk or high risk. At the time that the AG's report was completed – we did not have the benefit of even seeing a draft report at that point in time associated with the composting, so we listed composting as a high risk in terms of our cost. Like I said we –

CHAIR: You mean a high risk that your projection might be off?

MR. MERCER: It was a high risk that the projection would be off, yes.

CHAIR: Okay.

MR. MERCER: Actually the numbers that we were carrying – we did not have the benefit of a composting study but we had the benefit of a lot of, I guess, research that we had done and sites that we had visited, other jurisdictions we had visited, those sorts of things and learned of the cost that they incurred to put their infrastructure in place.

When we built the cash flow that added up to \$316 million, we included those numbers but we rated them as high risk, so it was a high risk that they could be high or they could be low. Right now, we know that those numbers are probably a little higher than they probably will actually be, and that has been validated from information that we have seen now recently come through the composting report.

CHAIR: Do you mean your projection could be higher or the numbers?

MR. MERCER: The projections that we are carrying are probably higher than what our actual expenditure would be –

CHAIR: Nobody minds if the projections are higher, right?

MR. MERCER: Our numbers are conservative, so we expect to probably build compost facilities for less than the \$76 million that we have currently included in the budget projection.

CHAIR: Okay.

Are there other numbers of items that have not yet been finished that have a high risk?

MR. MERCER: No, the high risk were predominately composting, as that was the only area that we had not done any significant specific study work related to. The numbers that we were getting, we were getting from various jurisdictions and various technologies that we had looked at, but not a sort of comprehensive report –

CHAIR: Was that number \$76 million, you thought?

MR. MERCER: That was the \$76 million, yes.

CHAIR: What do you think today that it will be?

MR. MERCER: I suggest it is going to be lower than that. The process we have to go through now, so we will have the information from the composting study. It will give us some opinion with respect to technology. It will give us some analysis in terms of is it more economical to do this on a large scale, on a regional scale, on a community scale. It will give us some sense of what is the most economical approach.

From that, we will develop a composting infrastructure plan. We will identify that in this particular region we will build a facility of this size because the organics that are being generated in this particular region amount to, say, 3,000 tons a year.

A compost facility that would be on the Northern Peninsula, as an example, would be a very, very miniature scale of something that would be built for the Avalon Peninsula that serves 250,000 people. Yes, 10,000 people versus 250,000 people, a significant order of magnitude. For instance, in our cost numbers we built in \$20 million for the Avalon Region; we built in \$20 million for the Central Region.

For some of the smaller regions, because we know the facilities will be much smaller, we have built in a projected cost of about \$3 million apiece in each of those regions.

CHAIR: Is there any possibility or does this include, in waste management, the opportunity for cost recovery for energy that would be generated by waste?

MR. MERCER: What you are looking at, you are looking at a different type of technology. You are talking about waste energy technology?

CHAIR: Can we burn some of the stuff or separate it and burn it in order to generate some electricity for some sort of cost recovery? Is that part of the overall picture?

MR. MERCER: In the earlier days back certainly prior to me, prior to 2009 when I got involved with this file and during 2009-2010, there were some significant discussions about waste energy as an approach compared to landfilling. At that particular time, there was no large-scale waste to energy facilities in Canada. There was a demonstration plant that was operating in Ottawa at the time by a company, and there was a delegation from Newfoundland prior to my involvement that went and looked at that.

There was a lot of risk associated with it. As a matter of fact, it is still not, even today, proved itself. The waste-to-energy facilities that have been built in North America, predominantly in the US, are very large scale. I have visited many of them myself. Most of them would be serving populations of 2 million to 6 million people, and certainly well beyond the scale and magnitude of waste that we have here in this Province.

So that was something that was looked at as an option, and it was subsequently decided that we would proceed along the path as initially envisioned with the call to action report in 2002, which was to proceed with landfilling, lined landfills on the Island. Landfilling is still the most predominant approach to waste management in North America today. Technology is improving in terms of the waste-to-energy field. Emissions are still a concern. There is a lot of move towards not burning any more, but anaerobic digestion and biofuel

creation from waste; most of it is at a very prototype phase at this point in time.

The move worldwide seems to be more towards waste to energy. If you look at the Europeans, they have been doing waste to energy for about forty years, and they have not done much in the way of landfill in the last two or three decades. We think that will probably migrate to North America over the next several decades and technology will improve to meet emissions standards relative to North America and that, down the road, waste-to-energy facilities scalable for the amount of waste that we are going to generate here for a half a million population might be feasible, but certainly not at this point in time.

CHAIR: What is the annual projection for the household fees that would need to be paid to cover operating costs?

MR. MERCER: It will vary significantly, because it will depend on who is delivering the service. Every region is not alike. Let me try to explain that to you.

In the Avalon region, for example, most communities, even the Carbonear – Harbour Grace area, will direct all as a municipality to Robin Hood Bay. When they come to Robin Hood Bay they will pay a \$68 per ton tipping fee to dispose of waste in the landfill. They will pay a \$23 fee to put their blue bag in the recycling facility. The board has decided to do that to try to encourage recycling. It is a lot cheaper for a municipality to put blue bags in than it is to put black bags in the landfill.

We know the cost to the household related to the tonnage. We know what that is, but lots of times we do not know what the cost to the municipality is to collect the waste and using your own employees to bring it to Robin Hood Bay. What we have done is we have gone out and we have surveyed a bunch of them.

On the Avalon, the household cost from what we have surveyed ranged from about \$130 per household for the City of St. John's, that has the highest density and very close to Robin Hood Bay. Some of the furthest communities away would be up in the Trinity Bay de Verde area; very small communities that are having waste

collected by a private sector contractor under a consolidated curbside collection. Their cost is roughly around \$230 per household. That includes everything then from getting it to the curb to final disposal. We know what those costs are because the board, of course, manages the contracts and we know exactly on a household basis what the cost is.

In Central Newfoundland, they provide a full suite of collection services through to landfill disposal to about 80 per cent of the 70,000 residents out there. Right now, their cost is \$174 per household. There are some communities, including Grand Falls-Windsor, and some communities down around the Terra Nova Park area, so Gambo and say Eastport, that still collect waste themselves and take it to the transfer station that is located there just off the Trans-Canada Highway in Eastport.

We have learned from them that they are – for instance, I think Gambo is about \$150 per household right now. That is feeding into a system in Central Newfoundland. Their fees right now includes the full suite of operations. We are not expecting their fees to increase significantly even when the MRF comes onboard or composting facilities comes into operation out there. For the most part, with exception for a couple of the little areas, all of the costs are less than \$200 per household.

CHAIR: I think it is approximately 750 kilometres from St. Anthony to the station in Central.

MR. MERCER: Yes, it could be.

CHAIR: What will the cost be from that area?

MR. MERCER: We do not know, because that is one of the regions that we have not done a lot of study work. There are three regions: The Coast of Bays area, the Northern Peninsula, and the Baie Verte, Green Bay area. We have recently worked with the board, NorPen, to develop a terms of reference to look at what their long-term infrastructure needs are.

Right now they are operating with four interim, consolidated, landfill sites up there. When the Strategy is fully implemented they will not have any. They will have one or more transfer

stations with some public drop-offs we suspect, with some composting. The waste that is going to be going to landfill would go to Norris Arm.

There is a piece of work currently – there is a consultant, as a matter of fact within the last two or three weeks, just engaged to look at that and look at what the most economical approach for them will be in terms of a consolidated curbside collection and what their infrastructure would look like. We will give them a rough idea of what their cost will be to get their final waste to Norris Arm.

CHAIR: I do not think I have any more questions, but maybe some of the Committee members may have some questions?

In that case, I will ask Mr. Paddon if he or his staff have any questions.

MR. PADDON: No.

CHAIR: We are running a little bit later because we are going to clue up in the first half of the day. Hopefully, I will be free – if keeping you past 12:30 means you don't have to come back at 2:00 p.m.

MR. PADDON: No, Mr. Chair, I have no questions. We are good.

CHAIR: We started with you, Ms Janes. Did you want to have any final say? You don't have to.

MS JANES: No, just thank you. I think we have relayed a lot of information today. I appreciate the questions and the opportunity to actually provide some information.

CHAIR: I need a motion to pass the minutes of the last day we were here, and that was on July 24. That was for Eastern Health.

Moved by Mr. Peach; seconded by Mr. Parsons.

All those in favour, 'aye'.

SOME HON. MEMBERS: Aye.

CHAIR: All those against, 'nay'.

Passed; approved.

On motion, minutes adopted as circulated.

CHAIR: We stand adjourned until tomorrow morning.

Thank you for coming. It has been a relatively long but productive morning.

On motion, the Committee adjourned.