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Mr. Damian Bassett,  
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We note that copies of a letter from Mr. Dan Steel, Vice President, Government Relations with Owens-Illinois Inc., dated January 31, 2006; which has recently been circulating, following on-line notifications by Solid Waste & Recycling Magazine. We at Unical Inc. wish to point out our concerns over some of the contents of the letter.

The letter contends that a deposit-return system for Ontario wine and liquor bottles would improve glass recycling in the Province. We disagree – a deposit-return system would not improve the glass recycling situation in Ontario. The O-I letter also contends that glass recycling in Ontario has not been successful – again we disagree with this perspective.

Unical Inc. currently operates a fully integrated glass recycling plant in Longueuil, Quebec, where in 2005 we recycled more 120,000 tonnes of glass last year, of which more than 70,000 tonnes was mixed-broken glass (MBG). This material was collected as mixed-broken glass by municipalities, which allows those towns and cities substantial savings on their collection costs. Each year Unical sources over 30,000 tonnes of blue box glass from Ontario; which was processed into value-added container and fibreglass cullet products. In fact, our company sells O-I about 40,000 tonnes to of container cullet each year, their container plants.

In co-operation with Stewardship Ontario and the municipalities of Toronto, Peel, York, Durham, Hamilton, and Guelph we are well on our way to implementing a state-of-the art glass recycling facility in Ontario, which will open in 2007. This plant will process between 80,000 and up to 100,000 tonnes of the lowest collection cost type of glass – Mixed-Broken Glass; which will save these municipalities millions of dollars in the years to come. In addition to the collection cost savings, the Unical Inc. project will significantly reduce municipal recycling costs paid as "tipping fees" that will offer even more savings to the municipal sector over the term of these agreements. Once the plant is operational, Unical Inc. will welcome more tonnage from other Ontario municipalities, offering them similar savings. The currently proposed Unical Inc. project for Ontario will manage well over half to the total tonnage of blue box recycled glass in Ontario, providing savings for municipalities, for product stewards and for Ontario consumers and taxpayers.

The letter suggests that Ontario glass will be "down-cycled"; again we disagree. Unical Inc. sell our recycled glass products to the leading container makers (including O-I) and fibreglass manufacturers in Canada, the USA and globally. The quality of our container and fibreglass cullet is of the highest standard, and in high demand from our customers. We have tentative agreements for the entire production of recycled glass products that we will generate from our state-of-the art Ontario glass plant. This can hardly be viewed as "down-cycling". Our plant will make the same or better products using mixed broken glass as would possible glass collected in a deposit-return glass system. When the Ontario plant is running; our customers will have access to container and fibreglass cullet and glass abrasive products. O-I, should they be interested, will have access to at least another 15,000 tonnes of top quality container cullet from

Unical Inc. If O-I decided to install a green glass furnace in Ontario (currently they only operate clear and amber tanks in Ontario), Unical could supply green container cullet to that new furnace as well recycling even more tonnage within Ontario.

The economics of glass recycling rely on secure large tonnages of supply for reasonably long terms to justify investments. If a deposit-return system removed a high proportion of glass from the curbside system in Ontario we see several negative effects. Firstly, the economies of scale that will that will allow our state-of-the art glass recycling plant to be built in Ontario, benefiting municipalities directly, may be in question. Secondly, municipalities may then want to remove the remaining container glass from the blue box, since they will continue to seek savings options. Finally, we believe that Ontario's stated goal of striving for a 60% diversion rate will be jeopardized should we collectively abandon new and innovative approaches to get even more glass recycled at the lowest collection cost possible for municipal programs.

A wine and liquor deposit-return option cannot not meet these objectives at lower costs. A deposit system would dramatically increase costs to Ontario residents, and give the wrong signals to municipalities about the need for recycling system innovation and cost control.

Unical Inc. is committed to working with Stewardship Ontario, and all municipal proponents to make curbside glass recycling work better and at a lower cost within Ontario. We remain dedicated to our plan to offer all customers the best recycled glass products available, and to produce them in ways that saves money for Ontario citizens.

Yours truly

Andre Racine  
President

CC. Hon. Laurel C. Broten, Ontario Minister of the Environment  
Mr. Lyle Clarke, LCBO  
Ms. Glenda Gies; Exec. Director, Waste Diversion Ontario