

Quarterly Industry Report

Q2 2025



Bluewater Recycling Association
June 19th, 2025



Table of Contents

1. Introduction
2. Municipal Recycling Developments
3. Technology Advancements in Waste Management
4. Transportation Decarbonization Trends
5. Market and Economic Conditions
6. Workforce and Labour Trends
7. Regulatory and Policy Changes
8. Safety and Sustainability Innovations
9. Noteworthy Infrastructure and Industrial Growth
10. Industry News Highlights

1. Introduction

The second quarter of 2025 presented an evolving landscape across the waste management, recycling, and transportation sectors. From substantial regulatory changes and infrastructure investments to the accelerating adoption of AI and clean energy technologies, industry stakeholders faced both emerging opportunities and complex challenges. This report synthesizes major developments to inform strategic positioning within the broader environmental services industry.

2. Municipal Recycling Developments

Sarnia Evaluates ICI Recycling Program Termination

Sarnia is considering discontinuing its recycling collection service for non-residential properties located along residential routes. This change stems from the upcoming January 1, 2026 shift in producer responsibility, whereby Circular Materials Ontario will no longer



service industrial, commercial, and institutional (ICI) properties under Ontario's EPR legislation.

Currently, the City of Sarnia subsidizes the collection from these 200 ICI properties at an annual cost of approximately \$60,000.

Discontinuation of service would avert projected future expenses ranging from \$180,000 to \$280,000 annually. City staff have recommended ceasing this

service, a move that aligns with decisions taken by other municipalities facing similar legislative constraints.

The remaining service to city-owned facilities, including arenas and public works buildings, would continue under a separate allocation of about \$15,000 per year. Routing inefficiencies and the scattered geographic nature of serviced ICI properties were key factors in the staff's recommendation. Municipal staff emphasized the need for timely communication to affected parties ahead of the service change.

3. Technology Advancements in Waste Management

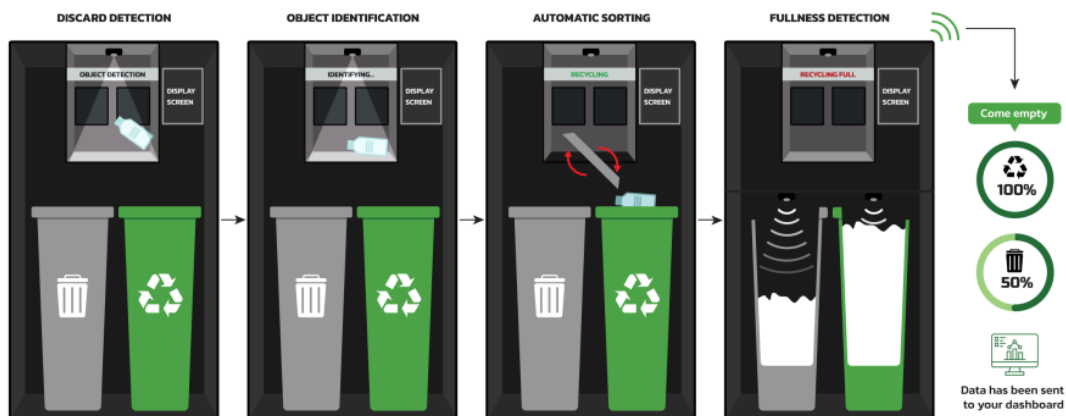
AI Transforming Material Recovery Operations



The integration of artificial intelligence into recycling operations is rapidly accelerating. Traditional manual sorting methods in material recovery facilities (MRFs) have long been hampered by inefficiencies and contamination. Today, AI-enhanced systems are addressing these issues through automation and behavioral engagement.

New platforms such as Oscar, dc1, and MyMatR combine computer vision and robotics to provide real-time sorting and user feedback. For instance, MyMatR encourages user engagement by having individuals guess the correct bin before AI corrects and disposes of items appropriately. This process not only reduces contamination but also fosters long-term behavioral change.

In backend operations, AI-powered robotic arms now achieve sorting speeds up to four times faster than human workers. These systems also collect granular data that helps optimize collection schedules, analyze contamination trends, and improve facility performance. Overall, AI is ushering in a paradigm shift from passive to interactive, data-driven recycling infrastructure.



4. Transportation Decarbonization Trends

Renewable Natural Gas (RNG) as a Diesel Replacement

A comprehensive study by Energy Vision has identified RNG-powered trucks as the most advantageous replacement for aging diesel trucks. Evaluated against electric vehicles and renewable diesel, RNG vehicles demonstrated superior performance in cost-effectiveness, emissions reductions, and operational practicality.

According to the report, RNG trucks deliver up to 88% of the health benefits associated with EVs and significantly lower greenhouse gas emissions. Despite an upfront cost premium of \$35,000 to \$75,000, RNG trucks yield notable fuel savings, with estimated annual reductions of \$680 million across the U.S. for a fleet of 130,000 replacements.

These trucks operate using existing compressed natural gas infrastructure and have performance parity with conventional diesel models. Their widespread availability and ease of integration make them a compelling near-term solution in fleet decarbonization strategies.

Hydrogen Fuel Cell Advancements

Hydrogen-powered refuse trucks have shown strong results in pilot trials across North



America. These vehicles offer refueling times comparable to diesel (12–15 minutes) and extended route ranges, lifting over 1,300 containers and covering 120+ miles per charge.

Hydrogen fuel cells enable cleaner, quieter operation with zero tailpipe emissions, generating electricity

for power take-off systems while reducing reliance on large battery packs. Integration of fuel cells mirrors current CNG and EV systems, easing the transition for fleet operators familiar with high-pressure systems.

Despite current infrastructure and fuel production cost challenges, hydrogen offers a scalable, sustainable path for long-haul and high-duty-cycle waste collection operations.

ReVolt Diesel-Electric Hybrid Enters Production

The ReVolt Sidewinder, a diesel-electric hybrid refuse truck developed by New Way, has entered



tered full-scale production following successful field trials. It combines a 270kW battery with a low-emissions diesel generator, offering quieter operation, regenerative braking, and emissions reductions exceeding 50%. The modular design supports route-specific power balancing and simplifies maintenance. New Way reports high interest from municipalities and private haulers seeking transitional decarbonization technologies.

5. Market and Economic Conditions

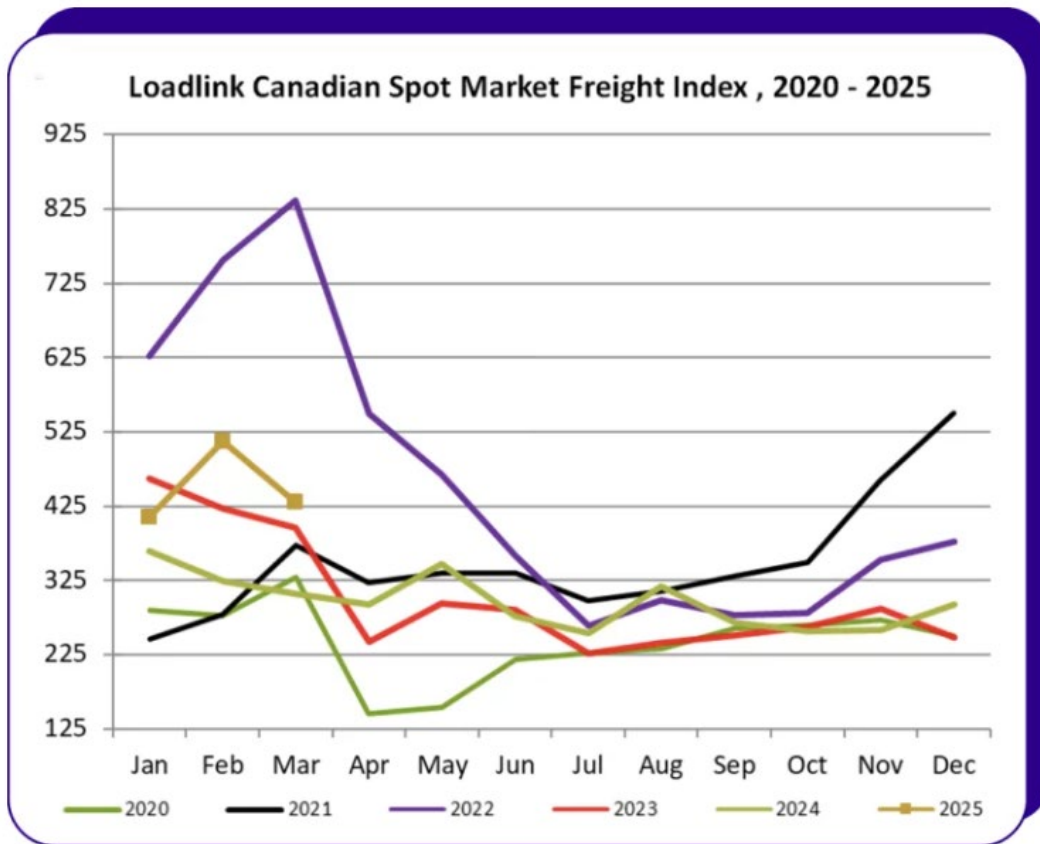
Freight Recession and Trade Impacts

The North American freight sector continues to grapple with economic headwinds exacerbated by international tariffs. ACT Research warns that the current U.S.-Canada trade conflict will prolong the freight recession, raise equipment costs, and reduce cross-border shipment efficiency.

Retailers have front-loaded imports to beat tariff deadlines, temporarily boosting Q1 volumes. However, this is expected to reverse in Q2 and Q3, resulting in subdued demand. ACT's Trucking Index showed a 4.5-point drop in volume and a 4-point increase in capacity, signaling market softness.

Canadian Spot Market Stability

Conversely, Loadlink Technologies reported a strong Canadian spot market in Q1 2025, with March volumes 40% higher year-over-year. Despite a 16% month-over-month drop from February, the truck-to-load ratio improved significantly, offering carriers stable conditions amid broader volatility.



6. Workforce and Labour Trends

Trucking HR Canada's Q1 2025 report indicates a 25,000-job decline in the sector, mostly in administrative and support roles. Interestingly, truck driver employment rose by 1.5%, highlighting a possible reallocation of labor within the sector.

Unemployment among truck drivers also rose slightly, suggesting an expanding labor pool. This divergence points to sectoral shifts and possibly increased demand for drivers amidst persistent turnover and labor shortages in freight-intensive industries.

7. Regulatory and Policy Changes

Ontario EPR Rollback Proposal

The Ontario government has proposed significant amendments to the province's Blue Box regulations. Key changes include:

- Extending recovery target deadlines from 2026 to 2031.
- Cancelling planned expansions into multi-residential buildings, schools, and public spaces.
- Allowing up to 15% of producer recycling quotas to be met through incineration or energy recovery.

These proposals, currently open for public consultation, have drawn criticism from industry advocates as a step backwards. Stakeholders have raised concerns about decreased diversion, reduced accountability, and the potential economic impact on recycling processors who had invested in anticipation of stricter compliance requirements.

Amendments to the Resource Recovery and Circular Economy Act, 2016

Ontario is also proposing changes to the Resource Recovery and Circular Economy Act, 2016 (ERO 025-0536), aimed at enhancing the flexibility and accountability of the province's producer responsibility framework. The amendments would:

- Enable the Ministry to collect critical data on blue box system design and cost effectiveness.
- Allow for improved transparency in PRO invoicing and service procurement.
- Introduce mechanisms to support continued collection for small businesses after the 2026 transition.

These changes are intended to allow the government to better assess program performance and consider targeted reforms. The consultation period remains open until July 21, 2025.

Michigan Landfill Fee Hike Proposal

Michigan legislators have reintroduced a bill to raise landfill tipping fees from \$0.36/ton to \$5/ton. This increase is intended to deter out-of-state dumping, particularly of hazardous waste. The legislation reflects broader regional efforts to reduce reliance on landfills and promote local waste reduction strategies.

8. Safety and Sustainability Innovations

Lithium Battery Fire Prevention Challenge

The Waste and Recycling Industry of Queensland has launched a challenge to reduce lithium-ion battery fires in waste streams. In 2024 alone, over 12,000 fires were linked to improper battery disposal. The initiative invites innovations in early detection, sustainable recovery, workplace safety, and fire response technologies.

This effort underscores a growing global concern about the fire hazards posed by lithium batteries in household and commercial waste. Solutions developed through this challenge may set precedents for battery safety protocols worldwide.

9. Noteworthy Infrastructure and Industrial Growth

McNeilus Expands Side Loader Vehicle Production

McNeilus Truck and Manufacturing has modernized and expanded its side loader production line in Dodge Center, Minnesota. The revamped facility incorporates robotics, MES systems, and digital torque tools, improving quality control and production capacity. This expansion supports rising demand for advanced collection vehicles tailored to automated waste services.

SYNDIGO1: World's Largest Film Recycling Plant

NOVA Chemicals has inaugurated SYNDIGO1, a 450,000 sq. ft. recycling facility in Indiana.



It is projected to process 145,000 bales of plastic film annually into 110 million pounds of recycled polyethylene. With FDA certification and a strong supply chain of retail film sources, SYNDIGO1 represents a significant leap forward in mechanical recycling infrastructure.

10. Industry News Highlights

Coca-Cola Electrifies Freight Fleet

Coca-Cola Canada Bottling has unveiled its first Volvo VNR Electric Class 8 truck, deployed in the Greater Montreal Area. This marks a significant step toward reducing fleet emissions and supporting Canada's national climate goals. The company reports this vehicle will reduce 25 tonnes of carbon emissions annually and is part of Coca-Cola's larger plan to transition to a zero-emission fleet over the next decade.

Hudson's Bay Company Store Closures

Hudson's Bay Company has announced the closure of several major department store locations across Canada in response to shifting retail economics and increased e-commerce demand. The closures underscore ongoing volatility in the commercial real estate and retail waste stream sectors. These changes are expected to impact urban material recovery volumes as anchor tenants vacate large properties.

Conclusion

Q2 2025 has proven to be a dynamic period for the waste and recycling industry, marked by innovation, policy flux, and economic turbulence. Stakeholders across the sector are advised to remain vigilant and informed as new technologies, evolving regulations, and global market shifts reshape the operational landscape.