

Frequently Asked Questions

Who completed the Alberta Collaborative Extended Producer Responsibility Study?

The study was funded by the Alberta Urban Municipalities Association (AUMA), Canadian Stewardship Services Alliance (CSSA), and Cities of Edmonton and Calgary, with project support from the Rural Municipalities of Alberta (RMA), Recycling Council of Alberta (RCA), City of St. Albert, and Town of Whitecourt. The study was completed by Eunomia Research & Consulting (Eunomia), along with its sub-contractors Kelleher Environmental, Love Environment, S-Cubed Environmental, and Morrison Hershfield. The Government of Alberta participated as an observer in the collaborative project to develop the study.

Why would Alberta want to change its current approach to collecting and recycling residential packaging and paper products?

Extended producer responsibility (EPR) for residential packaging and paper products (PPP) will save municipalities and their ratepayers money, create jobs, deliver better environmental outcomes, and provide expanded, consistent, and more accessible recycling opportunities across the province. It will:

- Reduce the recycling collection services costs that municipalities charge their residents each year by up to \$105 million; this is Albertans' money and it can be provided as a cost savings to municipal residents or reinvested in other municipal services
- Add \$16 million to the Alberta economy every year
- Gain approximately 220 new jobs in Alberta's recycling industry
- Recycle an additional 21,000 tonnes of PPP each year
- Reduce CO2 emissions by 72,000 tonnes each year – the equivalent of removing 15,000 cars from the road annually
- Increase recycling opportunities for rural Alberta and people who live in multi-dwelling residences
- Make recycling more convenient for Albertans by collecting the same materials province-wide

EPR also ensures that PPP producers have incentive to design materials and products that are easy and cost effective to collect and have an end-market where they can be recycled.

The study is funded by AUMA and the Cities of Edmonton and Calgary, what will be the benefits for rural municipalities?

The Rural Municipalities of Alberta (RMA) is a project partner and has been at the table through the development of the study. RMA supports the adoption of extended producer responsibility (EPR) for residential packaging and paper products (PPP) in Alberta. Part of the reason for RMA's support is that the project partners' collective vision for EPR for PPP is relevant to and would deliver benefits to municipalities across Alberta. One of the key tenets of the project partners'

vision is that PPP recycling services be convenient, consistent, and equitable across the province. This would mean providing accessible recycling services for PPP across Alberta without burdening municipalities with the costs or risks of managing PPP at end-of-life.

Is there evidence that the adoption of extended producer responsibility for residential packaging and paper products reduces municipal rate payers' property taxes or utility rates?

There are many examples of municipalities in British Columbia, where extended producer responsibility (EPR) for residential packaging and paper products (PPP) is fully adopted, either eliminating the costs associated with recycling collection or reinvesting these savings in other programs and services.

Vancouver, as the largest city in British Columbia, is one example of this. It no longer charges its residents a recycling fee. Other examples include the Thompson-Nicola Regional District area in British Columbia, which gave its residents a 6.9 per cent property tax decrease in 2019, and Kamloops, which cushioned its 2018 utilities increase by decreasing residents' recycling fees.

How will adopting extended producer responsibility for residential packaging and paper products in Alberta affect jobs?

A made-in-Alberta solution to extended producer responsibility (EPR) for residential packaging and paper products (PPP) is projected to add approximately 220 new jobs to Alberta's recycling industry – an increase of 16 per cent for the sector.

A made-in-Alberta solution can also provide municipalities, which currently provide recycling collection services, the opportunity to continue to provide these services and remain the point of contact with their citizens. This approach would give municipalities the option to create or maintain recycling collection jobs or contract with a third-party commercial service provider as long as they meet service standards and contract terms developed in consultation with producers.

How will recycling collection services for packaging and paper products under extended producer responsibility compare to collection services today?

The study results indicate that services would, overall, be provided to 18 per cent more Alberta households. This is because multi-family households would receive equivalent services to single-family households.

Overall, this means that 100 per cent of Alberta households in large municipalities, 90 per cent of households in medium municipalities, and 90 per cent of households in small municipalities would have access to curbside recycling collection services and/or access to a depot to drop-off their recycling under extended producer responsibility (EPR). Other municipality and community types would continue to use depot services, although these could be expanded.

Will the adoption of extended producer responsibility for residential packaging and paper products increase product prices for consumers?

Although we can never comment with full confidence on the future price of packaging and paper products (PPP), our study shows that the cost of producer-funded PPP program recycling is already built into products' pricing at point-of-sale (i.e., there are no additional eco-fees that would need to be charged on PPP to cover producers' cost of recycling). Producers suggest that the cost to collect and recycle PPP under a made-in-Alberta program is likely to be a fraction of a cent on individual items.

Will extended producer responsibility for residential packaging and paper products put additional strain on small business bottom lines?

To eliminate this risk, extended producer responsibility (EPR) regulations can focus on a made-in-Alberta solution that recognizes that small, local businesses should not be unduly burdened by administrative or financial obligations. For example, EPR regulations can and generally do set a small business exemption threshold below which producers are exempted from contributing to the cost of the system; however, they may be required to report data, such as quantity of material sold into the market, to confirm they fall below the threshold. As another example, EPR programs typically allow small businesses that are above the small business exemption threshold to pay an annual flat fee rather than report detailed data.

Why is the study focused on residential packaging and paper products and not other types of materials and products?

First, packaging and paper products (PPP) present a large cost and risk to municipalities and their rate payers (i.e., residents who pay property taxes and/or utility rates). The global markets for PPP have shifted and it is no longer as practical, efficient, or, in some cases, even possible for municipalities to find markets for these materials. With municipalities managing these burdens, the result is that rate payers are covering increasing costs for municipally-offered recycling services.

Second, many producers recognize that the costs and risks associated with collecting and recycling PPP rightly lie with them, and that they have the ability to influence the designs and processes that lend to circular economies. PPP producers have responded positively to regulation in other provinces, are already operating PPP programs in those provinces, and support Alberta adopting extended producer responsibility for residential PPP.

Why is the study focused on residential and not commercial or industry packaging and paper products?

More than 80 per cent of Canadians already benefit from producer-funded residential packaging and paper products (PPP) recycling programs. In other words, producers already have the know-how and experience to implement and operate efficient and effective programs, and they are willing to assume the responsibilities associated with extended producer responsibility (EPR) for PPP in Alberta. For these reasons, along with all the

economic, environmental, and social benefits that come with it, it makes sense to advance EPR for residential PPP in the near-term.

How can the government ensure that producers do “the right thing” under extended producer responsibility?

Typically, provincial governments appoint a third-party agency to oversee compliance and provide performance assurance. Other times they choose to retain the oversight role. In either case, the provincial government or agency approves performance standards and targets and oversees program compliance. Government regulations should include penalties for companies that subvert their obligations.

Doesn't the success of extended producer responsibility also depend on the public correctly sorting packaging and paper products to create a clean material stream, and can the government enforce this type of participation?

The success of extended producer responsibility (EPR), like any people-driven system, does depend on all players fulfilling their role(s). In EPR, producers, and not the public, are accountable for packaging and paper products (PPP) at end-of-life. Accordingly, it is producers that work to meet targets and any legislated compliance requirements. Producers, along with their collectors and processors, use a variety of strategies (i.e., innovation, including technology development, process improvements, and education and communication) to achieve their targets, and that includes facilitating successful participation from the public.

What needs to happen for Alberta to adopt extended producer responsibility for residential packaging and paper products?

One of the key elements of extended producer responsibility (EPR) is that it assigns operational and financial responsibility to producers – companies that distribute packaging and paper products (PPP) in Alberta – to collect and recycle their materials and products. In order for this to happen, the Government of Alberta has to make regulatory changes that obligate producers to play this role. There are also other regulatory changes, such as ensuring that EPR for PPP doesn't create an unnecessary burden on small businesses or remove the right of municipalities to offer their citizens recycling collection services, that can help to ensure Albertans realize the full benefits of EPR for PPP.