



May 11, 2021

Honourable Jason Nixon
Minister of Environment and Parks
323 Legislature Building
10800 - 97 Avenue NW
Edmonton, AB T5K 2B6

Dear Minister Nixon:

The Alberta Urban Municipalities Association (AUMA) had the opportunity to review Alberta Environment and Parks' Extended Producer Responsibility (EPR) discussion paper for packaging, paper products, single-use plastics, and hazardous and special products.

AUMA has long advocated for an EPR packaging and paper program. Our advocacy included the [Alberta Collaborative EPR Study \(ACES\)](#), published in early 2020, which emphasized the many benefits of an EPR program. The report also covers municipalities' perspectives on EPR and other provinces' best practices. The research is a partnership among the Cities of Calgary and Edmonton and the Canadian Stewardship Services Alliance. We believe ACES is a good reference for Alberta Environment and Parks (AEP).

AUMA's feedback to the discussion paper is attached for your information. We also want to share a few high-level themes that have emerged from our research and discussions with our members.

Municipalities must be part of the decision-making

AUMA understands that EPR legislation and regulations shift the responsibility to producers; however, municipalities must be part of the discussion and decision-making. Local governments operate major collection sites for many recycling programs. To successfully transition municipalities, we must have a say in how the transition process is designed and implemented, have adequate time to decide, and not feel forced to choose. The transition process needs to be mutually beneficial and understood by producers and municipalities.

Alberta should harmonize where possible

Many provinces in Canada have already implemented EPR programs. Alberta does not need to reinvent our EPR framework and programs. AUMA has been meeting with many business and industry stakeholders, and there is agreement that provincial governments should harmonize regulations and requirements where possible. Having a similar set of rules for businesses reduces administrative burdens, creates efficiency, and generates potential commercial opportunities in Western Canada. We advocate that Alberta takes the lead by starting this dialogue with British Columbia, Saskatchewan, and Manitoba, either through existing structures such as the New West Partnership or a ministerial-level discussion.

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The province must fund the EPR transition for hazardous and special products (HSP)

AUMA is concerned about who will pay for the recycling and destruction of HSP while the province is working on a permanent EPR program for HSP. Our understanding is that the current Household Hazardous Waste (HHW) grant will be reduced this year, but the new EPR program will not start until 2022 or later. Due to Alberta Infrastructure cutting back on its funding, municipalities are expected to contribute more to the destruction of HHW, making recycling of HHW unaffordable for many municipalities.

We ask the provincial government to reinstate the funding until an EPR program is in place to stop service disruptions across Alberta and to set a coordinated policy direction for Albertans. For years, AEP and municipalities have educated residents about the benefits of HHW recycling. Service disruptions only create future communication and implementation barriers for AEP, program operators, and local governments.

Thank you for listening to municipalities, and we appreciate your staff meeting with us. We look forward to working with your team to develop EPR programs in Alberta in the fall. If you would like to discuss this matter further, please feel free to contact me by email at president@auma.ca or my cell phone at (403) 363-9224.

Sincerely,

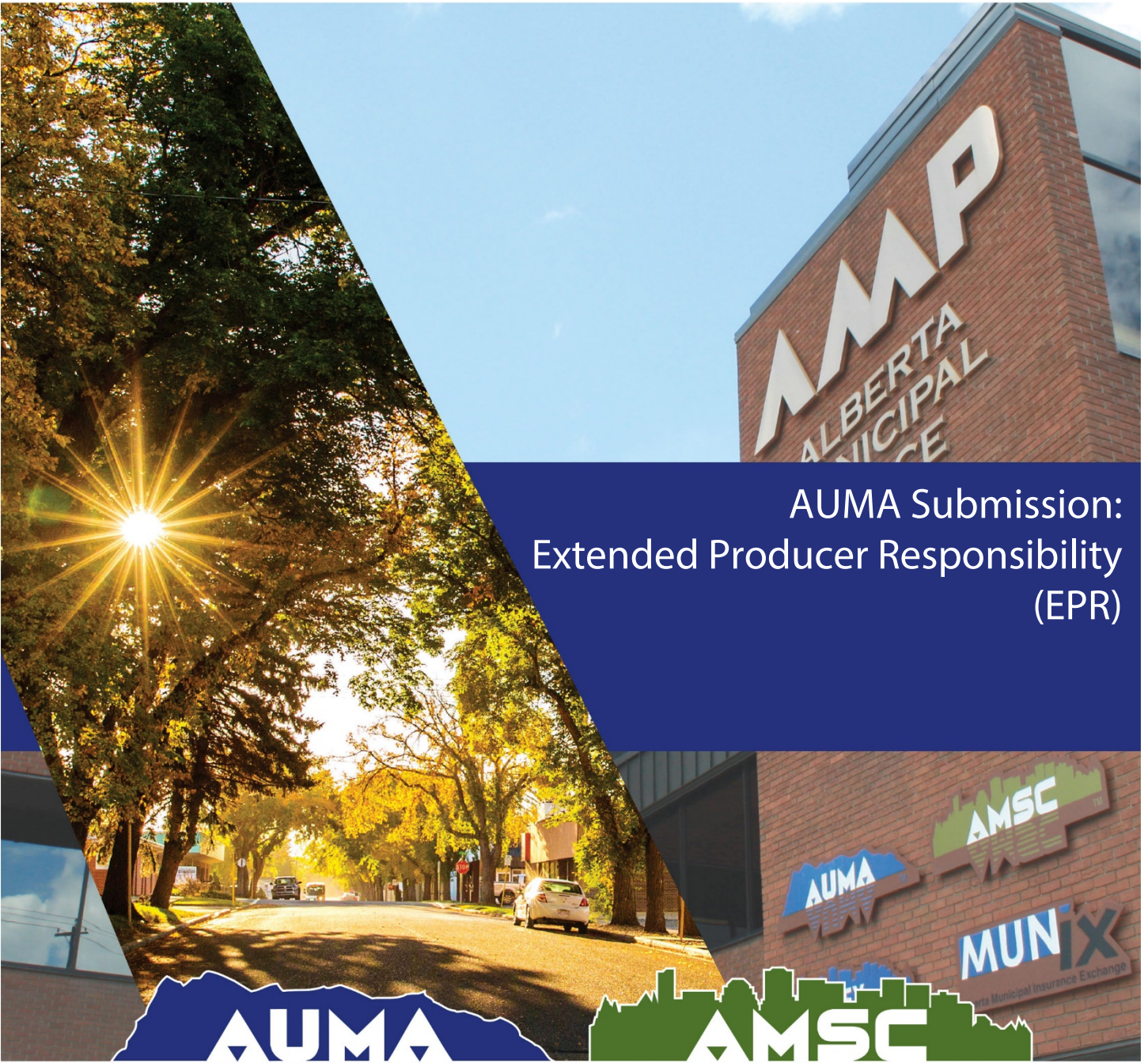


Barry Morishita
AUMA President

Enclosure

- AUMA Extended Producer Responsibility Submission

cc Mr. Searle Turton, Member of Legislative Assembly, Spruce Grove-Stony Plain



AUMA Submission:
Extended Producer Responsibility
(EPR)



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Alberta Urban Municipalities Association

The [Alberta Urban Municipalities Association](#) (AUMA) represents urban municipalities, including cities, towns, villages, summer villages and specialized municipalities – where over 85% of Albertans live. At AUMA, we work to ensure that everyone – at every level of government – understands that municipal governments are accountable to their citizens and are trusted to act in the best interests of their respective communities. Municipal leaders function in closer proximity to Alberta's citizens, which helps make municipalities the most transparent order of government.

Municipal governments are intrinsically involved in the everyday lives of the people they serve. They guide and oversee the issues, programs and services that most directly impact the day-to-day lives of its citizens.

AUMA has been an active stakeholder in advocating for an EPR packaging and paper program in Alberta. In 2019, AUMA worked with the Cities of Calgary and Edmonton and the Canadian Stewardship Services Alliance on the [Alberta Collaborative EPR Study](#) (ACES). Many of the findings of the study have been incorporated into AUMA's positions.

Several high-level themes have emerged from our research and discussions with our members.

Municipalities must be part of the decision-making

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We ask the provincial government to reinstate the previous level of funding until an EPR program is in place to stop service disruptions across Alberta. Service interruption is a lost opportunity for all Albertans. For years, Alberta Environment and Parks (AEP) and municipalities have educated residents about recycling of HHW materials. A year before having a permanent program, we may be forced to turn away residents at HHW collection sites, telling them to stop bringing materials until an EPR program is in place. Service disruptions only create future communication and implementation barriers for AEP, program operators and local governments, as we need to again persuade Albertans to bring their HHW to a collection depot and re-educate them about the value of recycling HHW.

Our detailed comments on the AEP discussion paper are below.

Section 1: EPR – A Proposed Model for Alberta

1.1 Assigning Responsibility

- AUMA believes producers need to be 100 percent responsible for made-in-Alberta EPR programs, including an EPR for packaging and paper program.
- Municipalities should not be in the position to subsidize producers.
- There are advantages and disadvantages of collective and individual producer responsibility. Whatever systems the provincial government decides on, AUMA believes that the users need to be considered in the discussion.
 - For example, there might be many Producer Responsibility Organizations (PROs) responsible for recycling for different brands and companies in an individual producer responsibility system. The system might be confusing for residents and municipalities to work with and use.
- In a collective responsibility system, usually one PRO provides the services on behalf of many producers. This PRO might appear to have "monopolistic" characteristics.
- Municipalities play an essential role in many EPR programs. Municipalities must be able to easily identify, communicate and work with producers or a PRO, whether it is an individual or collective system.
- We believe the definition of producer should follow similar hierarchies used in other provinces or try to harmonize Alberta's definitions as much as we can.
- Maximum harmonization will reduce administrative burdens on businesses.
- AUMA noticed that the discussion paper does not consider the franchise system and the relationship between a franchisor/franchisee and a PRO under EPR. We believe that this should be clarified early on to ensure a smooth transition and implementation of EPR in Alberta. In some provinces, EPR obligations fall with franchisors because franchisees, often small business owners, do not have the administrative capacity. We support a system that will impose the least amount of administrative burden on small businesses in Alberta.

1.2 Oversight, Compliance and Enforcement

- AUMA believes an EPR system must have proper governance and oversight. However, the decision of whether to develop a new third-party oversight body rather than establish functions within the provincial government is a difficult one.
- If Alberta decides to create a third-party oversight body, we believe this body must have:
 - sufficient power to address non-compliance,
 - independent and proper financial resources to operate and carry out its mandate,

- a balanced viewpoint and representatives from Alberta's diverse sectors on the board of directors,
- board members selected based on merit, skills, experience, and via transparent selection processes, and
- a governing body considering inclusion and diversity dimensions in its selecting of board members.
- Our Alberta Collaborative EPR Study (ACES) highlights that an oversight body should be responsible for:
 - Monitoring and overseeing producer responsibility in Alberta.
 - Verifying the data provided by producers.
 - Administering a data management system that ensures producers are held accountable for their supply chain and ensuring that all data provided is accurate under the standards established.
 - Conducting periodic audits of submitted producer data.
 - Educating the public about recycling under the EPR system.
- A third-party oversight body could have some possible compliance challenges, for example:
 - It will be hard to enforce the regulations if the businesses do not have a physical presence in Canada.
 - Some federally regulated industries might challenge the Alberta government's EPR regulations.
 - Unclear mandate and division of responsibility between the third-party organization and AEP could result in confusion as to who can enforce what, when and how.
 - The oversight body must be granted the proper resources and legal authority to ensure compliance.
- Although not mentioned in the discussion paper, it is important to consider who will have the responsibility to mediate disputes between municipalities and a PRO. For example, if a PRO is not meeting its accessibility standards for collection, who will enforce the standards?

1.3 Municipal/Local Government Role

- In the ACES report, AUMA and our partners identified areas that an EPR packaging and paper program should consider. We believe a successful program needs the following key elements:
 - easy for residents to use and understand,
 - convenient, consistent and equitable across the province,
 - provides municipalities with the option to be involved in the collection of packaging and paper products (PPP),
 - sets outcome-based performance targets,
 - transfers responsibility for collection, post-collection, and processing to producers,
 - enable producers to take responsibility and control the end-of-life management of the PPP that they supply into the marketplace (which protects municipalities from material risk),
 - operated and financed by producers as a reverse supply-chain for the collection,
 - incorporates considerations for producers that supply quantities of PPP below an established threshold, and
 - ensures improved environmental outcomes and drives Alberta's circular economy, including:
 - increased waste diversion,
 - increased recycling of PPP,
 - reduced contamination and increase in quality of PPP collected and processed,

- reduction in packaging placed on the market,
 - improvement in packaging design if Alberta harmonizes with other Canadian EPR frameworks to allow for ease of recycling and re-introduction of the recycled material into a circular economy model,
 - improved tracking and transparency regarding the end-fate of PPP materials, and
 - adding value to the Alberta economy.
- Current challenges:
 - The main challenge in transitioning to a future EPR system is that there is already a PPP recycling system in place, managed by municipalities and paid for by taxpayers (through property taxes, utility fees and/or private fees).
 - Municipalities need to have sufficient time to negotiate a proper transition to transfer current infrastructure and existing contracts to the PRO.
 - Municipalities should not be rushed or forced into a decision without the proper time to do their due diligence. The provincial government, municipalities and the PRO should work together to define an implementation timeline.
- Many small municipalities are currently collecting industrial, commercial, and institutional (ICI) waste. Under an EPR packaging and paper program, they might still collect ICI waste because the municipalities are the only waste providers available. Our EPR system needs to recognize and accommodate the reality on the ground.
- Many Albertans have a vacation cabin in a summer village. These vacation homes are a "second home" to many Albertans. In other provinces, EPR packaging and paper programs often do not recognize secondary residences; therefore, summer villages might not access full recycling services. AUMA believes that we need to address this in advance of implementation, to use best practices from other provinces to avoid discussions and confusion among residents.
- AUMA believes that Alberta's EPR programs need to examine ICI waste, especially an ICI stream for the packaging and paper program. Residential waste is a small portion of the total waste composition. The Alberta government should set a timeline and a goal to incorporate ICI waste into EPR programs.

1.4 Program Performance and Reporting

- AUMA believes that Alberta should try to harmonize our program performance and reporting as much as possible with other provinces to reduce administrative burdens on businesses.
- ACES identified that an EPR packaging and paper program should provide producers with economic incentives and sufficient flexibility to establish an effective and efficient PPP reverse supply chain in Alberta.

1.5 Competition: Collective Producer Responsibility Organizations

- AUMA believes that if Alberta has a multiple-PRO system, the system must not be confusing for users and municipalities who may become collectors of the system.
- Although producers have the greatest interest in a competitive versus collective system, the design of the system will have an impact on municipalities. For example, if Alberta has multiple PROs collecting packaging and paper products on behalf of major businesses, municipalities may have to work with all of the PROs to ensure all residents' recyclables are collected. If a competitive system is set up in Alberta, municipalities would prefer single-

window access- a municipal eco-depot should accept all cereal boxes regardless where residents purchased their breakfast cereals.

- The multiple-PRO system should not lead to different levels of playing fields for businesses, consumers, and municipalities.
- The oversight body must be adequately equipped to hold each PRO accountable.

1.6 Extended Producer Responsibility – General Discussion Questions

- Alberta municipalities will need to make changes under a new EPR framework. Many municipalities have made recycling infrastructure investments in the past. Municipalities need time to consider if they want to continue providing residential recycling services with existing infrastructure or they would like to transfer the services under an EPR program.
- When municipalities want to transition to an EPR packaging and paper program, a proper implementation timeline must be provided for municipalities to decide. Municipalities must be provided with enough time to engage residents, consider options proposed, and do their due diligence before deciding.
- Some municipalities may want the flexibility to continue to provide residential recycling services complementary to garbage and organic services under an EPR packaging and paper program. These municipalities must have sufficient time and not be pressured to make a change.

Section 2: EPR for Packaging, Paper Products and Single-Use Plastics

2.1 Definitions

- AUMA understands that businesses are being held accountable under an EPR program, not municipalities. However, through our engagement sessions with different business and industry groups, we have heard a lot of support for Alberta to harmonize our EPR programs as much as possible with other jurisdictions. AUMA supports an EPR system that minimizes regulatory burdens on businesses and streamlines administrative process for businesses.
- Packaging and paper items are changing. We believe that packaging and paper regulations should provide some flexibility for producers and regulators to adapt to changes over time without resorting to a complex regulatory amendment process, allowing quick adaption to market and environmental conditions.

2.2 Targets

- If the provincial regulator wants to introduce targets, it needs to have key performance indicators to measure the targets and hold producers accountable. Furthermore, if the producers are not meeting the targets, the provincial regulator needs to have a performance plan to incrementally move producers toward the targets.
- It is important that the program focuses on continuous improvement, and the provincial regulator ensures that users, like municipalities, see these improvements. Having targets but no visible improvements year after year limits the value of having the targets.

2.3 Accessibility and Service Standards

- We believe that producers should be obligated to continue to provide services to households at the same service standards or higher as before an EPR program.
- AUMA believes the drive-time-to-depot measurement needs to be established by the PRO in collaboration with municipalities. The PRO and municipalities must work together to determine criteria on accessibility, time-to-depot measurement, and service standards.
- Some criteria that should be considered when establishing an accessible recycling system:
 - All Alberta households are able to recycle the same set of materials,
 - It is at least as convenient to recycle materials as it is to dispose of them as garbage,
 - In situations where curbside services are not practicable, standards are set with respect to the longest travel distances or travel times to recycling locations such as drop-off depots, and/or the density of depot sites.
- The accessibility and service standards need to be reviewed regularly to ensure that producers meet their obligations and are held accountable.
- We understand that different municipalities offer different recycling programs for multi-family housing. We would encourage the future EPR packaging and paper program to include multi-family collection.

2.4 Small Businesses and Packaging and Paper Products

- AUMA supports the provincial government in simplifying the EPR legislation and regulations as much as possible for all businesses.
- AUMA suggests that charitable organizations registered pursuant to the *Income Tax Act* should also be exempted.
- Many businesses are often unclear if they are obligated under an EPR packaging and paper program. By default, municipal offices are the first place local companies contact for assistance. We want to suggest that AEP ensure a designated PRO, or all PROs, actively educate and communicate with businesses, both in-person and virtually, and provide on the ground support. Tools and contact information must be in place for businesses to learn about an EPR program on the first day it is launched.
- Small business exemptions must be communicated as soon as possible to not confuse small business owners. PROs have designed infographics, or online resources to educate and clarify the exemption rules in other provinces. Alberta needs to have these tools ready as soon as possible and not wait until the program is launched.
- Many jurisdictions have included newspapers as part of their EPR packaging and paper program.
 - Often, it takes the newspaper industry a longer period to implement an EPR program. AUMA believes that while the regulator is working with the newspaper industry, the cost of recycling newspapers should not burden municipalities. The provincial government should make interim financial arrangements to cover the recycling cost.

Section 3: EPR for Hazardous and Special Products (HSP)

3.1 Definitions

- One possible challenge is that HSP containers could end up in either a residential blue box program or an HSP program. Because an HSP container is contaminated, it is often not accepted at a local materials recovery facility. Both packaging and paper and HSP programs should

coordinate beforehand to ensure if HSP containers end up in a residential recycling program, they will still be accepted.

- We believe that the hazardous and special product regulations should provide some flexibility for producers and regulators to adapt to changes over time without resorting to a complex regulatory amendment process, allowing quick adaption to market and environmental conditions.

3.2 Targets

- Please see our EPR packaging and paper section on targets.

3.3 Accessibility and Service Standards

- We believe that HHW can use similar criteria as we have suggested in our packaging and paper section.
- Different types of venues should be considered to collect materials. For some communities, it might be easier to have monthly or yearly collection events, but for others, they might need a permanent depot. Producers should have the flexibility to work with communities to determine the best approach to collect the materials.
- For some materials, a return-to-retailer model might be feasible compared to using a municipal depot. Producers should have the ability to find the best approach possible.