

Blue Box Program Transition

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Regulatory Framework

- 1994 – Ontario Reg 101/94 obligated municipal Blue Box programs
- 2002 – Waste Diversion Act established concept of producer responsibility
- 2003 – Blue Box Program Plan (BBPP) outlines how the program operates
- 2016 – Waste-Free Ontario Act enacted two other acts:
 - Waste Diversion Transition Act → to wind up old programs
 - Resource Recovery and Circular Economy Act → framework for full producer responsibility (FPR)

Regulatory Framework (con't)

- 2017 – an amended Blue Box Program Plan (a-BBPP) was proposed
 - There was extensive consultation
 - A final proposal was never submitted
- June 2019 – Province appoints Special Advisor
- July 2019 – Special Advisor recommended:
 - Transition Blue Box Program to FPR between 2023 and 2025
 - Producers to establish collection and processing system
 - No obligation to use municipal services
 - Excludes Industrial, Commercial & Institutional (IC&I) waste
 - Material specific, progressive, high targets
- August 2019 – Ministry announces program transition

Current Program

Stewardship Ontario (SO)

- represent producers

Waste Diversion Ontario (WDO)

- set policy

Municipalities

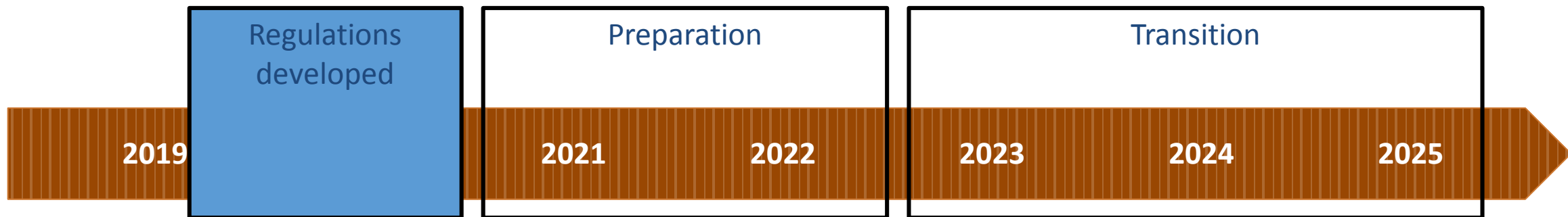
- operate individual Blue Box programs

Blue Box Program Plan (BBPP)

- shared responsibility program

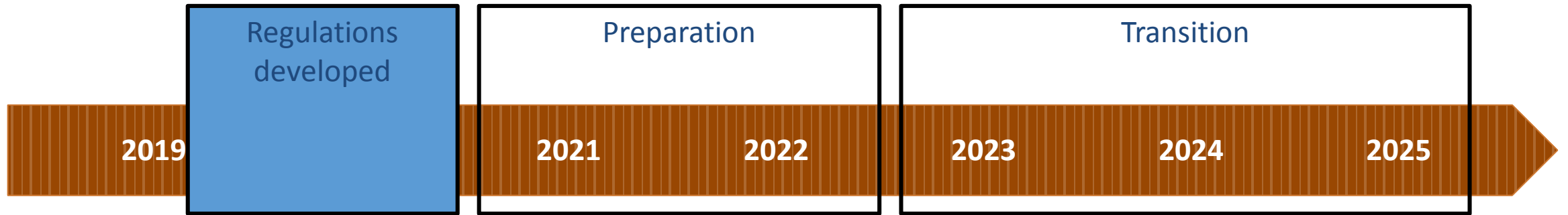
Future Program

- **Multiple producer organizations** are possible
- **Resource Productivity & Recovery Authority (RPRA)** strictly an enforcement agency
- **Producers** will operate the Blue Box program
- **Regulations** will define outcomes



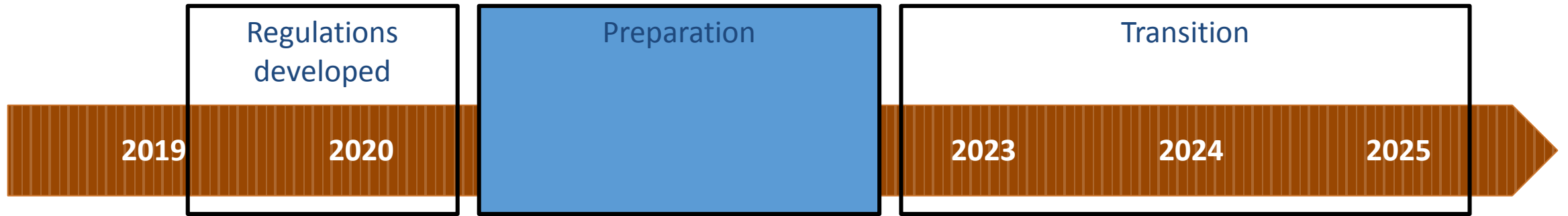
Key Elements of an IPR Regulation

- Definition and scope of designated materials
- Collection and accessibility requirements
- Targets
- Transition process
- Definition of the responsible producer
- Registration, reporting and record-keeping requirements
- Audit requirements



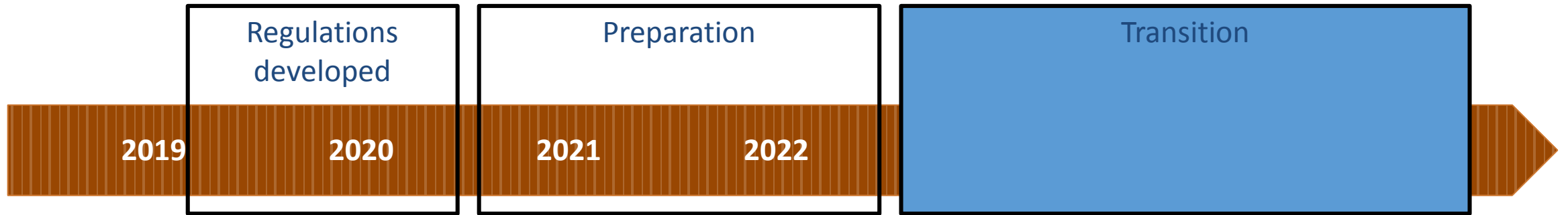
Stakeholder Engagement

- Stakeholder Working Groups
 - Producer group
 - Municipal group
 - Circular Economy group
- Webinars
- Spring 2020: Policy Paper
- Fall 2020: Draft Regulation
- Early 2021: Final Regulation



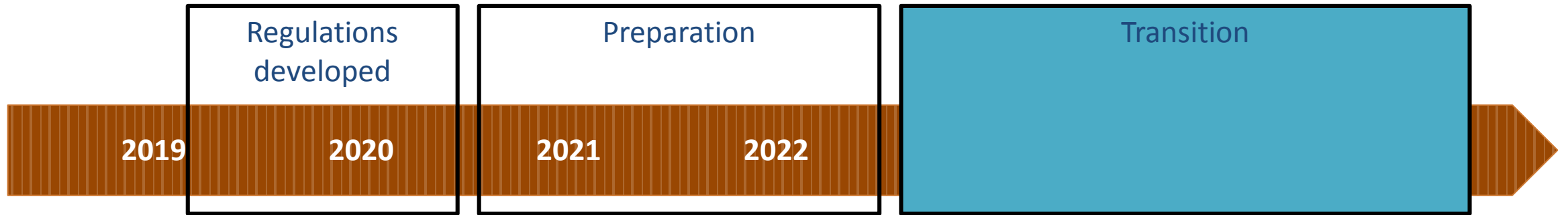
Preparation

- Producers will prepare to assume control and operation of system
 - Establish services to meet Regulation requirements
 - Collection, transfer, transportation, processing, marketing
 - Contracting with service providers (including municipalities)



Transition

- One third will transition each year
- Municipalities will need to decide if they will:
 - Continue as a service provider to the producers;
 - Turn the program over to the producers to operate; or
 - Continue to operate an independent and unfunded program



When to transition?

- Council will need to determine preferred transition date
- Entire program transfers simultaneously
- Transition process is undefined

Should I stay or should I go?

Remain in Service Provision

- It means becoming a contracted service provider
- Price paid and conditions are negotiated
- May require different transition date than desired
- Know your system costs
- Know your bargaining position

Exit Blue Box Service Provision

- Consider how other waste services will be integrated with producer BB system
- Review by-laws to ensure BB system runs appropriately in your community
- Requires close cooperation with producers to ensure a successful transition

Your next step: Prepare a Transition Plan

- By June 30, 2020, AMO is asking councils to pass a resolution:
 - Preferred transition date
 - Interest in continuing to provide services
 - Key contacts
- Considerations:
 - Existing contracts
 - Capital assets
 - Staff
 - Customer service



Challenges

- Transition mechanism is undefined
- Regulation is yet to be developed
- Service issues with producer programs
- Potential for delays in transition process
- Compensation level is unknown



Lessons Learned from Other Programs

- Many municipalities underestimated their actual operating costs
- Most programs will not get their costs covered by staying in
- Under-performing programs face penalties
- Budget for communications with the public
- Need to plan to manage program components that the producers aren't obligated to manage

Actions other municipalities are taking

- Negotiating strategic partnerships
- Amending contract language
- Reviewing current operations, assessing costs



We're here to help

- Background reports
- Transition planning support
- Contract support
- Cost analysis support



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