
Council Meeting_Feb06_2018

Provincial Advocacy for Recycling Regulations**Report Purpose**

To provide Council with a report on opportunities for advocating to have the Government of Alberta amend the current recycling regulations and enable a provincial wide policy to strengthen recycling systems and outcomes.

Recommendation

1. THAT the Request for Decision, as set out in Enclosure 2, be approved as Strathcona County's submission to the Alberta Urban Municipalities Association (AUMA) Spring 2018 Municipal Leaders' Caucus; and that _____ be selected as the elected official spokesperson, on behalf of Strathcona County, to introduce the Request for Decision at the AUMA Spring 2018 Municipal Leaders' Caucus.
2. THAT the resolution, as set out in Enclosure 3, be approved as Strathcona County's submission to the Alberta Association of Municipal Districts and Counties' (AAMDC) 2018 Spring Convention resolutions session; and that _____ be selected as the elected official spokesperson, on behalf of Strathcona County, to introduce the resolution at the AAMDC 2018 Spring Convention resolutions session.
3. THAT the Mayor, on behalf of Strathcona County, sign the letter of support for the City of Calgary's Request for Decision, as set out in Enclosure 4.

Strategic Plan Priority Areas

Economy: Alberta municipalities and taxpayers bear the responsibility and most costs associated with recycling in their communities. Many of the provincial recycling stewardship programs are financially strained, resulting in municipalities and taxpayers subsidizing these programs. With the necessary amendments to the recycling regulations, and a shift to a provincial extended producer responsibility (EPR) policy, municipalities and taxpayers would no longer carry the burden of these programs.

Governance: Municipalities need to collectively advocate the Province to strengthen recycling in Alberta. Strathcona County has an opportunity to take lead on these issues and cooperatively work with other municipalities in the region to ensure more effective and efficient provincial programs. Strathcona County administration regularly discusses these issues with municipalities from the Capital Region Waste Minimization Advisory Committee (CRWMAC) and the Calgary Region Waste Group, in addition to industry members through the Recycling Council of Alberta. There is much support for provincial action across Alberta municipalities.

Social: Residents have come to expect recycling services within their own community. Should some provincial programs fail, some municipalities may need to decide whether they continue to subsidize these programs or remove them entirely from their community. Strengthening these programs and enabling an EPR program increases social awareness of recycling and creates social consciousness about consumption and packaging.

Culture: n/a

Environment: Strengthening provincial recycling programs will ensure higher environmental outcomes in terms of waste diverted from landfill, design for the environment and a reduction in greenhouse gas emissions.

Other Impacts

Policy: n/a

Legislative/Legal: The Governance Advisory Committee was notified of the recommendations being brought forward, however the tight time frame for both Alberta Urban Municipalities Association (AUMA) and Alberta Association of Municipal Districts and Counties' (AAMDC), it was determined to bring the request directly to Council.

Interdepartmental: The issues and resolutions have been drafted in partnership with Intergovernmental Affairs and Legislative and Legal Services.

Summary

Provincial programs and regulations stagnant

In 2013, the Province consulted on a number of regulatory changes that were required to ensure existing provincial programs continue to be sustainable. For additional background information related to provincial programs and regulations, refer to Enclosure 1. Despite consultations around these proposed amendments, no further progress has been made by the Province, causing the programs to become financially strained and adding extra financial burden on municipalities.

Municipalities provide the collection point for these programs, and thus are the connection between the Province's recycling programs and residents. Through the recycling fees that are collected at point of purchase for all of these materials, these programs were originally intended to fully fund collection, transportation and processing. These fees are set and stuck in regulation making it difficult for the stewardship organizations to adjust their programs based on economic fluctuations. As a result, municipalities are left to subsidize these programs. For example, the paint program has been in financial deficit for the last couple of years resulting in municipalities subsidizing about 50% of the costs.

Due to some other required changes in the recycling regulations, industry understands that the Government of Alberta will be opening the regulations in the next six months; however they may not be making the needed adjustments to the fees and program expansions that are required for the long term sustainability of these programs.

Lack of provincial policy on extended producer responsibility

There is a movement in the recycle industry to shift the responsibility of end-of-life management of products to the producers. This policy approach is called extended producer responsibility (EPR) and is typically applied at the provincial or national level, however has great benefit to municipalities that will reduce their costs and mitigate the risks of recycling programs. For further background information related to EPR, refer to Enclosure 1.

In 2009 Alberta was a signatory on the Canadian Council of Ministers of the Environment (CCME) Action Plan for EPR in order to take a harmonized approach across Canada. The provincial government has not taken any actions despite this commitment.

Advocacy

Being a specialized municipality, Strathcona County is in a unique position to advocate the province and rally other municipal voices through mechanisms that are available in both AUMA and AAMDC organizations. In addition, Strathcona County has the ability to strengthen the campaign by supporting other recommendations that are being rallied by other municipalities in the province.

Communication Plan

Administration will communicate with regional and provincial municipalities to ensure that there is awareness that these issues will be brought forward to the AUMA and AAMDC forums.

Enclosure

- 1 Background information
- 2 Member Request for Decision (RFD) – AUMA Mayor’s Caucus
- 3 Resolution – AAMDC Spring Convention
- 4 Letter of support for City of Calgary RFD

Background Information

General Industry Background

Under the MGA and as an expectation by its residents, municipalities have provided waste collection services for many decades. With increasing public pressure, environmental values and economic benefits, many municipalities have developed and taken ownership of extensive waste diversion programs for their communities.

At the provincial level, Alberta Environment and Parks dictates through the Environmental Protection & Enhancement Act how waste (general and hazardous) is handled, stored, transported and disposed of within Alberta. However, the province does very little in terms of requirements for waste diversion (recycling) programs or goals to assist municipalities.

In addition, the province is responsible for regulations related to a number of stewardship programs that exist for specific materials such as oil, tires, electronics, paint and beverage containers. With the exception of beverage containers, these programs are often managed and subsidized by municipalities as they have developed programs and expectations for them within their respective communities.

In terms of a national context, Alberta has the worst record for waste generation and diversion in the Country, with over 1,100 tonnes annually generated per capita and less than 20% of that being diverted from landfill. In addition, Alberta is one of the only provinces that has not yet taken action to develop diversion targets or policies at the provincial scale.

Issues Background

1. Provincial regulations

Through provincial legislation, there are a number of materials (oil, paint, tires, electronics, household hazardous waste and beverage containers) that are regulated and administered by delegated administrative organizations that are arms-length from government.

In 2013, Environment & Parks (at that time ESRD) had completed an extensive consultation on the development of a new recycling regulation that would include necessary regulatory amendments to existing provincial recycling programs that would ensure long term sustainability. As a result, a Designated Materials Recycling Regulation package was developed for approval.

The package proposed several changes to the province's existing regulatory framework for recycling designated materials. The proposed changes are intended to:

- streamline Alberta's regulatory framework
- provide options to shift end-of-life management responsibilities from taxpayers to producers and consumers
- reduce municipal solid waste in Alberta

Regulatory amendments will:

- Consolidate Alberta's existing recycling regulations under one regulation – the Designated Materials Recycling Regulation;
- Remove specified maximum environmental fees from regulation while still ensuring consumer protection from excessive fees;
- Expand the electronics program to include small appliances, audio/visual equipment, telecommunications equipment and power tools; and
- Expand the used oil materials recycling program to include automotive anti-freeze/coolant containers and diesel exhaust fluid containers.

Despite consultations around these proposed changes in late 2013, no further progress has been made by the Province, which would represent an important first step in enhancing Alberta's waste reduction record. These provincial programs are being strained financially resulting in extra stress on the service providers, typically municipalities, to provide these programs at point of collection.

2. *Extended Producer Responsibility*

There is a national trend for provincial jurisdictions to implement targeted policies for a number of recyclable materials, including printed paper and packaging, hazardous wastes, agriculture plastics, construction materials, textiles and other difficult to manage materials.

In order to create a harmonized approach to EPR, in 2009 the Canadian Council of Ministers of the Environment (CCME) has prepared a Canada-wide Action Plan for EPR with common coordinated policies and commitments for government action and common key elements for building producer responsibility through the adoption of EPR approaches to identified priority products. The implementation of this plan will be done within the jurisdictional authority of each provincial government.

Extended producer responsibility (EPR) is defined as a policy approach in which a producer's responsibility, physical and/or financial, for a product is extended to the postconsumer stage of a product's life cycle. EPR shifts responsibility upstream in the product life cycle to the producer and away from municipalities. As a policy approach it provides incentives to producers to incorporate environmental considerations in the design of their products. EPR also shifts the historical public sector tax-supported responsibility for some waste to the individual brand owner, manufacturer or first importer.

The North American recycling industry relies heavily on foreign markets for recycling materials. This is particularly true for plastic and mixed paper recyclables that are sent to China. Currently China is placing restrictions on North American markets by requiring processors and municipalities to produce a cleaner, homogeneous stream of recycling. For mixed blue bag recycling programs, this standard can be difficult to achieve. The current market situation actually builds an argument for EPR in Alberta. Under EPR, the producers of materials deal with their processing and marketing, thus relieving municipalities and processors of this burden. The producers design a system that ensures efficiency and higher-grade materials that are

more widely acceptable on the world market. This is something that municipalities have a hard time doing on their own without the larger-scale resources that the entire province would have under one system.

Presently all provinces (excluding Alberta and the territories) have or are working to have EPR programs in place. Since many jurisdictions across Canada already have EPR programs for printer paper and packaging, producers have built the cost of recycling into their product that is sold across Canada. This means that Alberta's consumers are already paying the cost of these programs through the purchase of these products, on top of paying their municipal taxes or utility fees to manage these programs at the community level.

A number of these provincial programs require producers to cover 100% of the costs associated with managing recycle programs. Often the municipal role continues to remain the same, as the main service provider to residents in terms of collection, processing and marketing. British Columbia is one of the most recent to have launched an EPR program. Under their model, they have provided municipalities with the option to continue in some capacity to be a service provider to residents, or completely opt out and allow the Province to manage the program within their community.

The Recycling Council of Alberta and industry players are currently advocating for a made in Alberta approach that would satisfy the entire industry, and would be governed by multi-stakeholders that would include municipalities. There is a recognition that municipalities are the vital connection to residents and are key in providing these programs. What has been learned from other provincial programs related to EPR, is that things will only start to move forward when municipalities advocate their provincial governments to take the necessary steps.



MEMBER REQUEST FOR DECISION MUNICIPAL LEADERS' CAUCUS

DATE:	March 15, 2018
TOPIC:	Amendments Required for Provincial Recycling Regulations
RECOMMENDATION:	“The Council from Strathcona County requests that the AUMA Board advocate the Province of Alberta to make the proposed changes as outlined under the 2013 Proposed Designated Materials Recycling Regulation.”
BACKGROUND:	<p>The Province of Alberta has a number of successful recycling stewardship programs, which include: the beverage container recycling program (1972), hazardous waste legislation (1985), the tire recycling program (1994), the used oil materials recycling program (1997), the electronics recycling program (2004), and the paint and paint containers recycling program (2007).</p> <p>Alberta remains to have the highest per capita waste disposal rate of any province in Canada. At one point, the Province had set a goal to reduce the provincial per capita waste disposal rate to 500 kg per person per year by 2010. This goal has not been achieved, nor has the Province set new targets to assist municipalities in achieving higher diversion from landfills. The per capita disposal rate for Alberta in 2014 was 981 kg per person (Stats Can), with a provincial diversion rate of only 16%.</p> <p>In 2013, Environment & Parks (at that time ESRD) had completed an extensive consultation on the development of a new recycling regulation that would include necessary regulatory amendments to existing programs that would ensure long term sustainability. As a result, a Designated Materials Recycling Regulation package was proposed for decision makers' review.</p> <p>The package proposed several changes to the Province's existing regulatory framework for recycling materials. The proposed changes are intended to:</p> <ul style="list-style-type: none">- streamline Alberta's regulatory framework, while reducing solid waste;- provide options to shift end-of-life management responsibilities from taxpayers to producers and consumers;- consolidate Alberta's existing recycling regulations under one regulation – the Designated Materials Recycling Regulation;- remove specified maximum environmental fees from regulation while still ensuring consumer protection from excessive fees;- expand the electronics program to include small appliances, audio/visual equipment, telecommunications equipment and power tools; and

- expand the used oil materials recycling program to include automotive anti-freeze/coolant containers and diesel exhaust fluid containers.

In 2013, a resolution was put forward to AUMA by the City of Red Deer regarding the need for these regulatory changes. In January 2014, the Government Response to that resolution indicated that the Province was considering several changes and would engage AUMA and its members when the Province determined its next steps. At today's date, the Province has yet to make any of the needed action steps to resolve this issue.

ANALYSIS:

This issue affects all municipalities in Alberta that provide collection points for materials covered under the Province's programs.

With the exception of the beverage container recycling program, municipalities across Alberta are the collection point for these programs, and thus are the connection between the Province's regulations and residents.

Through the recycling fees that are collected at point of purchase for all of these materials, these programs were originally intended to fully fund collection, transportation and recycling. These fees are set in regulation making it difficult for the stewardship organizations to adjust their programs based on economic fluctuations. As a result, municipalities are left to subsidize these programs in their local communities.

Some economic, environmental and social impacts include:

- municipalities are subsidizing the paint program by about 40-60%;
- it is becoming increasingly difficult to secure reliable collection services for the tire program;
- in some parts of the Province, oil collection has discontinued leaving residents without an option for environmentally safe disposal; and
- the continued expectation of Albertans that their municipality will provide diversion services in their community despite difficult circumstances.

Expansion of the existing provincial recycling programs would also assist with waste diversion. For example, many municipalities are already currently recycling, at their own cost, additional electronic items (ie. microwaves, power tools, entertainment equipment, etc.) and antifreeze containers that are not part of the Province's current lists.

Provincial programs are being strained financially adding extra stress on municipalities. It is the right time for the Province to make these regulatory amendments, which would represent an important first step in enhancing Alberta's waste reduction record.

Resolution ?-17F

Amendments required for Provincial Recycling Regulations

Strathcona County

Three-fifths (3/5) Majority Required

Endorsed by Central District

WHEREAS in 2013, Alberta Environment and Parks completed an extensive consultation on the development of a new recycling regulation that would include the necessary regulatory amendments to existing programs to ensure long term sustainability; and

WHEREAS the result of the consultation was a proposed *Designated Materials Recycling Regulation* for decision makers' review that included several changes to the Province's existing regulatory framework for recycling materials; and

WHEREAS the proposed changes were intended to:

- streamline Alberta's regulatory framework, while reducing solid waste;
- provide options to shift end-of-life management responsibilities from taxpayers to producers and consumers;
- consolidate Alberta's existing recycling regulations under one regulation – the Designated Materials Recycling Regulation;
- remove specified maximum environmental fees from regulation while still ensuring consumer protection from excessive fees;
- expand the electronics program to include small appliances, audio/visual equipment, telecommunications equipment and power tools; and
- expand the used oil materials recycling program to include automotive anti-freeze/coolant containers and diesel exhaust fluid containers;

THEREFORE, BE IT RESOLVED that the Alberta Association of Municipal Districts and Counties (AAMDC) advocate to the Government of Alberta to make the proposed changes as outlined under the 2013 proposed *Designated Materials Recycling Regulation*.

Member Background

The Province of Alberta has a number of successful recycling stewardship programs, which include: the Beverage Container Recycling Program (1972), the Hazardous Waste Legislation (1985), the Tire Recycling Program (1994), the Used Oil Materials Recycling program (1997), the Electronics Recycling Program (2004), and the Paint and Paint Containers Recycling Program (2007).

Despite the success of these programs, Alberta has the highest per capita waste disposal rate of any province in Canada. In the past, the Government of Alberta had set a goal to reduce the provincial per capita waste disposal rate to 500 kg per person per

year by 2010. This goal has not been achieved, nor has the Province set new targets to assist municipalities in achieving higher diversion from landfills. The per capita disposal rate for Alberta in 2014 was 981 kg per person (Stats Can), with a provincial diversion rate of only 16%.

In 2013, the City of Red Deer put forward a resolution for these regulatory changes. In 2014, the Government Response indicated that the province was considering several changes and would engage municipalities when the province determined its next steps. As of today's date, the Province has yet to make any of the needed action steps to resolve this issue.

This issue affects all municipalities in Alberta that provide collection points for materials covered under the province's programs.

With the exception of the beverage container recycling program, municipalities across Alberta are the collection point for these programs, and thus are the connection between the Province's regulations and Alberta residents.

Through the recycling fees that are collected at point of purchase for all of these materials, these programs were originally intended to fully fund collection, transportation and recycling. These fees are set in regulation making it difficult for the stewardship organizations to adjust their programs based on economic fluctuations. As a result, municipalities are left to subsidize these programs in their local communities.

Some economic, environmental and social impacts include:

- municipalities subsidizing the paint program by about 40-60%;
- challenges for municipalities to secure reliable collection services for the tire program;
- areas of the Province where oil collection has been discontinued leaving Albertans without an option for environmentally safe disposal; and
- the continued expectation of Albertans that their municipality will provide diversion services in their community despite difficult circumstances.

Expansion of the existing provincial recycling programs would also assist with waste diversion. For example, many municipalities are already currently recycling, at their own cost, additional electronic items (i.e. microwaves, power tools, entertainment equipment, etc.) and antifreeze containers that are not part of the province's current lists.

Provincial programs are being strained financially adding extra stress on municipalities. It is the right time for the Province to make these regulatory amendments, which would represent an important first step in enhancing Alberta's waste reduction record.

AAMDC Background

AAMDC will provide after resolution is endorsed at district level.

February 6, 2018

Strathcona County
2001 Sherwood Drive
Sherwood Park, AB T8A 3W7

Dear Mayor Naheed Nenshi,

Strathcona County wants to express its support for The City of Calgary in bringing forward a Request for Decision to the AUMA Municipal Leaders' Caucus in March. Strathcona County supports advocating the Government of Alberta to establish an Extended Producer Responsibility (EPR) policy and program approach in the Province.

EPR shifts the financial responsibility toward the producer and away from municipalities and taxpayers, while providing incentives to producers to incorporate environmental considerations in the design of their products.

We are convinced that EPR can provide opportunities to shift the funding and if municipalities choose, the operational responsibility for recycling, recycling collection, processing and materials marketing to the producer, resulting in potentially significant cost savings for municipalities.

EPR incentivizes producers to make and sell products that are more durable, reusable and recyclable. As a result significant progress can be made to divert waste away from landfills which supports the sustainability objectives of our community. EPR will foster harmonization and waste diversion programs across the province which contributes to the Government of Alberta's waste diversion and climate change goals. EPR also supports the creation of sustainable jobs, reduces waste management costs for local governments and tax payers, reduces GHG emissions and increases social awareness of recycling.

In 2009, all of Canada's provinces committed, through the Canadian Council of Ministers of the Environment (CCME), to work towards the development of EPR legislation and/or regulations. Since then, every province, excluding Alberta and the Territories, has developed and implemented EPR legislation for various materials. It is time for the provincial government to act in collaboration with municipalities and private industry to implement a progressive EPR program in this province.

Strathcona County strongly supports the development of an EPR framework that takes a multi-stakeholder approach, ensuring that the expertise of the entire industry is consulted. Municipalities play a leading role in the delivery of recycling services to Alberta's residents. It is imperative that as municipalities, we continue to advocate on behalf of our residents for efficient and effective services, and that we remain a key voice in the development of a provincial policy.

We are excited to join The City of Calgary in its effort to work with the provincial government to develop a solution for establishing an EPR policy and program in Alberta.

Sincerely,

Mayor Rod Frank