

Email Request from the City of Calgary/AUMA, including attachments

From: Demong, Peter [<mailto:Peter.Demong@calgary.ca>]
Sent: January 17, 2019 2:24 PM
To: Rod Frank
Cc: Demong, Peter; Ward14 - Blair Cunningham
Subject: Call for Support - Extended Producer Responsibility

Dear Mayor Frank:

My name is Peter Demong. I am the Councillor for Ward 14 in Calgary, and the Director for Cities over 500,000 at the Alberta Urban Municipalities Association (AUMA). I am emailing you today to introduce, and solicit support for a project that both AUMA and the City of Calgary have been advocating for.

The project I am speaking of is called Extended Producer Responsibility (EPR). Simply put, EPR shifts the costs of managing recyclable materials from municipalities to producers. This starts with a mandate to producers through provincial legislation. The goal is to divert waste from the limited landfill space that Alberta's municipalities have available to them through recycling and reduction of waste. EPR removes the costs of recycling from taxpayers, and municipalities by putting the *financial* responsibility for recycling programs on producers. It also allows private industry to come up with better ways to reduce waste by putting *operational* responsibility for recycling programs on producers.

During the 2018 AUMA Convention and the Recycling of Alberta Conference, the Minister of Environment and Parks indicated that municipalities need to build grassroots support for an EPR paper and packaging program. Her statements were echoed by her staff at different meetings explaining that the province is interested in developing EPR programs, but for the provincial governments to move forward, the push must come from the bottom up, instead of the top down.

With the support of the City of Calgary's Waste & Recycling department, I will be bringing a notice of motion to Calgary's Council on February 4th, 2019. The motion will direct our administration to work with other interested parties to develop baseline research required for the development of an EPR program. It will also signal Calgary's desire for EPR to the Provincial Government. This motion follows a complementary motion passed by the

AUMA Board of Directors, and comes with the support of the Canadian Stewardship Services Alliance (CSSA)—an organization that manages provincial EPR programs in BC, Saskatchewan, Manitoba, and Ontario.

What I am requesting from you, and your community, is that you add your voice to the grassroots show of support for EPR in Alberta. Between Calgary, AUMA, the CSSA, and Edmonton (who will be proposing a similar motion) we have already secured all the funds required for baseline research. All we need from you is a motion expressing your community's willingness to cooperate with our research. I will have someone from my office follow up with details.

For reference, I have attached a copy of the Request for Decision made to the AUMA, a sample version of a Notice of Motion that you can bring to your respective Council, and answers to some frequently asked questions about EPR.

Please respond to this email to indicate your intention, and feel free to contact me in the meantime if you have any questions. I would be happy to discuss.

Sincerely,

PETER DEMONG

COUNCILLOR, WARD 14 \ calgary.ca/ward14

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REQUEST FOR DECISION

DATE:

December 6, 2018

TOPIC:

Collaboration on Extended Producer Responsibility

RECOMMENDATION:

THAT the AUMA Executive Committee recommend that the AUMA Board allocate \$25,000 from the 2018 budget to support the research of the Extended Producer Responsibility project being considered by the City of Calgary; and

Furthermore, assist the City of Calgary communicating this Notice of Motion to AUMA members and implementing this research initiative.

BACKGROUND:

During the 2018 AUMA Convention and the Recycling Council of Alberta Conference, the Minister of Environment and Parks indicated that municipalities need to build grassroots support for an Extended Producer Responsibility (EPR) paper and packaging program. Her statements were echoed by her staff at different meetings explaining that the province is interested in developing EPR programs, but for the provincial government to move forward, the push must come from the bottom up, instead of the top down.

The City of Calgary has been an advocate for an EPR paper and packaging program. At the March 2018 Municipal Leaders' Caucus, it presented a Request for Decision (RFD) advocating the Government of Alberta develop and implement EPR. The RFD received unanimous support from municipalities in attendance. The city wants to continue building ground-up support; it is considering a Notice of Motion in January or February 2019. The proposed motion would direct the city administration to work with Alberta municipalities, AUMA, producers and recyclers of paper and packaging products to develop a baseline of paper and packaging waste data that can inform the design of a provincial EPR program. Furthermore, the research will seek to understand the opportunities, benefits, challenges and risks of an EPR model in Alberta, and the potential impacts of an EPR program on the current recycling system and supply chains across the province. The draft motion attached directs the administration to report back no later than October 2019.

City staff and the Calgary AUMA representative, Councillor Peter Demong, have both approached AUMA staff and the AUMA Board on how we can best collaborate on this recycling Notice of Motion initiative. At the November 16 AUMA Executive Committee meeting, Councillor Demong

WE ARE
economies
OF SCALE

WE ARE THE
support
YOU NEED

WE ARE THE
experts
IN MUNICIPALITIES

WE ARE YOUR
advocate





led a discussion on how AUMA can support its members on EPR research. The draft motion was shared with the AUMA Sustainability and Environment Committee via email after the November 22 Sustainability and Environment committee meeting. Overall, the committee members welcome the idea.

ANALYSIS:

The initiative aligns with AUMA's current advocacy on EPR and recycling and AUMA's letter writing campaign to modernize Alberta's recycling regulatory framework. To date, AUMA has received 27 letters calling on the Minister of Environment and Parks to expand the current recycling program and create an EPR paper and packaging program. This research will bring clarity to our ongoing discussion on EPR models and add important data that Alberta municipalities can use to develop a solution for an EPR paper and packaging program in Alberta.

AUMA has continued to hear from Alberta Environment and Parks that it understands the benefits an EPR paper and packaging program can bring to Alberta; however, it is concerned that the program will add additional costs to businesses, which is a common misunderstanding. When BC and Saskatchewan launched their paper and packaging programs, the Canadian Federation of Independent Business (CFIB) in both provinces claimed that EPR would add higher costs to businesses. However, CFIB's research was only based on the opinions of its members, not an empirical study. The proposal to collect baseline measurements data and our partnership with the Canadian Stewardship Services Alliance (CSSA) will help inform the design of an appropriate EPR framework for Alberta. The data could also be used to estimate the potential costs for businesses in the province. CSSA is a national Producer Responsibility Organization that manages producer's obligations in provincial EPR paper and packaging programs in BC, Saskatchewan, Manitoba, and Ontario. CSSA members are major producers and retailers, including Unilever Canada, Wal-Mart, Loblaw Companies, etc.

FINANCIAL & RESOURCES:

AUMA will allocate \$25,000 from the 2018 budget to support this initiative.

IMPLEMENTATION & MONITORING:

AUMA administration has started the discussion with AUMA members on how best to collaborate on this research project. The funding is contingent on Calgary's approval of the Notice of Motion and our members' support. AUMA administration plans to bring further updates to the January 2019 AUMA Board and Sustainability and Environment Committee meetings.

ENCLOSURES:

1. Draft Recycling Notice of Motion

EPR FAQs for AUMA

Alberta's municipalities are tasked with finding ways to divert waste from limited landfill space. Taxpayers bear the cost of those diversion efforts. EPR removes the cost of recycling from taxpayers, and allows private industry to come up with better ways to reduce waste.

What is EPR?

EPR stands for Extended Producer Responsibility. Simply put, EPR shifts the costs of managing recyclable materials from municipalities to producers. This starts with a mandate to producers through provincial legislation. *Full* EPR moves financial AND operational responsibility to producers.

Is this new?

No. In fact, many other provinces already have some form of EPR. We are in the enviable position of being able to learn from the mistakes of others, and take part in setting the trend for Canada.

What type of products are we talking about?

We are talking about the packaging and paper you would typically put in your curbside recycling bin, or take to a recycling depot.

DID YOU KNOW?

Albertans are paying TWICE for recycling. EPR could change that!

Who are the producers?

They are a diverse group of suppliers, importers, first-sellers, brand-owners, retailers and manufacturers—think Canadian Tire, Walmart, London Drugs, Shoppers Drug Mart, Sobeys, Unilever, Proctor and Gamble, etc. They can choose to either fulfill their EPR obligations individually, or by cooperating through a producer responsibility organization (PRO).

We already recycle things like bottles and tires. How is this different?

Product stewardship already exists in Alberta through programs for materials like electronics, paint, tires and used oil operated by organizations such as the Alberta Recycling Management Authority. These programs put the vast majority of recycling costs on municipal taxpayers. *EPR* is a special type of product stewardship that shifts costs from taxpayers to producers, AND incentivizes industry to find ways to waste less, and recycle more by making them financially and operationally responsible.

How is this going to impact businesses—large or small?

If your business is not a producer then you will be absolved of whatever fee you might pay for recycling.

If your business is a large producer operating in other Canadian provinces, you are already including the costs of EPR programs in the price of your products. If not, you may be obligated to start doing so under an Alberta EPR program. However, it is common practice to exempt small producers from EPR requirements. Businesses will also get the freedom to find the most efficient way to reduce or recycle the by-products of their business, rather than relying on government to have your best interests in mind by doing it for you.

Is this just another tax on Albertans?

Actually, it is the opposite. Producers are already incorporating the costs of EPR in other provinces into their national product pricing. The fact that taxpayers here are funding Albertan recycling programs means that Albertans are currently paying for recycling TWICE when they buy a box of cereal, and paying for recycling programs ELSEWHERE.

DID YOU KNOW?

EPR sheltered British Columbia from China's Sword policy. It can foster the growth of a robust industry that will withstand shocks, and even create jobs.

Establishing EPR in Alberta would remove a tax on Albertans. In 2016, producers provided more than \$367 million to fund provincially-regulated paper and packaging recycling across Canada. **Alberta received \$0.** Establishing EPR here would change that. By some estimates, EPR could reduce spending on recycling by **\$63M annually** for Alberta communities.

Why do you need \$25,000?

This will be your contribution to a study that will document the current—and complex—system for collecting and recycling packaging and paper throughout Alberta. The baseline study is imperative for developing an EPR framework in Alberta. It will involve interviews and meetings across the province as well as extensive data collection to describe the pre-EPR market dynamics. Data will be gathered from municipalities, counties, municipal districts, not-for-profit organizations, for-profit companies offering paper and packaging services directly to residents, and from processors of paper and packaging materials.

For more information, please email Councillor Peter Demong at ward14@calgary.ca