



2021 Registry Fees for Tires, Batteries and Electronics

Consultation Report

May 25, 2021

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Executive Summary

This report details the Authority's consultation process, the feedback received and how the Authority incorporated the feedback into its decision making on 2021 Registry fees for tires, batteries, and electronics. Questions about this report can be emailed to consultations@rpra.ca.

Producers obligated under the Tires Regulation, the Batteries Regulation and the Information Technology, Telecommunications and Audio-Visual (ITT/AV) portion of the Electrical and Electronic Equipment (EEE) Regulation are required to pay Registry fees in 2021. These are fees that registrants pay to the Authority annually to cover the Authority's costs under the *Resource Recovery and Circular Economy Act, 2016* (RRCEA).

From March 30, 2021 to May 14, 2021, the Authority consulted registrants and other interested stakeholders on its proposed 2021 Registry fees for tires, batteries, and electronics.

The 2021 Registry fees for tires, batteries, and electronics were proposed to be set based on the 2020 fees for those programs because of delays in the finalization of the Blue Box Regulation and Hazardous and Special Products (HSP) Regulation. Those final regulations are required to allocate budgets among the different programs.

The Authority intends to consult on its proposed 2021 Registry fees for Blue Box and HSP when the final Blue Box and HSP regulations are anticipated to be released later in 2021. This second consultation will also provide details on proposed Registry program budget allocations for 2021 as well as the Authority's revised 2021 budget. Any differences between the revenues generated through the tires, batteries, and electronics fees for 2021 and expenditures allocated to these programs will be reconciled when setting 2022 fees.

The Authority received extensive comments during the consultation, which are summarized in [Appendix B](#) of this report. All questions received and responses provided by the Authority are detailed in [Appendix C](#) of this report. As the Appendices show, many of the comments were not directly related to the 2021 Registry fees and addressed tangential issues such as the Authority's budget and compliance matters. These comments were not considered when finalizing the fees but will be considered when the Authority engages stakeholders on its Business Plan.

Other comments were related to the Authority's phased approach to setting 2021 Registry fees - starting with tires, batteries, and electronics in phase 1 and setting fees for Blue Box and HSP in phase 2. The Authority could not address these comments in finalizing the 2021 fees as the Authority's ability to set all 2021 Registry fees at the same time was constrained by the delays in the release of the final Blue Box and HSP regulations. These comments will be considered when 2022 Registry fees are consulted on and set.

Those comments specific to the 2021 fees, such as concerns that the fees were proposed to be maintained at 2020 levels instead of being reduced, and a preference for a flat fee structure over a variable fee structure, were all considered when finalizing the 2021 fees. These comments were not addressed as the suggestions were inconsistent with the Authority's fee setting objectives and principles, including recovering the Authority's operational costs, ensuring equity in fee setting, and holding producers individually accountable and financially responsible for the products and packaging they supply into the Ontario market.

The final fees did not change from what was proposed during the consultation, other than a reduction in the variable fee for batteries and electronics from \$0.045 to \$0.040, which reflects a lower deficit from 2020 than estimated at the outset of the consultation as additional batteries

and ITT/AV producers registered and paid 2020 fees to the Authority through the consultation period.

The fees were approved on May 18, 2021. The Authority posted the final fees to its website on May 25, 2021 and stakeholders were notified the same day.

Introduction and context

About the Authority

The Authority is the regulator created by the Ontario government to enforce the requirements of the RRCEA and the *Waste Diversion Transition Act, 2016* (WTDA).

The RRCEA establishes a resource management regime where producers are individually responsible and accountable for their products and packaging, recovering resources and reducing waste. The WTDA allows for the continuation of waste diversion programs and sets out provisions to wind up those programs as directed by the Minister of the Environment, Conservation and Parks.

The Authority does not receive any government funding. The WTDA and RRCEA allow the Authority to set and collect fees to recover its costs from regulated parties. The Authority's revenues come from two sources:

- WTDA: Charges to industry funding organizations (IFOs) and industry stewardship organizations for the Authority's oversight and wind-up of current waste diversion programs and the IFOs that operate the programs.
- RRCEA: Charges to parties required to register or report to the Authority to cover the development and operation of the Registry and compliance and enforcement activities.

Before setting RRCEA fees, the Authority must engage in public consultation and post the fees on its website for comment for at least 45 days.

Principles for public consultation

The Authority's consultations are guided by the following best practice principles developed by the Organization for Economic Cooperation and Development:

Inclusiveness and openness: Engage broadly with a wide variety of stakeholders, provide clear and understandable information, and make the consultation process accessible, comprehensible and responsive.

Timeliness: Engage stakeholders early before decisions are made and provide regular opportunities for engagement on key program and policy matters.

Accessible and cost effective: Consider a variety of tools and methods to gather feedback that promote efficient and cost-effective consultations.

Balance: Provide opportunities for diverse perspectives and opinions to be heard and considered.

Transparent: Record feedback, report back a summary to stakeholders, and synthesize feedback into programs and policies as appropriate.

Evaluation: Demonstrate the impact of public consultations on program delivery and policy development.

Consultation process

Consultation on the Authority's proposed 2021 Registry fees for tires, batteries, and electronics began on March 30, 2021 and ran for 45 days to May 14, 2021. A [dedicated web page](#) was created on the Authority's website with background information on the consultation, registration links for the webinars and presentation materials.

On April 1, 2021, the Authority emailed tire, battery and ITT/AV producers announcing the consultation period and how to participate. The Authority also notified its general mailing list (approximately 1400 subscribers) via its April newsletter, and a reminder was included in its May newsletter. Stakeholders were invited to submit feedback on the plan via email or by attending one of two webinars hosted on April 20 and 21.

Additionally, on April 27, stakeholders representing the three material groups impacted by the 2021 Registry Fees were invited to present directly to the Authority's Finance and Technology Committee of the Board.

What we heard

The Authority received feedback through all its consultation channels:

- There were 60 participants in the Authority's webinar on April 20 and 44 participants in the April 21 session. Webinar presentations and recordings can be found [here](#).
- Six stakeholders representing producer associations presented at the Authority's Finance and Technology Committee meeting.
- Six written submissions were received via email.

The feedback received from all channels is summarized and categorized into themes below:

- General fee related
 - Some stakeholders were concerned that the Authority's fees are too high because the Authority's costs are too high (e.g., the cost of Registry builds).
 - Several stakeholders expressed concerns that the Authority's Registry fees lack predictability, making it difficult for producers to plan (i.e., their budgets) accordingly.
 - Some stakeholders specifically stated their preference for a fixed rather than variable fee to help keep the fees predictable each year.
 - Some stakeholders recommended that the Authority leverage the work being done by PROs (e.g., existing tracking systems, data collection, etc.) to help find efficiencies and reduce costs.
 - One stakeholder recommended that the Authority's General Fee Setting Policy should contain a mechanism to control costs and avoid increasing budgets.
 - One stakeholder commented that the cost to build the Hazardous Waste Program and Excess Soil registries should not be applied to programs under the IPR framework (e.g., tires, batteries, EEE), as they have distinct obligated parties and requirements.
- Consultation process
 - There were a number of comments that the consultation/proposal lacked detail and stakeholders needed more information on how the program budgets were spent in order to provide informed feedback.
 - A number of stakeholders expressed concerns about the phased consultation approach (i.e., only consulting on tires, batteries and electronics now, then consulting on Blue Box materials and HSP at a later date). Some also expressed

concerns with the overall timing of the consultation process, stating their preference for consulting on fees prior to the start of the fiscal year.

- Proposed fees for tires
 - There was concern among some tire stakeholders that the fee for tires had not decreased significantly even after new programs (e.g., batteries and electronics) have come into effect and called on the Authority to find efficiencies and ways to reduce the fees for tire producers.
- Proposed fees for batteries and electronics
 - Some battery and EEE stakeholders questioned why producers must pay fees twice in 2021 (i.e., once in January and again after this consultation concludes) and what activities the fees were covering.
 - Some EEE stakeholders raised concerns that EEE producers are subsidizing the cost of the batteries program through their fees.
- The Authority's oversight
 - There were a number of comments suggesting the Authority needed to take more action on free riders (i.e., obligated parties that avoid registration and compliance, including paying fees to the Authority).

Feedback that was not relevant to this consultation has been excluded from the summary.

For a list of stakeholders that submitted written feedback and presented at the Authority's Finance and Technology Committee meeting, see [Appendix A](#) of this report.

[Appendix B](#) outlines the Authority's responses to comments that arose during the consultation.

For a list of all questions received and answers provided, see [Appendix C](#).

Consultation evaluation

To help the Authority improve future consultations and communications, participants were invited to complete a short survey following the consultation webinars. Of the 104 webinar attendees, 59, or 57%, completed the survey.

In response to the question, "Overall, how would you rate the consultation?", 90% of respondents ranked the session "Excellent", "Good" or "Average" (based on a scale of Excellent, Good, Average, Fair, Poor).

54% of respondents said the information provided by the presenter was "Extremely or Very helpful", and 44% said it was "Somewhat helpful". The remaining 2% said it was "Not so helpful".

Almost all respondents (98%) ranked the presentation slides and question and answer portion of the webinars as "Excellent", "Good" or "Average".

Conclusion

The 2021 Registry fees for tires, batteries and electronics were approved on May 18, 2021. The Authority posted the final fees to its website on May 25, 2021 and stakeholders were notified the same day.

While the Authority considered all feedback received through the consultation process, the final fees did not change from what was proposed during consultation, other than a reduction in the variable fee for batteries and electronics (\$0.045 to \$0.040) to reflect new information received after the start of consultation. As additional battery and ITT/AV producers registered and paid 2020 fees to the Authority, the 2020 deficit for batteries and ITT/AV was reduced which in turn allowed the final fee for batteries and electronics to be reduced.

Due to the delay in the release of the anticipated Blue Box and HSP regulations, the Authority was constrained in allocating budgets on a program-by-program basis, including for the Tires, Batteries and EEE programs. As such, the Authority set 2021 Registry fees for those programs based on the 2020 fees. Any reconciliation between program budgets, which will be allocated following the release of the Blue Box and HSP regulations, and the fees collected will occur when 2022 Registry fees are set.

Other comments related to the Authority's budgets and expenses will be considered as the Authority prepares its 2022 Business Plan, which will be published in October. Comments about the phased approach to setting 2021 Registry fees, the timing of the fee-setting process and consultations, all of which are impacted by the timing of the release of RRCEA regulations by the Ontario government, will be shared with the Ministry of the Environment, Conservation and Parks.

Appendix A: Stakeholders that submitted feedback

The six written submissions were submitted by the following stakeholders:

- Call2Recycle
- Canadian Vehicle Manufacturers' Association (CVMA)
- Costco Wholesale Canada Ltd.
- Electronics Product Stewardship Canada (EPSC)
- GS Battery
- Tire and Rubber Association of Canada (TRAC)

The following six stakeholders representing producer associations presented at the Authority's Finance and Technology Committee meeting:

- Carol Hochu, Tire and Rubber Association of Canada (TRAC)
- Shelagh Kerr, Electronic Products Stewardship Canada (EPSC)
- Mark Kohorst, National Electrical Manufacturers Association (NEMA)
- Colin McKean, Canadian Battery Association (CBA)
- Adam Moffat, Ontario Tire Dealers Association (OTDA)
- Yasmin Tarmohamed, Canadian Vehicle Manufacturers Association (CVMA)

Appendix B: Response to stakeholder comments

The Authority considered all feedback received during the consultation as it finalized the 2021 Registry fees. Key comments received and the Authority's response are identified below and categorized into the following themes:

- General fee related
- Consultation process
- Proposed fees for tires
- Proposed fees for batteries and electronics
- The Authority's oversight

General fee related

- Some stakeholders were concerned that the Authority's fees are too high because the Authority's costs are too high (e.g., the cost of Registry builds).
- Several stakeholders expressed concerns that the Authority's Registry fees lack predictability, making it difficult for producers to plan (i.e., their budgets) accordingly.
- Some stakeholders specifically stated their preference for a fixed rather than variable fee to help keep the fees predictable each year.
- Some stakeholders recommended that the Authority leverage the work being done by PROs (e.g., existing systems, data collection, etc.) to help find efficiencies and reduce costs.
- One stakeholder recommended that the Authority's General Fee Setting Policy should contain a mechanism to control costs and avoid increasing budgets.
- One stakeholder commented that the cost to build the Hazardous Waste Program and Excess Soil registries should not be applied to programs under the IPR framework (e.g., tires, batteries, EEE), as they have distinct obligated parties and requirements.

The Authority's response

As an administrative authority of the Government of Ontario, the Authority operates on a cost-recovery basis and its budget reflects costs necessary to deliver its legislated mandate. The Authority's budgets are set through the annual Business Planning process, which is oversighted by both the Authority's Board and the Ministry of the Environment, Conservation and Parks. Additionally, stakeholders are consulted throughout the Business Planning process through the newly established Industry Advisory Council.

The Authority also has robust financial controls policies and processes in place to ensure all spending decisions are appropriately oversighted and a best-in-class procurement policy to ensure services and products are obtained at market competitive rates.

With regard to leveraging systems, data and other work done by PROs or other like entities in Ontario and other jurisdictions, the Authority attempts to align Registry- and compliance-related activities with the business practices of PROs and other registrants where possible in order to make procedures easier and more efficient (e.g., with respect to audit procedures). However, it is not practicable to use PRO systems as an alternative to the Authority's Registry and compliance work given the Authority's regulatory mandate. The specific requirements outlined in regulations, the criticality of ensuring confidentiality of commercially sensitive data, the cost of adapting pre-existing systems to align with the different regulations and the Authority's regulatory mandate, and the need to maintain the confidentiality of the Authority's compliance and enforcement activities, for example, have all supported the Authority's cost-effective approach to a purpose-built Registry.

Fees are currently being updated annually because the Authority's mandate has been increasing as legacy waste diversion programs are directed to wind up and the materials associated with those programs are designated under Ontario's new producer responsibility regulatory framework. The Authority expects more stability in fees when the pace of new materials designated under the RRCEA slows.

The Authority maintains a mixed variable and fixed fee model because it believes this fee structure supports equity in fees, in particular for small and medium-sized businesses. The variable component of the fee model also supports the objectives of the Ontario government's producer responsibility regulatory framework to hold producers individually accountable and financially responsible for the products and packaging they supply into the market. The Authority is open to continuing to study the impact of using only fixed fee models in the future if the analyses support the principles of equity in fees and supports the individual producer accountability and financial responsibility objectives of the regulatory programs.

Under the Authority's budget allocation model, Registry development costs are direct costs that are allocated to each program. As such, HWP and Excess Soil registry development costs are not applied to programs under the RRCEA.

Consultation process

- There were a number of comments that the consultation/proposal lacked detail and stakeholders needed more information on how the program budgets were spent in order to provide informed feedback.
- A number of stakeholders expressed concerns about the phased consultation approach (i.e., only consulting on tires, batteries, and electronics now, then consulting on Blue Box materials and HSP at a later date). Some also expressed concerns with the overall timing of the consultation process, stating their preference for consulting on fees prior to the start of the fiscal year.

The Authority's response

The Authority took a two-phased approach to setting 2021 Registry Fees due to the delay in the finalization of the Blue Box and HSP regulations under the RRCEA. The first phase sets fees for tires, batteries and electronics using the base fee from 2020 and making any adjustments through a true-up process when setting 2022 fees. The second phase will set Blue Box and HSP fees.

Additional information on budget allocations on a program-by-program basis will be presented during the phase 2 consultation following the anticipated release of the Blue Box and HSP regulations. For detailed information on planned expenditures, refer to the Authority's annual Business Plan, which is published in October of each year. Additionally, the Authority's Annual Report, which is published in June of each year, includes audited financial statements that outline in detail the previous year's expenditures.

The timing of the Authority's recent fee consultations has been linked to the release of final regulations under the RRCEA, which the Authority does not control. In the normal course, the Authority expects to consult on and set fees before the start of the fiscal year.

Proposed fees for tires

- There was concern among some tire stakeholders that the fee for tires had not decreased significantly even after new programs (e.g., batteries and electronics) have come into effect and called on the Authority to find efficiencies and ways to reduce the fees for tire producers.

The Authority's response

The tires fee for 2021 is being set at the same level as 2020. Additional detail about 2021 budget allocations and the breakdown of fees across all the Authority's active Registry programs in 2021 will be provided in the phase 2 consultation. As more programs are implemented under the RRCEA, common costs are spread across more registrants and efficiencies can be achieved. This does not necessarily result in reduced year-over-year costs due to other drivers that affect fees but should result in lower costs relative to what costs would have been with fewer programs.

Proposed fees for batteries and electronics

- Some batteries and EEE stakeholders questioned why producers must pay fees twice in 2021 (i.e., once in January and again after this consultation concludes) and what activities the fees were covering.
- Some EEE stakeholders raised concerns that EEE producers are subsidizing the cost of the batteries program through their fees.

The Authority's response

Payment of 2020 Registry fees for Batteries and ITT/AV was extended into 2021 in response to producers requesting additional time to register. This meant that Batteries and ITT/AV producers paid their 2020 Registry fees in early 2021, which covered 2020 expenses. The 2021 fees, to be paid later this year, are to recover current year costs.

Batteries and ITT/AV are being treated as a combined program operationally, which means one combined fee. The programs have been combined because there are explicit links between the batteries and ITT/AV portion of the EEE regulations; Registry development for both programs is proceeding on the same schedule with the same vendor; the registration and reporting campaigns for each have been combined for efficiency reasons; and there are overlaps in the supply chain logistics between the two programs.

The Authority's oversight

- There were a number of comments suggesting the Authority needed to take more action on free riders (i.e., obligated parties that avoid registration and compliance, including paying fees to the Authority).

The Authority's response

Bringing free riders into compliance is a key focus of the Authority's compliance program. The Authority's Compliance and Registry Team has had a number of successes identifying both large and small free riders, bringing them into compliance and requiring them to pay fees owed. The Authority continues to devote resources to identifying and responding to high-priority free rider cases in 2021.

Appendix C: Questions and answers

Below are the questions received during the consultation webinars, and the Authority's responses. Questions not relevant to this consultation have been excluded. Some questions were edited for length and clarity.

Question	Response
If the variable fee for batteries and EEE for 2021 stays the same and the additional \$0.011 per kg is going to cover the 2020 deficit, won't you be creating a deficit in 2021 if the total supply stays the same in 2021 as 2020?	The 2021 budget for the Batteries and EEE programs will not be set until after the anticipated Blue Box and HSP regulations are released. However, we do not expect there to be a substantial surplus or deficit (i.e., over or under collection of fees) based on our proposed fees. If there is a difference between revenues received and actual expenditures for the program, that difference will be reflected in 2022 fees.
With more programs coming online, the fees should be coming down (fixed costs are shared over more programs). Why would the Tires fees stay the same as 2020 (they are actually increasing from \$0.115 when Tires was bearing the majority of the fixed admin costs) given that more programs are coming online to share the admin costs?	<p>Proposed tires fees for 2021 are the same as 2020. Because of the timing of anticipated Blue Box and HSP regulations, the Authority has not yet allocated budgets to each of the active Registry programs for 2021. Any difference between revenues received for tires and actual 2021 program expenditures will be reconciled when 2022 fees are set.</p> <p>Tires fees in 2020 were lower than 2019 fees. Additional decreases will depend on a number of factors, including inflation, the amortization rate for shared Registry costs, the demands of the Tires program, the nature of the new programs that the Authority is mandated to deliver, and the economies of scale that the Authority is able to achieve in delivering these programs.</p>
Are you able to share your expectations of the total supply numbers for the ITT/AV and Battery programs?	The current expected supply amount for ITT/AV and batteries in 2021 is approximately 75,000,000 kg, which is lower than the estimated 90,000,000 kg used for setting fees in 2020. The estimated amount for 2021 has been revised from the 2020 amount based on new information gathered throughout the year. The estimate may continue to be revised as the Authority gathers additional information from registrants.
What are expectations for total supply numbers for tires?	The expected supply amount for tires in 2021 is 13,000,000 tires, which is very close to the estimated supply amount used for setting fees in 2020.
Does the surplus from one program transfer to another? Tires to ITT/AV or vice versa? Is it all under one budget for RPRA?	No, the surplus (and deficit) is program specific as each program has its own budget allocation based on costs to the Authority that are attributed to that program. The difference between the budget and what was actually collected in the year is the program's surplus or deficit.
Can you explain how the 13.5 cent fee for tires was originally established?	The 13.5¢ fee for tires (for 2020) was established based on two key inputs: the budget that was allocated to the tires program in 2020 and the estimated number of tires to be reported in 2020. The variable fee (or per tire fee) is calculated by dividing the budget by the estimated number of tires to be reported, plus adjusting for prior year surplus or deficit.

Question	Response
	<p>RPRAs budget is made up of several components, including the shared operational expenses that are allocated to each of the RRCEA programs and the amortized capital costs of the Registry system for the specific program.</p>
<p>Were the fees that we already paid in 2021 meant to cover expenses for 2021? How could they be for 2020 expenses if the new regulation for electronics didn't take effect until January 1, 2021?</p>	<p>No, the fees paid during ITT/AV and batteries registration in 2021 were 2020 fees to cover 2020 program costs. The 2020 fees were set late in 2020 due to the timing of release of the final EEE regulation. The reason for collecting 2020 fees in 2021 was because we extended the deadline for ITT/AV and batteries producer registration from November 30, 2020 to January 31, 2021 to give producers more time to gather the supply data needed for registration.</p> <p>The EEE regulation came into force in 2020. The 2020 fees covered the work needed to implement the regulation in 2020, including building a compliance program and implementing registration campaigns for all producers and service providers.</p>
<p>What's the rationale to hold the producer responsible for the recycling fees and not the service providers under the EEE program? The producers are not installing any units and not in the loop of the recycling/take-back process. The producers are left out of the loop after the sales of the units to SPs.</p>	<p>The decision to make producers pay fees and cover Authority costs was made to reflect the fact that the RRCEA is based on a producer responsibility framework. Although producers may hire PROs or service providers to help meet their obligations, the responsibility for performance under this framework remains with the producer. The Authority believes that making producers responsible for the costs of administering the programs aligns with this framework. Not requiring fees for service providers also supports competitive markets for resource recovery services by reducing barriers to entry, benefitting producers who need such services in order to comply. Restricting the number of fee-paying registrants to only producers also provide efficiencies to RPRAs operations, which creates overall savings to the budget when compared to charging service providers as well as producers.</p>
<p>Why have flat fees, tiered to producer size, been rejected in favour of per kg? It would provide a more stable funding mechanism.</p>	<p>The Authority has determined that setting variable fees is a fair way of assigning costs to producers, which does not impose undue burdens on smaller and medium-sized businesses and reflects the producer responsibility framework in the RRCEA. The Authority is open to receiving feedback from our stakeholders on different approaches to fee setting, and to further studying the impact of fixed fee models.</p>
<p>Can you speak to the audit required for 2019 tire supply reporting and fees due on May 31, 2021?</p>	<p>The due date for tire producers to submit their annual supply report and audit for 2019 data, as well as pay 2021 fees, has not yet been communicated; it will be after May 31 (the deadline set out in the regulation) to allow sufficient time for producers to report and pay after fees are set in May.</p> <p>The deadline for ITT/AV and batteries producers to submit their annual supply report and pay fees will be later this year once the online Registry system is built. This deadline will also differ from the dates outlined in the regulations.</p>

Question	Response
	Producers will be notified of the deadline and how to submit their report once the current fees consultation has concluded and 2021 fees for tires, EEE and batteries have been finalized.
Why pay [recycling] fees at the time of sales/importation instead of at the time of disposal?	Fees are not paid at the time of sales/importation. Producers are required to report supply data to the Authority each year. This data is used to establish an individual producer's collection requirement for the following year, and to set fees.
Will OES program and Stewardship Ontario's battery program surpluses be applied to 2021 fees?	<p>The approved OES Wind-Up Plan sets out that once OES has resolved all financial program obligations following program termination, any remaining residual OES funds will be transferred to the Authority to offset RRCEA Registry-related expenses for ITT/AV (i.e., ITT/AV producer fees). However, there is still uncertainty around the total amount and when the funds will be transferred to the Authority. The OES liquidator is responsible for providing that information. Following confirmation of the amount and when the funds will be transferred to the Authority, the Authority will conduct a consultation to confirm our approach on how to apply the funds to ITT/AV fees. We will provide more information on this as it becomes available.</p> <p>With respect to any residual funds that remain following the transition of the single-use batteries program to the RRCEA, the Minister directed Stewardship Ontario to return remaining residual funds to stewards in proportion, where reasonably possible, to each steward's contribution to the funds. SO's approved MHSW Wind Up Plan: Residual Funds Addendum further describes how residual funds will be managed for batteries, as well as the other MHSW material categories managed by SO.</p>
How will you ensure EEE does not subsidize battery costs?	We are treating EEE and batteries as the same program because of the clear linkages between the two regulations, interaction between EEE and batteries producers due to batteries embedded in electronic products and overlap in supply and logistic chains. Operationally, Authority staff deliver compliance services for batteries and EEE as part of a combined set of activities, including linked registration and reporting campaigns, and linked Registry development. Because the programs have been combined operationally, there is a single combined fee for the 2020 and 2021 programs.
Are the fees based on what we sold in the year in Ontario or when we import electronics?	The fee is based on the supply data that producers are obligated to report to the Authority each year. If you have more questions about your obligations, please contact our Compliance and Registry Team at registry@rpra.ca .
Can you please speak to what costs make up the majority of RPRA expenses? Also, what can a producer do to help control the RPRA costs passed on to them?	In October of each year, we publish a business plan that outlines RPRA's budget, as well as the forecast budget for the two following years. In June of each year, we publish an annual report that outlines the audited financial statements of

Question	Response
	<p>the previous year. You can find these documents on our website: https://rprra.ca/about-us/documents-and-policies/.</p> <p>Most of the costs allocated to a program are a combination of the shared costs related to operational compliance functions that are common to all material programs and the direct costs that are charged to a specific program (e.g., Registry build). The cost of a Registry build is a capital expenditure that gets amortized over a 10-year period, so RPRA's annual Registry fee reflects a portion of the overall cost of the build for that specific program.</p> <p>Producers can support the Authority in controlling costs by (i) reporting promptly and accurately as directed to the Registrar; (ii) maintaining clear records as required by the regulation and under Registrar bulletins so that any efforts by the Compliance Team can be conducted with minimal effort; (iii) providing any information you have about what appear to be non-compliant activities by other businesses (e.g., free riders).</p>
<p>Are there opportunities to leverage the PROs in Ontario to bring costs more in line with other provinces?</p>	<p>The Authority's fees are based on Ontario's regulations, and regulatory frameworks vary across Canada and internationally, making it difficult to compare fee structures. The Authority is fully funded through fees charged to its regulated parties and receives no government funding. Other jurisdictions may fund their programs through a combination of fees collected by the regulator and government funding. Additionally, regulators in different jurisdictions may be structured differently depending on the regulatory regime they operate in. In Ontario, we are operating under the producer responsibility regime where there is one regulator (i.e., the Authority) to ensure compliance with individual producer obligations. Other jurisdictions organize their regulatory regimes differently with compliance and Registry functions, for example, assigned to two different entities, either within or outside government structures. In Ontario, the Authority is responsible for both compliance and the Registry and recovers all costs from parties that are regulated to cover the costs of building and operating the Registry and the costs to carry out compliance and enforcement activities.</p> <p>With regard to leveraging systems, data and other work done by PROs or other like entities in Ontario and other jurisdictions, this is not a practicable approach given the Authority's regulatory mandate. The specific requirements outlined in regulations, the criticality of ensuring confidentiality of commercially sensitive data, the cost of adapting pre-existing systems to align with the different regulations and the Authority's regulatory mandate, and the need to maintain the confidentiality of the Authority's compliance and enforcement activities, for example, have all supported the Authority's cost-effective approach to a purpose-built Registry.</p>