

Resource Productivity and Recovery Authority

General Fee Setting Policy & Tire Fees

Consultation Report – Round 2

January 29, 2018

Table of Contents

Introduction & Purpose	2
Fee Consultations – Round 2.....	3
Round 2 – What We Heard.....	3
Summary and Next Steps.....	5
Questions & Contact.....	5
Appendix A – Fee Consultation Rationale, Approach & Timelines	6
Appendix B – Webinar Evaluation Survey Results.....	9
Appendix C – Round 2: Fee Consultation Topics & Questions.....	10
Appendix D – Webinar Questions & Answers	11
Appendix E – Written Submissions	19

Introduction & Purpose

The Resource Productivity and Resource Authority (RPRA) is developing its General Fee Setting Policy, which in turn will inform how the Authority will structure and set specific fee amounts in order to recover costs for activities related to the *Resource Recovery and Circular Economy Act, 2016* (RRCEA). The Authority is conducting three rounds of consultations to develop the General Fee Setting Policy and fees for parties obligated under the draft Tires Regulation

The first round of consultations was held on October 4 & 5, 2017, and focused on the principles for consultations and the approach to structuring and setting fees. The [Round 1 Report](#) can be found at the www.rpra.ca website, under Consultations.

RPRA held a second round of consultations on the General Fee Setting Policy and Tire Fees on December 18 & 19, 2017. The purpose of Round 2 consultations was to engage stakeholders further in the development of the Authority's General Fee Setting Policy and to solicit initial feedback on components of a methodology to develop material-specific fees. A summary of Round 2 consultation and feedback received is presented in this Report.

Each phase of the consultation and resulting feedback builds on the next, and will culminate in a third round of consultation with the posting of the draft General Fee Setting Policy, Fee Setting Methodology and Tire Fees Proposal¹, currently planned to begin in late January 2018.

For more information on RPRA fee consultations including the rationale, the approach used, and related timelines, please refer to Appendix A.

¹ RPRA is conducting a separate consultation on the Used Tires Program Wind-up Plan from December 21, 2017 – February 16, 2018. For more information visit: <https://rpra.ca/used-tires-program-wind-up/>.

Fee Consultations – Round 2

RPRA held its second round of webinar consultations on December 18 & 19, 2017 to consider the General Fee Setting Policy and Proposed Tire Fees. Just over 100 people participated in the webinars. Participants included individuals from the broad producer/steward community as well as municipalities, industry associations, and service providers. Given the nature of the topic and that used tires will be the first program wound up, the tire industry was also well represented.

Wilson Lee, Director of Communications & Stakeholder Relations, facilitated the webinars. Frank Denton, CEO, provided opening remarks including an overview of the Authority's mandate, legislative context, timelines and a summary of what we heard in Round 1. Geoff Rathbone, Director of Transition, provided background information on RPRA's budget and led the discussion on the Round 2 consultation topics. Sandra Montague, Director of Finance and Administration and Carmelina Macario, Program Lead, WEEE & Used Tires were both present during the webinars to respond to questions as required.

The purpose of Round 2 consultations was to engage stakeholders further in the development of the Authority's General Fee Setting Policy and to solicit initial feedback on components of a methodology to develop material-specific fees.

Written questions were taken from participants during the webinars, and presenters responded to questions and comments at specific points during the webinar presentations. Participants and all stakeholders were invited to provide additional written comments on the consultation topics to the Authority by January 12, 2018. No additional written comments were provided.

A summary of what was heard during the Round 2 consultation webinar is found below in this Report. The Authority will use the information received to inform the development of the draft General Fee Setting Policy and the tire fee proposal. These documents will be posted at the end of January 2018 for a 45-day consultation period before being finalized.

The Round 2 [slide presentation](#) and the [recorded webinars](#) were posted on the RPRA website immediately following the webinars. An evaluation survey seeking feedback on the webinars was sent to participants after each session. Results of the survey can be found in Appendix B.

Round 2 – What We Heard

During the webinars written questions and comments were solicited from participants at various points during the two sessions. Stakeholders were also encouraged to submit written feedback on the General Fee Setting Policy and proposed Tires Fees.

Key questions were posed by the webinar presenters in areas where RPRA was seeking specific feedback. The consultation topics focused on the following:

- Allocation of costs by material
- Allocation of costs to registrants
- How are fees calculated?

For a complete list of the questions posed by RPRA see Appendix C.

Webinar participants and written submissions received from stakeholders provided a wide-range of comments and raised numerous questions related to the presentations and the consultation topics including:

- RPRA's budget (e.g., comparison of current and past), questions related to categories within the budget and the Registry build;
- Consultation process and timelines, and concerns about consultation fatigue, and questions about other consultations such as the draft Tire Regulation, the OTS Used Tires Program Wind-Up Plan and the amended Blue Box Program Plan (a-BBPP);
- RPRA funding such as clarification of the term "self-funded", RPRA's authority to charge fees, what RPRA fees are used for, and how fees will be handled during the transition period;
- Clarity related to the development of the fee policy and fee proposals such as:
 - How will costs to registrants be calculated?
 - How will costs for materials not yet designated be handled (e.g., organics)?
 - If a producer has hired a PRO to arrange for services, then will both the producer and PRO have to pay a fee to RPRA?
 - Challenges in providing comment without knowing RPRA's cost to process a registration.
 - Given the current uncertainty, whether it is possible to use a preliminary approach for fee setting then revise later
 - Whether fees are subject to HST
 - Whether the fee model to be used for tires will apply to other materials

For the complete list of questions and answers refer to Appendix D. A summary of written submissions received is included in Appendix E. All comments received during the consultation will be taken into consideration as RPRA moves forward with development of the General Fee Setting Policy and tire fees proposal.

Summary and Next Steps

RPRA will be using feedback from both Round 1 and Round 2 consultations to inform the development of two documents:

- RPRA's Draft General Fee Setting Policy; and
- Fee Setting Methodology and proposal for fees for those obligated to register under the draft Tires Regulation under the RRCEA.

These documents will be posted for the third and final round of consultations which will be conducted from late January to early March 2018.

Questions & Contact

Questions about this report or about future fee consultations can be directed to consultations@rpra.ca.

For all other inquiries please [contact us](#).

Appendix A – Fee Consultation Rationale, Approach & Timelines

The Authority is required under [Section 41 of the RRCEA](#) to consult stakeholders before it can set and collect fees, costs or other charges. Through the consultation process RPRA is seeking feedback in the development of its General Fee Setting Policy, which will inform how the Authority will establish fees to support its RRCEA-related costs.²

RPRA is a not-for-profit, non-Crown organization and receives no government funding. As a self-funded organization, it must recover its operating costs from the parties regulated under the Acts (see Figure 1). RPRA is required under the law to consult stakeholders before it can set or amend fees.

Legislative Context

The Authority's Responsibilities Around Fees

- Authority is self-funded
- Authority may set and collect fees, costs or other charges to recover costs to exercise its mandate
 - Under WDTA: by recovering costs from industry funding organizations (IFOs) and industry stewardship organizations (ISOs)
 - Under RRCEA by charging fees to obligated parties
- Authority is required to consult on fees or other charges

Figure 1: RPRA Principles for Consultation

The first fees to be established based on the Policy will be for those parties obligated under the Tires Regulation. These fees will be set following the finalization of the Tires Regulation under the RRCEA. [Consultation on the Tire Regulation](#), led by the Ministry

² The Authority is mandated to carry out duties and powers under the new legislative framework that holds producers individually responsible and accountable for their products and packaging at end of life. Specifically, duties and responsibilities include: building and operating a registry to register the companies with obligations under the RRCEA and receive information to support progress to a circular economy; and, exercising its compliance and enforcement powers

of the Environment and Climate Change, commenced on December 1, 2017 and closes on January 22, 2018.

The Authority is committed to engaging stakeholders and is using a phased approach to its General Fee Setting Policy consultations. To that end, the Authority is conducting three rounds of consultations to support the development of the General Fee Setting Policy and tire fees with each phase of the consultation building on the previous. All consultations are guided by the principles³ adopted by the Authority as shown (see Figure 2).

The timeline for the development, consultation and implementation of the General Fee Setting Policy and tire fees is presented in Figure 3. The draft General Fee Setting Policy is anticipated to be posted for comment in late January 2018 along with the tire fees proposal.

As other current waste diversion programs are directed to be wound-up (e.g. electronics, MHSW, etc.) and as new materials are designated by the Minister (e.g., organics), consultations will take place on related fees.

Principles for Consultation

- **Inclusiveness and Openness** – Engage broadly with stakeholders, provide clear information, and make the process accessible, comprehensible and responsive
- **Timeliness** – Engage stakeholders early before decisions are made and provide regular opportunities to engage
- **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 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

Figure 2: RPRA Principles for Consultation

³ Adopted from OECD Best Practice Principles on Stakeholder Engagement in Regulatory Policy

Timeline

Development, Consultation and Implementation of General Fee Setting Policy and Tire Fees

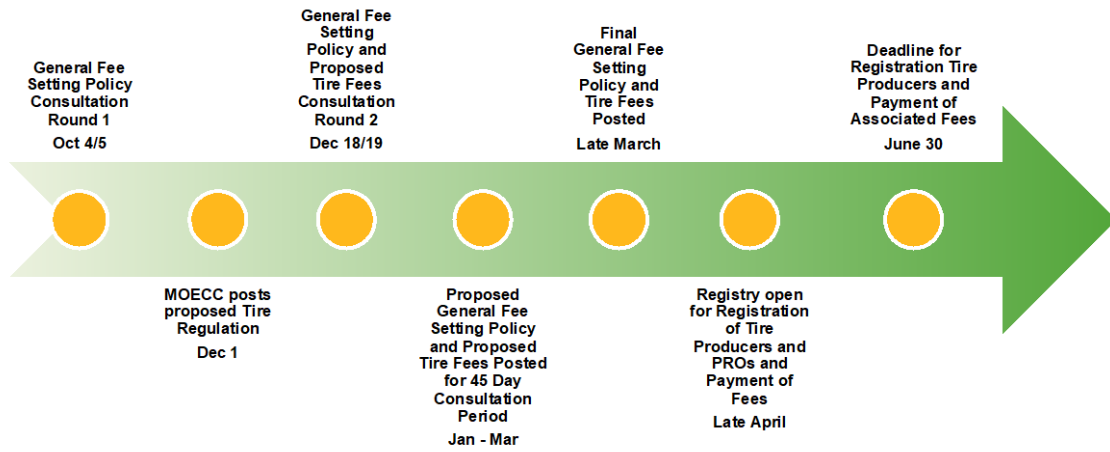


Figure 3: RPRA Consultation Steps and Timeline

Appendix B – Webinar Evaluation Survey Results

RPRRA sent an evaluation survey to all 103 participants who attended the sessions following the webinars. RPRRA had a 16% response rate to the survey (n = 16), although some respondents did not complete the entire survey. Participants were asked the following questions:

- Did you attend either of the webinars in Round One of our General Fee Setting Policy consultation (held October 4 & 5, 2017)?
- Did you review the materials from Round One of our General Fee Setting Policy consultation (held October 4 & 5, 2017) prior to today's webinar?
- Did the presenters clearly outline and explain the issues?
- Did the consultation process provide a meaningful opportunity to engage with the Authority?
- Could the information have been presented in another manner?
- How could the consultation have been improved?
- On a scale of 1 to 5, with 1 being poor and 5 being excellent, how would you rate today's consultation?

About two thirds of the respondents had either attended a Round 1 webinar and/or had reviewed the materials and provided feedback. The majority of comments related to Round 2 were positive: the presenters clearly explained the issues and the approach was useful (e.g., slides clear). To improve the consultation process, some respondents felt that the questions being asked by participants should be shared with the entire group to reduce duplication or prompt others to ask questions. Others commented that there should have been an opportunity to “voice” questions (rather than submitting questions in writing). Others commented that more information should be provided in advance and during the webinar about RPRRA’s future plans and its role after the consultations are completed.

Overall respondents indicated that the consultation provided a meaningful opportunity to engage with RPRRA. However, one respondent indicated that it was difficult to engage without detailed information on RPRRA’s cost to manage registrations. Other respondents felt more examples during the webinar would have been helpful. Another respondent stated more clarity about the fees being presented in the pre-circulated material would be beneficial as some participants may have been confused about what was being discussed (e.g., costs attributable under RRCEA and WDTA). Finally, of the respondents who rated the presentation, the majority rated the webinars as good or very good.

Appendix C – Round 2: Fee Consultation Topics & Questions

Allocation of Costs by Material

- If the Authority has additional activities related to a material, should more of the Authority's costs be allocated to that material?
- Should a material group with a larger number of registrants be allocated a larger share of the costs? Or, should all material groups have the same share?
- What other approaches should the Authority consider?

Allocation of Costs by Registrant

- Should all parties who are required to register with the Authority pay a fee?
- If not, what factors should the Authority consider to determine who pays a fee?

How are Fees for Registrants Calculated?

- Should the Authority develop one fee model for all materials?
- If not, what factors should the Authority consider when developing a fee model for each designated material?
- Do you support a fixed, variable, or fixed + variable fee model?

Appendix D – Webinar Questions & Answers

Webinar Qs & As December 18 & 19, 2017 Questions	Answers
RPRA Funding & Authority	
<p>Frank mentioned that the Authority (RPRA) is "self-funded". How? You are planning to collect fees from stewards to pay for authority's running. Please demystify and clarify.</p>	<p>Self-funded means funded by means other than grants from government. RPRA generates revenue by setting fees to be paid by those obligated under regulations. As well, RPRA is not-for-profit and fees are charged on a cost recovery basis to deliver RPRA's mandate.</p>
<p>Are RPRA fees being covered by IFOs until transition, and then Stewards pay RPRA fees directly post transition?</p>	<p>Yes, but it is not all occurring at the same time. Rather it is occurring in a stepped fashion as wind-up of programs occurs. For example, RPRA will continue to charge Ontario Tire Stewardship, the IFO for used tires, until the IFO is wound up while also setting fees for those obligated under the Tires Regulation.</p> <p>After OTS is wound up, RPRA fees to OTS are eliminated while fees for those obligated under the Tire Regulation will continue.</p> <p>When additional materials are designated (e.g. mattresses, textiles, organics, C & D waste, etc.), RPRA will set fees for the parties obligated to register with RPRA under those regulations.</p>
<p>Do you have the authority to charge fees or force registration beyond Obligated Stewards?</p>	<p>RPRA has the authority to charge fees to parties identified in the regulation who are required to register with RPRA.</p>

Fee Policy	
You addressed the responsible parties but not the registering or reporting aspects.	We do speak to two different groups of registrants, i.e., obligated parties versus responsible parties. The policy applies to parties regulated by RPRA that include responsible parties such as producers and obligated parties which would include producers, PROs, collectors, haulers and processors.
Has RPRA calculated its costs to process a registration? I mean actual costs to process a registration, not how you allocate the costs of RPRA Administration. Without knowing the costs to process a registration, and associated costs to "manage" a registration, it is impossible to provide meaningful feedback on how costs should be allocated.	No. We need to determine the registration and reporting process and which of the obligated parties will be paying fees.
You suggested that registering more parties would increase costs, but that statement seems not to be based on actual data.	<p>There is a distinction to be made between registering parties and paying fees. For example, there may be a requirement for certain parties to register and not pay fees, and that is part of today's consultation.</p> <p>Ultimately MOECC determines the obligation to register and the requirements related to reporting in regulations. The questions being posed today are which of those registrants should pay RPRA's fees (e.g., 700 producers or 8,000 obligated parties). The cost to collect fees from 700 registrants may be different than the cost to collect fees from 8,000 registrants. We may find there are more administrative costs for 8,000 registrants because there may be more complexity. This is based on common understanding and experience, but not on actual data at this point.</p>
With regards to fees by registrant category, it is difficult to provide critical input without an understanding of	Yes, the limited information during this first registration process is challenging.

the actual costs of registering and managing (auditing, etc.) the different registrant categories.	Fees are intended to cover RPRA's costs associated with the RRCEA including registration but also including compliance and enforcement, etc.
This decision would be based on what the fee would be, if it is higher than the previous TSF than there needs to be a basis as to what that goes towards.	Agreed.
Given the degree of uncertainty, is there a possibility of developing a preliminary approach that may be in place for say 2018-2019 and then be revised in 2020?	Frequency of fee review may need to be adjusted e.g., more frequent adjustment/review of the fee structure. We need to balance predictability of fees for registrants against other competing principles.
There is a gap of at least 25% between material generated and material reported by stewards. This means that when we start paying 100% cost of Blue Box, we will be paying 25% for free riders that may be our competitors.	Free riders are a concern for everyone. RPRA has compliance and enforcement (C&E) powers both under WDTA and RRCEA and intends to build a C&E team to ensure minimization of free riders.
I support a fixed fee based on the actual costs of managing the waste for that sector. Will this be taxed or will it be looked at as a tax?	RPRA does not have taxation authority. Use of a fixed fee is one of the options to be considered.
There are currently 3,660 Stewards registered with IFOs vs. 30,000 registrants that RPRA has estimated. Are you	We are not prejudging what will be in the regulations, however we needed assumptions to develop our 2018 Business Plan (BP) and our projections (e.g., the 2018 to 2020 BP estimates 57K registrants over the three-year period). We estimate there are a relatively small number of producers (i.e., less than 10% of the 57 K total), and that the number of

sure there will be 30,000 registrants? This will make a significant difference to flat fees vs. variable.	service providers involved could include collectors, haulers and processors, meaning we could have as many as 57K registrants. One of our questions today is whether all registrants should pay a fee to RPRA or whether we should collect fees from a subset of registrants?
Will you be using accountants (or experts in finance) to help in answering these questions? My background isn't in finance - so I'd trust the experts.	Our Director of Finance and Administration is working on this initiative with additional external expertise and advice. We have engaged PwC to assist in the methodology development. PwC is developing a model to test scenarios as we receive feedback from stakeholders. Currently there are at least 30 different scenarios depending on what is involved. These will all be tested within the model. Also, advice is being provided on alignment with accounting principles that the Director of Finance and Administration will oversee, as we develop and consult on the model later in January 2018.
Will the model adopted by tires necessarily apply to other materials or not? This is important as non-tire stakeholders may be less engaged currently.	No decisions have been made on the model and application to other materials. We are asking is it one fee model for all materials i.e. one size fits all approach, or is it a model for each material group, or is it a model for producers and generators, or various models depending on the various circumstances. We are open to different options and appreciate your feedback.
Does the final allocation of costs (by registrant or material) apply only to tires, or would this also be the final fee structure for all designated materials?	As above.
RPRA Budget	
Slide 15 question: explain Professional firms (\$0.7M) - is this the PwC cost to build	Professional firms do not include PwC for the Registry build. Professional firms provide services related to the programs under the WDTA e.g., annual audits of municipalities related to the Blue Box Datacall cost approximately \$250K.

registry? What is the one-time fee \$0.4M for?	
The 2018 RPRA business plan had a budget of \$8 million, what caused the increase?	The reserve contributions need to be added to the \$8.56 M to get to the \$9.2 M (See our 2018 RPRA Business Plan for more information).
Geoff mentioned \$6 million to develop the registry; is that correct, and which slide is that shown on? I think it was slide 14 but I don't actually see the number there.	We posted a release on our website announcing the selected vendor and the related costs for registry development. The number is in our 2018 Business Plan and contained in a separate release on our website. The capital cost is \$6 M, with a \$1.3 M operating cost which includes licensing fees.
How does the annual budget compare to the WDO annual budget?	WDO's annual budget was ~ \$3.4 M, and RPRA's budget was \$7 M in 2017 and is set at \$9 M for 2018. The difference in budget can be explained by requirements under the respective legislation. WDO had no responsibility to develop and implement a registry or to undertake compliance and enforcement activities, and no responsibility to oversee the wind up of various programs. These are new responsibilities of RPRA with associated costs. RPRA is a new organization with different responsibilities.
Tire Fees & OTS Wind-up	
What percentage of the \$2.8 million RRCEA costs on slide 16 will be billed to Tire Producers?	In 2018 there will be one material designated under RRCEA and fees will be borne by those obligated under the Tire Regulation in 2018.
What do you expect RPRA will bill to the OTS program in 2018?	Please contact Geoff Rathbone and/or Carmelina Macario for more information.
Should we as generators be experiencing a smooth transition from the old program to the new program. Does not	OTS submitted their wind-up plan to RRPA. It will be posted later this week and will address their plan to mitigate disruption.

<p>seem to be the case with OTS currently.</p>	
<p>Slide 19 - does this mean if a producer has hired a PRO to help arrange for services, that the producer will have to pay a tire fee to RPRA PLUS the producer also pay a tire fee (for the same producer)?</p>	<p>We want to get your feedback on producers covering all RPRA costs through their fees or producers, PROs, collectors, haulers and processors all contributing to RPRA costs. Also, there may be situations where a producer does not have a PRO.</p> <p>We also need to clarify that the fees are to cover RPRA's costs and are not designed to cover the costs of collection and management of tires.</p>
<p>Consultation</p>	
<p>Will all of today's slides be posted to your web site?</p>	<p>The slides are posted on the RPRA website now.</p>
<p>There are three major consultations with comments due immediately after the holiday season: this one (Jan 12), a-BBPP (Jan 15) and Organics (Jan 15). This is unreasonable and not realistic, stakeholders cannot review and gain internal approvals in sufficient time to provide meaningful input. How will this be addressed?</p>	<p>We understand and appreciate the demands related to consultations. RPRA is not responsible for all of the consultations (MOECC is hosting the tires regulation and organics). We will do our best to make ourselves available over the holiday season to support stakeholders during a very challenging time. Also, the fee consultations are part of an ongoing process, which started in October 2017, include the current sessions and will continue into 2018. We believe this extended period of consultation on the fee policy will provide stakeholders with opportunity to be engaged.</p>
<p>It is not a question of fatigue or RPRA being available for questions; it is internal approvals and need a broad group of people to be available. Please, it is not consultation fatigue; it is due process needed.</p>	<p>As mentioned previously the fee consultation is being phased to provide stakeholders with several opportunities to comment and provide feedback. The final draft General Fee Setting Policy proposal will be posted for comments for 45 days in late Jan/early Feb 2018.</p>

Will the questions asked and the answers given be available after the consultation?	Yes, the consultation report will reflect the questions and answers given. The report will be available on available on our website after the comment period closes. Expect it to be posted towards the end of January 2018 on our website.
Miscellaneous	
The timeline includes the transition of the amended BBPP, but the regulations have not been issued yet. Can we assume that the dates in this slide deck for the transition of that program will be evident in the draft amended BBPP/regulations?	The BBPP wind up is expected by 2025 based on the government's Strategy for a Waste-Free Ontario. We will be posting OTS Wind-Up Plan later this week and Stewardship Ontario will be posting the amended BBPP later this week as well. These postings will include timelines and will be open for consultation.
How are current costs for generator activities such as the consultations on Organic and Food Waste Diversion being funded?	<p>RPRA is not currently undertaking activities related to organics / food waste. This consultation is being conducted by MOECC and the costs are being borne by the Ministry.</p> <p>If/when organic/food waste is regulated and obligated parties are required to register, RPRA will then allocate costs to this material and will consult on the development of associated fees.</p>
Will IC&I be generator responsibility?	This is at the discretion of the Minister.
Please clarify: besides producers if others like processors etc. are included to pay fees for BBPP, does this make municipalities entitled as service providers? They are not legislated party in new regulations. Producers are better off excluding the municipalities.	We have not considered this question, as Blue Box is expected to be the last program to be wound up.

<p>How do you define the generator for organics, C&D? Right down to the homeowner or business such as a restaurant? The waste hauler? The municipality? The processor of the waste? How far down or up the chain?</p>	<p>This will be determined in the regulation established by the MOECC. The MOECC organics strategy may provide some guidance.</p>
<p>Could municipalities review some of the PwC scenarios and provide input on these?</p>	<p>Yes, we are happy to sit with any group and walk through the various scenarios.</p>

Appendix E – Written Submissions

Written feedback and comments were accepted by RPRA until January 12, 2018. Six submissions were submitted. The written submissions included questions and comments similar to those received during the webinar (i.e., related to RPRA budget and costs to build the Registry, how fees will be calculated and allocated by material and registrant, and the consultation process). A summary of the feedback received in the written submissions can be found in the table below.

Topic	Stakeholder Comment
RPRA Budget and Registry Start-up Costs	
RPRA Budget	The budget of the Agency is critical as it will impact the fees and fee setting policy. We question the proposed budget as it is higher than those of Government Oversight Agencies for waste/recycling in other jurisdictions.
Consultation on RPRA Budget	We would like to know your short and long-term budget plans. With the increasing number of staff, consultants, computer systems and future planned hires, we would like RPRA to consult with stewards on the budgeting process. The steward community that is funding RPRA as well as the citizens residents of Ontario would like to know this.
Use of existing databases to decrease costs of building the Registry	Our members continue to ask why RPRA cannot use the current database from SO/CSSA, which is already running and paid for by stewards. Similarly, another database was funded by the Ontario Ministry of Environment & Climate Change (MOECC) and operated by the Recycling Council of Ontario for MHSW programs several years ago, so this is another resource that could be repurposed.
Use of existing databases to decrease costs of building the Registry	We are concerned about duplication between the Authority's data collection and auditing role and that of Brand Holders. IFOs, under the current mandate and Act, invested significant resources over the past 6-7 years to capture data – e.g. sophisticated steward registration and sales tracking tools as well as auditing systems. Going forward this investment needs to be leveraged and not rebuilt within the Authority.
Transparency of current fees under the WDTA	We would like to see greater transparency with respect to RPRA fees that are currently allocated to the RPRA management of programs under WDTA.

<p>How RPRA's costs related to the establishment of the Registry will be allocated</p>	<p>The collection of data and establishment of the registry will not only have significant cost implications, but the greater long-term concern is how registry and other set-up costs will be attributed. We understand that they will be amortized over time, but there is no discussion about the length of the amortization period and the interest rate that will be charged. Amortizing the charges for the registry and other set-up costs simply spreads out the payment over time. It does not ensure that they are charged fairly to stakeholders. It would be inequitable to charge existing stewards for those amortized costs of stakeholders who never become obligated or those who may not be obligated for many years.</p>
<p>How RPRA's costs related to the establishment of the Registry will be allocated</p>	<p>It is unclear as to whom ongoing and start-up costs will be allocated. We understand that fees under the general fee setting policy are not applicable to waste diversion programs under the Waste Diversion Transition Act (WDTA) and that oversight costs of current diversion programs will be recovered from the current Industry Funding Organizations (IFO's) and Industry Stewardship Organizations (ISO's). That would suggest that other RPRA costs would be recovered by fees under the Resource Recovery and Circular Economy Act (RRCEA), but it does not outline which stewards will be obligated.</p>
<p>The allocation of costs for future programs</p>	<p>Stewards recognize that RPRA will of course follow the direction of the Minister to research and investigate the potential for designating products in the future. (...) While costs will be incurred, we note that those costs are for a program that is outside the mandate of current programs and are not the responsibility of currently obligated stewards. To whom will RPRA attribute those costs when obligated parties are not yet identified for products which are not yet designated? We would respectfully recommend that such charges should be allocated only to the future stewards of that future program as it would be inequitable to recoup such costs from current stewards.</p>
<p>The allocation of costs for future programs</p>	<p>The designation of new materials will not start until 2019 or possibly even later. Therefore, for 2018 and likely most of 2019, stewards wonder how will these costs be attributed and to which stewards. This has the potential to unduly burden currently designated stewards with costs of materials which are not yet designated.</p>
<p>The allocation of costs for future programs</p>	<p>In the interests of fairness, the costs for prospective programs should be borne solely by those stewards of such future programs. However, there is the question of who should pay for costs of prospective programs that never come to fruition? If the research does not result in a program and products not being designated, who will pay for the accumulated research costs? It would be inequitable to broadly allocate them to current stewards of unrelated products.</p>

	While currently obligated stewards will help pay for those start-up costs, it seems only equitable that future stewards of upcoming programs should also help to shoulder the burden of start-up costs. After all, they will derive utility from what was established before they were a steward. If they cannot be directly attributed to stewards and designated categories, then such costs and any similar portion of amortized costs should remain a public expenditure.
Allocation of Costs by Material	
Allocation of costs should be commensurate with level of effort required for the material	In our opinion, allocation of costs should be commensurate with the level of effort/resources required for a particular material category and the effort required to manage the essential registrants within it.
Fee model for Tires may not be applicable for other materials	The Tire allocation model may not be the model for other sectors - like Paper Products & Packaging (PPP). The allocation is being pushed through now for the tire program. PPP is large sector impacting many stewards thus please do not assume that the decision for tires should apply to PPP. Full and extensive stakeholder consultation is needed.
Fee model for Tires may not be applicable for other materials	The general fee model is being developed now for the implementation of the used tire program. As other stakeholders have not had sufficient opportunity to understand the costs nor the models, it cannot be assumed that the decision for tires should apply to other sectors.
Allocation of Costs by Registrant	
Fees should be paid by Industry Stewardship Organizations on behalf of stewards	We prefer for RPRA fees to be payable by ISO's, and not by individual stewards. However, where a particular steward has higher costs because RPRA has to undertake more extensive work solely in conjunction with that steward, we believe that RPRA's costs should be billed directly to the steward. Such an approach would also help to ensure that RPRA maintains impartiality and transparency in fulfilling its oversight role. Any efforts related to RPRA undertaking regular due diligence or support activities should not be invoiced to the steward. In short, we would prefer an approach whereby the ISO pays all fees and reports any necessary information to RPRA on behalf of the steward.
Fees should be paid by Industry Stewardship Organizations on behalf of stewards	I FOs should be able to report to the Authority on behalf of Stewards, and pay their Registration fees, to avoid the need for double registrations.

Service providers should not pay fees	We question the value of so vastly expanding the necessary registrants from the current brand owners, to many tens of thousands of additional Ontario entities such as service providers, who will each also incur their own new costs to manage this new regulatory burden.
Service providers should not pay fees	It will be very difficult to obligate service providers to register and pay fees to RPRA. Many collectors are small scrap dealers and small collection outlets who are unlikely to register. The cost of chasing compliance of 57,000 registrants may not be possible nor cost effective.
All parties in the system should be required to pay fees	In keeping with the principles of equity and fairness, if some parties are required to pay a fee to register then all parties should pay a fee. The fee should be reflective of the cost of managing the specific group of registrants. Having said this, consideration should be given to developing a management framework and reporting system that is as cost effective, as possible. There should be clear justification that each registrant group is necessary.
How are Fees for Registrants Calculated?	
Fees should be reflective of the cost of managing specific registrants	Fees should only be reflective of the cost of managing the specific group of registrants such as brand owners. Fixed fees should only be considered if every category and registrant costs RPRA the same amount to manage.
Fees should be reflective of the cost of managing specific registrants	RPRA costs to ISO's should be commensurate with the level of RPRA effort required to oversee them, instead of distributed evenly across all material types. This likely means that ISO's with more stewards and ISO's that report high volumes of material will likely have higher costs. If there is one small ISO and one large ISO for the same material type, the costs should not be split equally between them. Instead the cost allocated to each should depend upon the level of RPRA effort to oversee each of them individually. If RPRA has higher costs for a particular material type as a whole, those costs should be limited to ISO's of that material and not distributed among all other obligated materials.
Registration fees should be fixed	The building of the Registry and Auditing functions will be funded by Obligated Stewards, both existing and those obligated in the future. We support fixed registration fees.

Fixed fees should only be considered if the cost for RPRA to manage the category is equal	To ensure fairness, fixed fees should only be considered if every category and registrant costs RPRA the same amount to manage. This is not a likely scenario. However, if there are groups of registrants that need to register but do not require significant management then it might be justified to apply a fixed fee to a particular group or program.
Registration fees should be similar to those paid in other jurisdictions	Looking at European Registries, fees are generally 200 euros or lower. The RPRA calculations seem high. Registration fees should be in the \$100- \$200 range for Obligated Stewards.
Fees should be standardized across provinces	Though the webinar did not cover material fees, we would like material lists not to vary between provinces. We look forward to nationwide same list to work from with same pay out dates with ideally single window transaction
There should be a single fee for stewards, invoiced annually	We support an affordable fee. It should be reviewed annually against the budget and invoiced annually. We also support there being a single fee per Steward for multiple product categories. A single Steward could be obligated in 3-4 programs. They should only pay one Registration fee. Having variable fees and allocations by material type does not align with the purpose of the Agency which is to register and aggregate data as well as conduct audits. We are very concerned that ongoing activities for RPRA may involve overseeing programs by material type. We do not support ongoing fees covering that direction. We support allocation of costs by Registrant only when the current IFOs are wound up.
A fee per unit model is appropriate where the number of units has an impact on RPRA's management activity	Fee / unit fees would be appropriate where the number of units out in the marketplace has a material impact on RPRA's management activity (eg. where it impacts the amount of work that needs to be done with respect to reporting, data management, registration, compliance/enforcement).
Established fees should be communicated well in advance to allow registrants sufficient time to budget	RPRA needs to establish its fees with a keen awareness of the impact that RPRA cost volatility can have on ISO's and stewards. We need to be able to budget and plan for all costs related to product stewardship and we can only do that if the ISO's we participate in are provided with RPRA costs they can expect for the following year, in a timely manner that allows them to budget and adjust their own fees, if necessary.
Oversight of RPRA Budget and Fee Setting	

Consultation on RPRA's budget	There is no consultation process for developing the budget and no third-party oversight of the budget. Stakeholders would respectfully request meaningful consultation RPRA's budget and how we can collectively ensure there is a robust process for accountability via a 3rd party. We would suggest that the Authority has oversight by the Ontario Treasury Board Secretariat to ensure accountability.
Oversight of RPRA costs	To help ensure fairness in the allocations of costs, we recommend professional oversight perhaps by the Treasury Board for example. Cost oversight needs to be a key priority and to that end, cost benefit analyses of all major expenditures should be a prerequisite.
Need for mechanisms to ensure cost efficiency	We are disappointed to note that the General Fee Setting Policy does not contain any mechanism to control costs. We were expecting a fee setting formula or a financial cap to be contained in the Operating Agreement between RPRA and the Ministry. We recommend that this oversight be addressed. Specific metrics to measure cost efficiency and management of Stewards', and ultimately consumers, resources are required.
Consultation Process	
Lack of due consultation process	RPRA and the MOECC are not allowing enough time for stakeholders to review and provide informed comments, including that internal reviews are necessary before stakeholders can submit comments. There is also insufficient time and attention being given to any costs/benefit analysis that would inform an adequate consultation.
Need for more transparency	We wish to see more details as to what we are paying for such as plans for compliance and enforcement under the WDTA. During the presentation, it was mentioned that fees will be amortized over years, but what is needed is sharing of the true plan. Companies need to understand the business impacts both near term and longer term as transition over to RRCEA Regulations occurs.