

Ministry of the Environment
and Climate Change

Ministère de l'Environnement
et de l'Action en matière de
changement climatique



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April 12, 2018

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Ms. Glenda Gies
Chair
Resource Productivity and Recovery Authority
4711 Yonge Street, Suite 408
Toronto ON M2N 6K8

Dear Ms. Gies:

Pursuant to Section 29 of the *Resource Recovery and Circular Economy Act, 2016* (RRCEA), I am issuing policy direction to the Resource Productivity and Recovery Authority (the Authority) with respect to its duties relating to the waste diversion program for municipal hazardous or special waste (MHSW).

This policy direction is complementary to my direction letter dated April 12, 2018 to Stewardship Ontario (SO) issued pursuant to Section 14 of the *Waste Diversion Transition Act, 2016* (WDTA) to develop a plan to wind up the waste diversion program for MHSW.

I am directing the Authority, further to its duties under the WDTA, to oversee the orderly winding up of the waste diversion program for MHSW; determine the amount of money required by SO to carry out its responsibilities related to the waste diversion program for MHSW under the WDTA; monitor the effectiveness of the Industry Stewardship Plans (ISPs) while the wind up plan for the waste diversion program for MHSW is being implemented; and oversee activities related to transitioning the materials governed by the ISPs on the conclusion of the MHSW program under the WDTA. To undertake these duties, the Authority should conduct the following activities.

Materials under MHSW program operated by Stewardship Ontario

- Review the 2018-2020 program budgets for the MHSW program jointly with SO to:
 - Determine approaches to support efficient cost reductions, and to limit new spending to only those program expenditures that are required to maintain or exceed current program performance for both collection and processing until the program ceases operation.
 - Develop an approach to ensure sufficient funds are available to wind up the waste diversion program for MHSW in accordance with the WDTA.

- Review SO's proposal to apportion assets, liabilities, rights and obligations among stewards of municipal hazardous or special materials (MHSM) (including stewards that formerly participated in the MHSW program and now participate in ISPs), and among stewards of MHSM and stewards of products that result in Blue Box waste, to ensure the apportionment is fair and equitable.
- To facilitate such activities, it is expected that the Authority will obtain quarterly reports from SO within four weeks of the end of each remaining quarter in 2018-2020 regarding SO's revenue and expenditures related to the waste diversion program for MSHW in order for the Authority to oversee SO's development of the wind up plan and, if approved by the Authority, the implementation of the plan.

Materials under Industry Stewardship Plans

- Ensure the ISPs are achieving similar or improved results as compared to the waste diversion program for MHSW, according to the following principles:
 - There shall be no disruption in the operation of the ISPs for MHSW, including collection, transportation, processing, or recycled product manufacturing, while the MHSW program is operating.
 - Ontarian's access to and experience with the ISPs shall not be negatively impacted during wind up of the waste diversion program for MHSW.
 - Current program targets or performance of the ISPs, whatever is higher, must be maintained or exceeded until the MHSW program ceases operation.
- Take any necessary or appropriate actions in respect of the termination of the ISP agreements between the Authority and persons operating approved ISPs in respect of MHSW under the WDTA.
- Conduct any review or audit of the accounts or activities of a person operating an ISP that the Authority considers advisable or appropriate in relation to the wind up of the MHSW program under the WDTA. If necessary, the Authority shall take corrective action that the Authority considers appropriate in response to these reviews or audits.

In addition, when reviewing the MHSW wind up plan, the Authority shall assess whether the plan is consistent with the direction letter issued to SO and its compliance with the WDTA and its regulations. I also expect that the Authority will consult with representatives of municipalities, stewards, persons operating approved ISPs and other affected persons, when assessing SO's proposed wind up plan for the waste diversion program for MHSW, as required by subsection 14 (14) of the WDTA.

I trust the Authority will engage with SO on an ongoing basis to ensure management of SO's affairs in accordance with the WDTA and its regulations, having regard to the need for an orderly wind up of the waste diversion program for MHSW.

Ms. Glenda Gies
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Lastly, the Authority shall make publicly available on the Authority's website my wind up direction letter to SO as well as this policy direction letter.

Sincerely,



Chris Ballard
Minister

c: Mr. Paul Evans, Deputy Minister
Ministry of the Environment and Climate Change

Mr. John Coyne, Chair
Stewardship Ontario

Mr. Mark Kurschner, President
Product Care Association

Mr. Robert Budgeon, CFO
SodaStream Canada

Mr. David Pearce, Managing Director
Automotive Materials Stewardship

