



357-2021-3504

November 9, 2021

Frank Denton
Chief Executive Officer
Resource Productivity and Recovery Authority
Email: fdenton@rpra.ca

Dear Frank Denton:

As Ontario moves to create a stronger and more effective blue box service, I would like to thank you for supporting the shift to producer responsibility, and for your ongoing hard work in implementing the regulation. Together, we are: building a more effective system that will have some of the highest waste diversion targets in North America; promoting greater innovation in recycling technology and increasing the use of recycled product; and, working to create a greener future for all Ontarians.

An orderly implementation of the new producer responsibility Blue Box system is critical to avoid any disruption in blue box services for Ontarians and will set up all parties and Ontario for success in the future. Regulation 391/21 establishes new roles for producers and Producer Responsibility Organizations (PROs), as well as their service providers, and it is important that all parties work collaboratively on the transfer of responsibility from municipalities.

The next key milestone in this process is the creation of the rules that will govern the creation of the allocation table. It is important to underscore that all PROs and producers will be included in the allocation table made pursuant to the rules. Therefore, it is my expectation, and that of all Ontarians, that PROs that have registered to participate in the rule writing process will work together and actively consult other PROs, producers and the waste sector. Through this collaboration, we will ensure a system that works efficiently and effectively to increase waste diversion – something we know all Ontarians feel strongly about.

The Regulation requires the initial allocation table to be submitted to the Resource Productivity and Recovery Authority (RPR) no later than July 1, 2022.

Once the allocation table is published, each producer or PRO will be responsible for deciding how to collect from their allocated locations, including choosing service providers, negotiating contracts, and arranging collection and processing. These are not matters that are to be addressed by the rules, but instead are aimed to activate the ingenuity of the private sector. Producers and PROs will determine costs and pricing, and many other operational details such as how collected Blue Box material is processed and how producers obtain processed materials, through contracts and negotiations in the open market.

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For clarity, the rules are made when there is agreement among rule-making PROs who represent at least 66% of the represented producers' blue box tonnes supplied to consumers in Ontario in 2020. This ensures the rules are agreed upon by rule-making PROs who represent a majority of represented producers, while not setting a threshold that is so high that it creates the risk of not being able to move forward. It is in the public interest, and the interest of all PROs and producers, that the rules be made through active consultation with PROs and other key stakeholders in the industry and done in a timely manner.

Finally, although the regulation calls for a minimum 66% agreement threshold, rules that are made with the broad support of the sector would be an encouraging sign of stability and a foundation for success as the sector moves forward. If any PRO should reach the 66% agreement threshold, I encourage them to secure broad agreement on the submitted rules.

Regulation 391/21 empowers me to create or amend the rules at any time. So all in the sector know, my preference is for PROs to make rules that have broad support in a timely fashion. I have every confidence that this can be achieved but I am prepared to act with my Regulation-enabled powers, if necessary.

I encourage PROs to continue engaging with RPRA during this process, and RPRA will keep me and ministry staff informed of the progress being made.

I would like to reiterate my appreciation for your commitment to improving Ontario's blue box system and I look forward to seeing your progress in the coming months.

Sincerely,

A handwritten signature in black ink, appearing to read 'D. Piccini', with a stylized flourish at the end.

David Piccini
Minister of the Environment, Conservation and Parks