

November 28, 2017

Mr. Lee Wilkie, Chairman
Alberta Used Oil Management Association
Suite 1008, Empire Building
10080 Jasper Avenue
Edmonton, Alberta T5J 1V9

Mr. Bob Barss, Chairman
Alberta Recycling
PO Box 189
Edmonton, Alberta T5J 2J1

Dear Mr. Lee Wilkie and Mr. Bob Barss:

Since 2015, the Government of Alberta has been reviewing agencies, boards and commissions as part of the plan to improve services and ensure value for Albertans. The three-phased review is intended to make certain that Alberta's agencies, boards and commissions are transparent, accountable and using public dollars effectively and efficiently.

Phase two of the review, which included the recycling program management boards, has recently concluded that the boards are working and they provide value to Albertans. It also concluded there are ways to strengthen recycling work in the province.

The review identified the need and opportunity for alignment of recycling work by consolidating the programs for tires, electronics, paint, and used oil materials under one management board. While further work is required, the intention is to transfer the delegation of the used oil materials recycling program to Alberta Recycling. The department will work with you to support this transition over the next months.

This transfer will strengthen accountability mechanisms, support a multi-stakeholder approach to program management, improve administrative efficiency, reduce costs, and provide Albertans streamlined access to information and recycling services to help achieve better outcomes.

The Alberta Used Oil Management Association (AUOMA) has worked well within the current regulatory framework. We have an opportunity to build a system that will make our province's recycling program even better. By aligning recycling work under one

mandate there is opportunity to even more effectively manage these materials. In the coming months, department staff will connect with AUOMA and Alberta Recycling to provide support and ensure coordination of transition planning. Working together will help with the transition by minimizing disruption for stakeholders and Albertans.

Please extend my appreciation and gratitude to all AUOMA and Alberta Recycling board members and staff for their diligence and good work. I appreciate your support and continued cooperation as we work together to successfully integrate these programs.

Sincerely,



fo/ Andre Corbould
Deputy Minister

Consolidation of the Alberta Used Oil Management Association's (AUOMA) Recycling Program with Alberta Recycling's Programs

Is this change related to the Government of Alberta's review of agencies, boards and commissions?

Yes. Since 2015, the Government of Alberta has been reviewing agencies, boards and commissions as part of its plan to improve services, ensure value for Albertans and to ensure the agencies, boards and commissions are transparent, accountable and using public dollars effectively and efficiently.

Why is the used oil materials recycling program managed by AUOMA being consolidated with the three other regulated recycling programs managed by Alberta Recycling?

The review of agencies, boards and commissions found the recycling program management boards are working and provide value to Albertans. It also concluded there are ways to strengthen recycling work in the province. The review identified an opportunity to align recycling work by consolidating the programs for tires, electronics, paint and used oil materials under one management board.

This approach will strengthen accountability mechanisms, support a multi-stakeholder approach to program management, improve administrative efficiency, reduce costs and provide Albertans streamlined access to information for recycling services to help achieve better outcomes. It will allow for more strategic decision-making to be made across the four programs.

Will the program consolidation require a regulatory change?

Yes. A regulatory change will be required to transfer the delegation for Alberta's used oil management recycling program to Alberta Recycling.

What is the anticipated timeline for completing the program consolidation?

There is still a lot of work to be done to make this happen and appropriate time will be required for planning and transition. Updates will be provided to stakeholders as decisions are made.

How will jobs be impacted by this program consolidation?

The program consolidation is expected to have limited impact on jobs at the outset. The full impact will be affected by decisions made by Alberta Recycling.

Is there a financial benefit to the program consolidation?

Yes. The program consolidation is anticipated to save money (e.g. through administrative efficiencies) in the long-term for both Alberta Recycling and government. Any immediate costs/benefits will be determined through operational and transitional planning by Alberta Recycling, AUOMA and government.

Will used oil material program stakeholders have a voice within Alberta Recycling's governance structure?

Yes. Similar to Alberta Recycling's other programs (paint, tires and electronics), an Industry Council will likely be formed for the used oil program. Industry councils include participation from industry representatives and other program stakeholders, and provide an essential source of advice to the Alberta Recycling's Board on program and policy development, business planning and budgets. To maximize industry input, the Chair is a full-voting member of the Alberta Recycling board.

How does this program consolidation impact Albertans?

It will be business as usual for all recycling programs – meaning organizations and members of the public seeking to recycle their used oil materials can continue to organize collection (for large quantities) or visit drop-off locations. The program consolidation will be conducted in a manner that minimizes service disruptions to Alberta's recycling programs. It will also result in one less entity to look to for recycling information.

Will used oil materials now be collected at the same sites that collect paint, tires and electronics?

There are some locations, such as eco-depots in larger centres, where Albertans are already able to drop-off used oil materials along with their paint, tires and electronics. There are also stand-alone used oil material collection sites. There are no immediate plans to change Alberta's approach to its used oil materials collection sites. You can find a collection site near you by visiting www.usedoilrecyclingab.com.

How will the program consolidation impact those involved in AUOMA's program like Environmental Handling Charge (EHC) Remitters, Collectors and Processors?

It will be business as usual for all programs. AUOMA will work closely with Alberta Recycling to prepare for a coordinated, seamless and efficient transition. EHC Remitters will eventually remit to Alberta Recycling instead of AUOMA once the transition is complete. In the meantime, AUOMA's key program stakeholders (also including Collectors and Processors, and all collection sites) will continue to follow the same processes and procedures.

Will there be changes to Alberta's program to incent recycling of used oil materials following the amalgamation?

The emphasis will be on a seamless transition, where Alberta Recycling assumes responsibility for the program. Other than program updates already confirmed in 2017 and coming into effect in 2018, there are no additional changes planned at this time. These updates include changes to Alberta's Return Incentive rates (by zone), a decision to pay processors on processed material weights, and changes to the process and forms to collect information from Registered Collectors and Processors. These decisions were announced in September and November 2017, and more information can be found under Important Notices at www.usedoilrecyclingab.com.

What will be government's role in the program consolidation?

Alberta Recycling and AUOMA will develop and implement a transition strategy. Alberta Environment and Parks will work with both organizations to implement the change.

Does Alberta Recycling have the knowledge and skillsets to manage the used oil recycling program?

Alberta Recycling's staff are knowledgeable and have developed the necessary skills and processes for managing provincially regulated recycling programs. Alberta Recycling may need to strengthen its knowledge of used oil recycling; however, this will be addressed in the course of the transition.

How will the program consolidation affect Alberta's working relationship with the other Used Oil Management Associations across Canada?

Alberta Recycling has established working relationships with partner organizations across Canada that recycle tires, paint and electronics (e.g. CATRA, EPRA and Product Care). As part of and after the transition, Alberta Recycling will foster key relationships with the other Used Oil Management associations across Canada, to better coordinate the common purposes of used oil recycling programs across Canada.

Does this program consolidation mean that extended producer responsibility (EPR) will not be considered as a management approach for used oil recycling in Alberta?

There is no plan to transition Alberta's recycling management approach to EPR.

Will the program consolidation impact the intended environmental outcomes of recycling?

The program consolidation will continue to reinforce the environmental outcomes of recycling. All of the recycling programs are evaluated on a suite of performance measures, including environmental performance, which is reported to and reviewed by Alberta Environment and Parks annually.

Does this program consolidation impact the other proposed recycling regulatory amendments consulted on in 2013 (i.e. program expansion and removal of fees from regulations)?

No decisions have been made and these proposed regulatory amendments are still under review.

Will this program consolidation affect my ability to redeem beverage containers at bottle depots?

No. The program consolidation will not impact the beverage container recycling program. Albertans can continue to return empty beverage containers to any of the over 200 bottle depots across the province for their deposit refund.

Will the beverage container recycling program be impacted by the program consolidation?

No. The beverage container recycling program will continue to operate as normal and be administered by the Beverage Container Management Board. The operational specifics of the beverage container recycling program are unique (e.g. deposit-refund system) and it was therefore not considered for the program consolidation.