

Appendix VI

Letter of Understanding Between AMO and
Stewardship Ontario

Letter of Understanding Between
The Industry Funding Organization for the Blue Box Program and
The Association of Municipalities of Ontario

October 12, 2002

Reviewed by WDO Board of Directors, October 29, 2002

Whereas the *Waste Reduction Act* 2002 requires that:

- “Waste Diversion Ontario shall develop, implement, and operate waste diversion programs for designated wastes in accordance with this Act and monitor the effectiveness and efficiency of those programs”(Sec.5.(a)); and
- “Waste Diversion Ontario shall develop the program in co-operation with an industry funding organization (Sec.23.(2)); and
- “A waste diversion program developed under this Act for blue box waste must provide for payments to municipalities to be determined in a manner that results in the total amount paid to all municipalities under the program being equal to 50 per cent of the total net costs incurred by those municipalities as a result of the program (Sec. 25.(5)).

And Whereas in a letter from the Minister of the Environment, the Hon. Chris Stockwell, to the Chair of Waste Diversion Ontario, Tim Moore, dated September 23, 2002, the Minister wrote,

- “ Pursuant to subsection 23 (1) of the Act, I am requiring that WDO develop a waste diversion program for blue box waste in co-operation with an industry funding organization to be incorporated under Part III of the Corporations Act for the purpose of the Program. I would ask that the program be submitted for my approval by February 28, 2003. An addendum to this letter provides additional areas to be addressed in the proposed program submission.

And Whereas at its September 24th meeting, the Waste Diversion Ontario Board

- Directed representatives of industry on the WDO Board (FCPMC, CCGD, Refreshments Canada, CNA, RCC, and LCBO) to establish and incorporate an industry funding organization for the Blue Box Program.
- Directed the establishment of a Blue Box Program Task Group comprised of representatives of the Association of Municipalities of Ontario (AMO) and members of the Industry Funding Organization (IFO) to agree on key elements of the blue box program plan.

THEREFORE BE IT RESOLVED THAT the Industry Funding Organization for the Blue Box Program and the Association of Municipalities of Ontario create an AMO-IFO Taskforce tasked with agreeing on key elements of the blue box program as outlined in the Waste Diversion

Act, the Minister's letter dated September 23, 2002, WDO Board direction from the September 24th 2002 meeting, and this Letter of Understanding.

2. PRINCIPLES

Mandate:

- To reach agreement on key blue box program development issues before issues are taken to the WDO Board for approval.

Commitment

- The Parties to this Letter of Understanding are committed to seeking agreement within the timelines outlined in the WDO Board -adopted blue box task and timeline plan.

Membership on Taskforce

- The AMO-IFO Taskforce will be co-chaired by one representative from AMO and one representative from the IFO. The IFO and the Association of Municipalities of Ontario may each appoint five members to the AMO-IFO Taskforce. In addition to these ten members, the IFO and AMO may invite 3 observers each to meetings of the Taskforce. Observers may participate in discussions at the discretion of the co-chairs.

3. IMPLEMENTATION

Reaching Agreement

- The AMO-IFO Taskforce will meet to discuss and reach agreement on key elements of the blue box program as required.

Identifying Key Elements

- AMO-IFO Taskforce members will identify the specific key elements for which AMO-IFO agreement is required. These will be revised on a periodic basis.

Endorsement of joint position(s) by respective governing bodies

- Upon reaching agreement on one or more key elements, AMO and the IFO will return to their respective governing bodies for endorsement of the AMO-IFO Taskforce's recommended position(s).

Consideration of joint position(s) by the WDO Board

- Once agreement is secured from the AMO and IFO's respective governing bodies, joint recommendations will be brought to the WDO Board for its consideration.

Failure to Reach Agreement

- If the AMO and IFO members of the Taskforce cannot reach agreement on an element of the blue box plan, either party may request that the WDO Board establish a dispute resolution mechanism to assist in reaching a timely resolution of the issue in question.

Review of the AMO-IFO Taskforce

- The mandate of the AMO-IFO Taskforce must be reviewed once the WDO-endorsed proposed blue box program plan is submitted to the Minister.
- Immediately following submission of the proposed Blue Box program plan, and in concert with the review of the IFO's membership, the mandate of the AMO-IFO Taskforce will be reviewed with a view to institutionalizing AMO's role in blue box program implementation.

**ADDENDUM TO LETTER OF UNDERSTANDING
October 9, 2002**

Workplan October-November, 2002

The AMO-IFO Taskforce identified 10 issues on which to seek agreement in the lead-up to the next two Board meetings of the WDO, on October 29th, and November 27th, 2002.

The Taskforce will endeavor to reach agreement on the following six issues and present their joint recommendation to the October 29th WDO Board meeting:

1. Agreement on calculation of Year 1 for 50% of net municipal blue box program operating costs, including the effective date of that funding.
2. Agreement on methodology and procedures for Effectiveness and Efficiency fund/program letter requirements for an R&D program.
3. Municipal funding allocation model.
4. Exploration of Minister's Directive to the WDO, re. material recovery targets for Year 1, and 5-year.
5. Educational and Public Awareness activities to support the WDO blue box funding program.
6. Letter of Understanding between AMO and the Industry Funding Organization

The Taskforce will endeavor to reach agreement on the following four issues and present their joint recommendation to the November 27th WDO Board meeting:

1. Agreement on methodology and procedures for calculating net municipal blue box program operating costs in subsequent years.
2. Agreement on principles and operationalization of the Canadian Newspaper Association/Ontario Community Newspaper Association in-kind advertising program.
3. Institutionalizing AMO's participation in key IFO functions.
4. Agreement on principles, and implementation of the distribution of funding to municipalities of IFO-collected stewardship fees.