

CIF Windup Plan Amendment Proposal
Consultation Meetings, October 5, 6 and 18, 2022

Appendix 1:

Questions Posted by Webinar Participants — Q&A Summary

Participants at the consultation sessions held on October 5, 6 and 18, 2022, were invited to ask questions about the CIF Windup Plan Amendment Proposal.

Questions received and responses from representatives of CIF and RPRA are listed below and have been edited for clarity.

Questions	Responses
There seems to be confusion over transition of recycling programs vs. the CIF transition plan. Can this be clarified?	<p>Transition</p> <p>On June 3, 2021, the Ontario Ministry of the Environment, Conservation and Parks filed a new regulation (O. Reg. 391/21: Blue Box) under the <i>Resource Recovery and Circular Economy Act, 2016</i> (RRCEA). This made producers of Blue Box materials fully financially and operationally responsible for managing their designated products and packaging by:</p> <ul style="list-style-type: none">• Transitioning existing municipal, local services board, and First Nations Blue Box services to the RRCEA producer responsibility framework between July 1, 2023, and December 31, 2025.• Making producers responsible for a consistent set of Blue Box materials and eligible sources, beginning on January 1, 2026. <p>CIF Windup Plan (WUP) Amendment Proposal</p> <p>Given that CIF is part of the old regulatory framework under the <i>Waste Diversion Transition Act, 2016</i> (WDTA), it prepared a plan to windup its operations according to the Minister’s direction to end the CIF as soon as practical prior to December 31, 2025. This plan was approved by RPRA in December 2020.</p> <p>The current WUP would see CIF end its support services at the end of 2023, surplus funds returned directly to municipalities and First Nations, and complete its administrative wrap up in early 2024. Any significant change to the current WUP requires the approval of the RPRA Board. CIF submitted a proposal to RPRA in August to amend its WUP to allow for the wind up of CIF operations early, at the end of 2023, and the transfer of its resources and assets to an aligned organization (AMO/LAS). The proposal would enable the continued delivery of support services to communities under the new organization beyond December 31, 2025. Feedback and commentary on CIF’s proposed plan are being invited through the consultation sessions.</p>

Questions	Responses
<p>There is some confusion about the support from RPRA and the support provided by CIF. If RPRA is monitoring and enforcing the program, why are we asking CIF to do this as well?</p>	<p>RPRA is the regulator responsible for approving and overseeing the implementation of the CIF WUP, as well as the wind up of the legacy Blue Box Program. RPRA is also responsible for overseeing the implementation of the new Blue Box Regulation under the RRCEA, including enforcing the requirements of the new regulation. As part of this function, RPRA provides support to registrants under the new Blue Box Regulation in understanding and complying with the new regulatory requirements. In this role, RPRA does not provide the support services currently provided by CIF or the support services contemplated under the amended WUP proposal.</p> <p>CIF is currently mandated to work with municipalities and First Nations communities in funding collective work that supports the transition of their Blue Box Programs. And, as per the proposal, AMO/LAS is proposing to continue playing a role in supporting municipalities in adapting to the new regulatory framework outlined under the RRCEA and the Blue Box Regulation.</p> <p>RPRA provides interpretation of the regulation, collects municipal data, and provides guidance on the new Blue Box system during and post-transition. CIF can provide the technical and communication support to enable communities to make decisions on how to proceed.</p> <p>As the regulator, RPRA oversees compliance and enforcement of the Blue Box regulation. Under the proposed new structure and priorities, CIF is proposing that its independent collection of audit and performance data continue past transition and be shared with RPRA and others as an additional measure of system performance.</p>
<p>What will our municipal role be when the Blue Box Program goes to producers?</p>	<p>Local communities play a critical part in transitioning the system. During transition local communities will either:</p> <ul style="list-style-type: none"> • Become a service provider (contractor) through agreement to commercial terms with a producer responsibility organization, or • Divest any assets related to Blue Box service delivery. <p>In both options local communities will experience periods of change between their transition date and December 31, 2025, and they will require plans to ensure the shift from municipal oversight to producer oversight is seamless for residents. In 2026, there will be another set of changes as producers must accept an expanded list of materials province-wide and bring on new eligible sources (i.e., schools, publicly funded long-term care</p>

Questions	Responses
	<p>facilities, schools etc. that are not currently being collected by the community).</p> <p>The CIF WUP Amendment Proposal provides for support to all communities during these periods of change.</p>
Who makes the decision on the transition?	<p>The decision to transition the legacy Blue Box Program operated by Stewardship Ontario under the WDTA to the new producer responsibility framework under the RRCEA was made by the Government of Ontario. It was initiated by a legislative change, Bill 151, the Waste-Free Ontario Act, which came into force November 2016.</p> <p>Regarding the approval of the CIF WUP Amendment Proposal: CIF must finish the consultations and obtain sign-off from CIF's Governance Committees on any changes to the proposed WUP Amendment Proposal. The proposal would then go to the RPRA Board for approval. If approved by RPRA, possibly with conditions imposed by RPRA, the requirements would then be considered by AMO and LAS to determine if it is something they could implement. The decision rests with the AMO and LAS Boards of Directors to decide if they want to go forward.</p>
If funding is removed from M3RC does this mean that M3RC would cease to exist?	<p>Funding for M3RC has been provided through a transfer from CIF. This funding would stop with the termination of CIF. It would then be up to M3RC and AMO to determine if an alternative source of funding for M3RC can be found. If not, M3RC would also be terminated.</p>
What happens to the \$9.6 million (2022 year-end fund balance)? Will it be exhausted? Would Option 3 as proposed be a "permanent" arrangement?	<p>If Option 3 is approved and a decision to proceed is made, the fund balance at that time would be transferred to AMO/LAS to support the new structure. An annual drawdown of approximately \$1.5 million per year is forecasted. Based on this forecast, the 2022 CIF reserve year-end forecast of \$9.6 million would last until approximately 2027. If no alternative funding source is available at that time, Option 3 as proposed would be terminated. A new funding mechanism would have to be found for something more permanent to be established.</p>
Will the Datacall no longer be required?	<p>The Datacall will end with the winding up of the legacy Blue Box Program.</p> <p>The year of the last Datacall report depends on which year a municipality or First Nations community is transitioning.</p> <p>Details regarding reporting and payments during transition can be found in Stewardship Ontario's Proposed Blue Box Program Wind-Up Plan Consultation Report. Please refer to slides 26 through 28. For example, if a municipality transitions to the new producer responsibility framework in June 2024, it will be eligible</p>

Questions	Responses
	<p>for funding for the partial year 2024. 2024 funding is determined based on the 2022 Datacall, which will be submitted in the Spring of 2023.</p> <p>Note that unlike municipal programs, First Nations communities have the option of transitioning later than their specified transition date. In the event a First Nation community takes the option to delay transition, funding for a given year can only be provided if the community has completed the necessary Datacall.</p> <p>Municipalities and First Nation communities can reach out to the RPRA Datacall Team via email: datacall@rpra.ca.</p>
It looks like stakeholder money will no longer be required when we transition. Given this, will CIF funding no longer be available?	Over the last two years, the work of CIF has moved from funding individual projects to funding collective work that supports the transition. CIF has not received additional funding from communities with Blue Box programs since 2016. CIF has been using the existing reserve to fund grants, projects, and operations. CIF funding for initiatives and supports that are deemed to be a priority by members and support the broader sector would continue while CIF is operational. This funding would no longer be available once CIF terminates, as in Option 1 or Option 2.
Will the accounting methods stay the same or move toward LAS accounting methods?	CIF currently uses the same accounting methods that are primarily used by AMO and LAS. No changes are anticipated.
Is there a wind-up date associated with Option 3?	The RPRA Board is slated to consider the CIF WUP Amendment Proposal in November 2022. If approved, the objective would be to undertake the transition to the new structure as quickly as possible in 2023. With an annual drawdown of approximately \$1.5 million per year for CIF and M3RC operations, it is forecasted that funding will be available until 2027. CIF proposes that a review of the ongoing needs of participating communities take place following the transition period (end of 2025), at which time the participating communities will have an opportunity to assess whether their ongoing objectives are best addressed by the structure set up under Option 3.
Is there an opportunity to delay transition from the chosen transition date? Would another option be to ask for an amendment to delay the wind-up of CIF to 2026?	The Minister's direction is to end the CIF as soon as practical prior to December 31, 2025. The current WUP requires CIF to terminate operations at the end of 2023. Option 2 was referenced in the approved WUP and allows for extension of operations to the end of 2024. Extension to the end of 2025 would, like Option 3, require an amendment of the existing WUP and RPRA approval. CIF considered an extension to the end of 2025, but Option 3 was selected instead as it provides both continued support through 2025 and post-transition support.

Questions	Responses
In Option 3, why wind up early? Why not simply transfer to the new organization (LAS) at the end of 2023?	A consideration in setting up the proposed timeline is to allow sufficient time to go through the approval processes and complete the administrative shut-down of CIF. Considerable work is required to close-down projects and transfer books, etc. to another organization. This work would ideally be completed in early 2023 before all programs begin transitioning to the new regulatory framework in mid-2023. This minimizes the chance of disruption while establishing the opportunity for ongoing benefits over a longer duration. If the consultations indicate that support is needed only during transition this will be reflected in recommendations to RPRA.
Is there enough time to proceed with Option 3, given that it involves windup by the end of this year?	The plan is to proceed as proposed. The transition of assets and services would not be immediate. If Option 3 is approved as proposed, CIF would initiate the transition in December 2022 and the assets and services would be moved during 2023. Existing relationships with AMO makes the migration easier and implementation delays can be accommodated.
Under Option 3, would municipalities and First Nations expect an experience similar to what is now available when accessing support? How would the "customer experience" differ, if at all?	<p>The experience would be very similar. CIF is currently positioned as a committee of RPRA. When CIF is no longer part of the regulatory framework, its support services will need to be delivered through another organizational framework – AMO and LAS in the CIF WUP Amendment Proposal. These services would include continuing to draw from the Transition Working Groups to get an understanding of experiences at the local level and use this to direct policies and programs.</p> <p>In addition, Option 3 provides opportunity for the new organization to expand support services beyond the current Blue Box Program over time (e.g., other stewardship programs such as Electronics and other waste diversion initiatives such as organics).</p>
Will existing CIF staff transition into roles at LAS? Will the knowledgeable and experienced CIF staff be part of the agreement? How can municipalities ensure that LAS will hire the right people to provide ongoing support?	CIF will be closed and all employment with CIF will be terminated under any of the three windup Options. Under Option 3, LAS would independently hire staff as they see appropriate. No determination has been made at this point regarding the future of CIF staff.
Is there an opportunity for CIF under LAS to have more “teeth” to better deal with CMO?	CIF would continue to support members with information and data to strive for fair and reasonable approaches and solutions with PROs.
Why is it okay that support is provided to LAS (a procurement organization), but CIF (the	The Minister provided direction requiring the entire structure for the current Blue Box Program to wind up so that the new full producer responsibility framework for resource recovery can be

Questions	Responses
experts) has to dissolve? Can the role of LAS be clarified?	<p>in place by end of 2025. The Minister directed that the windup of CIF be completed as quickly as practical. RPRA's oversight over CIF would cease once CIF is wound up.</p> <p>Under the current WUP, the windup of CIF must be completed by the end of 2023. This is now being re-evaluated as part of the WUP Amendment process. Under Option 3, AMO/LAS would be the organizational home for CIF services to enable post-windup continuation of support services for communities.</p> <p>Unlike CIF, AMO/LAS is a distinct legal entity that will continue to operate despite the windup of the legacy Blue Box Program.</p>
What will the focus of CIF be? What will the deliverables be? When will we know what the focus for projects will be?	Staff are developing multi-year strategic priorities and objectives for review and input by members. The plan will be presented for feedback at consultation sessions on Oct 26 and 28 and will inform revisions to the Proposal.
Will there be P&E support during transition? Will CIF provide posters/bulletins to First Nations communities to explain the changes that may occur?	<p>On each community's transition date, the responsibility for promotion & education for residents moves to the producers.</p> <p>The work to be undertaken under CIF's WUP Amendment Proposal includes communications supports (e.g., template reports & PowerPoints) for local communities that will focus on bringing interdepartmental staff and Councils up to date on what needs to happen to ensure a successful transition.</p> <p>Communication support will also be offered for messaging to non-eligible sources (e.g., small businesses) who will no longer be eligible for collection services starting in 2026. Specific requests or suggestions for P&E support to FN communities should be forwarded to CIF staff.</p>
Will the CIF Price Sheet continue to be a valuable resource or are there resources attached to this that could be better utilized elsewhere?	Some of CIF's current services may be discontinued. Some may no longer be needed, such as the Blue Box Cooperative Container Procurement Program, as producers will assume responsibility for the provision of containers. Some resources, such as the Price Sheet, may no longer be viable. Many municipalities are planning to divest from processing and marketing services, and without their data to populate this resource, continuation of the Price Sheet will not be feasible. Advice on Price Sheet alternatives may be developed if a need is expressed by communities.
Will we be able to access the final reports from old, funded projects?	Yes. Under the CIF WUP Amendment Proposal, CIF would transfer its resources and assets to an aligned organization (i.e., AMO/LAS), as well as RPRA. Plans will be put in place to ensure continued access to all resources developed by CIF.
Will CIF become a longer-term facilitator of direction and policy post transition under LAS?	Under the CIF WUP Amendment Proposal, CIF-like services will continue and will be expanded under LAS. This will involve data

Questions	Responses
	collection that will inform government relations and policy work that will be carried out under M3RC.
Do municipal councils need to review and approve the proposed plan if it is going to AMO?	<p>CIF and RPRA are seeking feedback on the proposed CIF Windup Plan Amendment from all stakeholders, which includes individual municipalities and First Nations communities. All feedback received in the course of this public consultation will be considered. It is up to each municipality to determine the level of authority required to provide feedback on the proposal.</p> <p>AMO, on behalf of all AMO-represented municipalities, along with the City of Toronto and First Nations communities, would have the prerogative to provide a recommendation to CIF to support, reject, or modify the proposed Amendment before submission to RPRA for final consideration. However, it would be the CIF's Governance Committees that would make the final recommendation.</p> <p>The decision to implement the proposal, if approved, possibly with conditions, by RPRA, rests with AMO and LAS.</p>
What happens in those municipalities that rely on depots if support for depots is removed or reduced post-transition?	<p>Under the regulation, producers must maintain depot service in communities that do not provide curbside service.</p> <p>Under the CIF WUP Amendment Proposal there would continue to be support for depot-only programs.</p>
If there is an opt-out provision and large municipalities decide to opt out, will there be enough support for continuation of the proposed program? What happens to smaller municipalities that have less money at stake (i.e., potential refunds) but lots to gain from collaborative work? Will municipalities be able to opt in or out at a later date? What would an opt out process look like?	<p>If the RPRA Board approves the proposed plan with an opt-out provision, the AMO and LAS Boards would have to consider the implications of the opt-out provision through two lenses. First, what is the financial impact and are there sufficient resources to continue? Second, from a principled point of view, is it appropriate to continue services that benefit everyone, but are supported financially only by some members? Ultimately the AMO and LAS Boards will determine whether the Option 3 proposal will be implemented.</p> <p>If the RPRA board introduces an opt-out condition, it may include specific process requirements. The AMO and LAS Boards would then decide whether to proceed and could possibly consider additional processes to implement the opt out provisions required by RPRA, which would be determined at that time.</p>
Would there be a mechanism for municipalities to review and collectively decide to continue the proposed new organization or to close it down?	Feedback and input on the CIF WUP Amendment Proposal is being solicited through the consultation sessions. CIF must finish the consultations and obtain sign-off from CIF's Governance Committees, which include representation from AMO, on any changes to the WUP Amendment Proposal. The proposal would then go to the RPRA Board for approval. If approved by RPRA, the plan would then be considered by AMO and LAS to determine if it

Questions	Responses
	is something they could implement. The decision rests with AMO and LAS to decide to implement the proposal, potentially based on any conditions of approval imposed by RPRA.
Are there any details available about governance under Option 3? How will municipalities continue to be involved and have a voice?	The governance arrangement for Option 3 is shown on slides 22 to 24 in the presentation deck . Input from municipalities and First Nations communities will continue to be sought to help set work objectives and workplans through the Transition Working Group subcommittee structure as well as through additional outreach sessions.
Would municipalities have any increased exposure to risk under the WUP Amendment Proposal? Is legal review required before municipalities can comment on the Proposal?	CIF is not requiring municipal legal review to understand whether there is support for the WUP Amendment Proposal. This may be something that a municipality wants to discuss internally, but it is not required as part of the process.
What will support for First Nations communities from AMO and LAS look like when there has been no association with AMO/LAS in the past? How does the role of the Ontario First Nations Technical Services Corporation play into this?	<p>Support for First Nations Communities Support may take the form of meeting facilitation, research & analysis, information & data collection, and as needed resource development (e.g., Council report templates), and training.</p> <p>Engagement CIF has established a First Nations Transition Working Group, which will be part of the overall consultation process, and will continue under Option 3. As part of the consultation process, multi-year strategic priorities and objectives will be presented for feedback on Oct 26 and Oct 28. Annual work plans will be derived from these strategic priorities and objects and will set out the parameters for each year's support services. Support services detailed in the annual plans are arrived at through engagement with all Working Group members and through one-to-one calls with participating communities.</p> <p>CIF is interested receiving ongoing input from groups like OFNTSC on how best to serve the First Nations communities. CIF staff connected with OFNTSC on October 20 to discuss transition and CIF supports available.</p> <p>Opting out Opportunity Each First Nation community that participated in the 2020 Datacall is individually eligible to receive a disbursement of their share of the CIF reserve surplus and, thereby, terminating their involvement with CIF (and its successor).</p>
Would CIF assist in negotiating with producers should a First Nations community want to continue curbside collection?	It is not appropriate for CIF to be directly involved in one-on-one negotiations between PROs and First Nations communities or municipalities. CIF would provide support to members through

Questions	Responses
	the provision of information and data to strive for fair and reasonable approaches and solutions with a Blue Box PRO.
Under Option 3, could support be provided for producer responsibility models being considered for non-Blue Box materials? Will there be research support and knowledge-sharing for these materials?	The primary focus of the new Waste and Recycling Services Group will be on the Blue Box system during the initial transition period. However, by terminating CIF and the relationship with Stewardship Ontario, breaking the link with the Blue Box Program Plan (BBPP), and forming this new structure, there would be much more flexibility in the future to evolve into other areas where members express needs (e.g., organics).
Will there be research and funding for ongoing waste composition audits?	Waste audits would be one of the main deliverables to be continued under Option 3 and funding would be earmarked for this purpose.
Will the same accessibility to supports be available to every participating municipality and First Nation?	Yes.