

From: AMO Communications
To: [Lisa Slomke](#)
Subject: AMO Policy Update - RPRA sets 2019 Blue Box Steward Funding Obligation
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RPRA sets 2019 Blue Box Steward Funding Obligation

The Resource Productivity and Recovery Authority (RPRA) has set the [2019 Blue Box Steward Funding Obligation](#) at \$126.4 million. The Blue Box Steward Funding Obligation is the total amount that stewards must pay to municipalities for the Blue Box Program.

Despite strong, long-standing documented protests from municipal governments, RPRA has again used a theoretical model of municipal costs as a key input into the calculation of the Obligation. This model discounts verified municipal costs for 'inefficiency' under the "Cost Containment" heading. This deduction from reported verified costs from the datacall has increased to \$23.8M from \$15.8M last year. We have continued to advocate for payment to be calculated as per the decision in the 2014 Arbitration between AMO/City of Toronto and Stewardship Ontario where municipalities were paid 50% of our net verified cost from the Datacall (i.e. actual municipal costs). RPRA (formerly WDO) used the Arbitrator's method in 2015 to determine the Steward Obligation. If the Steward Obligation had been calculated this year using the Arbitrator's method it would have been \$131.2M – a difference of \$4.8M.

Attached below is a summary of the Steward Obligation calculation from RPRA:

2019 Steward Obligation (2017 Data Year)	
Reported Gross Cost	\$355,134,163
Plus 55% of InKind Linage	\$2,156,414
Less Non-Obligated	-\$221,770
Less Cost Containment	-\$23,800,135
Total Gross Cost	\$333,268,672
Less 3 Year Average Revenue	-\$95,697,012
Plus 100% of Prior Year Adjustments	\$865,415
Total Net Costs	\$238,437,075
50% of Net Costs	\$119,218,537
Plus Steward Cost Containment	\$7,153,112
2019 Steward Obligation	\$126,371,650

AMO, Toronto, RPWCO and MWA will be reviewing RPRA's decision on the Obligation to determine if a formal dispute process should be invoked.

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