

Sent via e-mail to: minister.mecp@ontario.ca

November 25, 2025

The Honourable Todd McCarthy
Minister of the Environment, Conservation and Parks
777 Bay Street, 5th Floor
Toronto, Ontario M7A 2J3

Dear Minister McCarthy,

As a committed partner in ensuring an efficient and cost-effective blue box system in Ontario, the Association of Municipalities of Ontario (AMO) appreciated your letter from October 1, 2025. In that letter you confirmed Producer Responsibility Organizations' (PROs') decision on 2026 collection for small industrial, commercial and institutional (IC&I) sources.

We share your disappointment that PROs will not be providing municipalities with an offer of service for continued blue box collection from IC&I sources, at municipal expense.

As you know, the municipal sector has consistently supported and championed the province's Extended Producer Responsibility (EPR) framework as we believe it holds the potential to drive innovation and foster a truly circular economy. However, we are concerned that the recent decisions by PROs and your Ministry through the 2025 Blue Box Regulation amendments will reduce recycling system effectiveness and efficiency, risking more recyclable materials being sent to landfills and creating new costs for municipalities.

Addressing the Absence of a Full-Service Offer from PROs

For decades places such as business improvement areas, places of worship, daycares, campgrounds, municipal-owned buildings, and not-for-profit organizations such as shelters and food banks received Blue Box collection in a cost efficient and effective manner concurrent with the collection from residential sources. The failure of PROs to leverage these same efficiencies starting in 2026 will deteriorate this system. Consequently, many small businesses and not-for-profit organizations may lose access to comparable recycling services, forcing them to seek providers at a higher cost or abandon recycling entirely due to the increased cost and additional burden of finding a new provider.

In the City of Orillia for example, only 400 out of the over 15,000 collection stops in the city are small non-residential locations. However, the city anticipates an additional cost of \$275,000 to continue its collection for this small number of customers, which would be funded through a tax levy increase from municipal taxpayers.

For many not-for-profit organizations, such as food banks and shelters, if municipalities cannot provide collection starting in 2026, switching to a private contractor will increase operating costs, directly impacting their ability to provide critical services to a growing number of residents in need. With the second highest property taxes in Canada and significant pressure on municipal budgets to sustain core services and grow, municipalities in Ontario have limited funds to fill PROs' Blue Box collection gaps.

Although municipalities appreciate the PROs' decision to allow the use of recycling depots for small IC&I recycling collection, it remains unclear how eligibility for depot use will work and whether the accepted quantities will accommodate municipal needs. Municipalities will also need to arrange contracts for hauling and processing of these materials, adding complexity and cost to blue box collection.

PROs have cited operational and regulatory barriers to developing an offer of service, which points to more systemic issues with their collection processes. This presents an opportunity for the province to work with PROs, in collaboration with municipalities, to remove these barriers quickly to avoid exacerbating Ontario's landfill capacity problem.

Deferring Expanding Producer Funded Blue Box Collection for All Defined Facilities

AMO and its members appreciate your ministry's engagement and the changes made earlier this year to the proposed amended Blue Box Regulation, which reflected advice from our sector. However, the recent amendment to delay the full expansion of producer-funded Blue Box collection to all defined facilities until 2031, particularly multi-residential buildings, exacerbates Blue Box system operational challenges.

Amendments to the Blue Box Regulation since it was introduced in 2021 have resulted in a system where producers and many different generators – including municipalities – are responsible for recycling collection. This approach is inefficient, operationally complex, and puts an undue financial burden on municipal taxpayers, especially in smaller and Northern communities. It also risks undermining the core goal of the 2021 Blue Box Regulation to transition Blue Box program costs away from municipal taxpayers.

These amendments mean a municipality that chooses to continue to provide Blue Box services to deferred locations, such as new residential multi-residential units and schools, will need to absorb the full cost of collecting, transporting and processing the recycling – which for many smaller and Northern municipalities is unaffordable.

This segmented approach will also likely lead to confusion for the average Ontario resident. For example:

- Two similar condominium buildings on the same property – one occupied before 2026 receives PRO Blue Box collection service, while the new one occupied after January 1, 2026 does not.
- A new infill row of townhouses that includes 6 units occupied after 2026 that does not receive PRO Blue Box collection but residents on either side of it do.

Municipal governments are placed in a difficult position, as they already service these locations for garbage and organics. As a result, they are forced to choose between:

- Offering municipal recycling collection which will likely be extremely expensive as the municipality no longer commands an economy of scale for servicing and would be seeking time-limited contracts only until 2031; and
- Forcing new residents to find their own recycling collection service, which risks materials simply being disposed of in the garbage stream.

A main pillar of the [Made-in-Ontario Environment Plan](#) was the commitment to reducing and diverting waste from landfills, an objective AMO strongly supports. We believe addressing current implementation challenges is key to ensuring Ontario's Blue Box system efficiency and effectiveness and to avoid putting unnecessary pressure on our landfills. AMO is committed to collaborating with your Ministry to develop solutions for a successful province-wide transition and would like to explore provincial funding to help communities fill PRO collection gaps.

In this same vein, AMO also supports broader industry efforts to increase waste diversion rates. This includes industry efforts to establish a model for an expanded and more effective Deposit Return System that includes non-alcoholic beverage containers. A workable solution to reform the existing Deposit Return System will help boost the province's beverage recovery rate and support overall diversion of recycling materials away from landfills.

The municipal sector appreciates your Ministry's continued interest in this topic. AMO stands ready to continue working collaboratively with your government to enhance Ontario's recycling system. Karen Nesbitt, Director of Policy and Government Relations, would be pleased to discuss our comments further with your staff.

Sincerely,



Robin Jones
AMO President
Mayor of the Village of Westport

cc. The Honourable Rob Flack, Minister of Municipal Affairs and Housing
Martha Greenberg, Deputy Minister, Ministry of Municipal Affairs and Housing
Sarah Harrison, Deputy Minister of Environment, Conservation and Parks
Kelly Scherr, Chair, Regional Public Works Commissioners of Ontario (RPWCO)
Stephanie Mack, Chair, Municipal Waste Association (MWA)
Matt Keliher, General Manager, Solid Waste Management Services, City of Toronto