

MANITOBA ASSOCIATION FOR RESOURCE RECOVERY CORP. (MARRC)

April 8, 1998

TO RETAILERS OF LUBRICATING OIL PRODUCTS IN MANITOBA

Launch of an industry-operated program for used lubricating oil products

On March 1, 1998, manufacturers and marketers of lubricating oil and oil filters will launch a program to promote and facilitate the collection and recycling of used oil, used oil containers and used oil filters in Manitoba. Similar programs were launched in Saskatchewan and Alberta on September 1, 1997.

The need for this program is illustrated by the fact that, of the 20 million litres of used oil generated annually in Manitoba, only about one third can be accounted for as having been recycled. The fate of the balance, about 13 million litres, is largely unknown, though much of it is thought to be improperly discarded. A *single* litre of used oil has the potential to contaminate one *million* litres of drinking water.

The program was developed after extensive consultations with industry, environmental groups, governments and other stakeholders. It will be implemented and managed by the Manitoba Association for Resource Recovery Corp. (MARRC) - a non-profit organization comprised of companies which manufacture and/or market lubricating oils and oil filters.

Components of MARRC's product stewardship program

π Public collection depots

A province-wide system of independent public collection depots will be established over the next several years to serve small volume generators of used lubricating oil products. The depots will be equipped to accept used oil (up to 500 litres per person per delivery), used oil containers (under 30 litres capacity) and used oil filters at no charge.

Brochures explaining MARRC's program will be available shortly. Government regulation requires that they be prominently displayed for the benefit of your customers.

π Return Incentive Program

A "Return Incentive" (RI) program will be introduced for licensed collectors serving medium to large volume generators of used lubricating oil products, as well as the public collection depots. Collectors will be eligible for payments, directly from MARRC, based on the volumes they collect and deliver to approved receivers/processors. The RI program will provide an economic driver to maximize the collection of used lubricating oil products throughout the province.

For many generators, the RI will change the character of their used lubricating oil products from being a "waste" to be discarded at the lowest possible cost, to being a "resource" with a market value. This will stimulate an increase in the volume of these materials made available for collection.

The RI program will also serve those generators that recycle their used lubricating oil products on-site in a manner for which they have explicit approval from Manitoba Environment. Further information may be obtained from the following Manitoba Environment officials.

λ Mr. Don Labossiere	Environment Officer	Phone: (204) 945-7094
λ Mr. Adrian Jackson	Environment Officer	Phone: (204) 945-7108

The RI rates are established and are public knowledge.

π Environmental Handling Charges (EHC)

An EHC will be payable to MARRC by its members on each sale of lubricating oil products to customers in Manitoba. The EHC will be the sole source of funding for the program and all funds will be dedicated to achieving its objectives.

The following EHC rates were established by the members of MARRC in November 1997. These rates are the same as those already implemented in Saskatchewan and Alberta.

λ Collectable oils		\$0.05 per litre
λ Consumable oils (e.g., two cycle, metal working)		Exempt
λ Oil containers with a capacity under 30 litres	¹⁰	\$0.05 per litre of capacity
λ Oil containers with a capacity of 30 litres or greater		Exempt
λ Oil and diesel fuel filters under 203 mm (8") in length		\$0.50 per filter
λ Oil and diesel fuel filters 203 mm (8") or greater in length		\$1.00 per filter

The EHCs will be subject to both the federal Goods and Services Tax and the Manitoba Provincial Sales Tax.

π Public Awareness

A series of public awareness and education initiatives will be introduced to promote widespread understanding of, and active support for, the program.

Role of Manitoba government

The provincial government, principally through *Manitoba Environment*, will play a regulatory role in supporting this industry initiative.

- π In April 1997, the province enacted the ***Used Oil, Oil Filters and Containers Stewardship Regulation*** to create a "level playing field" for manufacturers and marketers of lubricating oil products.
- π Manitoba Environment will maintain a registry of licensed collectors, receivers and processors of used lubricating oil products.
- The government will monitor the ongoing progress of MARRC's product stewardship program.

Retail Pricing

We wish to bring to your attention a recent change made to Section 3(4) of the Used Oil, Oil Filters and Containers Stewardship Regulation. In response to input from retail and automotive service sectors, Section 3(4) which referred to retail pricing has been repealed.

Section 3(4) previously read as follows:

No person shall supply oil products and material in a retail sale in which an amount is charged separately from or in addition to the price of the oil products and material on account of the cost of operating or subscribing to a used oil products and material stewardship program.

Manitoba Environment advises that accordingly, businesses now have the option to display or not display the environmental handling charge separately. The change applies only to our Regulation and does not impact any other obligations you may have with regard to communicating the prices of your products.

Benefits of MARRC's program

- π Promotes and facilitates the recovery of valuable, non-renewable resources.
- π Protects the environment by diverting materials from landfills and from inappropriate destinations such as fields, ditches and water courses.
- π Provides a single, comprehensive, cost-effective, sustainable and province-wide program which will be in harmony with similar programs in Saskatchewan and Alberta.
- π Creates new business opportunities.

For more information, please contact MARRC or your supplier of lubricating oil products.

Sincerely,

Ron Benson
Executive Director