



**Canadian Petroleum Products Institute**  
**Western Canada Used Oil / Container / Filter Industry Task Force**

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# **Used Oil / Containers / Filters Industry Management Program in Western Canada**

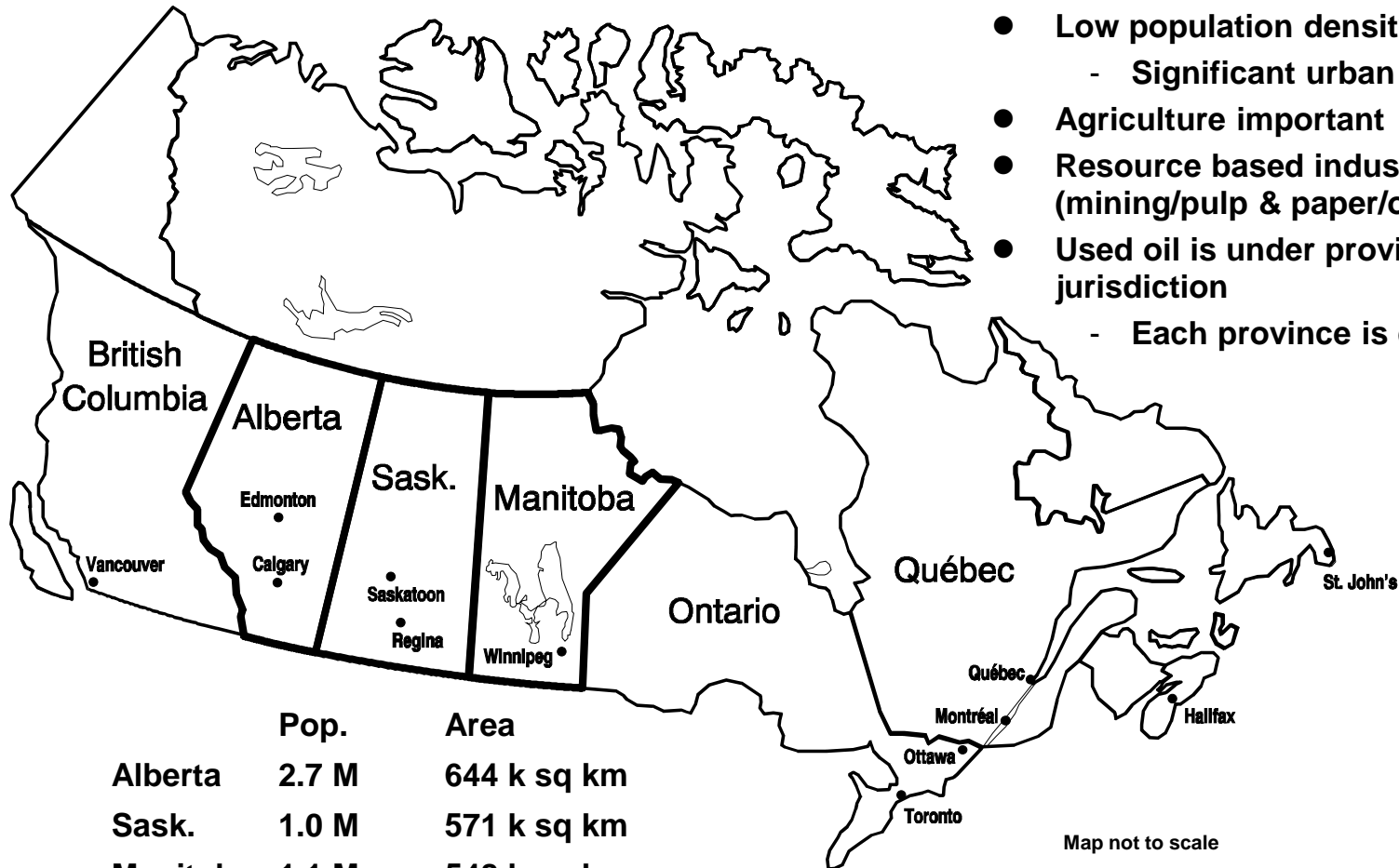
**OECD Workshop, Extended and Shared Responsibility for Products**  
**December 1, 1998, Washington, D. C.**

***Charlie Lund, Western Canada Used Oil / Container / Filter Task Force***



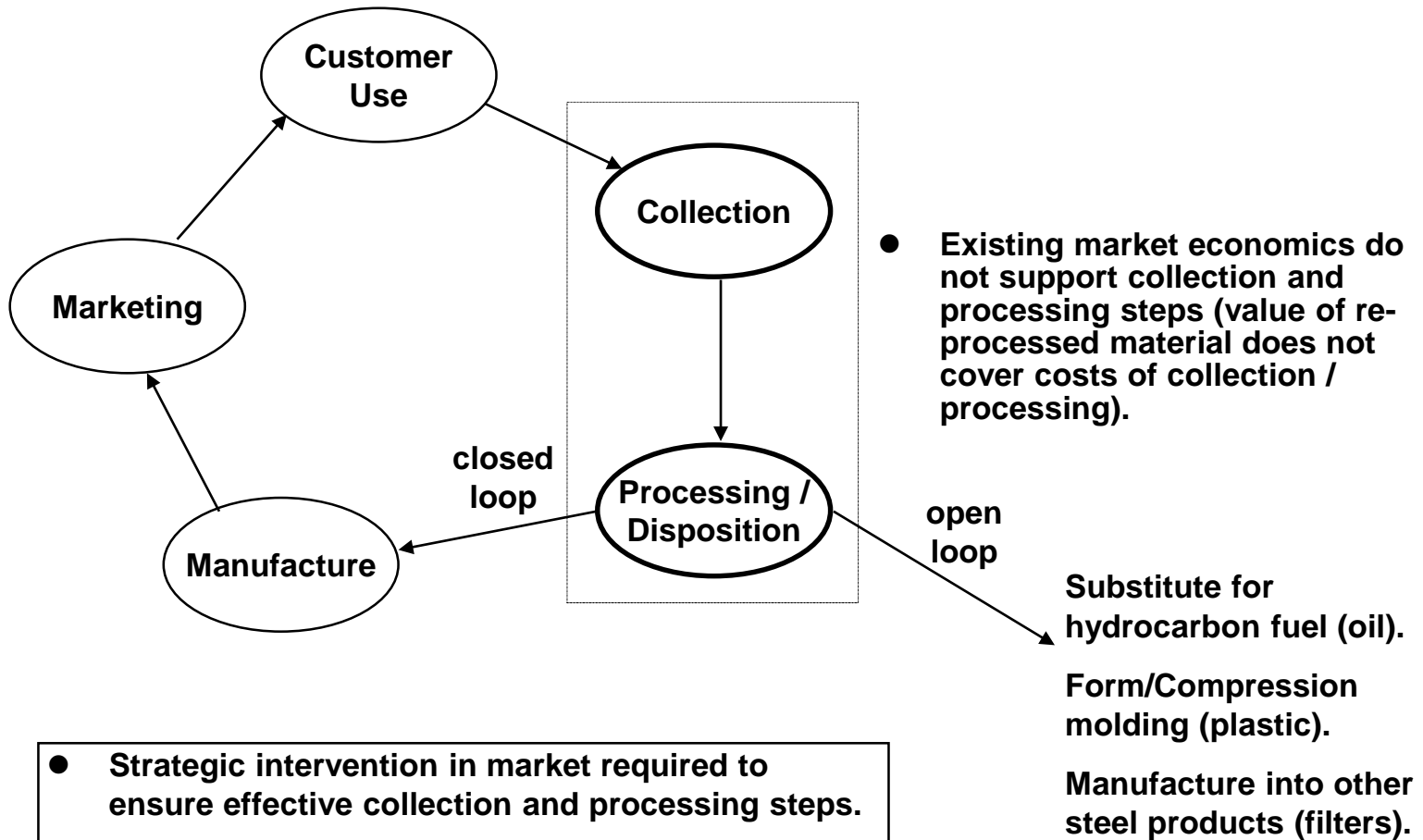
## Program Established in Three Western Provinces

- Low population density
  - Significant urban centres
- Agriculture important
- Resource based industry (mining/pulp & paper/oil & gas)
- Used oil is under provincial jurisdiction
  - Each province is different





## "Gap" in Market Capability Inhibits Proper Management





## **Program Designed to Fit Specific Situation**

- **Used oil is controlled by existing regulations.**
  - **Requires proper disposal practices for large generators - compliance good.**
- **Few requirements for filters, fewer for oil containers -- landfill.**
- **Program target is “Do-It-Yourself” (DIY) oil changers.**
  - **Consumers**
  - **Farmers**
  - **Small Commercial**
- **DIY sector generates used oil, filters and containers simultaneously.**
- **In early 90’s all four western provinces identified the need for used oil management**
  - **B.C. quickly adopted “return to retail” for used oil only.**
  - **Integrated approach sought and WCTF was formed in 1993.**
- **Alberta has a strong network of bottle depots.**



## **Goal is Effective, Efficient Product Stewardship by Industry**

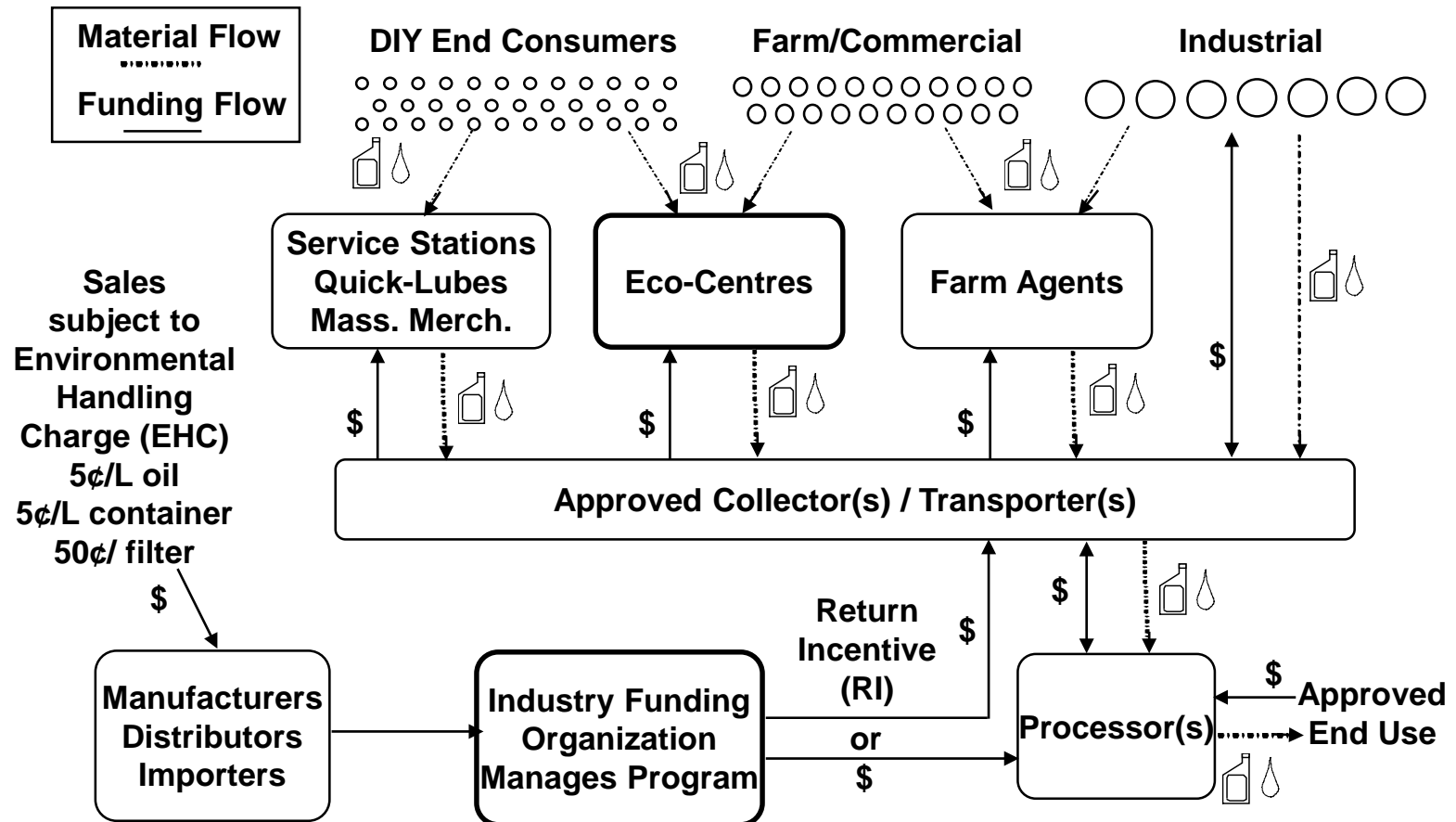
- **An industry stakeholder designed and managed landfill diversion program for used oil, oil filters and oil containers that represents the optimum combination of the following:**
  - **Environmental effectiveness.**
  - **Economic efficiency.**
  - **Fairness to consumers and industry stakeholders.**

## **Additional Principles Defined.**

- **Consumer friendly and convenient.**
- **Funds collected and managed by industry based on cost recovery only.**
- **Maximize opportunities for inter-provincial harmonization of policies.**



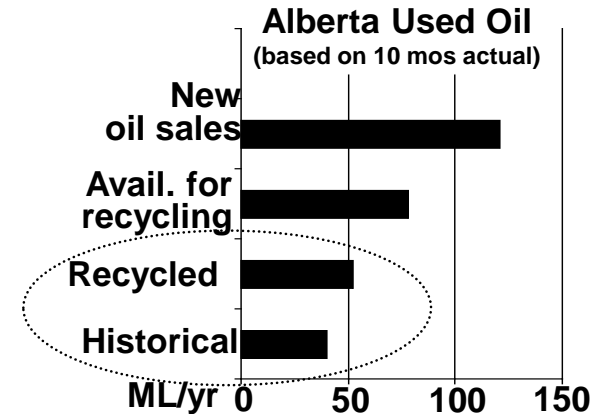
## An Economic Solution to an Environmental Problem, Maximizing Supportive Market Forces





## Program Implementation Progressing Well

- Alberta roll-out well under way.
  - EHC collection began Sept 1, 1997.
  - 36 of 60 Eco-Centres open as of Nov 1/98
  - Used oil recycling up 25% versus historical.
- Saskatchewan and Manitoba are following closely.
- Alberta pilot program proves program viability.
  - Demonstrated that customers will use Eco-Centres. ✓
  - Financial viability proven. ✓
  - Confirmed that common system is viable for both urban and rural sites. ✓
- Established acceptable funding formula. ✓
- Established simple, workable organizations. ✓
- Environmental liability issues resolved. ✓
- Developed: facility design, training programs, policies. etc. ✓
- Inter-provincial harmonization at the consumer level achieved. ✓



***"Industry - Government partnership managing our environment."***



## **Alternatives are Not as Attractive as this Proposal**

- **Deposit / Refund system (at consumer level):**
  - **Probably the highest return rate if monetary incentive large enough.**
  - **Very high operating costs (handling \$\$ requires more controls).**
  - **Potential for "oil extenders" further raises costs.**
  - **Encourages "dumpster diving" among children and indigents.**
  
- **"Return to Retail" System:**
  - **Higher capital costs for infrastructure (as each company will require a network) - but where facilities already exist they can be used.**
  - **Addition of oil containers and oil filters very difficult.**
  - **Inherent unfairness of operating cost burden.**
  - **Inherent disincentive for return depots to encourage return of oil.**
  - **Messy and unsanitary addition to grocery and convenience stores.**
  - **Significant enforcement effort required to ensure compliance.**
  
- **Mandatory "recycled" content for oil, containers and filters:**
  - **Requirement to purchase will result in artificially high price for "recycled" material and this will encourage increased collection.**
  - **Impossible to ensure that "recycled" material is sourced within jurisdiction.**
  - **Arbitrarily eliminates other environmentally sound options that may be more economically attractive.**





## **Variations on this Proposal are less Optimal**

- **Unilateral government regulation and management:**
  - **Optimum efficiency only attainable if industry expertise applied.**
  - **Possible diversion of funds to General Revenue account.**
  - **Shifts product stewardship responsibility away from industry/users.**
  
- **Industry operated "Product Stewardship" applying to DIY / farm segments only:**
  - **Market segments of principal concern are directly targeted.**
  - **Segregation of DIY / farm sales impossibly complex.**
  
- **Use of Curbside Collection Infrastructure ("red box" / "blue box")**
  - **Would replace "Eco-Centres" with potential for improved convenience.**
  - **Proposed funding system still applicable.**
  - **Only possible where curbside infrastructure exists.**
  - **Increased potential for spillage at the curb.**
  - **Difficult to integrate farm and small commercial segments.**



## **Contact the Associations for Further Information**

- **Try the Website at [www.usedoilrecycling.com](http://www.usedoilrecycling.com)**
- **Alberta Used Oil Management Association (AUOMA)**  
**Suite 1050, Scotia 1, Scotia Place**  
**10060 Jasper Avenue**  
**Edmonton, Alberta, T5J 3R8 CANADA**  
  
**Dennis Hambleton, Executive Director**  
**Tel. 403.414.1510, Fax. 403.414.1519**
- **Saskatchewan Association for Resource Recovery Corp. (SARRC)**  
**2366 Avenue C North**  
**Saskatoon, Saskatchewan, S7L 5X5 CANADA**  
  
**Phil Wrubleski, Executive Director**  
**Tel. 306.652.7277, Fax. 306.652.1705**
- **Manitoba Association for Resource Recovery Corp. (MARRC)**  
**35, 1313 Border Street**  
**Winnipeg, Manitoba, R3H 0X4 CANADA**  
  
**Ron Benson, Executive Director**  
**Tel. 204.632.5255, Fax. 204.633.9380**



# Back-up Charts

**Alberta Environmental Protection Review**  
**September 5, 1995.**  
***Industry Stakeholder Task Force***



## **Proposal Delivers Many Benefits**

- **Proper management of three waste streams.**
- **Significant landfill diversion.**
- **Industry managed program for efficiency and effectiveness.**
- **Can be integrated across provincial borders.**
- **Minimum government regulation.**
- **Support from broad stakeholder group.**
- **Consumer friendly system.**
- **New opportunities for small business.**
- **System nurtures development of new technologies.**

***"Industry - Government partnership managing our environment."***



## **Key Elements of Proposal**

- **Industry managed used oil / container / filter waste management.**
- **Funded by a surcharge applied to lubricants and oil filters at the wholesale level -- to be known as an "Environmental Handling Charge" (EHC).**
- **Independent return depots (Eco-Centres) encouraged and supported.**
  - **Alberta Bottle Depots are to be primary collection centres.**
  - **Existing / alternative return facilities can also exist under this proposal.**
  - **NOT a deposit / refund system.**
- **Builds on the strengths of the existing recycling industry and supports the expansion of their environmentally responsible management to all market segments.**
- **Materials flow to any acceptable, approved end use.**
- **Requires minimal regulatory support.**



## **Culmination of Industry / Government Efforts**

- 1987**      **CCME identified used oil as an environmental concern.**
- 1988**      **CPPI commissioned Task Force to study issue and develop position.**  
              - **"Do-It-Yourself" oil identified as primary concern.**
- 1991**      **Multi-stakeholder national workshop held in Montreal to focus support for CPPI used oil plan.**
- 1992**      **Alberta appoints D. R. Hambleton as Project Manager, Used Oil Program.**  
              - **A.U.O.M.A. formed.**
- 1993**      **Alberta supports a pilot program to collect DIY/Farm used oil / containers / filters via the Alberta Bottle Depots.**
- 1993**      **Western Canadian Industry Stakeholders formed a Task Force to develop a common policy platform and guiding principles to be used by the four western provinces.**
- 1994**      **An integrated program for the management of used oil, oil containers and oil filters presented to Alberta and other western provinces.**



## **Next Steps:**

- **Approval of proposed regulation and bylaw.**



## **End Uses for Re-processed Materials Exist - at a Price**

- **More than one environmentally acceptable disposition for each of used oil, oil containers and filters exists.**
  - Used Oil:**
    - Re-refining into lube basestock.**
    - Re-processing into motive fuel.**
    - Burning to displace other hydrocarbon fuel.**
  - Containers:** **Washing of retained oil is limiting step (due to oily water handling), but result is reasonable quality HDPE 2 stream.**
    - Alternative is form/compression molding for guardrail posts etc.**
  - Filters:** **Crushing / Shredding to recover steel and used oil.**
- **Current economics do not allow the reprocessed material to compete with virgin / alternative materials.**
- **Therefore the "lack of markets" issue is Economic, not Technical.**
- **This proposal provides an economic solution by funding the collection and processing of used oil, containers and filters.**
- **The funding will be available for all government approved end-uses for re-processed product (liability minimization).**
  - **New technology will be automatically included.**





## **Industry Stakeholders are a Diverse Group.**

**\*Chevron Canada**

**Federated Co-op**

**\*Imperial Oil**

**Valvoline**

**Purolator Products**

**\*Husky Oil**

**United Farmers of Alberta**

**London Drugs**

**Magnum Oil**

**\*Shell Canada**

**Castrol**

**\*Petro-Canada**

**\*Canadian Tire**

**\*Service Station Supply**

**Hayes-Dana Filters**

**\*Pennzoil**

**Quaker State**

**APRA (Plastics Industry)**

**Allied Signal**

**Auto Marine Electric (A.I.A)**

**Mr. Lube**

**A. U. O. M. A.**

**\*denotes CPPI member**