

Producer Responsibility: Opportunities for Local Governments



**GLOBAL PRODUCT
STEWARDSHIP COUNCIL**

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Metropolitan Local Governments' Waste Forum , Melbourne

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Introduction

Global Product Stewardship Council

Findings from International Product Stewardship Summit

Costs to ratepayers

Recent responses in the US & Canada

Funding Models

- container deposits in California
- advance disposal fee in Florida
- industry-led schemes in Europe

Opportunities for local governments

International Product Stewardship Summit: Some Relevant Findings

Product stewardship has moved beyond traditional end-of-life emphasis to encompass broader sustainability.

Industry leaders will accept the full costs of product stewardship, provided they are paying the right costs.

The caveat: businesses want greater program control and the flexibility to reduce costs.

Issues Paper available at www.productstewardshipcouncil.net

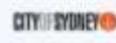


International Product Stewardship Summit 2010
Issues Paper

An initiative of the  GLOBAL PRODUCT STEWARDSHIP COUNCIL
www.productstewardshipcouncil.net

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HHW Costs to California Ratepayers

Nevada County

1,600% - increase in HHW costs in 9 yrs.

\$1,637/ton – Household batteries

\$1,477/ton – Fluorescent/ mercury lamps

Los Angeles

\$1,000/ton – Batteries in 2007

\$7,200/ton – Fluorescent/ mercury lamps in 2007

Paint

\$1.7 million – Cost for Santa Clara to manage paint generated in 2009 from less than 10% of households = \$1 per pound

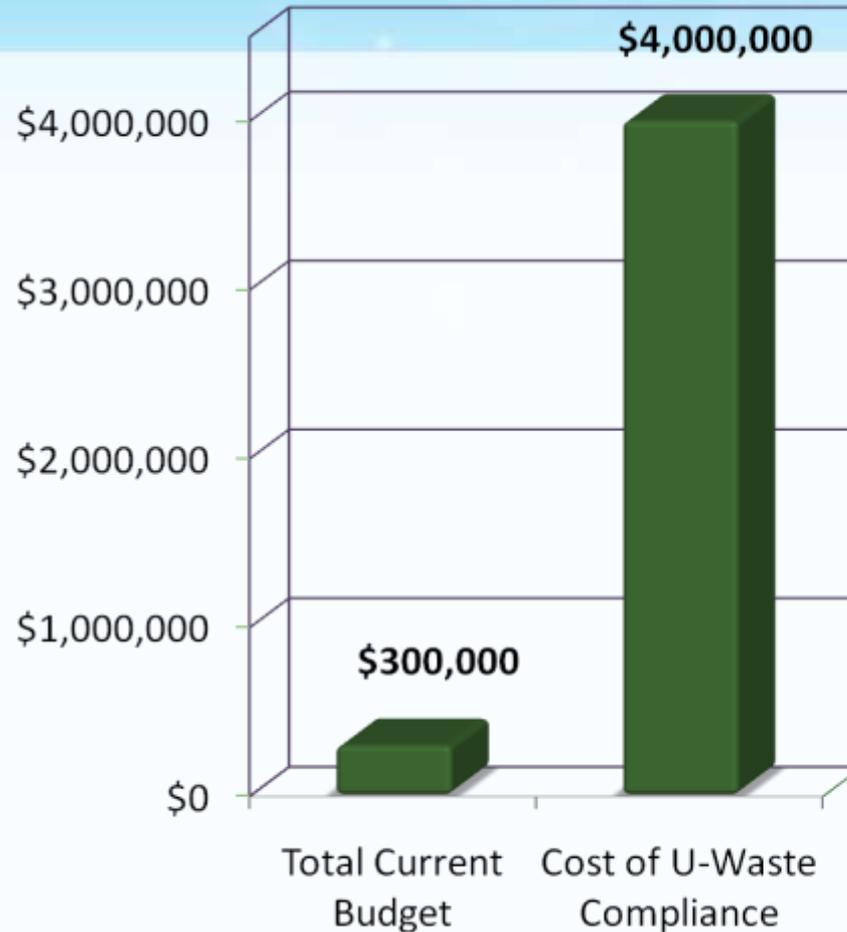
\$27 million – Cost for CA local governments to manage less than 10% of leftover paint

Carpet

\$52,000,000 – Statewide cost to taxpayers/ratepayers to manage carpet at \$40/ton

The High Cost of Compliance

San Luis Obispo - 2006



Source: California Product Stewardship Council



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Potential US Financial Benefit as of 2010

Product	Total Financial Benefit	Avg. Per Capita
Electronics	\$658 million	\$2.13
Paint	\$609 million	\$1.97
Medical sharps (home)	\$198 million	\$0.64
Batteries (primary)	\$247 million	\$0.80
Batteries (secondary)	\$ 74 million	\$0.24
Fluorescent lamps (household)	\$ 87 million	\$0.28
Thermostats (mercury)	\$ 46 million	\$0.15
Pesticides	\$ 40 million	\$0.13
<u>Phone books</u>	<u>\$ 40 million</u>	<u>\$0.13</u>

Total Potential Financial Benefit for US = \$2 billion/yr

**Based on an estimated US population of 309,101,167*

(U.S. Census Bureau, April 2010)

*** Values in US\$*

US EPR Laws as of February 2011

Product	No. of laws	States with EPR laws
Electronics	23*	CT, HI, IL, IN, ME, MD, MI, MN, MO, NC, NJ, NY, OK, OR, PA, RI, SC, TX, VA, VT, WA, WV, WI
Auto Switches	15	AR, IL, IN, IA, LA, ME, MD, MA, NJ, NC, RI, SC, UT, VA, VT
Thermostats (Hg)	9	CA, IA, IL, ME, MT, NH, PA, RI, VT
Batteries	8	FL, IA, ME, MD, MN, NJ, NY, VT
Fluorescent Lamps	2	ME, WA
Paint	2	CA, OR
Carpet	1	CA
Pesticide Containers	1	CA
Framework	1	ME

* CA was the first state to pass an electronics law, but it is based on an advance recycling fee.

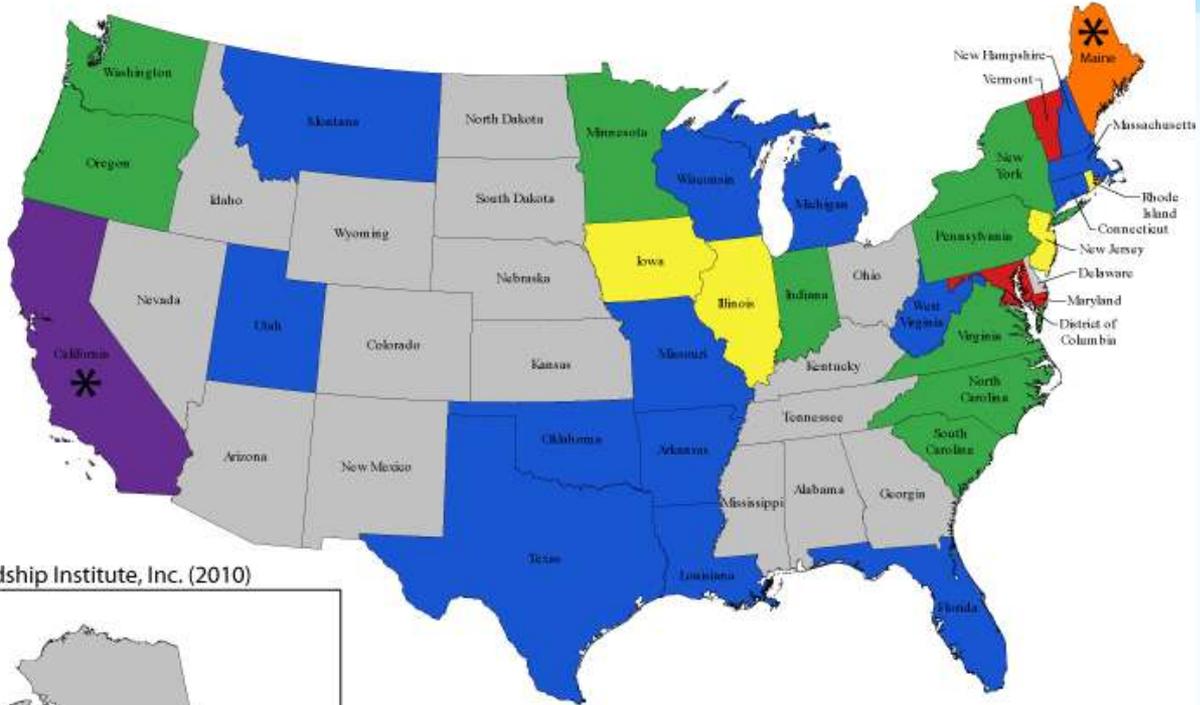
Source: Product Stewardship Institute



US EPR Laws as of January 2011

Product Categories

- Auto Switches
- Batteries
- Carpet
- Cell Phones
- Electronics
- Fluorescent Lighting
- Mercury Thermostats
- Paint
- Pesticide Containers



Source: Product Stewardship Institute, Inc. (2010)



Number of Product Categories Covered by EPR Law

- Zero
 - One
 - Two
 - Three
 - Four
 - Five
 - Six
- * Other laws authorizing agencies to require EPR, including Framework laws.

Canadian EPR and Product Stewardship Programs 2010

	Appliances	Oil	Tires	Organics	Beverage Packg. Deposits	Packaging & Printed Paper	Used Paint	Printed Materials	Electronics	Fluorescents	Batteries	Household Special	Pharmaceuticals	Needles / Sharps	Autos - Retire Your Ride	Milk Containers	Commercial Pesticide Cntrs	Ink Cartridges	Mercury Containing Equip	Cell Phones	Anti-freeze	Single-use retail bags
Newfoundland		★	★		★		●				●	★		●	★	●	●	★	★	★		
Nova Scotia		★	★	★	★		★	★	★		★	★	★	★	★	●	★	★	★	★		
New Brunswick		●	★		★	●	★				●	★			★	●	★	★	★	★		
P.E.I.	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★	★
Quebec		★	★	●	★	★	★	★	●	●	●	●	●		★		★	●	●	●	●	
Ontario	●	★	★		★	★	★	★	★	●	★	★	●	●	★		★		★	★		
Manitoba		★	★			★		★	●	●	●	●	●	★	★		★		★	★	●	
Saskatchewan		★	★		★	●	★	●	★						★	★	★		★	★		
Alberta		★	★		★	●	★		★		★	●	★		★	★	★	★	★	★		
British Columbia	●	★	★		★		★	★	★	★	★	★	★		★	★	★		●	★	●	
Northwest Territories					★											★						★
Yukon			★		★																	

ONT - Deposits on wine, liquor & beer only

As of Dec 27, 2010

Source: Encorp Pacific (Canada)

Producer Responsibility Regulations – Canada

EPR Action Plan & Packaging Strategy adopted last October

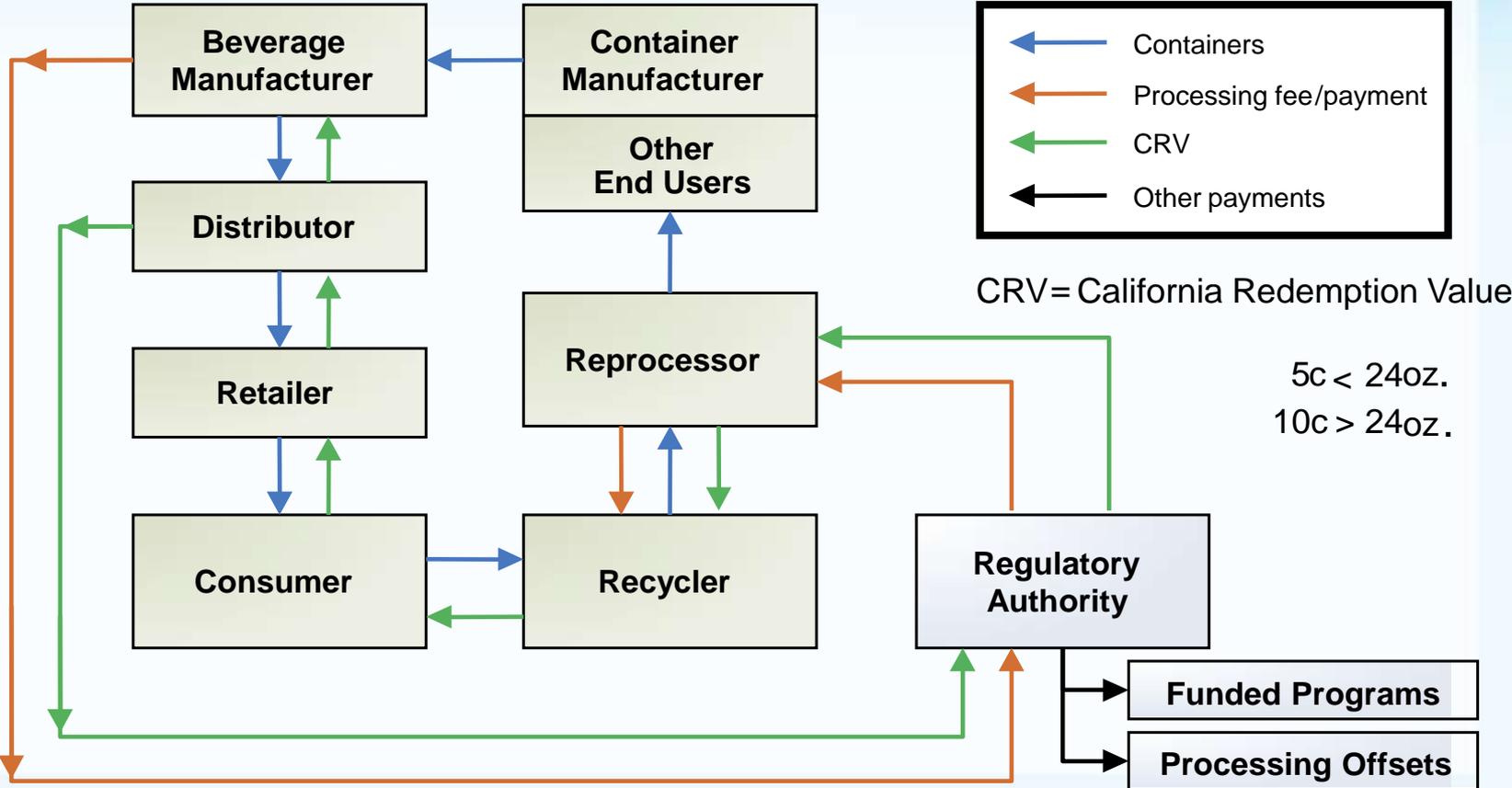
- ◆ co-ordinated provincial and federal initiative through Canadian Council on Ministers of Environment (CCME)

Action Plan commits all jurisdictions to work towards having EPR legislation & systems for packaging etc within 6 years

- ◆ EPR requirements should encourage take-back initiatives, with or without deposits
- ◆ territories will consider whether alternative measures more appropriate

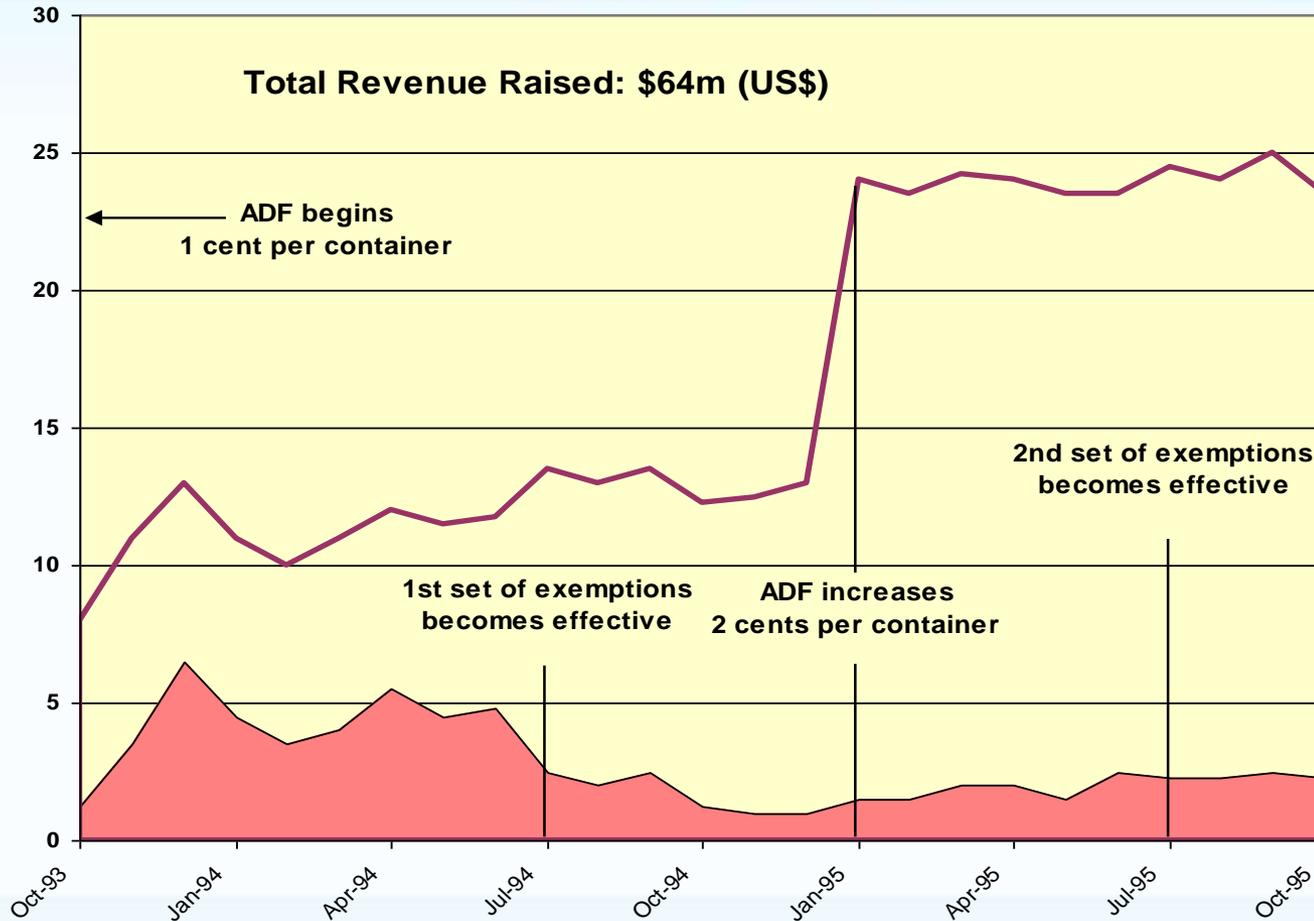
Builds on Action Plan for EPR by outlining a harmonised approach to EPR requirements for packaging (household, C&I and service packaging)

Funding – California’s Container Deposits



Source: MS2

Funding – Florida's Advance Disposal Fee



Source: MS2

Funding – Florida’s Advance Disposal Fee Results

Market-based demand for recycling

Over 13,000 tonnes of plastic recycled through takeback

New glass and plastic plants located in the state

61% of takeback petitioners initiated recycling efforts

25% of recycled content petitioners initiated recycling efforts

“On the day that Florida’s ADF was dropped, demand for food-contact recycled content vanished overnight”

(Source: Bottlemaking Technology and Market News)

After sunset, 2 recycled PET plants relocated to Europe

US \$64 million in 2 years for environmental programs

recycling market development

recycling education campaign

improved landfills and sewerage in rural councils, etc

As with California’s container deposit scheme, the Florida ADF wouldn’t be considered to be product stewardship due to the extent of government involvement in the program.



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BEBAT: Industry-led Belgian Battery Program

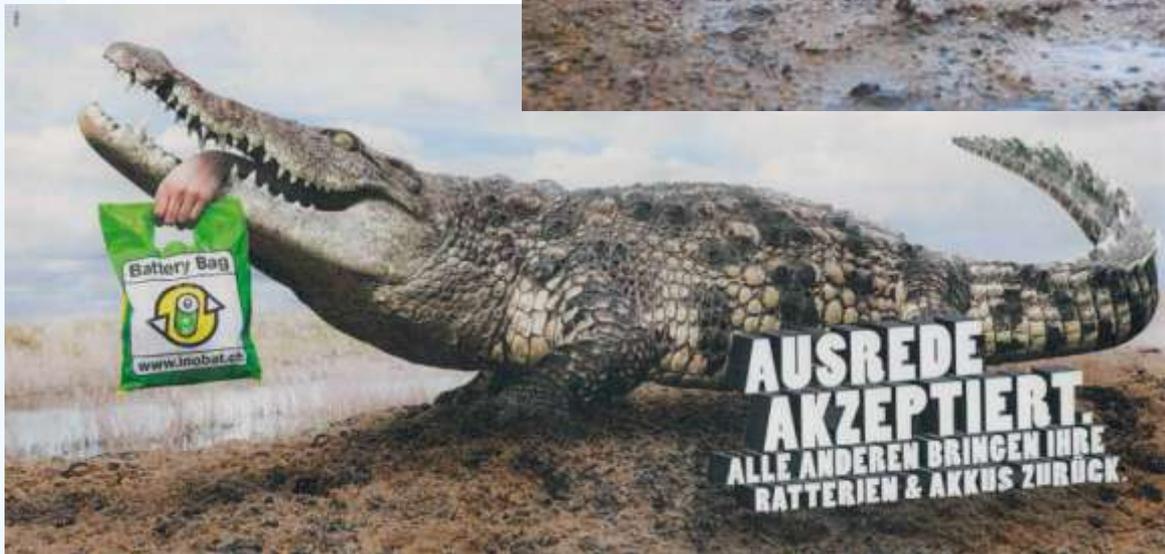


Photos: GPSC



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INOBAT: Industry-led Swiss Battery Program



Source: INOBAT



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Green Dot Recovery Programs e.g., Fost PLUS



Photo: GPSC

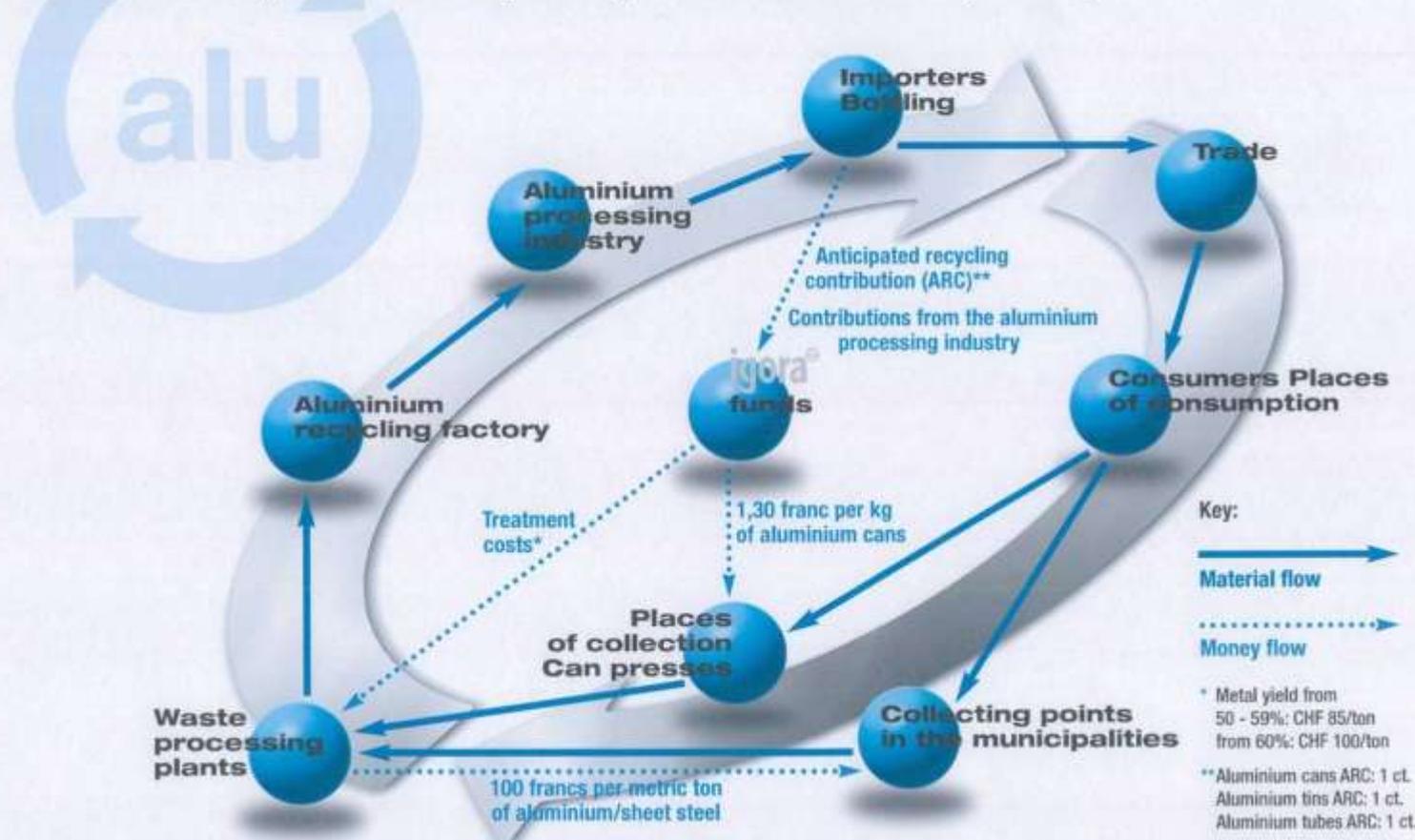
Swiss Industry-led Packaging Programs



Photos: GPSC

Swiss Industry-led Packaging Programs

Collecting system for aluminium packs with anticipated recycling contribution (ARC)



Source: Igora



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Vetroswiss Fees Based on Bottle Capacity



Average fee per bottle: **3.8 cent.**

Source: Vetroswiss

Vetroswiss Recovery Funding 2009

Type of glass collection +	Type of recovery (evidence of recovery required) =	Reimbursement approx.
Whole bottles	as drinks bottles	CHF100
Cullet, colour-segregated collection	Production of new glass (all three colour fractions)	CHF100
	white and brown cullet for the production of new glass (Recovery of the green fraction as other environmentally useful products)	CHF100
Cullet, mixed colour collection	Production of new green glass or of environmentally useful products	CHF 60
	Other forms of recovery (e.g. sand substitute)	CHF 20

Source: Vetroswiss

Local Governments and Product Stewardship Schemes

More schemes across a broader range of items are likely. Businesses will want to leverage existing resources, including local government collections and infrastructure.

Voluntary product stewardship programs don't mean all costs will be borne by local governments, just that the funding specifics are not legislated.

Local governments that engage industry can leverage and expand their infrastructure and consumer education role through available industry funding.

Transparency and accountability of funding will be an important issue, as will cost neutrality.

Know Where You Stand

What items have the greatest impacts?

- Toxicity/hazard
- Volumes
- Public concern

Know costs for managing responsibly

- Education
- Collections
- Recycling
- Disposal of residuals
- Externality costs
- Insurance
- Illegal dumping clean-up costs



Photo: City of Sydney



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Know Where Others Stand & Understand Their Needs

Existing programs

- Australian Packaging Covenant
- MobileMuster
- PS for Oil program, etc.

Planned or potential programs

- TVs
- Computers
- Tyres
- Batteries
- Gas bottles
- Paint
- Mercury-containing products
- others



Engage with Industries & Other Stakeholders

Agree on program details & funding:

- Collections
- Frequency
- Accessibility for consumers
- How best to promote returns
- Material quality/contamination
- Targets (if any)
- Education
- Risks
- Roles & responsibilities
- Cost allocation (& neutrality?)
- Auditing/verification
- Public reporting



Lessons 1

Individual producers are being held more accountable

US starting to focus more on local government costs to recycle non-hazardous materials, especially packaging

Legislative initiatives threaten to produce a patchwork of competing, expensive programs

No one product stewardship or EPR approach can be simply copied and introduced for any given product – need to know drivers & lessons

Program drivers, political & legal factors that have influenced program evolution overseas can vary significantly

Lessons 2

There is a danger that the US, Canada and other countries could come up with features that supply chains would strongly oppose, and that these ideas could come back to influence other policymakers thus leading to even more diverse, onerous requirements and higher costs

Significant changes are occurring at a rapid pace; multi-national companies and governments need to be aware

Local governments that engage industry can leverage and expand their infrastructure and consumer education role

Industry will want control & flexibility to reduce their costs

Collaboration and objective information will be instrumental

Global Product Stewardship Council

Functions:

- ◆ an independent forum for product stewardship development
- ◆ web-based clearinghouse for the dissemination of information and research on product stewardship on a free or at-cost basis
- ◆ international linkages to advance product stewardship
- ◆ research on product stewardship as endorsed by the Council's Executive Committee

Current activities include:

- ◆ development of a series of webinars on product stewardship across a broad range of products and geographic regions
- ◆ establishing a global networks of experts
- ◆ building a database and library of quality research and reports
- ◆ expanding member services and growing our membership base

www.productstewardshipcouncil.net

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