

# **Stewardship Policy: Lessons Learned and Applied to Ag Film**



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# Presentation Overview

- Define Product Stewardship/EPR
- Why EPR?
- Formation of Product Stewardship Councils
- Comparisons of Canada and EU Systems
- Elements of an EPR System
- Selected Elements – Model Program
- Existing EPR Systems – What Works
- Applying EPR to Ag Film
- Summary and Audience Discussion

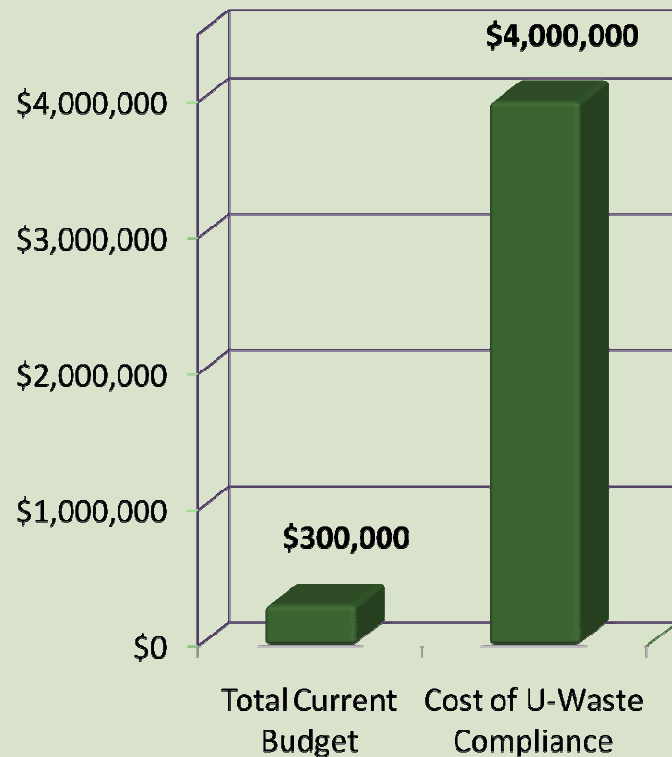
# Product Stewardship/Extended Producer Responsibility (EPR)?

California Definition:

“A strategy to place a shared responsibility for end-of-life product management on the producers, and all entities involved in the product chain, instead of the general public; while encouraging product design changes that minimize a negative impact on human health and the environment at every stage of the product's lifecycle.”

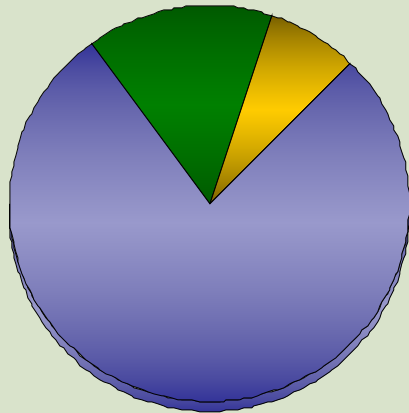
# Why EPR?

## The High Cost of Compliance

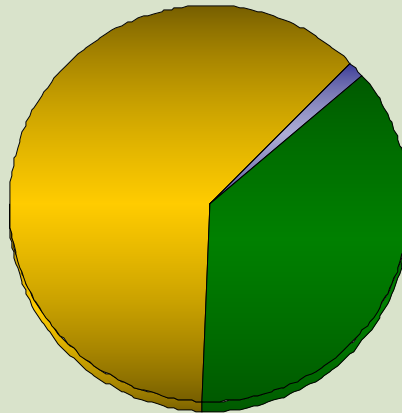


## Why EPR? (cont.)

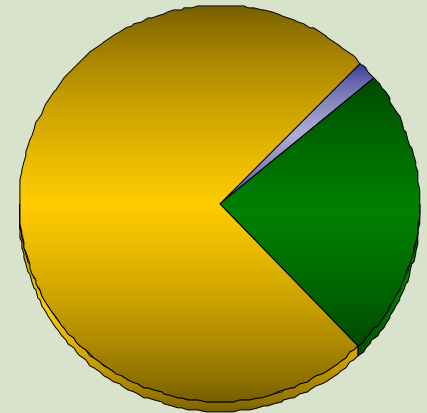
# Waste Generation Is Changing



1900 - NYC



1960 - USA



2000 - USA



Mineral



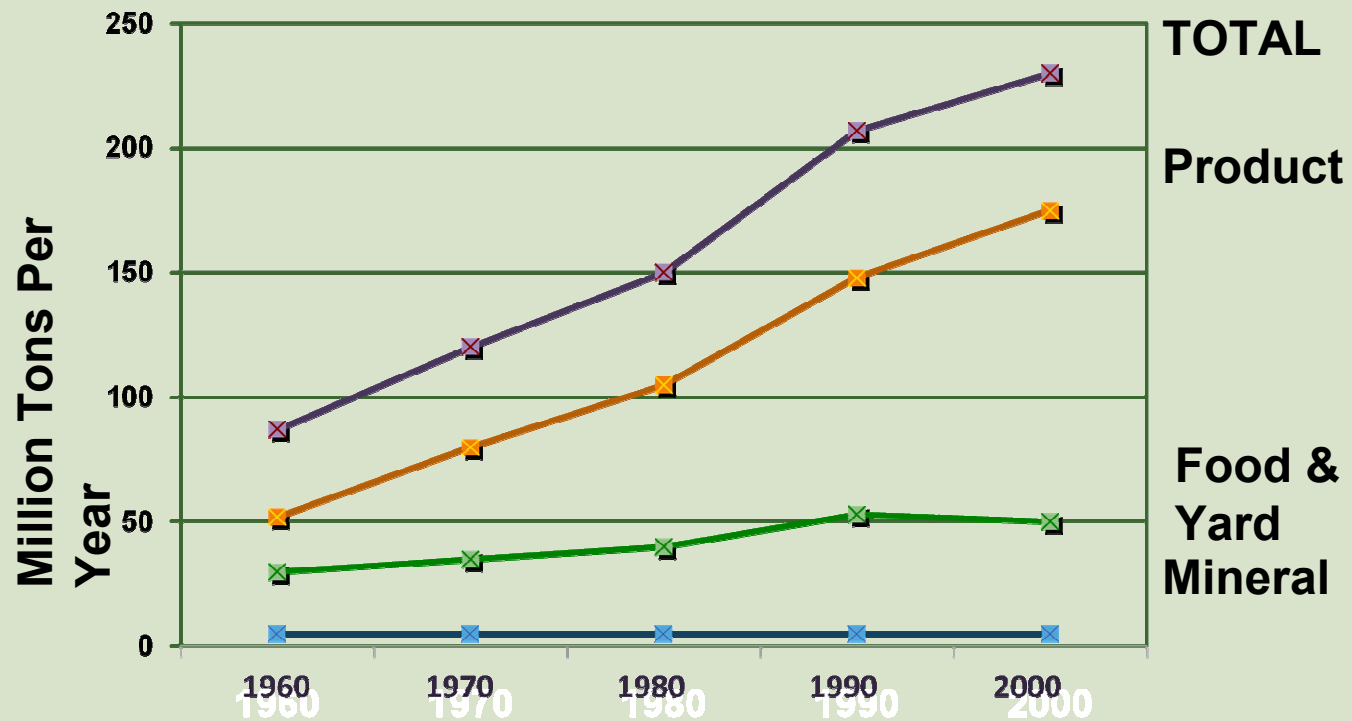
Food/Yard



Products

# Why EPR? (cont.)

## Product Waste Skyrockets



# Why EPR? Disposable and Toxic



**By Design**



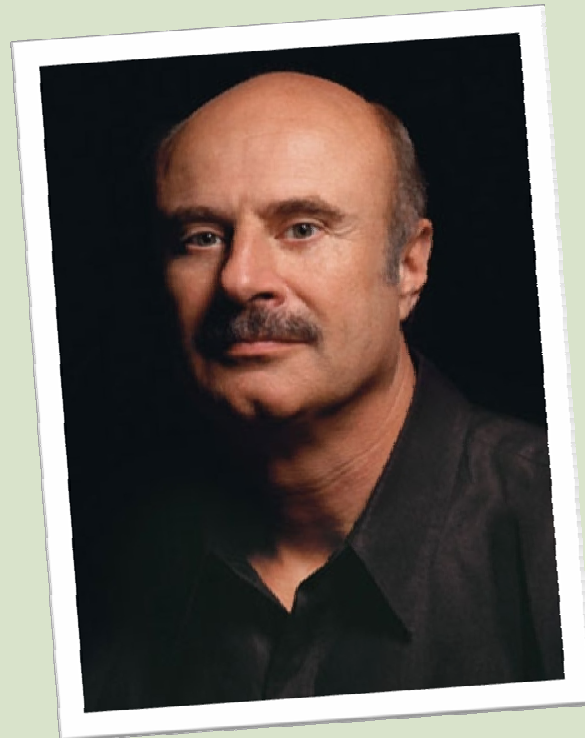
# Why EPR? Bans Without Plans

- Do not reduce volume, toxicity or illegal disposal
- Do not create collection and recycling options
- Place compliance burden on local government
- Place cost burden on ratepayers and taxpayers





# **Local Government: How's That Workin' For You?**



# **Why Should Industry Support EPR?**

- California Green Chemistry Initiative
- California Ocean Protection Council
- More EPR legislation pass each year
- EPR Framework legislation in 4 states in 2009
- Customer service
- Green marketing
- Get ahead of the wave of legislation!

# Formation of Product Stewardship Councils

(2/10/09)



## **CPSC Mission**

To shift California's product waste management system from one focused on government funded and ratepayer financed waste diversion to one that relies on producer responsibility in order to reduce public costs and drive improvements in product design that promote environmental sustainability.

# EPR: Learning From Others

29 Countries of the European Union

10 Provinces Canada

Japan

Korea

Taiwan

China

Australia

New Zealand

And the list is growing ..



# EPR System Evolution: EU

Phase 1: (1991- 2003)

## **Government Designed, Industry Operated**

- Example: Green Dot Packaging
- Inflexible
- Monopoly
- Prices for recycling stayed high and relatively stagnant

Phase 2: (2004 - present)

## **Industry Designed and Operated**

- Competition Introduced - three WEEE approved compliance schemes
- Flexible
- Mandatory, producers designing the program
- European Recycling Platform Example:
  - Operational costs dropped >30%\*
  - Overhead costs dropped 70-80%\*

*\* As reported by Hans Korfmacher, VP External Relations, European Recycling Platform and Director of External Relations, Gillette*

# EPR System Evolution: BRITISH COLUMBIA

Phase 1: (pre -1994)

## **Government Designed & Operated**

- Government Prescribed Design
- Inflexible

Phase 2: (1994 -2004)

## **Government Designed & Producer Operated**

- Government Prescribed Design
- Inflexible

Phase 3: (2004-present)

## **Producer Designed and Operated; Government Regulated**

- Mandatory Program
- Regulatory Framework “Results Oriented” with 75% Recovery Rate
- Government “Levels the Playing Field”, Oversight of Reporting, and Setting Goals
- Flexible
- Annual reports must now include efforts on green design

As reported by Neil Hastie, President and CEO of Encorp Canada; Mark Kurshner, Product Care Association; Jennifer Wilson, BC Ministry of the Environment



# Europe and B.C. Systems Compared: Differences

<i>European Recycling Platform</i>	<i>Product Care</i>
<ul style="list-style-type: none"><li><input type="checkbox"/> Europe is more urban</li><li><input type="checkbox"/> 4 years experience</li><li><input type="checkbox"/> Invisible Fee/Producer</li><li><input type="checkbox"/> Out-sources most work</li><li><input type="checkbox"/> Fees dropped 50-90% in 18 months</li><li><input type="checkbox"/> Competition</li></ul>	<ul style="list-style-type: none"><li><input type="checkbox"/> British Columbia is more rural</li><li><input type="checkbox"/> 13 years experience</li><li><input type="checkbox"/> Visible Fee/Consumer</li><li><input type="checkbox"/> Most work by staff</li><li><input type="checkbox"/> Fees dropped 15% in 2005</li><li><input type="checkbox"/> Competition not present (but allowed)</li></ul>

# **Europe and B.C. System Similarities/Lessons Learned**

- Both Mandatory
- Funded by Fees, Not Taxes
- Producers Design Program
- Producers Register with Government
- Producers Report to Government
- Both Have Reduced Fees and Increased Collection Over Time

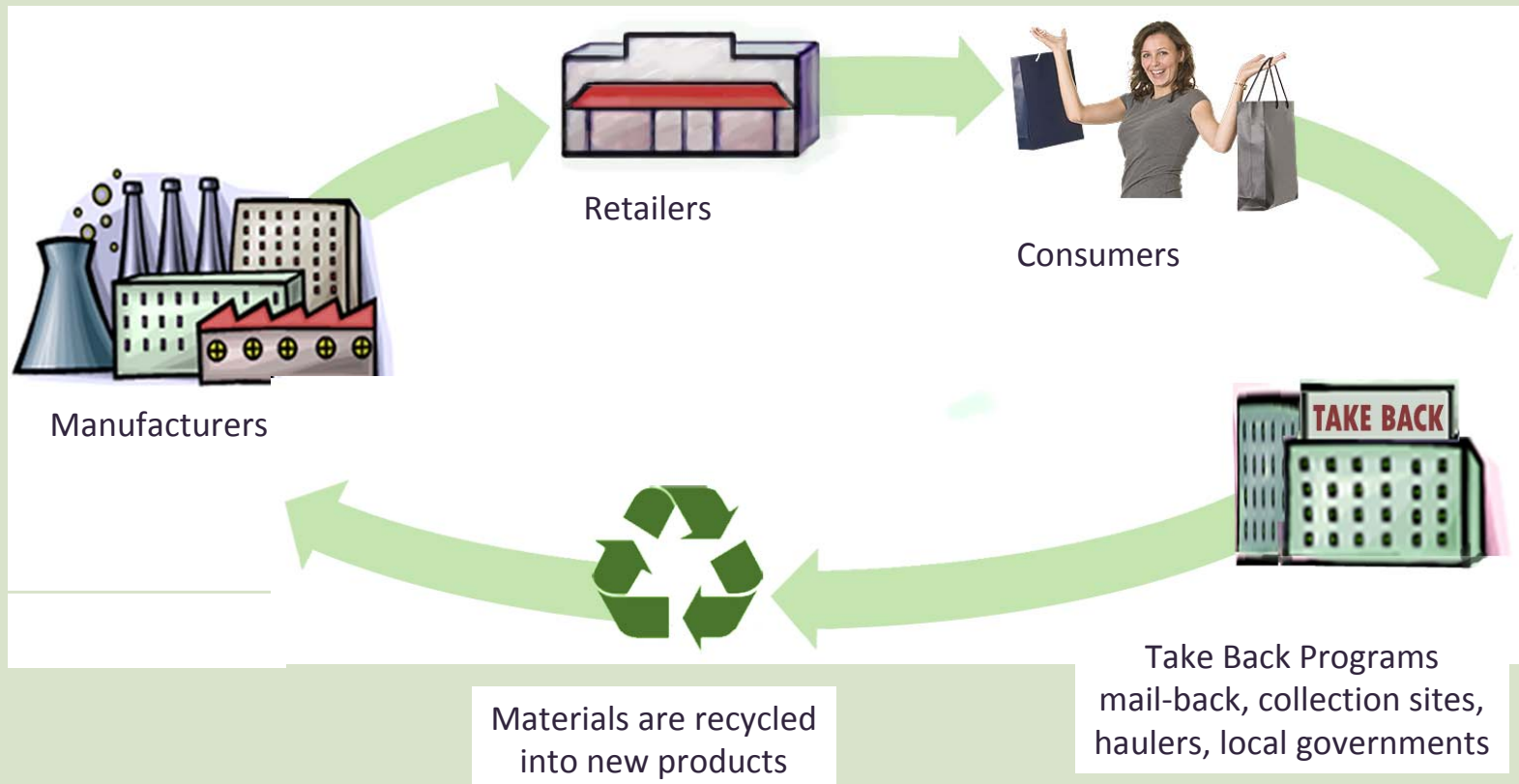
# **When Do Businesses Support EPR?**

- Compete in a fair market – “no free-riders”
- Freedom to design and operate program
- Government procurement programs drive materials markets
- Government assistance with public education
- Government incentives (e.g. reduced reporting requirements, exemption from stewardship mandates)

# Today's Linear Waste Management System



# Tomorrow's “Cradle to Cradle” System



# Framework to Analyze Product Management Systems

1. *Funding Mechanism (fee or tax)*
2. *Funding Approach (voluntary or mandatory)*
3. *Fee/Tax Collection Point (POM, POS, POD)*
4. *Fund Consolidation Point*
5. *Fund Oversight*
6. *Fund Management*
7. *Program Oversight*
8. *Program Operations*

*Framework should enable comparison of EOL Systems and provide a basis for meaningful dialogue*

# **Applying the Framework: Eight Case-Studies**

- 40 EOL Systems – Selected 8
- Longevity – (1989 – 2007)
- Data Availability
- Product Types - all hazardous, 4 u-waste/1 paint
- Special Features e.g. Auto Battery
- 5 State/Provincial & 3 National
- 5 Mandatory & 3 Voluntary
- 6 Fee Collected from POM/ 2 POS/ 0 POD
- Applied Framework to the 8 Systems
- Presented Data as Reported



# **Case Studies: Eight Systems**

1. Rechargeable Battery Recycling Corporation
2. British Columbia Paint/Pesticide System
3. Maine Thermostat Law
4. Maine E-Waste Law
5. California Automobile Battery Take-Back
6. California E-Waste Law (SB 20)
7. California Oil Recycling Enhancement Act
8. Agricultural Container Recycling Council

# Case Studies – Trends

1. Funding Mechanism
  - No taxes
  - Visible vs. Invisible
2. Funding Approach
  - Voluntary has risks e.g. ACRC
  - Mandatory = fair
3. Fee Collection Point
  - POS can be costly e.g. CA e-waste
  - POM fewer players in the System, more efficient e.g. CA oil
4. Fund Consolidation
  - Producers can manage own funds, government managed funds grow government
5. Fund Oversight
  - Can lack transparency whether by producers or government
6. Fund Management
  - Both producers and government can manage funds, different risks
7. Program Oversight
  - Clear program goals and transparency
8. Program Operations – Customized by product

# Recommended System Elements

1. Funding Mechanism - Fee
2. Funding Approach - Mandatory
3. Fee Collection Point – Manufacture (internalized costs)
4. Fund Consolidation – PRO or Individual Producer
5. Fund Oversight – Government
6. Fund Management - PRO or Individual Producer
7. Program Oversight – Government
8. Program Operations – Customized by product

*This Framework is recommended as the starting point for future discussions in designing EOL systems.*

# Framework Recommendations: Stakeholder Comments

## Agreement

- Fees
- Fund Consolidation, Management and Oversight
- Program Operations and Oversight

## Disagreement

- Visible Fee or Invisible Fee
- Mandatory vs. Voluntary

*Ultimately, the consumer will always pay....*

# Examples of EPR Systems

## **Mandatory:**

California E-Waste

B.C. Pharmaceuticals

B.C. Paint and Pesticide Stewardship

## **Voluntary:**

California Auto Battery

Rechargeable Battery Recycling Corporation  
(RBRC)

Agricultural Container Recycling Council (ACRC)



# California E-Waste

- Mandatory financing
- Fee collected at POS
- Visible fee – just increased
- Government does virtually everything!
- Grew government by approx. 100 staff
- 11% administrative costs
- 3.8 million to BOE to collect fee from 28,500 retailers
- Retailers strongly oppose ARF systems

## B.C. Pharmaceuticals



- Mandatory, fee collected at POM, invisible
- Producer management of funds, program, and operations, government oversight
- Convenient to consumers – 945 pharmacies
- Cost-effective: \$315,000/year in 2008
- One full-time employee at Stewardship Org.
- One half-time equivalent in government





help protect the environment ● ● ● ● ●

## Return Unused Medications



Post Consumer Pharmaceutical Stewardship Association

			Français	
	Public	Pharmacists		
Home	<p>The Medications Return Program enables the safe disposal of expired and used medicines. To learn more, <a href="#">click here</a>.</p> <p><i>what can I return?</i></p> <p>You may dispose of your old medications in an environmentally friendly manner including:</p> <ul style="list-style-type: none"> <li>- All prescription drugs</li> <li>- All nonprescription medicines</li> <li>- Herbal products</li> <li>- Mineral supplements</li> <li>- Vitamin supplements</li> <li>- Throat lozenges</li> </ul> <p><i>where can I return?</i></p> <p>You may return your unused medications to a participating pharmacy or a designated depot. View the <a href="#">program in place for your province</a> for more information.</p>	<p><i>how can I participate?</i></p> <p>To learn more about how you can participate in the Medications Return Program <a href="#">click here</a>.</p>		
About PCPSA		Brand-Owners	<p><i>how can I join?</i></p> <p>To learn more about how you can join the PCPSA and make a positive difference for our environment, <a href="#">click here</a>.</p>	
Stakeholders			<p><i>what's new?</i></p> <p>Read our latest bulletin from <a href="#">May 2007</a>.</p>	
Provincial Programs				
Links				
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## **B.C. Paint/Pesticides**

- Mandatory, fee at POM, may be visible
- Producer managed fund and operations
- Government oversees fund and operations
- Increasing collections and concurrently reducing fees
- Collection pesticides 6.1% of sold in 2005



# California Auto Battery

- Voluntary financing, fee collected at POS
- No central fund, management or oversight of funds or program
- High collection rate 99%
- Supported by:
  - landfill ban
  - mandatory retailer collection
  - voluntary deposit collected by retailers
  - market value of lead





# Rechargeable Battery Recycling Corporation

- Voluntary financing, fee at POM, invisible
- Producers manage fund, oversight of funds, program and operations
- Low collection rate as compared to sales
- Supported by:
  - Landfill ban
  - Mandatory retailer collection
  - Market value of metals
  - Industry driven





- Voluntary financing, fee at POM, invisible
- Producers manage fund, oversight of funds, program and operations
- 100 million lbs collected since 1992
- Major problem:
  - free-riders





CIWMB will ...

- “Seek statutory authority to foster cradle-to-cradle producer responsibility.”
- “Develop relationships with stakeholders that result in producer-financed and producer-managed systems”



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zero waste  
CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD



# What Does EPR Framework Legislation Do?

- Full responsibility on producers for developing, funding, and implementing collections, submitting a Stewardship Plan to CIWMB
- Producers cannot sell in CA if not in program
- CIWMB determines the products requiring product stewardship programs
- CIWMB will adopt rules to add products to stewardship program
- CIWMB establishes performance goals and evaluation
- AB 283 (Chesbro) makes this all happen!

# Applying EPR To Ag Film

- Mandatory: Level playing field
- How to drive markets?
- How to get cleaner film?
- How to support systems – landfill bans?
- How do you make it convenient?
- Lease film instead of sell it?
- Partnerships – working together – set collection rates and goals



# Group Discussion

- Next steps to designing an EPR system for Ag Film?

# THANK YOU!

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