Product Stewardship-EPR Problems and Prospects

Increasing conflict over EPR among advocates, producers and the solid waste industry is likely a sign of EPR's growing importance.

Seattle Public Utilities

Solid Waste Advisory Committee

August 7, 2013

Two major benefits focus SPU's interest in product stewardship.

1. **Product stewardship shifts recycling costs from ratepayers to product producers.**
2. **Product stewardship can (and should) increase recycling.**
   - This is dependent on the material or product,
   - Program design, and
   - Recovery targets in the law.

Seattle Public Utilities

SPU's current position on EPR:

Supports E-Cycle WA law and would like to see more products added.

Hopes the state wins the NEMA lawsuit on mercury-containing lighting.

Thrilled by KC Board of Health rule on medicine take-back, would like to see that as state policy.

Supports EPR for paint (7 states), batteries.

Supports EPR for carpet, mattresses, other "hard to handle" recyclable materials.

Does not believe the time is right for EPR for packaging, i.e., blue bin materials.

Seattle Public Utilities

Now, a few words on terminology.

A while back, the Product Stewardship Institute, the Product Policy Institute and the California Product Stewardship Council with input from others, wrote a defining paper to distinguish PS from EPR. In that paper:

Product stewardship is any action by a producer to take responsibility for the impacts of his products, including voluntary actions.

EPR is product stewardship resulting from, and enforced by, legislation.

In practice the terms are used interchangeably, depending on context, but we are almost always talking about EPR.

Seattle Public Utilities

Product stewardship as defined by its advocates means:

Producers take responsibility for the full life-cycle – including end-of-life – impacts of their products.

Costs are "internalized"– user pays at purchase, no charges at time of disposal.

Producers pay for <u>and manage</u> end-of-life recovery systems for their products.

Seattle Public Utilities

More on how the advocates see product stewardship.

Faced with the cost of these "externalities," producers will be driven to save $ by designing their products for easier recycling.

Producers must pay into a stewardship organization in order to sell into the state – no "free riders."

Local, state government role limited to goal setting, oversight.

Seattle Public Utilities

PS as defined by NWPSC:

Product Stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimizing the product's environmental impact throughout all stages of the products' life cycle. The greatest responsibility lies with whoever has the most ability to affect the life cycle environmental impacts of the products. The mission of the Council is to integrate product stewardship principles into the policy and economic structures of the Pacific Northwest.

Seattle Public Utilities

An interesting omission:

The definitions do not emphasize, do not even mention <u>increasing recycling</u>.

Yes, we talk about it for paint, batteries.

E-Cycle Washington is tremendously effective: more than 91,000 tons in 4 years.

But only in the last two years has a group called Recycling Reinvented started pushing the idea that the purpose of EPR is to increase recycling.

Seattle Public Utilities

Looking ahead, how will EPR be thought of (and sold)?

1. As an environmental management strategy?
2. Or as a strategy for materials management, that is, recycling?

The latter is how the solid waste industry increasingly thinks about itself.

Seattle Public Utilities

So far, EPR in the U.S. has dealt with a limited set of products.

Mercury auto switches and household thermostats, electronics (but not all of them), mercury-containing lighting products, unwanted medicine, architectural paint, rechargeable batteries, carpet, mattresses.

None of these products are typically collected in curbside programs.

Seattle Public Utilities

So, what's next for EPR here?

Legislation next session looks unlikely.

- Political balance in Senate.
- Changes to rechargeable battery bill weakened it.
- Paint bill backer, American Coatings Association (ACA) needs stronger lobbyist, organize community support.

Across-the-board opposition from Washington Refuse and Recycling Association (WRRA).

Other haulers spooked by MMBC.

Seattle Public Utilities

Broader issue: How will the solid waste industry fit into EPR?

- Haulers and processors not part of the equation: industry to fund <u>and manage.</u>
- Local government also defined out.
- Worries even about successful programs like E-Cycle WA.
- "Race to the bottom," or who defines efficiency?
- Will EPR expand to blue bin materials?

Seattle Public Utilities

What Multi-Materials B.C. (MMBC, the stewardship organization) means for U.S. EPR.

- Highly visible B.C. program raises EPR for packaging issue – and it's right across the border.
- MMBC invents "market clearing price."
- MMBC will own materials going into MRFs.
- On plus side, some good policies on material quality (low residual rates).
- Ontario vs. B.C. (Producers win.)

Seattle Public Utilities

More on impacts of MMBC.

Haulers and processors fear being cut out if B.C. system copied in U.S.

Likely will drive increasing solid waste industry opposition to EPR here, even for toxic-containing products and hard-to-handle materials.

Leads to question: can we solve this problem, do EPR differently here?

Seattle Public Utilities

Meanwhile, to review, here's why EPR likely will be in our future:

Unfortunately, recycling in the United States is not meeting its potential. National recycling rates have not exceeded 34 percent, while other industrialized countries recycle twice that percentage. Recycling programs are inconsistent and vary in quality, allowing valuable resources to end up in landfills. Bottom line: We need to improve the system and EPR is the answer.

(From Recycling Reinvented.)

Seattle Public Utilities

So, why, really?

Producers have the money – collected from purchasers, users of their products.

That is more fair than 100% ratepayer funding of everything.

Local governments are tapped out. (Long-term limits of PAYT.)

The "frontier" for increasing recycling and material quality is investment in MRFs. (We hit the Green Fence.)

Seattle Public Utilities

Questions?

Seattle Public Utilities