

# WISCONSIN LEGISLATIVE COUNCIL

## SPECIAL COMMITTEE ON SINGLE-USE PLASTICS



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Executive Director/Founder

Product Stewardship Institute, Inc.

# Who is the Product Stewardship Institute?



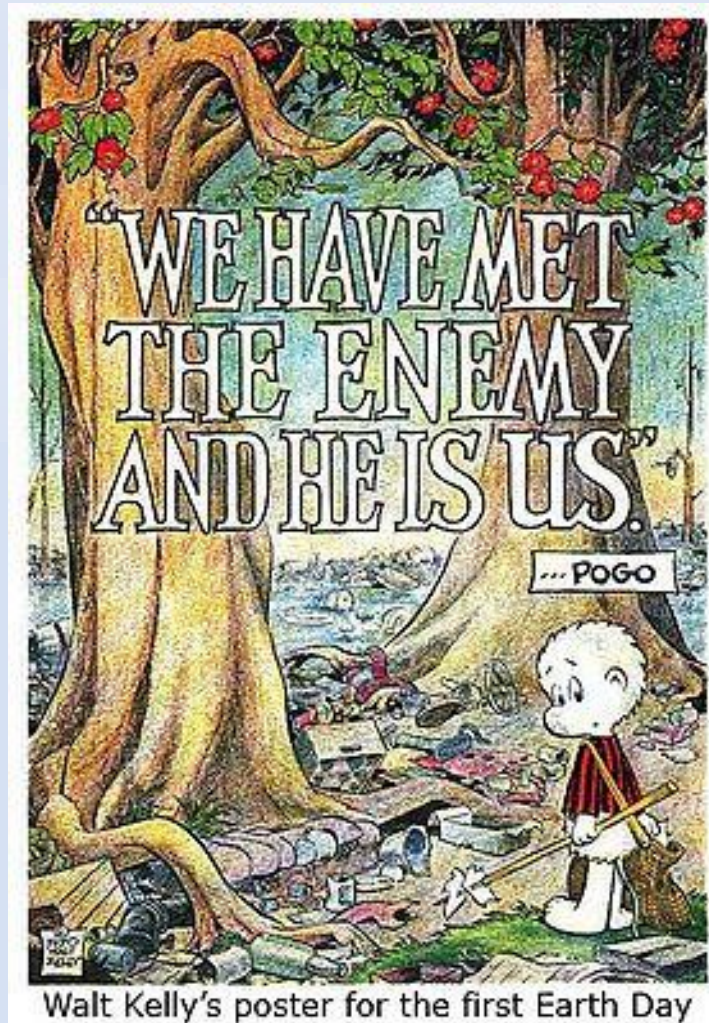
- **Non-Profit**, based in Boston, founded in 2000
  - **Members (215)**: 46 States + 170 Local governments
  - **Partners (55+)**: Corporate, Organizational, Academic, and Non-US Government
  - **Board of Directors**: 7 state agencies, 4 local agencies
- **PSI State Member: WI DNR**
- **PSI Local Members**: Dane County, Dunn County, Waukesha County

# We are all Responsible

(Product Stewardship)

## Shared Responsibility

- Manufacturers
- Retailers
- Other Businesses
- Government
- Consumers



# But some are more responsible than others (Producer Responsibility)



# PSI Mission Statement

PSI's mission is to pursue initiatives to ensure that all those involved in the **lifecycle** of a product **share responsibility** for reducing its health and environmental impacts, with ***producers bearing primary financial responsibility.***





# PSI Principles of Product Stewardship



1. Cost internalization
2. Shared responsibility
  - manufacturers have greatest role to play
3. Lifecycle costs
4. Performance goals
5. Flexibility for producers

- o Basic **building blocks** of product stewardship programs
- o Developed by PSI in 2001
- o **Endorsements:** National League of Cities, Environmental Council of States, Solid Waste Association of North America, and many other organizations

# Many roads to product sustainability

## Manufacturer View



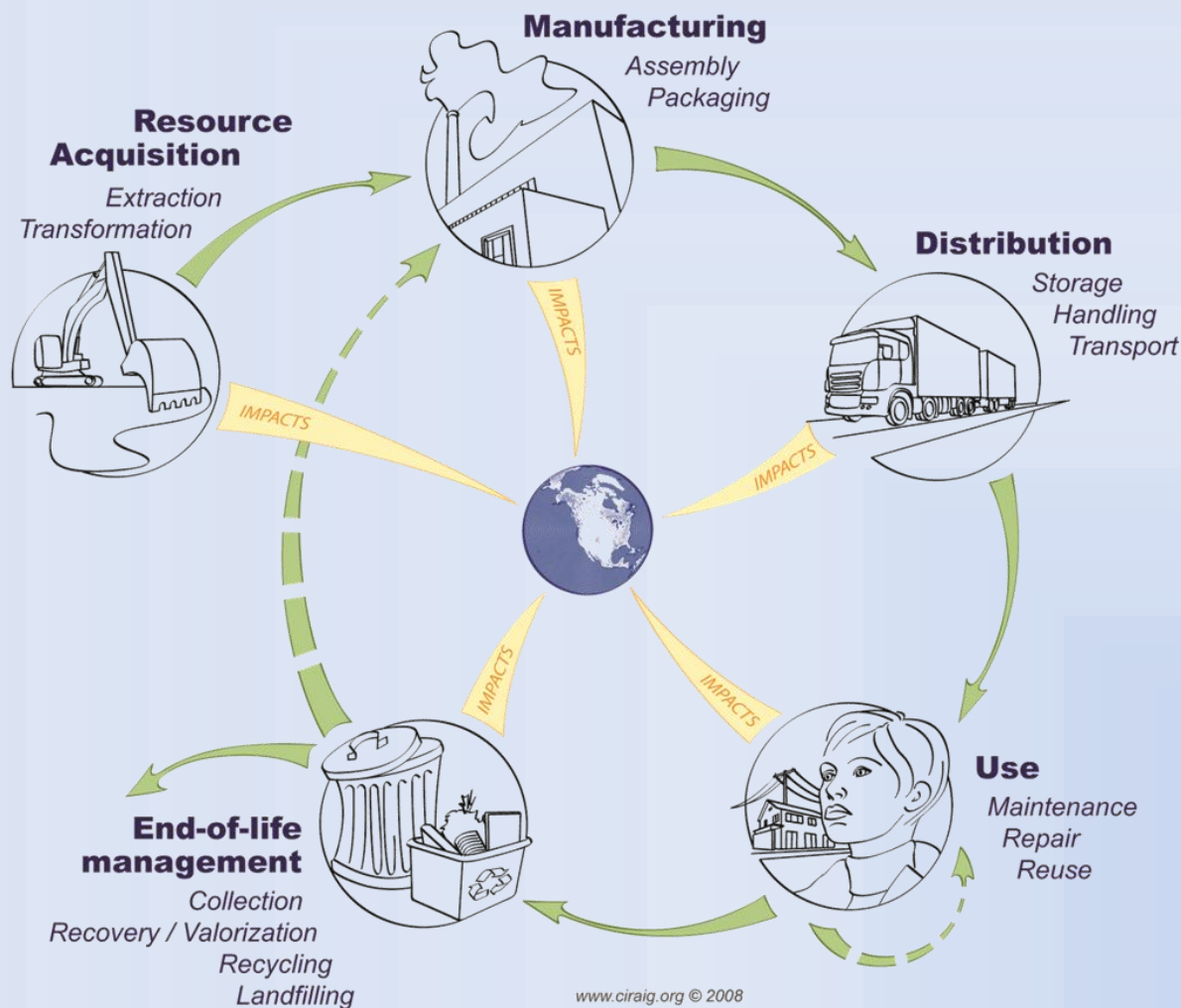
### DRIVERS

- Maximize Revenue
- Minimize Costs
- Good Corporate Image/Brand Recognition
- Minimize Risk

### PRODUCT STEWARDSHIP RESPONSIBILITIES

- Hire contractor to collect products
- Must meet convenience and/or performance standards
- Reduce product lifecycle impacts → sustainability

# Many roads to product sustainability: Use the Lifecycle Lens



- More than end of life

- Manufacturing has biggest impact on GHG



# Many roads to product sustainability

## Government View



**Source reduction**

**Reuse**

**Recycling**

**Procurement**

### **DRIVERS**

- Reduce the Cost of Waste Management

### **PRODUCT STEWARDSHIP RESPONSIBILITIES**

- Protect Citizens by Minimizing Environmental Risk
- Public Source of Balanced Information
- Ensure system is convenient for all residents and meets high performance

# Potential Benefits for U.S.

Electronics	\$39.5 million
Paint	\$36.5 million
Pesticides	\$ 2.4 million
Batteries (primary)	\$14.8 million
Batteries (secondary)	\$ 4.4 million
Medical sharps (home)	\$11.9 million
Fluorescent lamps (household)	\$ 5.2 million
Phone books	\$ 2.4 million
Thermostats (mercury)	\$ 2.8 million

**Total Maximum Benefits for US = \$120 million/yr**

*\*Based on an estimated US population of 18,537,969  
(U.S. Census Bureau, April 2010)*

# Many roads to product sustainability

## Retailer View



### DRIVERS

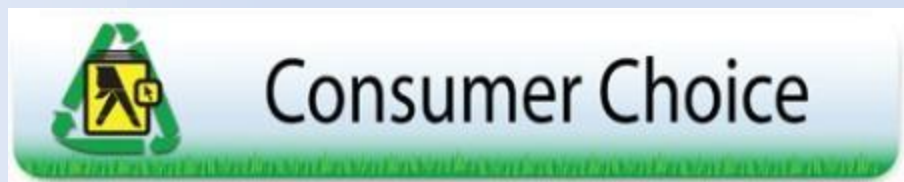
- Maximize revenue and minimize costs
- Good corporate image/Brand recognition
- Attract customers
- Customer service/loyalty

### PRODUCT STEWARDSHIP RESPONSIBILITIES

- Same as manufacturer if “brand owner” of target product
- Can’t sell product of non-compliant manufacturers
- Voluntary collection of most products (exception: batteries)



# Voluntary Initiatives



# Voluntary Initiatives



## Packaging Scorecard

Evaluates suppliers' packaging in terms of the "7 R's" of Packaging:

Goal: reduce all packaging of products sold in stores by 5% by 2013

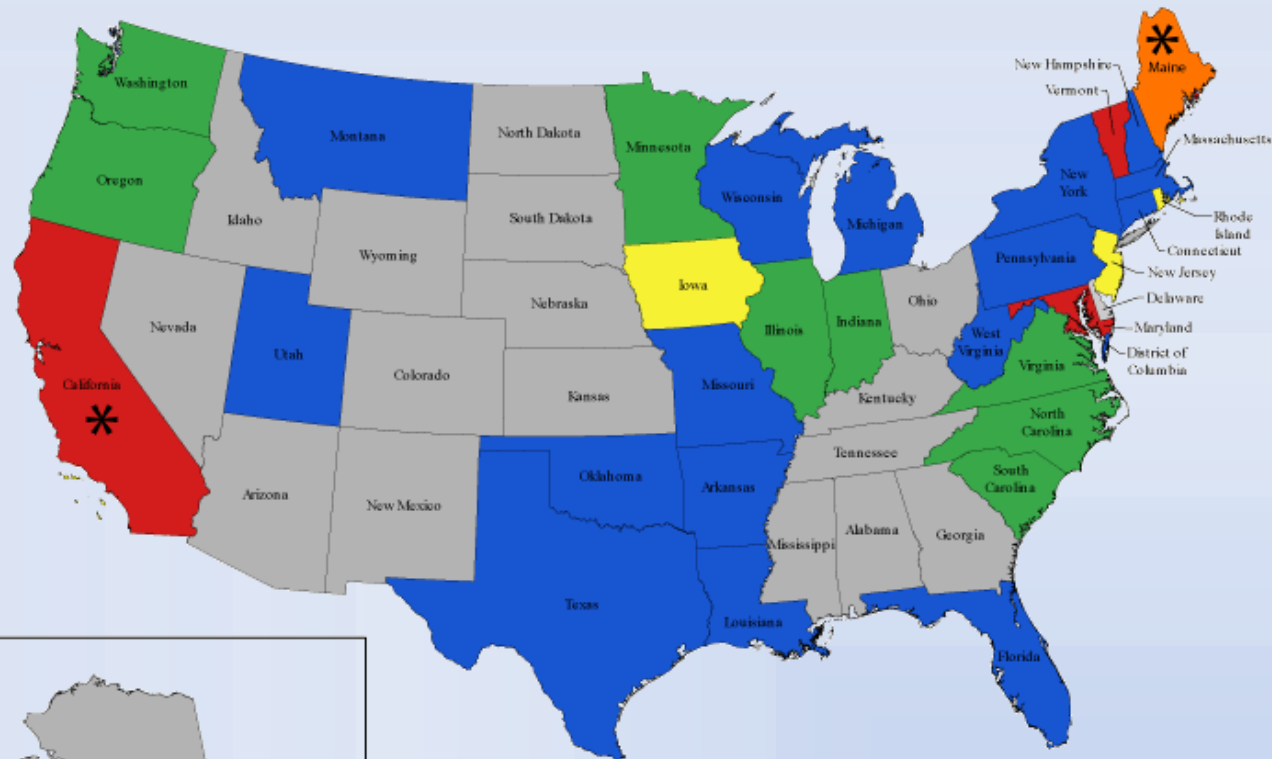
- Reduce
- Recycle
- Revenue
- Read
- Remove
- Reuse
- Renew

- would take **213,000 trucks** off the road **annually**
- saving 66.7 million gallons of diesel fuel

# State EPR Laws

## Product Categories

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



## Number of Product Categories Covered by EPR Law

- |  |  |   |
|--|--|---|
| <span style="display: inline-block; width: 15px; height: 15px; background-color: grey; border: 1px solid black;"></span> Zero    | <span style="display: inline-block; width: 15px; height: 15px; background-color: blue; border: 1px solid black;"></span> One | <span style="display: inline-block; width: 15px; height: 15px; background-color: green; border: 1px solid black;"></span> Two   |
| <span style="display: inline-block; width: 15px; height: 15px; background-color: yellow; border: 1px solid black;"></span> Three | <span style="display: inline-block; width: 15px; height: 15px; background-color: red; border: 1px solid black;"></span> Four | <span style="display: inline-block; width: 15px; height: 15px; background-color: orange; border: 1px solid black;"></span> Five |

\* Other laws authorizing agencies to require EPR, including Framework laws; See List Below for Details.



# Legislative Momentum

**60 EPR laws in 33 states**  
(including laws on cell phones and agricultural pesticide containers)

1



3

2



4

7



2\*

9



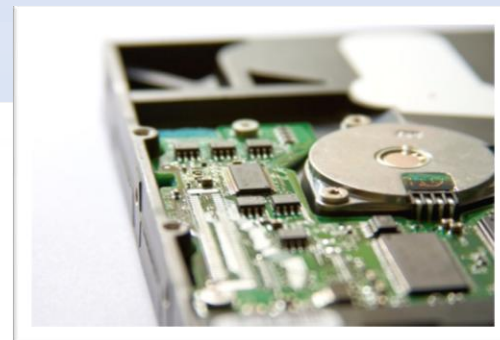
3

15



1

22



4

2010 bills (per product/framework)

*\*Awaiting governors' signature: NY rechargeable batteries.*

Product	No. of Laws	States with Product Stewardship Laws
Electronics	22*	CT, HI, IL, IN, ME, MD, MI, MN, MO, NC, NJ, NY, OK, OR, RI, SC, TX, VA, VT, WA, WV, WI
Auto Switches	13	AR, IL, IN, IA, ME, MD, MA, NJ, NC, RI, SC, UT, VT
Thermostats (mercury)	9	CA, IA, IL, ME, MT, NH, PA, RI, VT
Batteries	7	FL, IA, ME, MD, MN, NJ, VT
Fluorescent Lamps	2	ME, WA
Paint	1	OR
Pesticide Containers	1	CA
Framework	1	ME

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

# Recent Wins

**Paint:** 1<sup>st</sup> U.S. paint program started (July 1)

**Thermostats:** 8<sup>th</sup> and 9<sup>th</sup> state laws

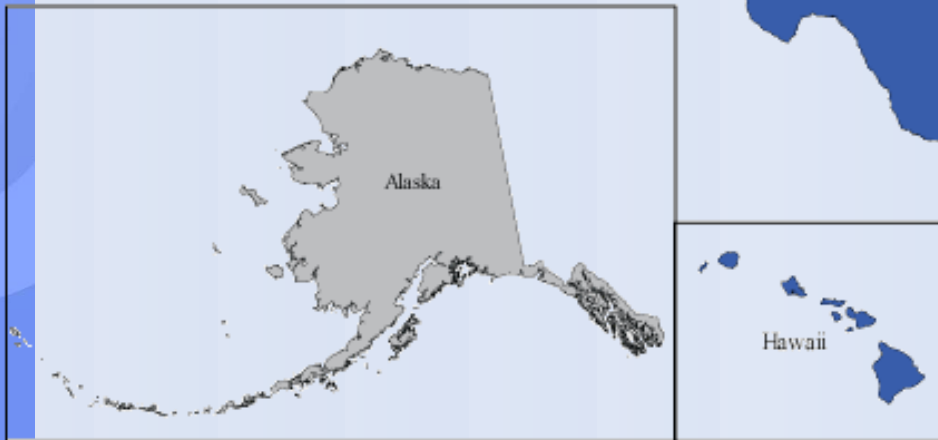
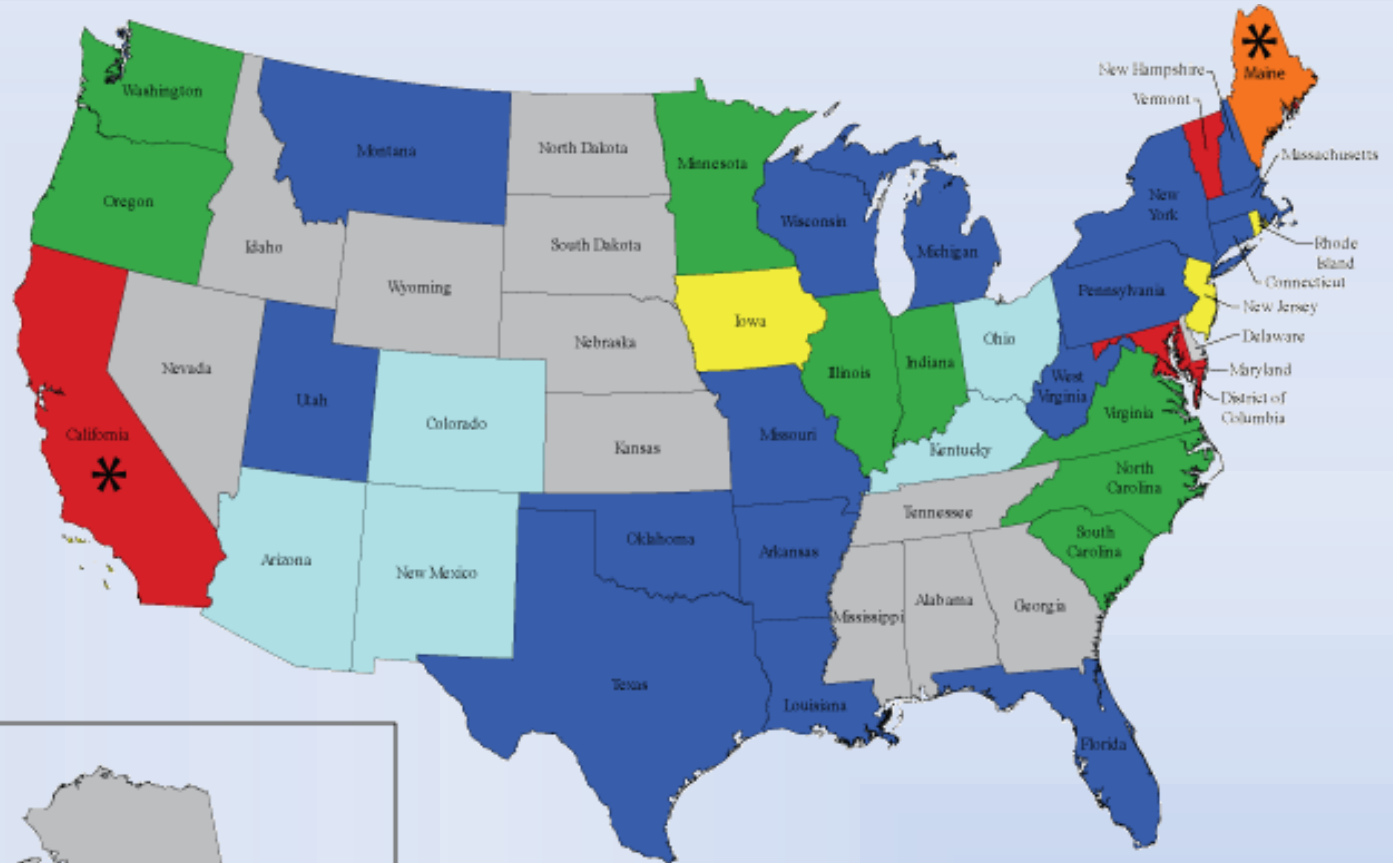
**Lamps:** 2<sup>nd</sup> state law

**Framework:** 1<sup>st</sup> state law

**Electronics:** 21<sup>st</sup>, 22<sup>nd</sup> and 23<sup>rd</sup> state laws



# Building Experience w/ EPR



Number of Product Categories Covered by EPR Law

- Zero
- One
- Two
- Three
- Four
- Five

legislation introduced during one of the last 2 legislative sessions

\* Other laws authorizing agencies to require EPR, including Framework laws; See List Below for Details.



# Next items?



**8 opt-out bills  
2 opt-in bills  
(2007-2010)**



**2010: ME,  
MN, MD,  
RI, WA**



**2009 CA law  
points to  
drug makers**



**Included in  
VT's 2010  
framework  
bill**



**CA legislation  
pending**



**CA legislation  
pending**

# Next Step: Framework



First-in-the-nation law in  
Maine (2010)

Bills in CA, MN, OR, RI

Building on experience with  
product-specific laws

Building on experience in  
Canada



# A Decade of Change



**2000**

**No Roadmap**

**Limited activity**

**0**

**0**

**0**



**2010**

**Principles of PS**

**60+ EPR Laws**

**46 PSI state members**

**170+ PSI local members**

**55+ PSI partners**

# What Does it All Mean?



**Electronics Collected  
(past 5 years)**

**475,080 tons  
(all states with PS programs)**

# What Does it All Mean?

Electronics **NOT Collected**  
(past 5 years)

4,900,000 tons  
(total U.S.)

# But what about...

**Other metrics** to determine *IF*  
we are making a real difference *FOR*  
the environment

(and how DO we measure this anyway?)

# Key discussion items

- Source reduction
- Reuse
- Changing product design
- Convenient collection infrastructure (# locations, ease of collection)
- Performance metrics & goals
- Incentives to drive consumer behavior
- Recycling standards/environmentally sound management
- Program efficiency/cost effectiveness
- Changing roles for stakeholders
- Procurement
- Drivers for effective operation of stewardship organizations
- Impact of financing models on program sustainability



# Packaging

## PROBLEM

- Comprises **one-third of municipal solid waste**
- Potential for significant **resource recovery** and energy savings
- Products and packaging contribute significantly to **GHG emissions**





# Key Drivers for Packaging Discussions in the U.S.

- No reduction in waste
- Leveling off of recycling
- Shrinking government budgets
- No consistent and dedicated funding source
- Industry demand for secondary materials
- Bottle bills
- Growth of EPR movement in the U.S.
- Success of EPR for packaging in Europe and Canada

# Key Costs Related to Packaging for Government Agencies

- Infrastructure (collection, transportation, recycling)
- Consumer education and behavior change
- Difficult materials (interrupter materials)
  - Bio-plastics
  - Film
  - Composites
  - Plastics #3-7

# Addressing the Challenge Through Packaging Stewardship

- Increases diversion rates
- Reduces waste generation
- Creates sustainable funding source
- Not a government tax/program



# Economic Benefits of Packaging Stewardship

- **COST SAVINGS:** avoided costs of government managing the packaging waste
- **POTENTIAL JOB CREATION:** as recycling creates 10 times more jobs than disposal



# Packaging in the US

- 10 states with beverage **container deposit-refund** system.
- **US EPA** starting national dialogue this year on wider packaging issue.
- VT bill introduced in 2010 would replace beverage container law with a packaging law.





# Key Elements to Packaging Directives

- **Recycling targets** : By 2014 manufacturers and importers are required to recycle 60% (by weight) of all packaging of the products they sell or import each year.
  - glass, water and cardboard 70%
  - metal 65%
  - plastic 40% (including large beverage containers)
- **Disposal Ban:** Landfilling of packaging waste will be prohibited by January 2020.
- **Labeling Requirement:** manufacturer marks all packaging with information on its designation for recycling, recovery or reuse, type of raw material and weight of the packaging, hazardous materials content, and other factors.





# Packaging Laws in Europe and Canada

- EC Directive on packaging and packaging waste issued in 1994 (effective in 1996)
- Over 20 European countries have a packaging law
- All Canadian provinces have beverage container deposit-refund system
- 4 Canadian provinces have a law for packaging, with 2 more on the way
- Ontario's program will soon make producers responsible for 100% of the costs of collection, transportation, and processing, and mandates a 70% diversion rate by the end of 2011.



# Product Stewardship: a market-based solution

## traditional regulation

- Government dictated →
- Government run →
- taxes environmental externalities →
- costs borne by taxpayers →

## producer responsibility

- Allows flexibility to determine the most efficient solutions
- Industry run
- Internalizes externalities
- management costs shifted to the marketplace

# More Information

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