



Climate Turns Hot for Products and Packages

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It's not quite a perfect storm – but several factors have converged that could drive a host of new fees on three types of products: beverages, electronics, and packaging – in 2010 and 2011.

Whether the fees make good policy sense – or get to the root of the problems they are intended to address – depends on whether the diverse universe of supporters and opponents can actually work with one another, directly or indirectly.

Here are some of the driving forces:

FIRST: "BIGGER BETTER BOTTLE BILLS." Revenue-hungry states are looking for new sources of funds. One they have recently discovered: "[unredeemed deposits](#)" in states that charge deposits on beverage containers – often called "bottle bills." Since about 30% of the nickels paid in are never recovered, states like [New York](#) and [Connecticut](#) are capturing them as if they were abandoned bank account balances, and taking them into the state treasuries.

The state revenue angle provides a handy source of political support for those who wish to establish new bottle bills in the south and midwest, or expand existing ones to new packages like water bottles or even food packages. The environmental and recycling objectives – combined with the state's desire for revenue – create a much stronger political force than just green concerns alone.

SECOND: BIGGER PEOPLE. Obesity [taxes on sugary drinks and junk foods](#) are another popular new campaign, with a well-funded health coalition joining with consumer and environmental groups to press nickel-a-drink and similar fees in a half-dozen or more states. Again, the combination of aggressive health

activists and revenue-hungry state governments means the campaigns have more chance of success this year and next than in prior years. But it could take months for the wide-ranging stakeholders to work out their campaign plans – or decide to simply splay out in less coordinated grassroots efforts.

THIRD: TAKE BACK YOUR PRODUCTS AND PACKAGES. Climate activists – reacting to the likely failure of climate legislation in Congress this year – see an opportunity to turn their attention more directly to the [products and packages that, according to the Product Policy Institute, make up 44% of the nation's global carbon footprint.](#)

By establishing "[extended producer responsibility](#)" (EPR) laws similar to those in Canada and the EU, one set of measures would shift waste management costs from residential ratepayers to producers and retailers. Alternatively, deposit-like "advance recycling fees" would be charged at retail for selected products – especially electronics – to drive recycling.

Product and package fees are highly popular among grassroots activists and foundation funders. But most mainstream environmental leaders are only half-hearted in their enthusiasm: their real priority is to internalize costs much higher in the supply chain, by establishing a price on carbon, energy, or materials.

But Congress is not likely to pass the Waxman-Markey or Boxer-Kerry climate bills now in the Senate. So activists will turn to the easier-to-sell product and package fees as a back-up.