

What is the way forward for product packaging EPR?

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Extended Producer Responsibility (EPR) offers promise as a powerful tool for reducing waste in product packaging, just as it does in products. Shifting environmental costs to producers (and consumers) will make excess packaging increasingly uneconomic. It will drive innovation by producers to develop efficient and convenient recycling systems that meet waste reduction targets at no cost to the public and at the lowest possible cost to consumers.

In light of these objectives, proposed legislation in Vermont is a step in the wrong direction. In Vermont and 17 other states and provinces in North America, recycling of certain beverage containers is already a producer responsibility. Containers from all venues (not just residential) are recovered at high rates because consumers return them for recycling, through retailers, distributors and other businesses. However, Vermont House Bill 696 would repeal this successful EPR program and instead build up “existing infrastructure” that is demonstrably less effective for managing product packaging.

The model for the packaging recycling system proposed under H.696 is Ontario’s “Blue Box” program. Like the program proposed in H.696, the Ontario program targets packaging and printed paper and operates under provincial legislation that requires funding from producers to cover the cost of curbside and drop-off collection programs. Detailed cost and performance data for the Ontario program are gathered by Stewardship Ontario, the private agency authorized by the Ontario government to collect fees from producers and allocate them to cover recycling program costs.¹

Analysis of Stewardship Ontario data ² shows that the program is effective in recovering *printed paper products* but that *packaging* is a significant drag on the entire system. Further, within the broad packaging category, Old Corrugated Containers and Old Boxboard have stronger cost and recovery performance relative to containers and non-paper packaging made of plastic, steel, glass, aluminum and or composite materials (**Figures 1 and 2**).

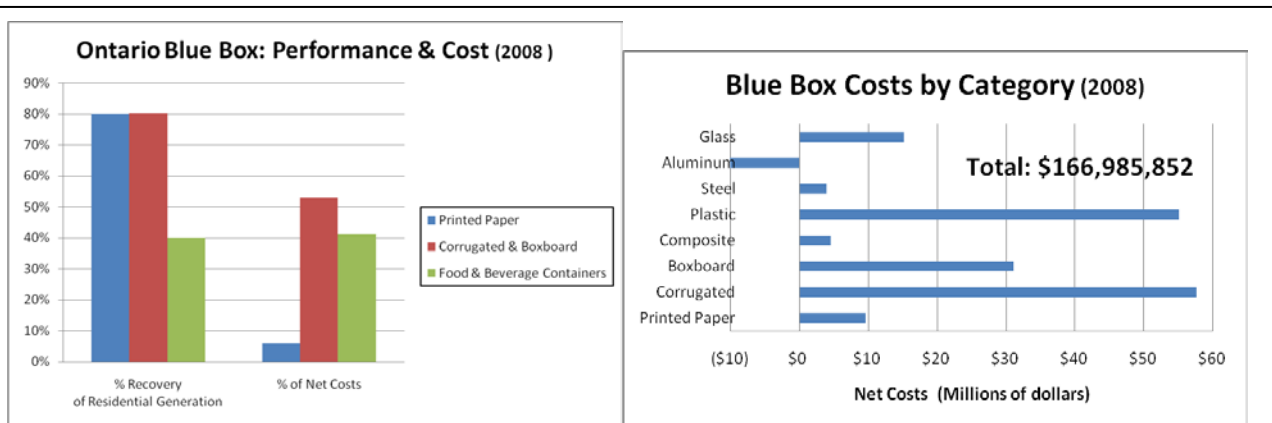


FIGURE 1. Relative performance and % of net costs for Blue Box categories. [SOURCE: Stewardship Ontario, August 2009]

FIGURE 2. Total net costs of Blue Box materials. [SOURCE: Stewardship Ontario, August 2009]

¹ Detailed Calculation Tables for Preliminary 2010 Blue Box Stewards’ Fees, Stewardship Ontario, June 2010.

² [Evolution of the Ontario Blue Box Program](#), an analysis by Product Policy Institute, July 15, 2010.

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These data contain important lessons for Vermont and other states, leading the Product Policy Institute to offer the following recommendations:

1. Continue to use curbside collection programs for printed paper, and possibly paper-based packaging

This system of recycling printed papers is serving the public interest in the immediate term because it is demonstrably capable of achieving a strong recovery performance, although the costs should ultimately be shifted onto producers and consumers. Once EPR is in place for printed paper products, this may be the system chosen by producers to recover printed paper from residential sources because of the relatively low cost.

2. Build on, rather than repeal, successful existing producer-managed programs for containers and possibly non-paper-based packaging.

The Stewardship Ontario data strongly suggest that a multi-material curbside or drop-off system for most packaging materials would serve neither the public interest, because of low recovery rates, nor the private interests of producers and consumers, because of relatively high costs. The Ontario legislation governing producer responsibility for Blue Box recycling is under review. It is expected that the government will require producers and consumers to fund 100% of the system costs while at the same time increasing recovery performance. It is not clear, in that context, whether producers will continue to rely on the multi-material program under those new circumstances.

Vermont and other states can facilitate the expansion of producer-managed programs for packaging by taking the following steps:

- **Send a clear policy signal to all producers of packaged products** that they will be required, in time, to provide for the environmental management of their packaging. This message will create certainty for both producers and local governments to begin preparing for change. This has been done in Canada through the [Canada-wide Action Plan for EPR](#),³ which will be implemented in all provinces over the next decade, and more broadly in the State of [Maine's EPR framework law](#).⁴
- **Start by selecting a specific new category of product packaging for EPR** and develop a schedule for adding more over time. Require producers to submit plans for producer-managed programs and allow producers flexibility to set up their own recovery programs using financing mechanisms and incentives of their choice. Legislation should establish measurable performance outcomes (recovery/recycling standards and time-lines) as well as actions that can be taken by government if obligated brand producers fail to achieve performance outcomes. Such actions could include the requirement that producers failing to achieve outcomes introduce refundable deposits.
- **Producers should be individually accountable for meeting targets and outcomes** for the recovery of their packaging. This means that each producer's performance is evaluated, not just the aggregate performance of a third party producer responsibility organization that actually carries out a group of producers' obligations on their behalf. Individual producer accountability is what will drive competition and meaningful change in product design.

³ Canadian Council of Ministers of the Environment, *Canada-wide Action Plan on Extended Producer Responsibility*, October 2009. http://www.ccme.ca/assets/pdf/epr_cap.pdf

⁴ [Maine LD 1631](#), Section 2.