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Framework EPR: The Role of Government

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Product Stewardship

- **Product stewardship means that all parties involved in designing, manufacturing, selling and using a product take responsibility for environmental impacts at every stage of that product's life. (MPCA, 1999)**
 - All parties who have a role in designing, producing, or selling a product or product components assume responsibility for achieving the following goals:
 - Reducing or eliminating the toxic and hazardous constituents of products and product components.
 - Reducing the toxicity and amount of waste that results from the manufacture, use and disposal of products.
 - Using materials, energy and water efficiently at every stage of a product's life cycle, including product manufacture, distribution, sale, use and recovery.



Definitions

- Extended Producer Responsibility (EPR) is the extension of the responsibility of producers, and all entities involved in the product chain, to reduce the cradle-to-cradle impacts of a product and its packaging; the primary responsibility lies with the producer, or brand owner, who makes design and marketing decisions. (CIMWB, 2007)
- EPR is an environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle. An EPR policy is characterised by: (1) the shifting of responsibility (physically and/or economically; fully or partially) upstream toward the producer and away from municipalities; and (2) the provision of incentives to producers to take into account environmental considerations when designing their products. While other policy instruments tend to target a single point in the chain, EPR seeks to integrate signals related to the environmental characteristics of products and production processes throughout the product chain. (OECD, 2001)



Global Approach

- Emphasis on packaging and electronics
- European Union
 - Polluter pays principle
 - First national practice started in early 1990s with packaging
 - Inclusion in Community Waste Strategy (1997)
 - Directives on WEEE, ELVs, packaging and batteries
- Japan, Taiwan
- China has adopted WEEE and RoHS type regulations
- Latin America
- Australia- National Packaging Covenant



Product Stewardship Policy

- Minnesota's Product Stewardship Policy
 - Issued February 1999
- Articulated expectations and roles and responsibilities
- Established criteria and process for product selection
- Named three priority products
 - CRT-containing products
 - Paint
 - Carpet



MN Electronics Recycling Act

- Followed five years of legislative debate
- Signed by Governor Pawlenty on May 8, 2007
- Based on Midwest E-waste Policy Initiative Model.
 - Obligation determined by previous year sales of VDDs
 - Annual registration fee
 - Retailers report sales to manufacturers
 - Additional credit for collection in rural areas
 - If manufacturers opt or fail to meet obligation, .30, .40, or .50 fee
 - Manufacturers can apply credits to future years or sell
 - RoHS compliance
 - Retail information responsibility
- Under consideration in Wisconsin



MN Electronics Recycling Act

➤ Results of first program year:

- 71 manufacturers registered
- Recyclers reported 33.6 million lbs.
- Significant expansion of collection options
 - 68 counties with permanent location
- Per capita recycling rate of 6.5 lbs.
- 34 percent of CEDs collected outside the metro area
- OEMs claimed 19 million lbs.



Impact on Local Government

- Expansion of non-local government collection options
- City of Minneapolis realized cost savings of \$681,982 during PY1
- St. Louis County realized a savings of approximately \$90,000 during PY1



Rationale for a Framework

- Develop successful and sustainable approach
- Promote consistency between product stewardship programs in MN
- Promote harmonization between state programs
- Articulate principles and expectations
- Promote robust voluntary programs
- Reduce staff and resources



Recommendations Report

- **Product stewardship recommendations report contained in HF 1812:**
 - The recommendations will include, at a minimum:
 - a set of criteria to be used to evaluate products proposed for product stewardship solutions;
 - a process for designating products for product stewardship solutions and the role the Legislature would play in that process;
 - typical components of product stewardship plans;
 - options to facilitate the creation of industry-managed stewardship management organizations;
 - methods to identify and monitor progress toward stewardship performance goals for specific products;
 - strategies to implement the use of standards, certifications, and eco-labels to promote environmentally preferable products.



Report

- **Consistent with product stewardship programs in North America**
 - Canadian Provinces
 - British Columbia, Ontario
 - California, Oregon and Washington
- **Developed in consultation with stakeholders**
 - Local government, NGOs, manufacturers, retailers, recyclers etc.



Criteria for Evaluating Products

- **Does the product present adverse environmental and public health impacts, including:**
 - impacts on public and/or environmental health
 - presence of toxic and hazardous constituents
 - opportunities for reducing waste and toxicity

- **Does the product have potential for enhanced resource conservation, including:**
 - climate change impacts and benefits and potential for energy conservation
 - potential resource recovery and material conservation
 - opportunities for increasing reuse or recycling, recycled content, and design for reuse or recycling
 - potential to act as a contaminant in solid waste management programs

- **Does the product significantly burden government solid waste programs and/or offer business opportunities, including:**
 - management costs to governments, taxpayers, and solid waste ratepayers
 - difficulty to manage in solid waste and recycling collection
 - opportunities for existing and new businesses and infrastructure to manage products or product categories
 - level of collection/recycling infrastructure and opportunities to increase markets for materials
 - willingness of potential partners
 - success of other stewardship programs in other jurisdictions



Process for Designating Products

- Products analyzed according to criteria
- Submitted to MPCA Citizen's Board for consideration
- Citizens Board approves or rejects recommendation
- Legislature considers recommendation



Components of Stewardship Plans

- Definition and scope of products to be addressed, including orphan and historic products
- Role and responsibilities for those along the product chain
- Collection system information
- Processing/recycling information, including what steps will be taken to ensure environmentally sound management
- Anticipated resources and financing mechanism to implement the plan
- Proposed performance goals
- Strategies to promote design for the environment (toxicity reduction, recycled content, recyclability, product longevity) for the product as well as any attendant packaging
- Public outreach and communications plan
- Public and stakeholder consultation activities in preparation of the plan
- Reporting and evaluation procedures



Facilitating Creation of Industry-Managed Organizations

- Adopt consistent anti-trust exemption
- Examples:
 - Minnesota Electronics Recycling Act (115A.1310)
 - Rechargeable battery statute (115A.9157)
 - Paint stewardship bill



Identification and Monitoring of Performance Goals

➤ To be included in stewardship plan:

1. Annual recovery rate for the escalating collection of a specific amount or percentage of product for the first four years of the program. Recovery rates will consider the following:

- current level of performance in the state
- universe of available product for end-of-life management
- projected flow through the system
- collection performance of other programs nationally and internationally
- lifespan of the product
- sales data for the product

2. Methodology as to how the performance goals and capture rates were determined.

3. Other product goals to consider include:

- qualitative and quantitative goals to reduce the environmental and health impacts of the product over its life cycle
- assessment of the carbon footprint of the product
- steps taken to reduce the energy and water consumed during production, use, and disposal of the product



Minnesota Legislative Context

- HF1128- Beverage container deposit program
- HF 606- CFL stewardship program
- HF 569- Paint stewardship program
- HF1648- Minnesota Electronics Recycling Act amendments
- HF2407- Product stewardship framework
- HF 576- Plastic bag collection program
- HF 170- Telephone Directories-option to decline delivery
- HF1217- Pharmaceutical waste stewardship program



Framework Approach

- HF2407 introduced on May 18, 2009
- May be considered in 2010
- Follows MPCA report recommendations
- Detail
 - Prohibition on point of sale and end of life fees
 - OEM responsibility for education/outreach
 - Enforcement
 - Opportunity for comments on program

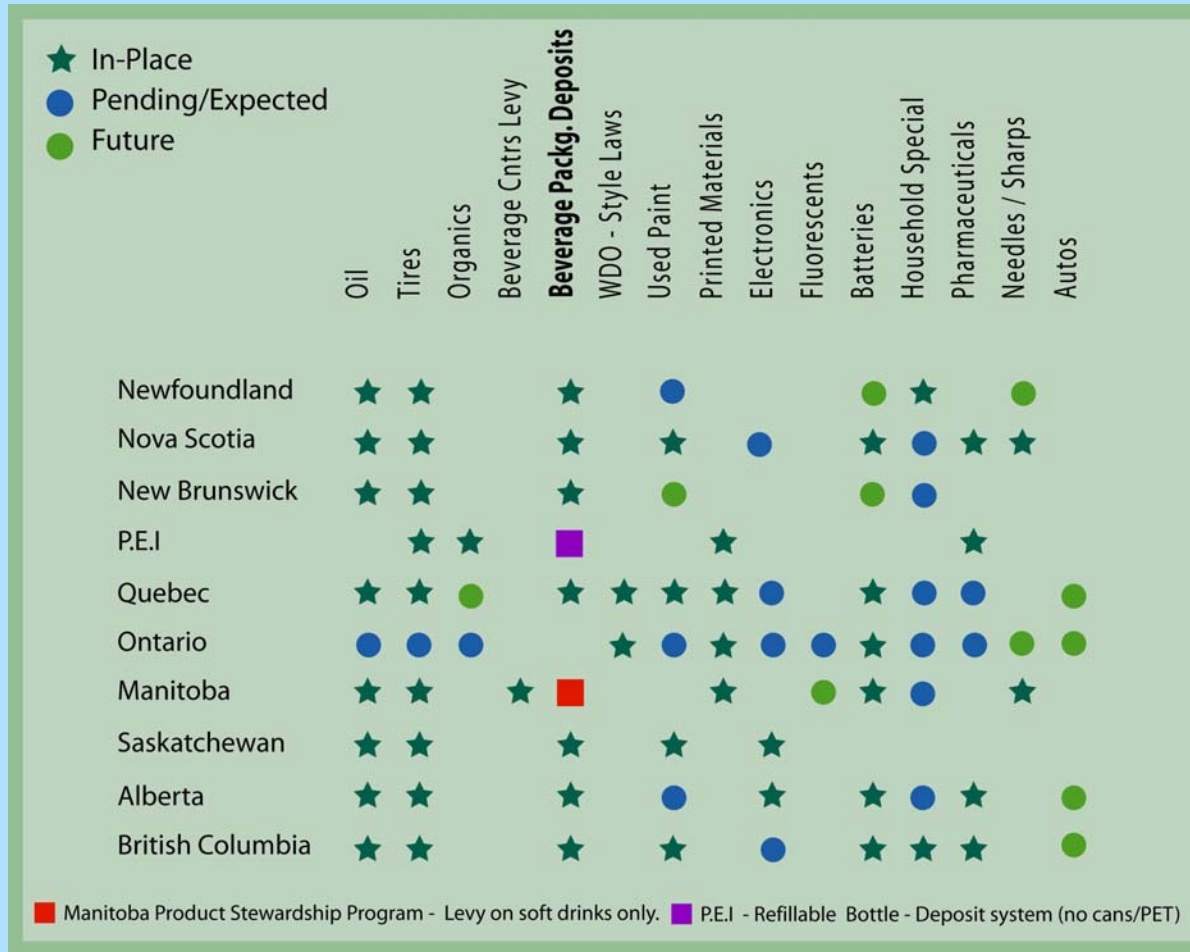


Role of Local Government

- Most prominent advocates in Minnesota
 - Counties are responsible for solid waste management
- Issue of how to integrate existing programs into manufacturer driven efforts
 - Staff, infrastructure, funding
- Different drivers for local government vs. manufacturers
- Foster discussion on steps forward



Canadian Stewardship Programs



Canada-wide Approach

- Canada-wide Action Plan for Extended Producer Responsibility
 - Consultation document issued February 2009
 - Comments due May 29, 2009
- Objectives of Plan
 - Promote EPR
 - Provide guidance to Provinces
 - Promote consistency and harmonization
 - Support efficiency of PROs
- Packaging is first priority product/material



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