

US EPA Region 10 & Product Policy Institute
Product Stewardship Webinar 1

Product Stewardship for Governments
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HEIDI SANBORN'S PRESENTATION

I am the executive director of the California Product Stewardship Council and I work for Bill Sheehan and the Product Policy Institute as their outreach director.

First I will start with the mission for the California Product Stewardship Council: “to shift California's product waste management system from one that is focussed on government funded and rate payer financed waste diversion to one that relies on producer responsibility in order to reduce public costs and drive improvements and product design that promote environmental sustainability.” That is quite a mouthful, but it is very important because this really sets the stage for our entire organization and what our goals are. The ultimate goal is not just to reduce the cost to the public sector but it is also to truly promote sustainability and drive green design of products.

The way we have defined extended producer responsibility (EPR) -- and this is from the California Integrated Waste Management Board -- EPR is a strategy to place shared responsibility for end-of-life product management on all entities involved in the product chain instead of the general public, while encouraging product design changes that minimize the negative impact on human health and the environment at every stage of the product's life cycle. This was a definition that was developed over a year of stakeholder meetings and with the Waste Board looking at definitions from other jurisdictions, Canada, other countries ... We use the term “product stewardship” interchangeably with “EPR.” I have heard some people define product stewardship as a shared responsibility in claiming that EPR is all on the producer and this is simply not true. In any EPR system, there are rules for many parties to play. The consumer who will decide whether they will participate in a recycling program, the retailer, the local government certainly will still have a role but it is not the primary role. The primary role in the system will be that of the producer because only they can change the design of the product and package. So you will hear me use these terms interchangeably throughout the presentation.

In California we had a landmark law in 1989 that changed the solid waste system and put all the responsibility on local government to follow the hierarchy of source reduction first, recycling and composting second, and what's left to waste-to-energy and landfill disposal. It also required that local governments divert 25% of the waste by 1995 and 50% by the year 2000 and if they failed to do that, they could be fined up to \$10,000.00 a day. So this put a huge responsibility and liability on local governments to manage everything -- including source reduction. And as we found out, there is only so much local government can do with source reduction. It is not enough and I will get into that further into the presentation.

In February 2007, our California Integrated Waste Management Board showed real leadership by adopting a strategic directive that they will seek statutory authority to foster cradle to cradle producer responsibility and they will develop relationships with stakeholders that results in producer financed and producer managed systems. They did this because they could clearly see the writing on the wall that local governments were making huge strides in recycling and yet that was not enough to reduce waste going to landfill. I will get into that further with some data.

The California Product Stewardship Council (CPSC) formed in 2006 after the state imposed what we call the universal waste disposal ban. So batteries, fluorescent lamps and things that are found universally but are still deemed toxic, could not be thrown into the trash. That was an unfunded mandate on local governments. They were furious because they did not have the budgets to recycle these products or design a whole new system for each one of them. So that was the impetus to form our council in California. You may have different reasons to form yours. We then went ahead and filed our corporation papers the next summer. We decided to go with a 501c3 non-profit corporation model and we submitted the papers and about 8 months later in March, 2008, we were approved by the IRS and that has implications on limits on lobbying and other things. We currently have a 9 member board and they are all local government. This is a very local government driven organization. Our local governments range from rural Del Norte County to Los Angeles County on our board. We have six contract staff now, myself included. We are not big enough yet to go with employees so we are all contractors and do other work. We have over 80 participating jurisdictions and that is being very conservative. Actually, between all the people participating on our calls and coming to our meetings and so forth, out of the 530 jurisdictions in California, I would guess at least one-third are participating in some way.

We get our funding through grants from the state agencies, the Department of Conservation, California Integrated Waste Management Board. We have foundations that fund us. We get money from our local government associates. We get funds from our partners which are businesses, individuals, and other organizations who have signed our pledge of support that they support our mission and will help us advocate for it, and then just general donations.

So the activities that we are doing include linking our local governments associates through monthly conference calls for one hour and we have people from all over the state. We've had up to 60 people on the calls. I am looking in the future to have calls for our partners at least twice a year so that the business community who we have to really reach out to and other partners also get this information. We also have a bi-weekly call with our policy and education committee. They are a special group of people that are tracking legislation and helping us develop the education and outreach materials. We also have a monthly board meeting. We do bi-weekly news mails to three different list serves that we have and, just to show you how fast we have grown, we now have over 900 people on these three list serves and some are from other parts of the world, so this is growing quite rapidly. We provide tools for our local California governments including model resolutions to support producer responsibility, staff reports, press releases, all kinds of documents. They are all posted on our website so you can look at them after this training if you are interested.

Of the strategies that we use, number 1 is to empower local governments and to provide tools for action. We take the information that we have, we develop the tools, we disseminate them. They do the work. That's pretty much how we do it. This is a local government driven organization absolutely because local governments have not had a voice until now in a strong way on this issue. We develop the education and outreach materials. We've got Power Points and brochures, all kinds of information. We research EPR systems. We have developed case studies. We did one on the British Columbia pharmaceutical program which we actually built off of the Northwest case study and just updated it and that is very interesting. We can go over that later. We have projects with partners. We have partnered with several counties. We have partnered with other businesses and do all kinds of projects from helping our business partners to incorporate a cradle to cradle system for their products. We have one packaging company we worked with on that all the way to working with Yolo County on driving product stewardship education and ultimately a product stewardship program for sharps. We partner also with like minded organizations like Sierra Club and others and lots of organizations that are trying to get ocean litter reduced because we have the Pacific Garbage Patch off our coast. We provide extra testimony on EPR, policy development, local and state. We are experts and people call us all the time about what about this? What about that? How would you word this? Even language on legislation. Again, we do have limits on that though. We also coordinate with other product stewardship councils and again Product Policy Institute holds calls monthly on that that are free and so the councils all get together and talk. We try and share information and not recreate the wheel.

Now the tools again, I highly recommend that you go to our website. We have a fabulous webmaster and we have a lot of information up there. All the models I have talked about are there. We have a voice-over slide show which has somehow made its way around the world and I am getting calls from people that say they saw our video and it really struck home and we want you to come and speak at our conference. That video is now fairly outdated for us here in California but it is still very applicable to you so you can go ahead and download that. We have brochures that we have developed for different audiences including the general consumer, local government, and businesses. We do booths at events like we are having a booth at the local governments League of Cities annual conference here in California in September. That is where all the local elected officials go so we are excited to have that opportunity to educate them.

Now getting back to the reason we are doing this. The high cost of compliance is clearly a major motivating factor. In San Luis Obispo County, a fairly middle-sized county in our state, their current budget for hazardous waste was \$300,000.00 to operate six part time hazardous waste facilities just to comply with the universal waste ban and they have very good data. They estimate the cost to comply and collect 100% of what was being generated by households would cost \$4 million a year and clearly they cannot afford to succeed. There is no way a local government can increase taxes or garbage rates high enough to account for this kind of cost and that is why we have this train wreck coming and we have to solve the problem because the current system is not solving it.

To get back to the history of how we got here, we have great data from New York City where most of the stuff thrown away in 1900 when local government started this process of managing waste, it was coal ash and mineral waste from heating and cooking and a little bit of paper products and glass and so forth and some organics. But in 1960, you can see a huge change in the composition of the waste. Much more of it was from product waste and now we have about 75%, according to USEPA data of our waste stream, is made up of products and packaging. So you cannot do source reduction effectively without getting to the product problem. Local governments don't generate products. They just land there and that's why we have to promote producer responsibility. Now this is another graph on product waste skyrocketing and you can see from this again from just 1960 – 2000 that food waste went up very slightly but the huge increase in overall waste generation is clearly from products. That's the problem and that's why it is costing so much to manage waste, at least part of the problem. Now the other part is that they're intentionally and more frequently being designed to be disposable and they're designed with toxic materials in them. I had one gentleman tell me at a conference from NEMA, the National Electronic Manufacturer's Association, that he didn't like the slide where we design our products to be toxic. So that's clearly a problem and sometimes they need, like for fluorescent lamps, to put mercury in them to make them work but they do know it is toxic and they have externalized these costs onto local governments to try to fix the end-of-life problem and we need their help. Cell phones are a great example. We estimate now, and this is Chris Jordan's data, we estimate using his data that California is disposing of about 41,500 cell phones a day and that is a lot of wasted valuable material so we have to do a better job of designing products and making sure they are getting recycled back.

Now this is a picture of the volume of cell phones disposed of every year, which is 342,000. Sharps is another big problem. I don't know in how many states this is an issue, but we just banned them from disposal in California in September of last year so that added another layer of stress on already very stressed local governments. I don't know if you have heard, but our state is in a serious, serious financial situation right now. We are looking at another \$20 billion deficit if certain propositions don't pass in our next election in a couple weeks and that's a real problem and local governments are seriously considering going into bankruptcy. They cannot even keep these facilities open let alone start a whole new program for just sharps. Now we all agree that sharps are dangerous and they should not go in the trash but without help, there is no way local governments can respond to this problem as well. So our state is famous for what we call "bans without a plan." We keep banning things from disposal and have absolutely no plan for how to deal with them. The disposal bans do not reduce the volume, toxicity of disposal of products. They don't create the collection and recycling options. They place the enforcement burden on local government who have no capacity to respond and they place the cost burden on the general garbage rate payer and tax payers. So our mantra is "No more bans without plans". The state cannot continue to do this and so local governments through CPSC have organized to say it's got to stop. We need a new way. Now we are concerned also that this is just the beginning. Many more products that are sold out there have concerns, pharmaceuticals being one of them. We are also concerned about solar panels. There are lot of solar panels being sold and that's great but again what's going to happen to them at end-of-life. But with pharmaceuticals we think that will be the very next ban without plan to preserve water quality.

One thing I like about producer responsibility policies is they address multiple issues. The solid waste issue, it is a public health issue in regards to pharmaceuticals and sharps, it's a storm water quality issue. They are seeing high levels of copper in our storm water. Putting mandates on local governments to clean it up and copper is coming from brake pads and brake pad manufacturers won't take it back but they are starting to work with us and that's what we are excited about. It's a resource issue. Too much waste. And we are losing it for good when we throw it in a landfill or an incinerator so it cannot be used again in our system. We have a climate change issue because when you reduce waste at the source you produce less greenhouse gasses by far and then we have an ocean litter issue. That should be of world concern. We are losing huge fisheries. We don't even know what is happening with our salmon in California. They are just collapsing. They have this huge flotilla of plastic off the coast and local government is spending a fortune to clean up plastic in our water waste. So we have good intentions for all these disposal bans for all these products but they don't work. It's not the way to go and we would not encourage other states to do that. Our state, putting all the mandates on local government to reduce waste and all the effort local governments have made... you can see from these green bars that local governments have done a fabulous job of increasing recycling. We went from 8½ million tons a year to 50 million tons a year in 2006 of recycling recovered products. The problem is we are still disposing 42 million tons a year into landfills and incinerators. We haven't reduced it at all over 20 years because of the fact we never got to source reduction. We are doing end-of-life solutions and it is not working.

Our system today is what we call a linear system. It's a one-way ticket from manufacturer, retailer to consumer to the garbage system which is funded by local governments and taxpayers; and then ultimately its thrown in a landfill or goes through a recycling processes, hopefully. What we are working for is a cradle to cradle system where everything is returned back to manufacturers for re-manufacturing. That they are part of the solution with us and we look forward to that day. We will get a lot done and save a lot of resources.

Now there are voluntary stewardship programs out there like the rechargeable battery recycling corporation. It's a wonderful, wonderful program. There are a couple key EPR components, however, that it's lacking. One is accountability. RBRC, and we partner with them in private, we very much appreciate what they do but their idea of success is to increase one pound more than they collected the year before and that's good. But when you are selling many, many more times the amount of rechargeable batteries on the market than you did five years ago, because of the way products are designed that may not be a good measure. So we are looking for accountability in these systems, some collection rates to see how much we are actually getting back but it is a great program and I hope you are all using it and promoting your retailers to use it.

An example of a good mandatory EPR program is British Columbia's pharmaceutical collection program and it is completely operated by manufacturers, the pharmaceutical companies, many of which sell into the United States and are fighting an EPR bill here in California. It is a very efficient system. They have over 900 collection sites at pharmacies. They collect the pills. They put them in 5 gallon pails and it is a prepaid shipping pail and it goes back to a predetermined location where they are incinerated because that's all that legally

they can do with them then. This entire system costs \$315,000.00 to run in 2008. The case study for that that we did is on our website under products and pharmaceuticals if you would like to take a look at it. It is extremely efficient, completely run and funded by the manufacturers. That's what we would like in California. It also has oversight by the provincial government to make sure it is efficient.

Now there are manufacturers who are already taking steps for producer responsibility. Many of these companies you know very well. Sony and Dell are taking their computers back. D(?) paints has been working on a paint dialogue and trying to figure out ways to collect paint nationally. Caterpillar takes back their large machines. Retailers have been stepping up but although they are not generally the designers of the product, they do have some control over that. The Wal-Mart model for packaging... they have a new 27 point program to reduce packaging. They're kind of being the regulator for over-packaging in the United States. That's another Webinar. Now Caterpillar has been a real leader in this. They did a presentation to our waste management board and really showed that they see the value in taking back their old machines and re-manufacturing them. It really saves a lot in greenhouse gas emissions, customers like it, it creates customer loyalty. So there are lots of good business reasons why companies can support EPR.

Canada is doing a lot. They have all kinds of programs for producer responsibility for paints and pesticides and packaging and cell phones. Very impressive. They are actually looking at a national EPR framework program to harmonize their systems, starting with a national program for packaging.

Now in California we had a lot of legislation in 2008 and we are very excited about great building blocks for the future.

- One [AB1860] required manufacturers of products that were recalled to take them back. We have seen this flood of recalled products and we were seeing them coming back to our HHW facilities which are funded by taxpayers. They were never supposed to be sold. Why does local government have to pay for them? So now the producers have to take those products back.
- We had a couple of other bills – we had a pesticide container bill and you are probably familiar with the agricultural pesticide container recycling program. That was stewardship organization that was falling apart because it had “free riders.” Some companies that were selling pesticides were not paying into the program and were benefitting from it. Those who were paying were getting tired of paying for free riders. It was about ready to disband so we made it mandatory in California to reduce and eliminate the free rider problem.
- Then we have the mercury thermostat EPR bill. It builds on the Thermostat Recycling Corporation program which is a wonderful stewardship program funded by the manufacturers but again we stepped it up and now there is some accountability and oversight by the state. Some collection rates will be established and we are excited that this rolls out July 1, 2009. We thank Honeywell and the retailers for supporting the bill and working with us on it.
- And then we had the Green Chemistry bill which was a real leader in the country and our governor said that he really wants holistic solutions for chemicals but he also in

the press conference said, and for products. He said we can't keep going with these product by product bills. We need to think holistically of the waste management system and that's where EPR framework legislation comes in and we will be talking about that in the Webinar on the 26th.

Just to show you how many resolutions we have in support of EPR in California, these are all from local governments. The rural environmental services joint powers authority -- those are the green striped jurisdictions -- all support it or at least ESJPA as a whole does. The counties in green have individually passed resolutions. The cities are in the orange diamonds and we have had many more join since this was done in March. We have many different types of groups that are working with us including utilities and associations of government and it's rural, urban, red, blue. I call this a purple issue because if you are a taxpayer group you can get behind it, if you are a conservative you can get behind it because it saves taxpayer money. If you are an environmentalist you can support it as well. There are all kinds of associations and governments so we ask people to join us and speak with a unified voice in California and we lobby within our lobbying limits for statewide legislation and we pass resolutions and ordinances and educate at the local level.

Q & A Period following Heidi Sanborn's Presentation

Heidi, you had a bar graph where you were talking about items that were going to landfills and items that were recovered. Did your recovered bar include organics?

I'm not sure. I can get back to you on that. I don't want to say and not be right.

Obviously you are in California. Is this just a West Coast phenomenon, all this product stewardship or is this happening elsewhere?

No, it is happening elsewhere. As a matter of fact, Rhode Island just submitted a study bill on EPR framework legislation. Minnesota is considering it. They've done a plan on how to move forward. We've got interest in other states. Texas just started a product stewardship council. They are working on e-waste legislation that's EPR, and there is EPR legislation for electronics in many parts of the country. I think it was Illinois that just passed one. There is momentum by product to move to producer responsibility, particularly with e-waste, then with thermostats and I think that's a really important thing because they have a lot of mercury. But it is getting into these other products as well. Like we saw New York is very interested in legislation.... recalled products ... Why are we taking them back? Why don't the producers who weren't even supposed to sell them take them back? So I think what you are going to see is a lot of product by product bills, you will see these in states all over the country. Then ultimately this is going to start leading to the framework because once you see the pattern of how well these systems work, it's a no-brainer to make the next step so that you don't have to do a bill for every product.