

# **Product Stewardship in Minnesota**

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Presentation for CISRR

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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)

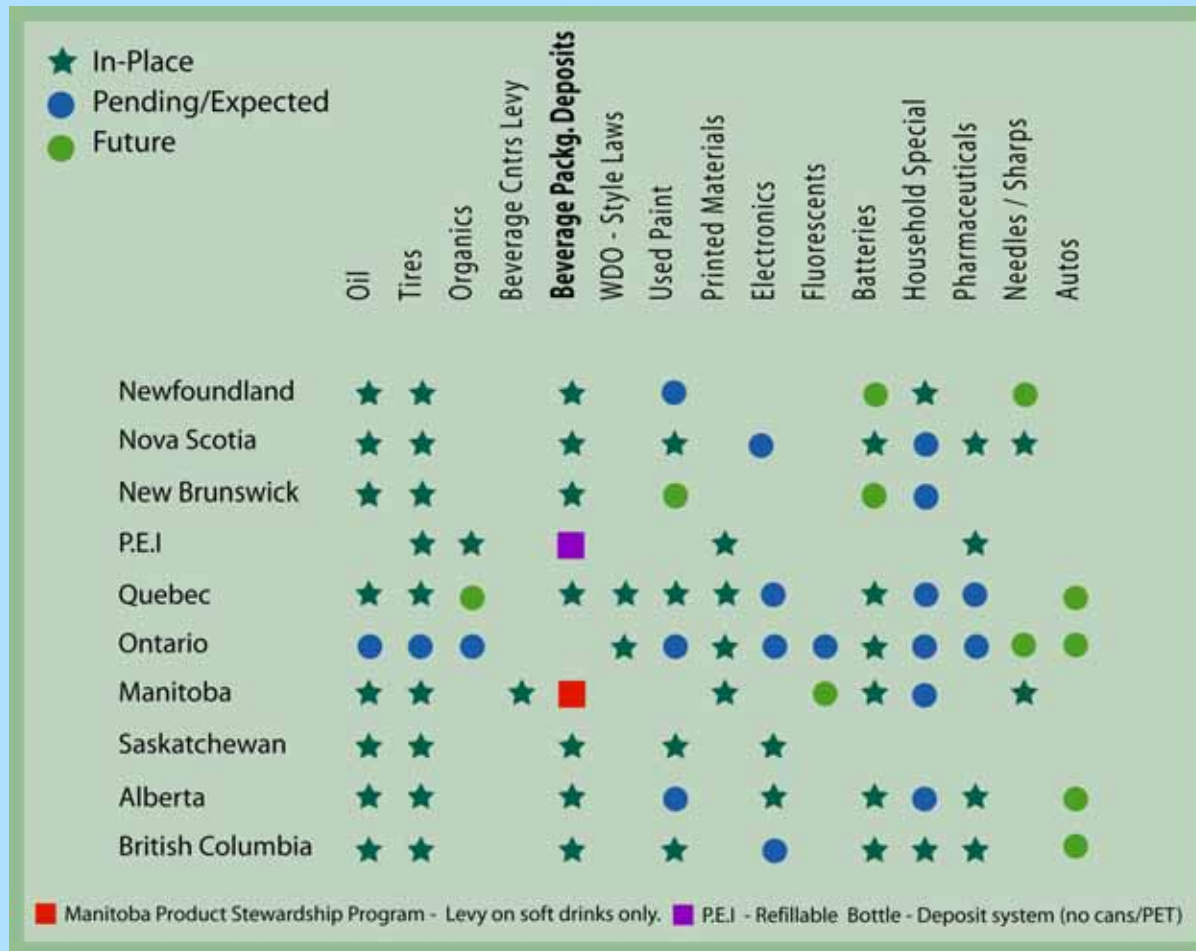


# Global Approach

- 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



# Canadian Stewardship Programs



# Product Stewardship in the U.S.

- E-waste legislation in 18 states and NYC
- Mercury thermostats
- Mercury auto switches in 10 states
- Rechargeable batteries (RBRC) in 13 states
  - Federal Battery Act (1996)
- Paint, pharmaceuticals, CFLs
- Framework legislation
  - California, Oregon and Washington



# Product Stewardship in MN

- Problem Materials Reports (I and II)
  - Toxic and hazardous constituents
  - Mercury-containing products
- E-waste Report (1995)
- Legislative consideration:
  - Disposal bans
  - Rechargeable batteries
  - Phone directories
  - Minnesota Electronics Recycling Act
  - CFLs, beverage containers, plastic bags, paint
- Minnesota's Product Stewardship Policy
  - Issued February 1999



# 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





# Strategies

## ➤ **Individual company initiatives**

- Implemented for strategic reasons
- Xerox, Interface, Dell

## ➤ **Regulated programs**

- E-waste, rechargeable batteries

## ➤ **Voluntary industry-wide efforts**

- Carpet, mercury auto switches
- Challenges include level playing field and sufficient resources



# 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



# Voluntary Agreements

## ➤ National Carpet Recycling Agreement

- Carpet industry established long-term goal to eliminate disposal of carpet
- Goals to be achieved by 2012:
  - Overall 40 percent landfill diversion goal
  - Reuse, recycling, cement kilns, WTE
- Roles and responsibilities for signatories
- Evaluation criteria and schedule



# 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.





# Process for Report

- **Met with key stakeholder groups** (September-October)
- **Hosted stakeholder meetings** (October and December)
- **Issued drafted report** (November)
- **Reviewed and incorporated relevant comments on draft report** (December)
- **Delivered final report** (January)



# Report Recommendations

- Criteria for Evaluating Products
- Process for Designating Products
- Possible Components of Stewardship Plans
- Facilitating Creation of Industry-Managed Organizations
- Identification and Monitoring of Performance Goals
- Standards, Certifications and Eco-labels



# 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



# Standards, Certifications and Eco-labels

- Examples: Energy Star, EPEAT, Green Seal
- MPCA will work with the MMD at the Minnesota Department of Administration to define the desired attributes of standards and certification tools for their use in state procurement.





# Framework Consideration in 2009

- California: AB 283 introduced on February 12
  - Hearing scheduled for April 20
- Washington: HB 1718
- Oregon: HB 3060
  - Hearing held on March 31 and April 1



# PS Legislation Status 2009

<a href="#">HF1128</a>	Beverage container deposit program	Rep. Hortman	SF1549- Sen. Sieben		No action in 2009
<a href="#">HF606</a>	CFLs stewardship program	Rep. Hortman	NA		No action in 2009
<a href="#">HF 569</a>	Paint stewardship program	Rep. Sailer	SF 477- Sen. Doll	Senate: 2/23, 3/2 House: 3/10, 3/16	Sent to floor
<a href="#">HF1648</a>	Minnesota Electronics Recycling Act amendments	Rep. Sailer	SF1486- Sen. Higgins	Senate: 3/25 House: 3/23, 3/26	Sent to floor
TBD	Product stewardship framework	Rep. Gardner	Sen. Doll		
<a href="#">HF576</a>	Plastic bag collection program	Rep. Carlson	SF 267- Sen. Rest	Senate: 3/2	No action in 2009
<a href="#">HF170</a>	Telephone Directories-option to decline delivery	Rep. Gardner	SF 129- Sen. Dibble	House: 2/27 (informational only)	No action in 2009
<a href="#">HF1217</a>	Pharmaceutical waste stewardship program	Rep. Gardner	SF1568- Sen. Doll		No action in 2009



# Paint Stewardship Bill Language

- Follows consideration in 2008
- Two-year demonstration program
- Authorizes funding mechanism and industry collaboration
- Paint stewardship organization assumes financial and programmatic responsibility
- Reporting and evaluation
- Recommendations for program



# Proposed Amendments to MN Electronics Recycling Act

- State retail reporting requirement removed
- OEMs to use national sales data
  - Assumed to be more accurate
- Recycling credit capped at 25 percent of annual obligation
- Three year timeframe for use of credits removed



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