

Public Meeting on Product Stewardship Framework Report

Minnesota Pollution Control Agency
Board Room

October 2, 2008



Minnesota Pollution Control Agency

Agenda

- 1:30 pm- 1:40 pm: Welcome and Introductions
- 1:40 pm- 1:50 pm: Overview of the Agenda, Schedule and Expectations for the Study
- 1:50 pm- 2:10 pm: Overview of Product Stewardship in Minnesota
- 2:10 pm- 3:00 pm: Structured Discussion on Key Questions
- 3:00 pm- 3:15 pm: BREAK
- 3:15 pm- 4:15 pm: Continuation of Key Questions
- 4:15 pm-4:30 pm: Wrap-up and Next Steps
- 4:30 pm: Adjourn



Schedule for Report

- October 2008: Host stakeholder meeting to seek input on key questions
 - Scheduled for October 2
- September-November 2008: Conduct specific stakeholder meetings with local government, environmental advocacy community, business community
 - Minnesota Chamber of Commerce
 - Minnesota Environmental Partnership
 - Association of Recycling Managers
- November 2008: Draft report
- December 2008: Host stakeholder meeting on draft report
 - Scheduled for December 4
- December 2008: Review and incorporate relevant comments
- January 15, 2009: Final report



Expectations for Report

- Fulfill objectives of legislature language
- Ensure stakeholder input
- View report as opportunity to promote dialogue
- PCA is not identifying potential products for inclusion in framework



Product Stewardship in MN

- Problem Materials Reports (I and II)
- 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
- Toxic and hazardous constituents
 - Mercury-containing products



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



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)**
 - Principles of product stewardship
 - 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.



Product Stewardship

- All purchasers and users are responsible for reducing the amount of toxicity and waste that result from their use and disposal of products, and for using products in a manner that conserves resources.
- The greater the ability of a party to influence the life-cycle impacts of the product, the greater the degree of responsibility the party has for addressing those impacts.
- Parties responsible for addressing environmental impacts of products have flexibility in determining how to best address those impacts.
- The costs of recovering resources and managing products at the end of life are internalized into the costs of producing and selling products, so that those costs are not paid for by government.
- Government provides leadership in product stewardship in all its activities, including but not limited to, promoting product stewardship in purchasing products, making capital investments in buildings and infrastructure, procuring services, and ensuring products are recycled or properly managed at the end of their useful lives.



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)



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



MN Electronics Recycling Act

- Collectors reported 33.1 million lbs.
 - 153 collector reported
 - 219 permanent sites
- Recyclers reported 33.6 million lbs.
 - 24 recyclers reported
- Per capita recycling rate of 6.46 lbs.
- 34 percent of CEDs collected outside the metro area



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.



Voluntary Agreements

➤ **Memorandum of Understanding to Establish the National Vehicle Mercury Switch Recovery Program**

- Concluded August 2006
- ECOS, US EPA, ISRI, Automobile Manufacturers
- Background and program description
- Education and outreach for those removing switches
- Removal, collection and management of switches
- Recordkeeping and accountability of mercury recovery
- Scrap selection and corroboration
- Review and improvement of the NVMSRP
- Responsibilities and commitments by the parties
- Accountability and measuring progress



U.S.

➤ US:

- E-waste legislation in 17 states and NYC
- Mercury thermostats
- Mercury auto switches in 10 states
- Rechargeable batteries (RBRC) in 13 states
 - Federal Battery Act (1996)
- Paint
- Pharmaceuticals
- CFLs
- Telephone directories



Product Activity in Minnesota

- **Electronics**
- **Paint**
- **Carpet**
- **Beverage containers**
- **Telephone directories**
- **Pharmaceuticals**
- **CFLs**
- **Mercury Auto Switches**
- **Mattresses**
- **Gypsum wall board**



Rationale for a Framework

- Develop successful and sustainable approach
- Overarching principles and promote flexibility
- Promote consistency between product stewardship programs in MN
- Promote harmonization between state programs
- Articulate 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 framework development
 - Potential legislative consideration in 2009
- Developed in consultation with stakeholders
 - Local government, NGOs, manufacturers, retailers, recyclers etc.



Canadian Stewardship Programs

	Oil	Tires	Organics	Beverage Cntrs Levy	Beverage Packg. Deposits	WDO - Style Laws	Used Paint	Printed Materials	Electronics	Fluorescents	Batteries	Household Special	Pharmaceuticals	Needles / Sharps	Autos
	★ In-Place ● Pending/Expected ● Future														
Newfoundland	★	★			★		●				●	★		●	
Nova Scotia	★	★			★		★		●		★	●	★	★	
New Brunswick	★	★			★		●				●	●			
P.E.I.		★	★		■			★					★		
Quebec	★	★	●		★	★	★	★	●		★	●	●		●
Ontario	●	●	●			★	●	★	●	●	★	●	●	●	●
Manitoba	★	★		★	■			★		●	★	●		★	
Saskatchewan	★	★			★		★		★						
Alberta	★	★			★		●		★		★	●	★		●
British Columbia	★	★			★		★		●		★	★	★		●

■ Manitoba Product Stewardship Program - Levy on soft drinks only.
 ■ P.E.I. - Refillable Bottle - Deposit system (no cans/PET)



Canadian Stewardship Programs

- Based on principles:
 - Producer/user responsibility
 - Level-playing field
 - Results-based
 - Transparency and accountability
- Recycling regulation issued under statute
- Minister designates a product
 - Categories/schedules in regulation
- Requires industry to file stewardship plan
 - Plan elements laid out in regulation
 - Establish targets
 - Public consultation required



Canadian Stewardship Programs

- Stewardship organization identified/created
 - Managed and funded by producers
 - May have other representation
 - Design collection system
 - Consumer awareness
- Minister approves plan
- Annual reporting



Framework Consideration in U.S.

- Modeled on British Columbia recycling regulation
- California
 - CIWMB adopted framework- January 2008
 - Legislation is likely to be considered in 2009
- Oregon
 - Initiated by Oregon DEQ
- Washington
 - Part of Climate Action Team policy options
 - Framework concept may be applied to individual products



Criteria for Evaluating Products

- MPCA policy statement (1999)
 - toxic or hazardous constituents
 - banned by statute or rule from disposal within MSW
 - pose a threat to the operation of a solid waste facility
 - place significant economic burdens on the state or political subdivisions for end-of-life management due to volume
 - product makes it difficult to manage in the existing integrated solid waste system
 - possess significant potential for increased reuse and recycling.
- Canadian Council of Ministers of the Environment (CCME)
- CIWMB criteria
- Criteria from WA and OR legislative proposals



Criteria from Oregon DEQ

- a. Environmental and health impacts including by not limited to:
 - Toxicity or hazard impact;
 - Climate change impacts related to greenhouse gas emissions;
 - Energy use and conservation potential; and
 - Current size and potential growth of the waste stream;
- b. Producer Responsibility:
 - Current status and potential for greater reuse, resource recovery, material conservation, and toxicity reduction;
 - Opportunity to stimulate product redesign to reduce environmental and health impacts;
 - Success in addressing similar products in other programs in U.S. and internationally; and
 - Difficulty managing in traditional curbside collection and other standard government solid waste management systems;
- c. Public, Political, and Business Interest:
 - Public demand or need for a waste product management system;
 - Political interest in establishing a product stewardship program for the product;
 - Producer readiness and responsiveness for implementing a product stewardship program;
 - Potential fiscal impacts for end-of-life management including cost to local governments and taxpayers in the absence of a product stewardship program; and
 - Advice of the advisory committee



Criteria

- What are the key criteria?
- Should the criteria be prioritized?
 - How to balance human health and environmental impacts?
- How should climate change be addressed?



Process for Designating Products

➤ Options include:

- Agency rulemaking
 - Pros and cons
- Legislature designates products
 - Pros and cons
- Hybrid of agency and legislative action
- Other?
- What role should the legislature play?



Possible Components of Stewardship Plans

- Product profile
- Performance goals
- Collection system
- Multi-state implementation
- Design for environment activities
- Education and outreach
- Accountability
- Identification of roles and responsibilities
- Consultation process for stakeholders
- Others?



Review of Stewardship Plans

- Are plans required?
- When should plans be submitted?
- What type of review is necessary?
- Is approval necessary?
- What type of consultation is required?



Facilitating Creation of Industry-Managed Organizations

- Examples: RBRC, CARE, MRM, TRC
- Address anti-trust concerns
 - Blanket protection language?
- How to support individual company programs?
- How to support organizations that operate nationally and/or across multiple states?



Identification and Monitoring of Performance Goals

- How are the goals established?
 - Established as part of designation process?
 - Required as part of stewardship plan?
- How are the goals constructed?
 - Collection/recycling rate by weight
 - Convenience/access



Reporting, Evaluation and Accountability

- Who is required to report and how often?
- What type of monitoring and evaluation is required?
 - What roles should the PCA and legislature play?
- How is compliance addressed?



Standards, Certifications and Eco-labels

- Proliferation in marketplace
- Trend towards multi-attribute approaches
- Green Seal, SCS, Cradle to Cradle, EPEAT
- Energy Star, Organic label
- Home Depot's Eco Options
- Developed with broad input and support?
- Which programs are deemed robust and legitimate?



Standards, Certifications and Eco-labels

- How to promote green products in stewardship efforts?
 - What are the responsibilities for MMD and other public entity purchasers?
- How should standards, certifications and eco-labels be addressed in designation process?



Next Steps

- Review comments
- Develop draft in October and November
- Issue draft report for review in late November
- Hold next public meeting on December 4 at the PCA

