

PPSReview

**Product & Packaging
Stewardship Review**

MANAGING WASTE RESPONSIBLY

An information service for municipal governments

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Proposed BC framework regulation greeted with caution *“Reservations and disagreements” from RCBC*

A new framework proposed by industry for stewardship regulations in British Columbia has received a cool reception from the province’s recycling council.

On October 12, a new industry coalition known as the Consumer Products Industry Group (CPIG) met with BC’s Minister of Water, Land and Air Protection, Joyce Murray, to discuss stewardship issues.

CPIG, which includes Encorp Pacific, the Product Care Association, the Post Consumer Pharmaceutical Stewardship Association, the Polycoat Recycling Alliance, the BC Used Oil Management Association and the BC Dairy Council, is looking for “a single, principles and results-based stewardship regulation”. After its meeting, it submitted a 16-point “concept” to support its case, and called for more discussion “before changes are made to the current division of responsibilities and costs for stewardship program oversight and enforcement”.

The Recycling Council of British Columbia (RCBC) has “reservations and disagreements with a number of the points in the proposal.”

RCBC notes that the framework regulation calls for the elimination of all prescriptive elements associated with stewardship program design. As such, initiatives like the mandatory deposit-return program for all beverage containers would be eliminated from the regulatory structure.

RCBC also points out that deposit return systems have significantly higher recovery rates than curbside programs, and as such should be a regulatory requirement.

In a letter sent to the minister in February, RCBC President Craig Foster states: “the high rates of recovery associated with deposit-refund systems across Canada and the USA in comparison to non-deposit systems such as municipal curbside

collection programs is widely recognized.”

The recycling council suggests that while there is a need to provide industry with a greater degree of flexibility in delivering stewardship plans and programs, both performance targets and timelines, and public/consumer accountability mechanisms should be non-negotiable.

RCBC disagrees with the “expectations” of shared responsibility, more specifically, that the financial costs for post-consumer waste management should be shared with players not in the marketplace, like local and provincial governments, “and by extension, taxpayers”.

Welcome to our new readers

Some of the readers of this edition of *PPSReview* will be seeing it for the first time. We have increased our fax mailing list to include more municipal representatives and others from outside of Ontario as part of *PPSReview*’s goal to broaden the coverage across Canada. We believe there is a need for a wide range of approaches to waste management and that one size may not necessarily fit all. As always, we welcome submissions from individuals with their experiences—whatever may be their perspective.

Ben Bennett, publisher

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Briefly...

RECYCLING ON "THE ROCK" UNDER NEW MANAGEMENT

Newfoundland and Labrador's Producer Responsibility Organization, the Multi-Materials Stewardship Board (MMSB) took over operational responsibility of the province's deposit-return program, this past January. For the first five years of the program, NewBRI managed the program on behalf of beverage producers, but its contract was not renewed. MMSB decided to manage the program itself. MMSB also increased the refund amount from 3-cents on a 6-cent deposit to 5-cents on an 8-cent deposit in February 2001, resulting in an immediate 10 per cent increase in recovery compared to the previous year (see www.mmsb.nf.ca).

TIRES NOW, TOO

In February, Newfoundland and Labrador Minister of Environment Ralph Wiseman announced the implementation of a stewardship program for tires. The long-awaited program will ensure that used tires generated in the province are recycled into crumb rubber. Collection sites will be established throughout the province and a landfill ban on tires will be in place effective this April. Funds will be raised through a \$3/tire (passenger tires) and \$9/tire (greater than rim size 17 inches) fee charged to tire retailers. Newfoundland and Labrador's Multi-Materials Stewardship Board (MMSB) will administer the program. Chair of the Board Gordon Seabright says, "the addition of used tires to MMSB's waste management mandate is another positive step toward environmental health in the province" (see www.mmsb.nf.ca).

PEPSI STARTING TO CLOSE THE LOOP?

In February, Pepsi-Cola Co. sent letters to some of its bottlers and shareholders stating that it is aiming to use 10 per cent recycled content by 2005.

"We know that it is technologically and economically feasible to produce a food-grade container made with 10 per cent recycled content, so we believe achieving that rate is a reasonable action," states the company in the letter.

Waste News

COKE SIGNS WITH RECYCLED PET SUPPLIER

Earlier this month, Coca-Cola Co. signed an agreement with Recycle America (a subsidiary of WMI) to supply their container manufacturing cooperative with recycled PET flake to incorporate into their plastic bottles. Coke is currently using 2.5 per cent recycled plastic in its North American bottles.

Plastics News

AUSTRALIAN STUDY ON DEPOSITS

The New South Wales (Australia) Government released a report in February on Container Deposit Legislation. A research team at the University of Technology in Sydney found a deposit-refund system on drink containers could provide benefits to the community worth \$70 million annually and recommended a system in which consumers pay a 10-cent deposit for drink containers, redeemable at retail outlets or a network of collection depots. The report covers a broad range of issues, drawing on case studies from many overseas deposit systems.

Grass Roots Recycling Network (www.grrn.org)

NEW MANUAL FOR STEWARDSHIP ORGANIZATIONS AVAILABLE ONLINE

Environment Canada's recently-released "Guidance Manual for Establishing, Maintaining and Improving Producer Responsibility Organizations in Canada" is now available from the *PPSReview* website. Intended to be a working reference manual for government, industry and producer responsibility organizations in Canada, the document is of particular interest in the light of Ontario's pending Waste Diversion Act, as it covers issues relating to composition of the Board, conflict of interest policies, establishing regulations, accountability, evaluating performance, managing reserve funds and surpluses, and consultation (see www.productstewardship.org).

Product & Packaging Stewardship Review is published by Ben Bennett Communications as part of the Fair Comment Project. It is faxed or emailed to municipalities as a communications service aimed at providing a broad range of stewardship and associated information from across Canada, the United States and overseas. The current issue of PPSReview, and past issues, are available for viewing on the Internet (www.productstewardship.org).

Anyone wishing to support the Fair Comment Project may email Ben Bennett (bbc@albedo.net). Confidentiality is guaranteed.

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NOTICE: Please be advised that this publication, AND the views expressed, have NO connection with the Association of Municipal Recycling Coordinators of Guelph, Ontario.

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TWICE THE RECOVERY IN DEPOSIT PROGRAMS

New report compares recovery, costs in recycling systems

After the U.S.-based National Soft Drink Association (NSDA) slammed its new report on container recycling, the Multi-Stakeholder Recovery Project Task Force's highest profile supporter, Atlantic Coke, has pulled out.

The task force, which was instigated by Businesses and Environmentalists Allied for Recycling (BEAR), released its much-anticipated report on container recycling in January. Coca Cola was a member of the task force, along with other industry sector representatives: a plastics processor, a container producer and a waste management firm.

Understanding Beverage Container Recovery: A Value Chain Assessment is the first report of its kind on the status of beverage container recycling, given the multi-stakeholder nature of the group commissioning the work.

While it does not recommend a particular recovery system or attempt to address costs to the various stakeholders of different systems, the report does provide a recovery and system cost snap shot of programs in the United States.

According to the US-based *Plastics News*, Coke has withdrawn from the task force work over concerns about the report's portrayal of the performance of the California recycling program.

Within days of the release of *Understanding Beverage Container Recovery*, the NSDA issued a press release criticizing certain aspects of the

report. The NSDA also issued a critique of the report by another consulting company, claiming the California performance is overstated, curbside recycling costs are inflated and deposit-return program costs are understated.

The report also concludes that deposit jurisdictions in the US have a total recovery rate of about 72% and non-deposit states a recovery rate of 28%. Deposit states have a capture rate of about 490 containers per capita for a cost of 1.53 cents (US) per unit recovered, whereas non-deposit states recover only 191 containers per capita at a cost of 1.25 cents per unit recovered.

The MSRP report states that beverage container recycling rates are likely to steadily decline in future years in the absence of new recovery and market development initiatives. The reasons for this steady decline include the fact that container growth is dominated by single-serve PET containers often consumed away from the home, where recycling services are

not provided.

There is also declining support for municipal curbside programs, and in deposit jurisdictions, the relative value of the deposit has dropped over the years, providing less of an incentive for consumers to redeem containers.

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The MSRP report was prepared by four consulting companies that have previously represented all sides of the issue, two associated with industry and two known for reports supporting environmentalist positions: RW Beck, Tellus Institute, Franklin Associates and Sound Resource Management.

Most of the disputes appear to arise from assumptions about the amount of aluminum (hence revenue, hence net cost) the various programs collect and which costs should be included.

To view the full report, go to <http://www.globalgreen.org/BEAR/Projects.FinalReport.pdf> (WARNING—it is 10MG.)

For an executive summary go the *PPSReview* website (www.productstewardship.org).

Increased depot handling fees coming?

Deposit-return systems may experience increased costs if depot operators are successful in their goal to increase their container handling fees. Currently, handling fees range from 2 cents to 7 (Can.) cents on some containers in British Columbia. Recent studies with proposed new handling fees for refillable beer bottles and one-way containers are being reviewed in Nova Scotia, New Brunswick and Alberta. The impact of higher handling fees could drastically change the landscape beverage recovery in Canada. Handling fees in the United States range from 1 cent to 3 (U.S.) cents per unit. See the next edition of *PPSReview* for more on this story.

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“WASTING CONSUMER” IS BIG PAYER

Canadian report presents new way of looking at costs

Hot on the heels of the US container study (see Page 3/6), the Toronto-based firm of CM Consulting has released a report called, *An Analysis of the Costs and Benefits of Beverage Container Recovery in Canada*.

The report provides up-to-date financial information on the majority of the Canadian deposit-return programs and their associated performance (recovery rates).

It also provides a new approach to assess program costs called “Who Pays What?”.

In this analysis, costs are attributed to the various stakeholders (the beverage industry, provincial and municipal governments, the consumer that returns the container and the consumer that chooses not to return containers). The analysis also calculates how much money contributed by consumers through up-front fees is not used for beverage container recovery in that year – “non-system related consumer costs”.

The report contains up-to-date recovery rates by province, with Saskatchewan leading at 86% followed by

Nova Scotia at 84%. Refillable beer bottles are recovered at an average rate of 95%.

Finally, the report uses British Columbia data to assess the environmental impacts that would result from a switch from the status quo recovery system (deposit-return) to an ‘optimum’ curbside program (Ontario) and a ‘moderate’ program (Manitoba).

Findings show that an optimum curbside program would result in 40% less material recovered in B.C., with a 46% increase in litter. Decreased recovery and recycling would result in 74,000 additional barrels of oil consumed annually resulting from replacing recycled feedstock with virgin material.

In addition, 12,000 more tonnes of carbon equivalent, 840 tonnes of atmospheric emissions, 110 tonnes of waterborne emissions and 6,000 more tonnes of industrial emissions would be released into the atmosphere.

The report is available at the *PPSReview* website: www.productstewardship.org

STAKEHOLDER COSTS (SURPLUS) IN CANADIAN CENTS

	BC	AB	SK	MB	ON	QC**	NS	NF
Recovery rate (non-beer contrs)	75%	74%	86%	31%***	41%***	76%	84%	52%
Stakeholders	per unit sold	per unit sold	per unit sold	per unit sold	N/A	per unit sold	per unit sold	per unit sold
Beverage industry	(-0.6)	0.6	0	0	0	0.5	-	(-0.2)
Provincial Gov't.					\$5 MIL/year			
Municipal Gov't.					Total cost minus \$5 MIL/year			
Recycling Consumer	0.8	0	3.9	2	0	-	-	-
Wasting Consumer	7.2	6	19		0	5.1	15	6.7
Non-system Related Consumer Cost	0.6	0	3.8	N/A*	0	-	3.8	2.9

*In Manitoba, part of the revenue generated from the 2-cent levy on beverage containers subsidizes recovery of other recyclables in the municipal waste stream. The portion of revenue dedicated to beverage container recovery is unavailable.

**In Quebec, the soft-drink industry pays half a penny to their program operator Boisson Gasseuse Environment on each container sold. This does not include revenues associated with material sales or costs incurred from transport, storage and processing. Depending on material revenues, the soft-drink industry's total cost may be higher or lower than the .5-cent/unit. The additional costs and revenue data was not available for this analysis.

*** Capture rates based on container material from the residential sector only.

Note: (Statistics for NB and PEI not available)

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Nova Scotia announces new paint recycling program

David Morse, Nova Scotia's Minister of Environment and Labour, announced February 28 that the province will have a new paint recycling program in June.

Speaking at the annual award ceremony in Halifax staged by the Resource Recovery Fund Board (RRFB), the minister said the program will allow consumers to return surplus paint to any one of the province's 85 recycling depots at no charge. The paint will then be shipped to a paint-recycling operation in Springhill, which will turn it into new paint.

More than two million containers of paint are purchased annually by Nova Scotians. Under the new program, the Springhill plant will be able to produce about 350,000 litres of recycled paint every year, said the minister.

The new program will be funded wholly by an industry levy as opposed to an eco-fee charged to the consumer. The program will be administered by RRFB Nova Scotia.

For more information about the program contact Barry Friesen at Environment and Labour - telephone (902) 424-2645.

CSR in green dot business — \$1,000 to protect the symbol

CSR:Corporations Supporting Recycling, having acquired the rights to the Green Dot is now in the licensing business.

A new website has been launched (www.greendot.ca) and features information on the background of the Green Dot, the licensing of it and using it as a registered trademark. A user agreement can be downloaded from the site, along with an invoice.

In Canada, CSR and PRO-Europe have agreed that the trademark cannot be used at this time as a symbol to denote financial support to a recycling program. Rather, CSR will protect the trademark in Canada by charging a licensing fee.)

The licence fee for year one (2002) is \$1,000 Canadian plus \$70 GST. The fee is based on cost recovery to administer the licensing and use of the Green Dot in Canada.

COMING EVENTS

March 13-14

Saskatchewan Waste Reduction Council
Spring waste minimization forum,
Yorkton, SK.
Call (306) 931-3242

May 29-31

Recycling Council of British Columbia
annual conference,
Victoria, BC.
Call (604) 683-6009

May 31-June 3

Federation of Canadian Municipalities
annual conference,
Hamilton, ON.
Call (613) 241-5221

August 16-21

Association of Municipalities of Ontario
annual conference,
Toronto, ON.
Call (416) 971-9856 ext. 307

September 19-20

Composting Council of Canada
annual conference,
Halifax, NS.
Call (416) 536-9892

September 25-27

Recycling Council of Ontario
annual conference,
Belleville, ON.
Call (416) 960-1025

October 2-4

Recycling Council of Alberta
annual conference,
Kananaskis, AB
Call (403) 843-6563

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Opinion Piece

The opinions expressed in this column are not necessarily those of PPSReview

Take a second look at that gift horse, British Columbia

By Jay Arthur

Beware Greeks bearing gifts, says the adage. By the same token, we shouldn't look a gift horse in the mouth. Add to this the lack of no-charge midday meals in the real world and the theme of this month's column comes to light.

When the Greeks, gift horses and free lunch offers come from those whose sole motivation is their bottom line and the potential recipients of the gifts live here in British Columbia, they have even more reason to pause.

Two recent reports have confirmed what we already knew. Recovery of recycled beverage containers is way higher when the incentive of a deposit is involved. The second thing we knew but not everyone wanted to admit is that the cost of a deposit-return program can be compared favourably to curbside recycling.

For years we have heard the same old line: hundreds of dollars per tonne to take back the empties to the corner store, less than a hundred dollars per tonne to put them in the blue box. This, to conjure up an image of a container that, thankfully, rarely finds its way into a blue box, is a crock.

Yes, when you compare the cost of taking one pop bottle back to the local Beckers to placing the same bottle in a big city curbside recycling program you can come up with some astronomic figures on the one hand and some pretty low numbers on the other.

Now, just for the fun of it, compare a take-back depot to a rural curbside recycling program and the numbers change dramatically.

And, of course, if we were to add to the equation the cost of the landfilling all those containers which don't get as far as the blue box the picture changes again.

Moving away from financial cost to environmental cost, there is no contest when you include the containers that get away.

So you have to wonder about these wise men from the East who would suggest the Province of Ontario is a role model for the nation. With recovery rates for containers half of those enjoyed in places like BC, the only model Ontario provides is how NOT to do it.

Councils in BC "may be ripe for a Big Daddy offering 50-cent dollars towards their recycling programs if they turn their back on a system that works in exchange for fool's gold from the East."

In the 1980s, the provincial government abandoned its deposit-return program in exchange for a few million dollars from the soft drink companies to set up recycling programs. The provincial and municipal taxpayers subsidized the recycling program for the first half of the 1990s, and the municipal taxpayers have subsidized it ever since by themselves.

The drinkers of pop today pay handsomely for the sugary liquid but none of the money goes to offsetting the cost of managing the empties, other than a few dollars for promotion and "efficiency" studies.

The liquor drinkers have been paying an environmental tax to the provincial treasurer on each bottle purchased but none of it has found its way back to help recycling. Since the late 1990s, however, the liquor board has kicked

in roughly \$50/tonne to offset glass recycling costs, which is about the same as the extra costs municipalities have incurred because of the current glass market problems. And that only happened because Toronto threatened a deposit-return program for booze bottles.

After a number of failed initiatives in the 1990s, Ontario finally has Bill 90—not an Act yet—which is based on a joint industry/municipal responsibility for funding recycling and other waste diversion. It conveniently ignores the fact that up to two-thirds of the beverage containers end up in landfill sites, paid for by the taxpayer.

Meanwhile, in BC, with Gord Campbell/Harris/Klein at the controls, there will inevitably be downward pressure on the local municipalities to provide services the province can no longer afford because of its tax cuts. This will mean councils may be ripe for a Big Daddy offering 50-cent dollars towards their recycling programs if they turn their back on a system that works in exchange for fool's gold from the East.

They will no doubt be assured that adding soft drinks and booze bottles to the blue box will bring revenues to their programs. But if they take a close look at the amount of PET and glass that would start overflowing their blue boxes they may want to think again.

If they do their sums, they might just find that it may be glistering, but it ain't the real thing.

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