

Product & Packaging Stewardship Review

MANAGING WASTE RESPONSIBLY

**A faxed information service for municipal
governments - Vol 1, Issue 1 March 2000**

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Shift from aluminum could spell trouble for blue box revenues

Since its beginning in Ontario in the late 1980s, the province's blue box program has had its winners and its losers — its drivers and its passengers.

Some materials, like plastic film, polystyrene, textiles, tubs and lids have always been passengers, and likely always will be. In fact, several programs, faced with financial pressures, are looking hard at some of these materials.

Ever since the pop companies switched from tin to aluminum for their cans, in 1994, their products have been driving the program, effectively subsidizing the others.

As long as aluminum was bringing in healthy revenues, any talk of other recovery systems for pop containers didn't get very far.

Now the picture appears to be changing.

More and more product is being placed into the highly versatile and cheap-to-manufacture PET container. It's cheap to make, but not cheap to recycle. With a manufacturing cost of about half a penny per bottle, versus two or three cents for the aluminum can, the PET container is becoming very popular in a sector squeezed by fierce competition between the two big players, Coke and Pepsi.

Resource Recycling magazine (January 2000) notes there has been a six per cent decline in the sale of pop in supermarkets in the United States as single-serve pop sales are being promoted.

The Ontario-based Association of Municipal Recycling Coordinators (AMRC) did a survey of its members in 1998 that indicated there had been a decline in recovered aluminum can tonnages. Another survey, undertaken earlier this year, seems to be reflecting the same pattern. More information on the survey is expected in *For R Information*, the AMRC newsletter, in March. The survey also shows the

quantities of recovered PET bottles have increased substantially.

With revenues now around \$2,000 per tonne for aluminum, and about \$200 per tonne for PET, a shift from aluminum to PET could mean vastly reduced revenues for municipal recycling programs. Revenue from aluminum sales amounts to more than \$20 million per year in Ontario. If all those soft drinks were placed in PET, the revenue would be closer to \$2 million.

Add to this the extra cost involved in recovering PET and the lower recovery rate at the curbside and in the recycling plant, and a switch could be bad news, indeed.

As Ontario's new Waste Diversion Organization starts working on stewardship solutions, this will be an important consideration.

What is this?

Welcome to the first issue of *Product & Packaging Stewardship Review*.

PPSReview will be sent to you on a regular basis to keep you updated on issues in the product and packaging stewardship arena across Canada and beyond.

In the near future, *PPSReview* will be posted on the Internet and the current edition, as well as past editions, will be available via email.

Guest writers will offer their opinions on the issues of the day. Those views, featured in the Opinion Pieces on Page 4/4, are not necessarily those of *PPSReview*.

Nova Scotia joins milk container recycling club

There are now three provinces where stewardship programs are looking after milk containers.

Earlier this year, an agreement was signed in Nova Scotia by municipalities, the dairy industry and the provincial government.

The Atlantic Dairy Council, represented by four dairies, has begun providing funds to Nova Scotia's solid waste management regions, based on the number of milk cartons collected through municipal blue bag recycling programs.

The funds will be allocated for every tonne collected. It was estimated in a study that in 1997/1998, the gross costs of collecting, processing, marketing, promotion and education, administration and amortized capital costs involved in recycling milk cartons was about \$260 per tonne.

This is the third voluntary initiative of its kind in Canada. Saskatchewan was the first province to receive

packaging-specific funding to help subsidize the cost of collecting four-litre milk jugs at bottle depots in the province.

Alberta launched its voluntary milk program in July, 1999. The program is financed by producers who contribute two cents for every 4-litre milk container and one cent for every 2-litre container sold.

Registered municipalities receive "top-up" payments of \$400/tonne for baled HDPE. The initiative was the result of an ultimatum by then-Environment Minister Ty Lund who told the dairy industry it would have to implement its own voluntary program, and capture 75% of milk jugs sold, or join Alberta's deposit refund program like all other beverages sold in the province.

The program has two years to meet its target; otherwise, the milk exemption from the beverage container regulation may be removed.

Ottawa-Carleton take-back program now involves 260 retail outlets!

What started as a small take-back initiative involving 16 retail stores and three products has blossomed into one of the largest voluntary take-back programs in North America.

Today, Ottawa-Carleton's "Take it Back" program involves more than 260 retail stores and gas stations that voluntarily take back products that they sell: antifreeze, batteries, tires, propane tanks, computer monitors and keyboards, flower pots, pharmaceuticals and sharps, used building materials, paint and electronics, to name a few. New products like film plastic are being added to the program.

While film is already collected through the blue box, getting the material back at the point of generation, in a clean state, would make it easier to market and reduce some of the problems associated with handling it in blue box material recovery facilities (MRFs).

Staff say that the program has not only increased public awareness but has decreased the amount of improper disposal of hazardous products. Because of the customer convenience, far more material is diverted than with municipal depots and mobile HHW depots only. Ottawa-Carleton staff are currently working to quantify the capture rate and cost benefits of newly-diverted materials.

Michael Mirsky, owner of a Home Hardware store in Ottawa-Carleton says: "The program does not pose any problems, just opportunities. Let's just say that it does not hurt sales, because getting people through the door is half the battle."

Product & Packaging Stewardship Review

Product & Packaging Stewardship Review is published by Ben Bennett Communications and faxed 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 future issues, will soon be available for viewing on the Internet.

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COMING EVENTS

April 29-May 1, 2000

Northern Ontario Municipal Association (NOMA) conference, Kenora. Call 807 683-3611.

May 5-May 8, 2000

Federation of Northern Municipalities (FONOM) conference, Elliot Lake. Call 705 669-0135.

May 3-5, 2000

Canadian Pollution Prevention Roundtable, Delta Chelsea Inn, Toronto. Call Canadian Centre for Pollution Prevention: 1-800-667-9790

June 5-9, 2000

The 5th World Congress on Integrated Resources Management, Toronto Convention Centre (in conjunction with the Envirotech 2000 Trade Show).

August 13-16, 2000

Association of Municipalities of Ontario (AMO) annual conference, Ottawa Congress Centre Call 416 971-9856

October 24-26, 2000

Recycling Council of Ontario's annual conference & trade show, Ottawa Congress Centre. Call 416 960-1025

Briefly...

QUEBEC MOVES FORWARD ON STEWARDSHIP ACTION PLAN

The amendments to the Quebec Environment Quality Act, Bill 90, which defines provisions for managing waste in Quebec, were released at the end of 1999. The Act provides new regulatory powers applicable to the manufacture and use of packaging, printed materials and other products. Such powers may be used to mandate recycled content, design and labeling of products and packaging, as well as to require packaging audits and contributions to programs designed to recover products and packaging materials.

(Source: Resource Recycling, January 2000)

PET PLASTIC CONTAINERS ON THE RISE.....

In a recent study from the Ohio-based Freedonia Group, it is forecasted that demand for polyethylene terephthalate (PET) resins will increase by 7% per year through to 2003. The same report says PET packaging applications have grown an average of 13.9% per year over the past eight years. While the results are for the US, they serve as valuable data for Canadian municipalities who are planning and budgeting for future diversion of packaging.

(Source: State Recycling Laws Update, December 1999)

.....BUT RECYCLING RATE DROPS

According to the National Association for PET Container Resources (NAPCOR) the US collection rate for post-consumer PET dropped from 22.7% in 1997 to 19.6% in 1998. NAPCOR attributes this decline to the growth in single-serve 20-ounce PET bottles, which are primarily consumed away from the home where recycling and drop-off facilities do not generally exist.

(Source: State Recycling Laws Update, November 1999)

Paint, flammables, pesticides and gasoline all featured in B.C. stewardship programs

In the past six years, stewardship programs have been introduced in British Columbia covering a variety of potentially hazardous products.

In 1994 the Paint and Product Care program was launched by manufacturers, wholesalers and retailers of paint products.

Making up about 70% of the household hazardous waste (HHW) stream, paint was the first consumer product to be targeted for a hazardous waste stewardship

program.

Consumers are charged an "eco-fee" when purchasing paint products. The fees range from 10 cents to \$1.00, depending on the amount of product purchased.

There are 100 province-wide depots available for left-over paint and container return. Eco-fees are pooled and pay for collection, transport, recycling or disposal, education and administration of the program.

Three years later, in 1997, the Consumer Product

Stewardship Program was launched by the Consumer Product Care Association, representing manufacturers, wholesalers and retailers of flammable liquids/solvents, pesticides and gasoline products.

Similar to the paint program, eco-fees are charged to consumers, ranging from 40 cents to \$4.00. There are 33 depots (also paint depots) for return of these materials. Both programs are based on the "polluter-pays" principle,

which has been successful in shifting the cost burden of operating hazardous waste programs from municipal taxpayers to the producers and consumers of these products.

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Opinion Piece

How long can pop carry the can in Ontario's blue box?

By Jay Arthur

Ask seasoned blue box watchers how Ontario's recycling programs began and you may hear about the soft drink industry's multi-million dollar pay-off to the Province to ignore the deposit-return quotas.

Others may tell you it was an early demonstration of product stewardship and without it the blue box would never have been the success it is today.

That the program is a success with the public is undeniable. People like it. They feel good. They feel they are doing something.

And while it can be argued that recycling is a drop in the environmental bucket, it did at least open the door to other, much "greener" citizen-based efforts such as water and energy conservation.

It is also undeniable that while the deposit-return system for pop containers is the norm in almost every other part of Canada, in Ontario it is almost a thing of the past.

There is still a strong belief among many that it makes more environmental sense to refill pop containers rather than recycle them - often into other less valuable products. Indeed, there are still resolutions on file somewhere at the Association of

Municipalities of Ontario (AMO) office calling for a return to deposit-return. They are probably on the same shelf as the one from Toronto calling for the same system for liquor and wine bottles.

From the taxpayer's point of view, it makes more sense to have the cost of managing the empty container built in to the cost of purchasing the product. Those who have profited quite nicely, thank

recyclables, like any commodities, are up and down. When they are particularly bad, and thus when the taxpayers are paying even more to support the consumer society, the soft drink industry has often stepped forward with a gesture. The pop guys were major contributors to the blue box program in the old OMMRI days. There have always been resources made

Diversion Organization, with a declared goal to split the net recycling cost 50/50 with industry. This is a long way from the full product stewardship called for by AMO a few years ago.

The aluminum can has been the only consistent piece of good news in the recycling revenue department, and the pop industry always reminds everyone that it is carrying the other players in the blue box. One of those players now is the PET pop bottle.

At some point, one of two things will happen.

The makers of pop will ask themselves how long they want to carry the other guys, or the increasing use of PET for soft drinks will mean the pop containers themselves become passengers in the blue box and municipal taxpayers will continue to carry the can.

Either way, the ghost of deposit-return will be back, and maybe someone out there will be listening, next time.

"Those who have profited quite nicely, thank you very much, from having municipalities carry the can for the consumer habits of our society like to parrot the old "the consumer and the taxpayer are the same person" line. This, of course, is garbage. Perhaps the cost of gasoline should be on the local taxpayer, too. Or how about potato chips?"

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The markets for

available for promotional efforts, usually through an industry organization. Six years ago, the soft drink industry made a dramatic move, switching from steel to aluminum cans. The makers of pop have claimed to be paying their way in Ontario's recycling program, with some reason - until now.

Now we have the Waste

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