

Product & Packaging Stewardship Review

MANAGING WASTE RESPONSIBLY

An information service for municipal governments
Vol 2, Issue 5, September/October 2001

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IN BRITISH COLUMBIA

Regulation bid for milk containers moves ahead

The move to get milk containers included in take-back legislation in British Columbia got another push this past summer.

At its September conference in Vancouver, the Union of British Columbia Municipalities (UBCM) passed a resolution from Kootenay Boundary which reads:

"Whereas containers used to market milk and milk substitutes are recyclable in British Columbia and,

"Whereas these containers are now either recovered by taxpayer funded recycling programs or disposed of in landfills;

"Therefore be it resolved that all containers used to market ready to serve milk and milk substitutes be included in the deposit/refund system as defined in the British Columbia Beverage Container Stewardship Program Regulation."

The province's Beverage Container Management Board was scheduled to meet October 19 to discuss the issue.

What began as a grass-roots petition has since been endorsed by at least two regional districts, including the

resolution sponsor Kootenay Boundary and the Capital Regional District (CRD).

The BC Dairy Council is undergoing pilot projects in two communities to study the collection of milk containers in multi-materials recycling programs.

A 12-month project in the City of Abbotsford will see the addition of polycoat milk containers to the recycling program. The dairy council will pay the city \$4,000 to oversee the project and a further \$15,000 to cover additional handling costs at the recycling plant.

The city is stressing to its residents the polycoat collection is a temporary initiative which can be discontinued after nine months if it does not prove to be viable.

Three provinces have initiated voluntary programs with the dairy industry.

Nova Scotia's Atlantic Dairy Council, representing the province's four dairies provides funds to waste management regions based on the number of containers collected through the municipal recycling program.

In Alberta and Saskatchewan containers are collected through municipal depots and beverage container depots. Collectors are paid per container, with revenue raised from eco-fees on milk and milk

products at the point of purchase. There will be more on milk container stewardship in the next issue of *Product & Packaging Stewardship Review*.

Yes, PPSR *is* late

The production of this issue of *Product & Packaging Stewardship Review* was delayed because it was understood Ontario's environment minister was going to make an announcement about the proposed Waste Diversion Ontario.

On October 10 there was a news release issued, but there was no news, just recycled content—see Page 5/6.

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Briefly...

MANITOBA RELEASES 2000-2001 RECOVERY DATA

The Manitoba Product Stewardship Corporation (MPSC) recently released its 2000-2001 annual report with a detailed summary of recovery and operations. Financed almost entirely by a 2-cent levy on most beverage containers (excluding milk and milk products), MPSC's subsidizes about 80% of the net costs of municipal multi-material curbside recycling programs.

According to MPSC, recovery of curbside materials (from households) was 45%. Broken down, the results were: newspaper, magazines, flyers etc.: 67%; glass containers: 34%; corrugated cardboard: 32%; boxboard: 23%; metal cans: 26%; PET plastic containers: 37%; HDPE plastic containers: 23%; aluminum cans: 31%; polycoat and aseptic containers: 20%.

Manitoba Product Stewardship Corporation
<http://www.mpsc.com>

POP CAN MARKET SHARE CONTINUES TO DECLINE

Recent sales data from the Canadian Soft Drink Association (CSDA) show an overall decline of 2.4% per

capita in soft drink sales in Canada. The decline is attributed in most part to a cool and wet summer in 2000. Quebec and Ontario saw the largest decline: 3.5% and 3.2% respectively.

The aluminum can's market share in Ontario also saw a continued decline, from 50.8% in 1999 to 49.9% in 2000. Last year, 4.9% less cans were placed in the Ontario marketplace.

Canadian Soft Drink Association
<http://www.softdrink.ca>

ALUMINUM CANS AND PET VALUE DOWN

Due to an oversupply in the market place, there is a glut in the recovered polyethylene terephthalate (PET) market. As a result, the value of scrap PET in the US has tumbled to about 10 cents (US) per pound. [In late September/early October, Ontario PET prices dropped for a while to zero and the material could not be moved. The situation is now settling down and prices are moving back up— editor.]

The aluminum can market also took a hit early this summer. The decline in market value is in large part attributed to a lack of competition in the industry which has resulted from consolidation within the aluminum industry. With fewer companies smelting there are less UBC buyers for recyclers.

Waste News (<http://www.wastenews.com>)

Take-it-back workshop and proceedings

This fall's Take-It-Back Workshop will be held in Las Vegas, November 30. The one-day event takes the theme: "Global Packaging Mandates: How to Design for Environment and Save Money".

The workshop, which is organized by Raymond Communications, will include information on domestic and international packaging recycling laws.

There are 30 countries with producer responsibility laws for packaging; 17 require detailed packaging data for fee payments. Others have packaging design requirements. Presentations will cover a variety of issues, including California's recycled content mandate, Europe's "Essential Requirements" and Korea's packaging layer laws.

Other speakers will provide the latest on how to design compliant packaging through their online services, to save time and money.

The proceedings from the April Take-it-Back conference in Arlington, Virginia are now available. For more on the sessions, see Clarissa Morawski's article *TAKE-IT-BACK: Like it or not, it's here to stay (PPSR May/June 2001)*. To read the article, go to the PPSR website (www.productstewardship.org).

For more information on the upcoming workshop and the proceedings from the April conference, call 301-345-4237 or visit the Raymond Communications website (www.raymond.com).

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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ONTARIO'S BILL 90

Presenters agree on one thing: formula *would be* disincentive

On August 31 and September 7, various organizations and individuals spoke to the Ontario Government's Standing Committee on General Government about Bill 90, which, if passed, would see the creation of Waste Diversion Ontario.

All submissions and the discussions that followed each presentation can be viewed in the Hansard section of the Ontario Legislature website (www.ontla.on.ca).

In the past edition of *Product & Packaging Stewardship Review* (see inset, next page) the cover story highlighted, among other things, the fact that the way the bill is written, those who use recyclable packaging would be levied while those that use non-recyclable packaging would be exempt. This theme has been picked up by many of the presenters to the committee. Here are some extracts from the submissions and from the discussion that followed.

"The legislation and the regulations should not allow free riders to shirk their responsibilities or create a disincentive to use recyclable materials."

Damian Bassett
CSR: Corporations Supporting Recycling

AMO

"Rosario Marchese (NDP) to Andrew Pollock, part of the delegation from the Association of Municipalities of Ontario: We're told that the levy on industry is being designed in a way that will tax recyclables rather than overall waste. Is that your reading,?"

Andrew Pollock: Yes, there is a concern. It's a little bit vague, but the

legislation seems to focus on recyclable materials as they're defined in provincial legislation. So it could be that only materials that are currently recyclable have to pay into the fund and companies that are using non-recyclable materials perhaps don't have to.

"Bill 90 and its incentives incent exactly opposite to what we would look for in the 3Rs hierarchy."

Gord Perks
Toronto Environmental Alliance

So there's an issue there.

I think that's an issue with industry, that they would like to see a broader base for raising funds, and particularly making sure packaging that currently isn't recyclable is also paying into the cost of recycling.

Mr Marchese: Right. That wasn't part of your submission. Is there a reason -- an oversight, perhaps?

Mr Pollock: It's not part of AMO's presentation, I think because it's more of an industry issue. As long as municipalities get the funding, we'll be satisfied to pay for our programs.

CSR

Damian Bassett (CSR: Corporations Supporting Recycling): The legislation and the regulations should not allow free riders to shirk their responsibilities or create a disincentive to use recyclable materials.

PPEC

Mr. Marchese to John Mullinder, (Paper and Paperboard Packaging Environmental Council): One of our concerns is that we're told the levy on industry is being designed in a way that will tax recyclables rather than overall waste.

"You're penalizing the good guys who are in the box."

John Mullinder
PPEC

In our view, this runs the risk of actually encouraging companies to stop producing recyclable products.

Mr Mullinder: That's one of the points we make. You're penalizing the good guys who are in the box.

Mr Marchese: You touched that, and I wanted you to speak a little more to it because I think this is serious. It's not just a little thing; it's a big problem.

Mr Mullinder: If the levy is going to be based on the recovery cost -- and that's the question we're asking because there has been no clear delineation of that issue -- then whoever is declared to be the steward of the materials that are being recovered will be paying for those materials. There is no incentive for materials that are currently going to the dump to do anything. There are no landfill fees that they are charged, so there is an incentive to shift to materials which are not paying a fee.

TEA

Gord Perks (Toronto Environmental Alliance): Unfortunately, Bill 90 and its incentives incent exactly opposite to what we would look for in the 3Rs hierarchy.

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Bill 90 presentations continued

CSDA

Gemma Zecchini (Canadian Soft drink Association): Lastly, and moreover something that is as important to industry as it is to municipalities, the government must avoid creating reverse incentives that undermine both the spirit and intent of the waste diversion organization

Colin Isaacs, environmental consultant:

Bill 90 is environmentally perverse legislation; that is, it's likely to do the exact opposite of what would be best from an environmental perspective and, in this case, the exact opposite of what its title says it seeks to achieve. Every study of economic incentives to achieve environmental objectives makes it clear that the most effective approach is to provide economic benefit to companies or individuals who take measures to reduce their impact on the environment and/or to penalize those who cause increased harm to the environment. Bill 90, as proposed, does the reverse. Under Bill 90, as proposed, those companies which use recyclable packaging or which market recyclable products will be forced to pay a levy to help pay for the cost of recycling.

"Bill 90 is environmentally perverse legislation; that is, it's likely to do the exact opposite of what would be best from an environmental perspective and, in this case, the exact opposite of what its title says it seeks to achieve."

*Colin Isaacs
Consultant*

Those companies that use non-recyclable packaging or which market goods which are not recyclable will not have to pay a levy. This is a clear example of an environmentally perverse incentive. Companies, always looking to reduce



You read it here, first...
The July/August issue of PPSR

costs, will make every effort to move their packaging from recyclable to non-recyclable materials; for example, from recyclable PET to non-recyclable PVC, or they'll seek to stay in non-recyclable package types. Opportunities to increase recycling of both packaging and products will be resisted because getting involved in recycling, something which is obviously environmentally preferred over disposal, will increase distribution costs in Ontario.

Mr Dave Levac (Brant-Liberal):

Having heard your presentation and your using such language as "environmentally perverse" -- why do you think this kind of legislation was put forward?

Mr Isaacs: First I should explain that "environmentally perverse" is a technical term from the economic community. It is not as bad as it might sound. It does mean something in the context of the OECD and the UN etc. Second, I think the biggest problem, as I've indicated, comes from the pressure from municipalities for money to pay for recycling programs.

There is a problem with the way municipal accounting works under the Municipal Act in that municipalities basically deal with all of their costs on an annual basis and are not required to

account for the costs of capital investments such as new landfills, which are incredibly expensive. If you look purely at year-to-year operating costs, recycling can look more expensive than landfill, and municipalities are therefore saying they want money to pay for their recycling programs.

I think that's understandable. They are the new kid on the block. On the other hand, if you take into account the costs of a new landfill, which are enormous in Ontario today, then clearly every time you divert a tonne of waste from landfill to recycling, you're extending the life of your landfill and saving a tremendous amount on capital costs down the road.

I think the ideal would be to go back to municipalities and talk to them about the fact that they really ought to be asking for money to pay for their waste disposal programs and that the products and packages that go to the dump are the ones that should be charged a levy, and let's start the process all over again and get it right. On the other hand, I recognize that municipalities are eager for revenue. I'm not sure that anyone wants to hold up this legislation. So if we at least give the WDO the power to charge a levy to those companies that are marketing a product or package which is competing with a recyclable product or package, then the WDO will have the power to redress the concern I have by the way it charges levies, and it will be charging not just the people who produce recyclables but the people who produce non-recyclables.

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BILL 90 LAW BY DECEMBER SAYS WITMER

Ontario Government now recycling its own funding announcements

Ontario Environment Minister Elizabeth Witmer predicts Bill 90 will be law by the end of the year.

Speaking at this year's Recycling Council of Ontario conference in Hamilton, October 10, the environment minister reiterated her government's support for the Waste Diversion Act and its main thrust of requiring industry to pay 50% of the net costs of recycling in Ontario. She expressed confidence that the Bill would be passed "by December".

On the same day as the RCO statements, the ministry issued a news release which suggested the government's commitment to recycling extends to its press office.

The bulletin was announcing "the LCBO's commitment to glass recycling and waste diversion." It said:

"The LCBO will provide \$4 million to Ontario's municipalities to cover the costs associated with recycling alcohol beverage containers collected in Blue Boxes in 2001, Environment Minister Elizabeth Witmer announced today.

"The LCBO is also committed to providing a one-time payment of \$1 million toward the set-up of Waste Diversion Ontario (WDO), the proposed not-for-profit organization that is to develop, implement and fund waste diversion programs across Ontario.

"...The LCBO will continue this commitment by investing a further \$5 million in each of the next five years."

Three and half months earlier, on June 26, the Ontario Ministry of the Environment issued a release announcing the proposed Waste Diversion Act (Bill 90). Part of that announcement was the renewal of funding from the Liquor Control Board of Ontario (LCBO) to support recycling.

"The Liquor Control Board of Ontario will continue to pay for the cost of recycling glass in municipal blue boxes (sic). The LCBO has contributed \$12 million since 1998, and will contribute \$5 million annually for the next five years. This year, \$4 million will go to municipalities for glass

recycling, and \$1 million will flow as a one-time payment to assist the WDO in its initial set-up."

In the October 10 release, Minister Witmer is quoted as saying:

"The proposed Waste Diversion Act signals the beginning of a new era in waste diversion for Ontario."

In the June release, Damian Bassett, president of CSR: Corporations Supporting Recycling is quoted as saying:

"This legislation signals the beginning of a new era in the development of cost-effective, sustainable municipal waste diversion programs in Ontario."

COMING EVENTS

October 17-19

Coast Waste Management Association conference
Campbell River, BC
Call (250) 752-8293

October 30-31

Canadian Waste Management Conference,
Quebec City, QC
Call (514) 270-7110.

November 14-16

Composting Council of Canada annual conference,
Montreal.
Call (416) 535-0240.

November 30

Take It Back Workshop,
Las Vegas
Call (301) 345-4237

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Opinion Piece

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

Whatever happened to source separation?

by Jay Arthur

I was wallowing in nostalgia the other day, thinking about the good old days of recycling, when I came across this brochure.

Be a Good Sort, it said. It urged a thing called source separation.

So, when did the rules change?

All of a sudden, we are going back the other way. Commingling is now the buzzword.

Did I miss something here?

First it was the fibre box. That made sense from the point of view that it was possible to divert more materials from the household, although mixing the chaff (boxboard) with the wheat (newsprint) was not always that popular with newspaper mills who wanted the cleaner fibres in the higher grade paper. It didn't matter so much if you just wanted material to make paperboard.

Accordingly, the prices paid for commingled materials reflected the fact that someone had to further sort the materials to get the good stuff out.

Then it was plastics.

Companies came along and offered to take all the plastics a program could collect. They didn't always *want* all those plastics; it was the relatively juicy PET and HDPE bottles the buyers were after, and they were willing to accept some chaff. We weren't always sure what happened to some of that chaff, but who cared? It was taken away and it wasn't in the landfill - not the local one, anyway.

Then wet/dry came along and there was a new world order. There was a lot of argument about the number of streams, but the idea of getting all the materials from the householder and then sorting it made a lot of sense. It got the organics out of the garbage which was a major environmental plus. Whether the curbside savings and the increased

diversion were outweighed by the cost of sorting the dry stream in the plant was again the big question.

Then of course there was the idea that you just took the garbage bag and through a mixture of technology and salesmanship tried to persuade people that you could produce not only good compost and clean recyclables but divert inordinate amounts of waste from landfill. A lot of people remain to be convinced on any of those fronts.

Of course, there are other ways to collect empty containers, even though no one (in Ontario, anyway) seems to want to talk about that.

Now we hear from the nation's largest city that it is looking at commingling the fibres and the containers into one recycling stream and building a plant to "de-mingle" them, so to speak.

This is part of a laudable effort to increase diversion by collecting organics, recyclables and waste in a three-stream collection over two weeks.

That there will be savings at the curb appears undeniable. The question as always is what happens to the quality of the fibre stream when it is shoved into a truck compactor with the pop cans, glass and plastics.

One assumes that question will be answered once the program gets under way next year.

What else can be done with the rest of the recyclables all those homeowners have so lovingly separated from the fibres?

If the liquor and pop bottles were removed there would be a lot fewer liquid residues to degrade the fibres.

The main reason for getting the pop and liquor bottles out of there, however, is that scourge of any multi-material

recycling system - glass. It contaminates other materials and can cause major grief to sorting equipment. No one would weep if it were gone.

There may well be savings at the curb if glass is thrown in with other materials but the efficiencies on the street can quickly be outweighed by the extra costs in the recycling plant. And the more we commingle materials, the lower the final use of the material. So we end up with glass being used as an aggregate substitute rather than for making new glass. That's not really recycling, is it?

Also, the loss of the intrinsic value in a material never seems to be included in the equation.

Of course, there are other ways to collect and reuse or recycle empty containers, even though no one (in Ontario, anyway) seems to want to talk about that.

Maybe it's a coincidence that now there is at least a possibility that those who use the packaging which finds its way into the blue box may have to contribute to recycling costs, the old ideals of source separation are being questioned, and dollar costs are paramount.

(Is it a given then that any system that industry is asked to support will be, de facto, inefficient - on principle?)

And the public, who were urged so earnestly to play their part, and to take some responsibility for their waste, are now being told to dump it onto whatever container or system is the flavour of the month.

It's no wonder I'm feeling out of sorts, nowadays.

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