

Product & Packaging Stewardship Review

MANAGING WASTE RESPONSIBLY

A faxed information service for municipal governments - Vol 1, #2 - April/May 2000

INSIDE THIS ISSUE

Coming events	2/4
Coke in glass!	2/4
WDO budget	3/4
Opinion	4/4

British Columbia's beverage industry charging customers a recycling fee

A new recycling fee in British Columbia has the recycling council up in arms.

On March 1, Encorp Pacific, the BC group representing the non-liquor beverage industry and responsible for the operation of the deposit-return program for their containers, began encouraging retailers to charge customers "recycling fees" at the point of purchase, next to the GST and PST charges.

Without informing the BC government and other non-industry stakeholders, some retailers are charging between one cent and seven cents per container sold. Encorp says the increased costs are due to higher depots handling fees, high recovery rates (and thus reduced unredeemed deposits), depressed global commodity prices, and higher transportation costs

due to high fuel prices.

The intent of the deposit-return stewardship program, (which was expanded to include all beverage containers in late 1998), was that industry internalize the costs of recycling containers as a cost of doing business. It was assumed that these costs would be absorbed by the brand-owner and passed on through the product price and/or stimulate packing re-design and efficiency.

The Recycling Council of British Columbia (RCBC) has released its concerns about the new fees.

RCBC says there is no accountability and transparency in setting the fees. The council is also concerned about the legal implications; the lack of public consultation; the possible perception that fees are another tax; the absence of any public

education on the issue, which could result in consumer confusion; and that the new fees send the wrong message about recycling – that it is costly.

(For more information contact RCBC at (604) 683-6009.)

What is this?

This is the second 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.

PPSReview is now posted on the Internet, at www.bbc.guelph.org/ppsr.html and the current edition, as well as the first edition, are available via email in .pdf format.

Plastic beer bottle appears in the U.S.

In March, the Miller Brewing company announced the roll-out of the plastic beer bottle in the United States. Made from amber recycled PET, Miller said it tried to address concerns of environmentalists, municipalities and recyclers about increased amber PET in the municipal recycling stream.

"It is good news that a major consumer product company has publicly committed to take responsibility for its product by agreeing to use recycled plastic" said Pat Franklin,

Executive Director of the Container Recycling Institute in Arlington, Virginia, but she noted U.S. 30 states rely solely on curbside recycling to collect plastic bottles.

"The amber bottle will increase costs to municipal recycling programs because the bottles will have to be separated from clear and green plastic" said Franklin.

(*State Laws Recycling Update, March 2000*)

**Is this coming to Canada?
See the next edition of PPSReview**

COMING EVENTS

May 3-5, 2000

Canadian Pollution Prevention roundtable, Toronto. Call C2P2 at 1-800-667-9790

May 4, 2000

WDO stakeholder meeting, Thunder Bay. Call RCO at 416 960-1025

May 5-May 8, 2000

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

May 8, 2000

WDO stakeholder meeting, Toronto. Call RCO at 416 960-1025

May 10—12, 2000

SWANA-MWIN conference, Niagara-on-the-Lake. Call 705 835-6224

June 5-9, 2000

The 5th World Congress on Integrated Resources Management, Toronto

August 13-16, 2000

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

October 18-20, 2000

'Preventing the Waste Blues' - Recycling Council of Alberta Conference and AGM, Chateau Lake Louise. Call 403 843-6563, info@recycle.ab.ca

October 24-26, 2000

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

November 15 -17, 2000

Coast Waste Management Association fall conference, Ocean Point Resort and Spa, Victoria. Call 250 752-8293

Briefly...

IT'S BACK! THE REAL THING IN OLD-FASHIONED GLASS

Atlanta-based Coca Cola is looking to glass to beef up its soft drink sales. Coke has launched a marketing campaign based on the company's Coca Cola Classic brand, offered in eight-ounce contoured glass bottles. The soft drink hasn't been sold in green bottles of this kind for 40 years. More than one million bottles were to be given away in malls and other areas.

Resource Recycling, February 2000

MORE POP DRUNK IMMEDIATELY, STUDY SHOWS

According to a recent study on beverage consumption by New York-based Beverage Marketing Corporation, "immediate consumption" rose by 3.8%, more than double the "take home" rate (1.7%). "Immediate consumption" is the beverage industry's term for beverage consumption that occurs within a half-hour of its purchase — and this market segment is growing fast. Bottled water showed an overall increase of 20.5% with sports drinks placing second with a 12.8% increase. (The impact of this increased immediate consumption on municipal recycling programs, disposal and litter costs is not discussed.)

Beverage World, February 2000

REPORT PREDICTS LESS ALUMINUM, LESS STEEL

The use of aluminum and steel beverage packaging in the developed world will decline over the next four years. An industry report affirms that while beer consumption will increase at about 0.6% annually for the next three years, glass will continue to make inroads in market share. Soft drink consumption will grow at a faster rate (1.9%) with the plastic bottle being the preferred package.

Resource Recycling, March 2000

GREEN GLASS SAID TO THREATEN RECYCLING

British Glass, representing the UK glass industry, argues that an excess of imported green glass in the recycling chain is threatening glass recycling in the UK and that bottles should be changed from green and amber to clear. British Glass maintains that if retailers specified clear or amber glass for their wine imports, the green cullet would be reduced, and more amber and clear glass would enter the recycling system, cutting energy and raw material use. British Glass has developed a campaign called "Stop on Green" to all major UK wine retailers and is lobbying the government for support.

Recycling Laws International, Jan-Feb 2000

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 past issues, are available on the Internet at: www.bbc.guelph.org/ppsr.html

If you would prefer to receive PPSReview via email, please send an email to: bbc@albedo.net.

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NOTICE

Please be advised that this publication, nor the views expressed, have any connection with the Association of Municipal Recycling Coordinators of Guelph, Ontario.

**PPS
Review**

April 2000

Page 2/4

Waste Diversion Organization Forecast for the Year 2000

	Advertising	LCBO funding	Optimiztn.	HSW	Organic	Admin.	Total Forecast	Total Budget	Change
MOU Allocation	\$1,000,000	\$8,000,000	\$2,000,000	\$1,000,000	\$2,000,000	\$500,000	\$14,500,000	\$14,500,000	\$0
SERVICES & PROJECTS									
LCBO grants		\$8,000,000					\$8,000,000	\$8,000,000	\$0
Admin.						460,731	460,731	460,731	\$0
WDO process, exec. & sec. services			351,841	175,920	351,841		879,601	879,601	\$0
Implementation support		50,000	216,525	108,262	216,525		591,312	591,312	\$0
Ongoing CSR demo projects			835,973	101,875	150,000		1,087,848	1,056,230	31,618
Projected new program expenses			698,052	407,528	1,274,928		2,380,508	2,412,126	(31,618)
CNA ad support	1,050,000						1,050,000	1,050,000	\$0
Total Services & Support	\$1,050,000	\$8,050,000	\$2,102,390	\$793,586	\$1,993,293	\$460,731	\$14,450,000	\$14,450,000	\$0
Variance to MOU	\$50,000	\$50,000	\$102,390	(\$206,414)	(\$6,707)	(\$39,269)	\$50,000)	(\$50,000)	\$0

May consultation for WDO principles

Ontario's Waste Diversion Organization (WDO) will hold consultation meetings in May on the principles for the long-term funding of Ontario recycling and other waste diversion programs.

The WDO approved the following guidelines, April 12.

1/. A long-term, sustainable funding formula shall be structured to provide incentives for municipalities and industry to improve the effectiveness and efficiency of waste diversion programs and the overall waste management system.

2/. A long-term, sustainable funding formula shall encourage increased

diversion of residential waste materials, towards the goal of 50% diversion from disposal, in a manner which is environmentally appropriate, cost effective and socially acceptable to each municipality.

3/. Financial responsibility for residential materials recycling programs shall be shared between municipalities and industry.

4/. Municipalities and industry are each responsible for the design and implementation of programs to meet their responsibilities, including financial arrangements.

5/. An enforcement mechanism, which may include regulation, shall be

required to meet the goals and objectives of the WDO in a timely manner, to minimize free riders and to provide a level playing field for companies competing within an industry sector. These mechanisms must recognize the diversity of municipalities and industries in Ontario and allow for maximum flexibility in the design and implementation of the programs required to meet the objectives of the WDO.

Stakeholder consultation meetings are being held in Thunder Bay (Victoria Inn, 555 West Arthur Street) on May 4 and in Toronto (Central YMCA, 20 Grosvenor Street) on May 8.

For more information and to register (which is compulsory), call the Recycling Council of Ontario at 416 960-1025, ext. 11.

A "backgrounder" on the points of discussion is available on the WDO web site: www.wdo.on.ca

**PPS
Review
April 2000
Page 3/4**

Opinion Piece

(The views featured in the Opinion Piece are not necessarily those of *PPSReview*.)

Taking a look at the WDO budget forecast

By Jay Arthur

There is a clause in the Memorandum of Understanding which led to the setting up of Ontario's new Waste Diversion Organization that calls for a full auditing of the books and records of the organization.

Given the recent release of the *Forecast for the Year 2000* for the WDO, there may be a few people looking forward to the Day of Reckoning. Perhaps it will explain a few things.

Anyone who is not familiar with financial matters would no doubt note that the MOU anticipated that the "administrative costs of the Corporation" in its initial twelve months were "targeted" at \$500,000. She would further note that the Forecast shows \$460,731 allocated under administration, and not accordingly.

What will be made of the additional \$879,601 set aside for "WDO process, executive and secretariat services", remains to be seen. There is, it should be pointed out, a difference between the "secretariat" services item and the "administrative" services. The secretariat items are applied to different parts of the budget, whereas the

administration allocation is in a category by itself.

At any rate, when combined with the "WDO process" and "executive services" the secretariat expenses account for almost

executive and secretariat services" (or "administration"), and accounts for a further \$108 out of every \$1,000 set aside for the three program categories. There has also

These account for a further \$217.57 out of every \$1,000 set aside for the three program categories.

Those municipalities who had already signed partnership agreements with CSR may reasonably congratulate themselves for their great foresight. It appears their projects will enjoy priority for the new WDO funding commitments from industry because of the research value they provide. And we should give credit to CSR for having had the foresight to begin \$250,000 worth of non-blue box projects which will help the WDO process.

What remains for new programs, to which there will be exhaustive criteria applied, is \$2.3 million, or \$476.10 for every \$1,000 set aside.

Whatever troubles may be plaguing Canadian National and VIA Rail, the gravy train appears to be right on schedule.

"Those municipalities who had already agreed to sign partnership agreements with CSR may reasonably congratulate themselves for their great foresight. It appears their projects will enjoy priority for the new WDO funding commitments from industry because of the research value they provide."

twice the budget reserved for administration. These costs are allocated to the three program categories: optimization, household special waste and organic — \$175 out of every \$1,000 allocated to these programs.

The next line in the WDO forecast shows \$591,312 set aside for "implementation support". This is not to be confused with "process, optimization, household special waste and organic — \$175 out of every \$1,000 allocated to these programs. Moving down the budget sheet, we come to "ongoing CSR demonstration programs", to which have been allocated over one million dollars, which includes \$835,973 for optimization, \$101,875 under the HSW category, and \$150,000 under "organics".