

PPSReview

**Product & Packaging
Stewardship Review**

MANAGING WASTE RESPONSIBLY

An information service for municipal governments
Vol 4, Issue 2, June 2003

CONCERN OVER "VOLUNTARY" CONCEPT

Send blue box plan back, material supplier reps urge

Fearing recycling levies will be passed back to them by brand owners, packaging material suppliers are calling on Ontario's Environment Minister Chris Stockwell to send the blue box program plan back to the Waste Diversion Ontario (WDO) board.

On May 15, five days before the 60-day comment period relating to the proposed plan expired, a letter representing paper fibre, glass and steel packagers was sent to the minister.

In the letter, the Paper and Paperboard Packaging Environmental Council (PPEC), Owens-Illinois Canada Corporation (O-I) and Canadian Steel Can Recycling (CSCR) note the "voluntary" stewardship recommended by the Stewardship Ontario (SO) plan is in "direct opposition" to the minister's guidelines.

The letter also notes that the concept of voluntary stewardship did not appear in the posted January 21 version of the SO plan, but was included in the version which went to the February WDO meeting and was only available two days before the meeting. It is also noted that material suppliers do not have a vote at the WDO board.

The clause in question is found on page 81 of the February 2003 version of the plan:

For the purposes of this plan, a "Steward" means a person who

bears financial responsibility under this program for the Blue Box wastes and, in particular means [for both packaging and printed paper]:

(a) A person who voluntarily fulfills the obligations of Steward for the waste; or

If a person described in subclause (a) does not exist, then (it is), a person

carrying on business in Ontario who (owns intellectual property rights to the brand or is a licensee of those rights, manufactures packages or distributes the product, or prints the material). Bracketed text is summarized from original wording.

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Consultation plans coming for oil, tire stewardship

Interim consultation plans for Ontario industries, municipalities and the general public have been released by Waste Diversion Ontario (WDO) for those that may be affected by diversion programs for the management of used oil and tires.

The proposed used oil program is a "proven, industry-led initiative that is currently in operation in the four western provinces and soon to be in operation in Quebec," states the WDO.

Initially, the tire management plan will concentrate on tires used by vehicles using public highways. The WDO intends to extend the program, once the infrastructure is established, to include off-road vehicle tires and specialty users of tires.

Ontario's environment minister has asked for a management plan for oil by

November of this year and for tires by next January (see *PPSReview*, April 2003).

Details of the consultations will be posted on the WDO website <www.wdo.ca>.

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Briefly...

TENTH OF A PENNY FOR ONE YEAR, ANOTHER TENTH OF A PENNY AFTER

Envirodepot owners in Nova Scotia have been offered a retroactive tenth of a penny increase in the handling fees they receive per container for the period April 2002 to March 31, 2003, and a further tenth of a penny for containers handled from April 2003. This increases the fee paid to 3.1 cents per unit. Depot operators wanted 3.3 cents, with an increase to 4.2 cents by 2007. The province's Resource Recovery Fund Board said there will be a review of fees in the future.

*Chronicle Herald, Halifax,
May 22, 2003*

ANOTHER DROP IN ALUMINUM CAN RECYCLING RATE

The recycling rate for used aluminum beverage cans in the United States has sunk to its lowest point since 1980. In April, the Aluminum Association, a Washington-based industry trade group, announced that the used beverage can recycling rate for 2002 was 53.4%. When the data are adjusted for the 5.3 billion imported scrap cans that were not originally sold in the United States, the actual domestic aluminum can recycling rate is only 48.4%. This is lower than 2001's domestic recycling rate of 49.2% (or 55.4%, according to the Aluminum Association).

*Container Recycling Institute
www.container-recycling.org*

CALIFORNIA E-WASTE BILL MOVES ON

On June 4, by a 24 to 13 vote, the California Senate passed legislation requiring manufacturers to provide a free and convenient recycling system for end-of-life electronic products. The measure now moves to the state assembly. Any recycling system must include collection, transportation, processing and recycling and be approved by the California Integrated Waste Management Board. The bill, which sets a recycling goal of 90% by 2010, offers an alternative to establishing their own system, under which

manufacturers can pay a fee to the board equal to the cost of collecting, processing and recycling their electronics sold in the state. The bill also prohibits state agencies from buying from manufacturers that do not comply with the law.

*Waste News email service,
June 5, 2003*

CRT BAN IN MINNESOTA FUNDING PACKAGE

Minnesota's Republican Governor Tim Pawlenty signed an Omnibus Agriculture and Environmental funding package, May 28, that contains a disposal ban for cathode ray tubes (CRTs).

*Minnesota Office of Environmental Assistance
May 29, 2003*

BOTTLE BILL REFUND INCREASE EFFORT FAILS IN CALIFORNIA

Legislation to increase the recycling refund value on beverage containers to 5 cents cleared the California Senate Natural Resources and Wildlife Committee but has been rejected by the state's Senate Appropriations Committee. Senate Bill 23 would, among other things, have increased the refund value from 2.5 cents to 5 cents (10 cents on containers 24 oz and larger). A new University of California study projected that doubling the refund value would boost recycling rates from the current 60% to 82%. The measure had been fought heavily by beer and soft drink interests.

*Resource Recycling's electronic newsletter,
June 9, 2003*

MASS. TO EXPAND BOTTLE BILL?

Massachusetts Sen. Andrea F. Nuciforo has proposed legislation to expand the state's 20-year-old bottle bill to include non-carbonated beverage containers. The May 28 budget amendment would cover about 700 million containers that are currently exempt from the container deposit law, which requires a 5 cent deposit on all carbonated beverage containers. Nuciforo's budget amendment also would put a 15 cent deposit on wine and liquor bottles.

*Waste News,
May 2003*

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 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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GUEST COLUMN

History prompts skepticism about WDO, but we should wait and see

by Ken Donnelly

In the opening plenary at an RCO conference in London, Ontario, a number of years ago, Damian Bassett, CEO of Corporations Supporting Recycling (CSR), boldly announced to the assembled crowd, "The jury is in. Deposit systems do not work." Mr. Bassett offered no evidence to back up his claim, nor did he elaborate on the criteria that the jury used to come up with this decision, and I and others in the room were left to ponder about jury selection and tampering.

At lunch that same day, which was sponsored by CSR, a speaker from New York City cited a long list of reports from the US EPA and various state governments which all clearly demonstrated that deposit-based recovery systems captured many more beverage containers than non-deposit recovery systems like Ontario's blue box program. The faces on the CSR representatives at the head table were ashen as the CEO's credibility was publicly and dramatically shredded by a lone speaker armed with facts. They did not offer any rebuttal.

I tell this story not to embarrass anyone, but to point out perspectives, how they differ, and what it might mean to Ontario as the province embarks on the new initiatives to fund the blue box.

The difference in perspectives is very important, I believe, because the perspectives of industry and municipalities are still very different, even in this new era of Waste Diversion Ontario (WDO) and Stewardship Ontario.

From my observation point on the East Coast, I find the WDO initiative innovative, interesting and exciting. Under WDO, many more industries

will be involved in stewardship in Ontario, and that is an important step towards a fair system where responsibilities are more appropriately assigned across different industries. Municipalities should be pleased with this.

I am glad to see that municipalities in Ontario will share in revenues from the stewardship

"What makes me the most nervous is that, should this latest attempt at stewardship in Ontario fail, it will once again be the municipalities that are left holding the bag..."

program as industry pays for 50% of blue box program costs, beginning with \$16 million (part year payment). It is still nowhere near enough money, though. On an annual per capita basis, that equates to about \$1.25. In Nova Scotia, stewardship programs returned about \$7.00 per capita in direct funding to municipalities in 2002, in a province of fewer than 1 million people. Ontario municipalities are well-advised to take this money but to push for much better financial support from industry in the coming years, even though

many industry representatives are publicly complaining about the level of their funding requirements.

In discussions with my colleagues in the East, there is a great deal of skepticism about the WDO. Frankly, many people in this part of the world hold the opinion that industry, first as OMMRI, then OMMRI2, then CSR, has retarded the development of responsible waste management in Ontario while focusing on protecting the soft drink industry from deposits and refillable quotas. The amount of organics diverted and the capture rate of beverage containers are much too low and the percentage of the

province's waste that is still disposed is much too high, to mention just three measuring sticks.

What makes me the most nervous is that, should this latest attempt at stewardship in Ontario fail, it will once again be the municipalities that are left holding the bag—or box, as it were.

Let us see what WDO accomplishes, but let us not be too patient. This should be the last of the industry-led initiatives for product stewardship in Ontario. If it is judged that the WDO initiative does not result in significantly increased waste diversion, design for the environment and a shift of the financial burden of product stewardship from the municipal taxpayer to the producer, then government should act. Industry should be told to stand aside and legislation should be introduced which dictates the costs, measurable goals, and penalties to industry.

On the other hand, if the WDO model works as it is designed to, then it may indeed be something that we in other parts of the country can learn from, and even adopt. Just be careful about who gets to pick the members of the jury.

"...if the WDO model works as it is designed to, then it may indeed be something that we in other parts of the country can learn from, and even adopt."

Ken Donnelly is a waste management consultant in Nova Scotia. From 1988 to 1992 he was the Solid Waste Manager in Durham Region, Ontario.

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ELECTRONICS

Municipalities should collect; industry should transport and process—report

A Canada-wide consultation on electronics recycling has concluded that e-waste programs should be “financially, technically and environmentally sustainable” and that fiscal responsibilities should be met by industry, with perhaps some municipal support for collection.

From January to March, the Federation of Canadian Municipalities (FCM), supported by Environment Canada, Industry Canada and National Resources Canada, retained the Lura Group to conduct a national consultative process on the management of discarded electronics.

The process included an on-line

survey, four regional meetings and a national workshop in Ottawa, March 18. The final report from that exercise was released in late April.

The goal of the workshop was to develop a national municipal position on roles and responsibilities relating to the issue of e-wastes.

The following guiding principles were established.

A national strategy must:

- be financially, technically and environmentally sustainable;
- include all electronics generated by all sectors;
- follow the 3Rs hierarchy;
- include partnerships with, and

universal access to, all stakeholders;

- have sound governance with consistency across the country, including municipal input and representation on boards, etc.;
- recognize regional differences at the implementation level;
- have achievable and meaningful goals and targets, with the necessary policy tools and instruments to ensure success;
- ensure programs are convenient to maximize diversion, and that there is clear and effective promotion and communication;
- have universal consumer fees across the nation;
- include historical waste, and
- ensure that program costs are borne by industry, including that of historical waste.

In a section entitled *Roles and Responsibilities*, however, the report suggests the collection of used electronics be “a shared (operational) responsibility between industry, municipalities, retailers and the consumer.” Industry should be primarily responsible for transportation and processing (operationally and financially). Communications should be a shared responsibility.

In discussing costs, the report says it may be acceptable for municipalities to pay a shared incremental collection cost “in recognition of certain benefits such as not having to dispose of the waste.”

The full report is available on the *PPSReview* website: <www.productstewardship.org>.

Objectors claim WDA, blue box plan could be vulnerable to legal challenge

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“Despite the clear directive from the Minister, it is likely that brand owners (including publishers) and first importers will require their material suppliers to ‘volunteer’ by threat of taking their business elsewhere,” say PPEC, O-I and CSCR in their joint submission.

Noting that the current wording leaves “both the plan and the [Waste Diversion] Act vulnerable to a legal challenge,” the letter writers urge the minister to refuse the plan in its current form, and recommend “that the Minister send the Plan back to the WDO and SO with an explicit direction that the definition of legally obligated stewards be limited to brand owners and first importers only.”

OBLIGATION DATE DELAYED

In anticipation of rapid approval from the minister, the blue box industry funding organization, Stewardship Ontario has been urging brand owners

to get ahead of the game by appointing someone now to be responsible for coordinating the company’s obligation fulfillment.

It had looked like June 2003 would be the obligation date. The latest delays mean that the date stewards will become obligated to support recycling programs, and the day that municipalities see any funding for those programs, is delayed once more.

Assuming the plan is approved, at some point, SO will begin to register the estimated 5,000-10,000 obligated brand owners and first importer companies doing business in Ontario.

WDO WEBSITE SET UP

A website has been set up by Waste Diversion Ontario. The website (www.wdo.ca) contains minutes from the WDO board meetings as well as news and regulations updates. Background legislation and information are also posted.

Ontario wants to revoke soft drink regulations

Environmental groups are criticizing plans by the Ontario Government to revoke the soft drink regulations that require a minimum quota for refillable containers.

A notice was posted on the Environmental Bill of Rights (EBR) registry in late April advising the Province's intention to revoke Regulations 340 and 357. There was a 30-day comment period.

Regulation 357 requires that all carbonated soft drinks be sold in refillable containers. Regulation 340 provided an exemption to this when certain conditions, including a minimum refillable sales ratio of 30%, were met. Most soft drink containers are now recoverable via recycling programs and this ratio has not been met for several years.

According to the wording on the EBR posting, the soft drink container regulations are "outdated and unworkable", a claim disputed by the Toronto Environmental Alliance which claims in its submission that "there is no evidence" to support that statement.

The Waste Diversion Act (WDA), according to the EBR posting, "puts a mechanism in place to ensure that waste diversion will be enhanced in Ontario."

The Recycling Council of Ontario disputes that statement.

"The recycling rate for non-refillable beverage containers from the residential sector is estimated to be about 5% for juice box containers; 38% for PET plastic bottles; 40% for aluminum cans and 58% for glass bottles," the RCO notes in its submission.

"Until such time that ambitious material specific or product specific targets, consistent with other Canadian provinces, are achieved, the Recycling Council of Ontario does not support the repeal of regulations 357 and 340."

And now, disposable DVDs

A division of the Disney Corporation has announced it will sell disposable DVDs of popular movies. Once opened, the DVDs can be viewed for 48 hours, then thrown away.

Called the EZ-D, the product will be in test markets in August. It's designed to appeal to those who want to simplify their renting experience, eliminating worries about late fees or scratches.

After the EZ-D is opened, consumers can view the film as often as they like for a two-day period. After 48 hours, a bonding resin on the DVD reacts to the atmosphere around it, making the disc unreadable.

COMING EVENTS

June 4 - 6, 2003

Recycling Council of British Columbia (RCBC)
Annual Conference
Penticton, BC
Call (604) 683-6009

June 8 - 11, 2003

Association of Municipal Managers, Clerks and
Treasurers of Ontario (AMCTO) Annual Meeting
Thunder Bay, ON
Call (905) 308-9779

August 17 - 20, 2003

Association of Municipalities of Ontario (AMO)
Annual Conference
Toronto, ON
Call (416) 971-9856

September 10 - 12, 2003

Ontario East Municipal Conference
Kingston, ON
Call (613) 925-1498

September 24 - 26, 2003

National Composting Conference
London, ON
Visit www.compost.org

October 1 - 3, 2003

Recycling Council of Alberta (RCA)
Annual Conference
Calgary, AB
Call (403) 843-6563

October 8 - 9, 2003

Saskatchewan Waste Reduction Council (SWRC)
Waste Minimization Forum
Saskatoon, SK
Call (306) 931-3242

December 3 - 4, 2003

Canadian Waste and Recycling Expo/Public
Works Expo
Toronto, ON
Visit www.exposition.com

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Opinion Piece

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

Why are the Tories so bashful about taking credit for the WDA?

by Jay Arthur

I am sure everyone was as anxious as I was to read the Ontario Progressive Conservative Party's election platform.

It was with great anticipation that I logged on to the Tories' website on that fateful day in May when Ernie, Lizzie and the boys went go-karting. Here it was: *The Road Ahead: Premier Ernie Eves' plan for Ontario's future.*

Surely here I would find the answers to the question on everyone's mind these days.

In the wake of the passing of the Waste Diversion Act,

how does waste management and diversion figure in the Tory platform? Lord knows, they will be looking for something positive to say on the environmental front, given the Walkerton disaster and the Hydro fiasco. Would it be the lead story or a strong second to the much celebrated but quietly watered down and delayed Nutrient Management Act?

The word *environment* or anything like it, does not appear on the "contents" page of the platform, so to speak. There's lots of stuff about helping families and children (God bless 'em) and better health care, and tax cuts. But nothing on the environment.

It's not until you dig down to the *Policy Papers* that the word even appears.

Number Six: *Safeguarding the Natural Environment.* There will be clean water. That would be good. Clean air. More parks. And that's it.

Not a word about the blue box. And not a word about oil or tires or any of the other plans on the horizon.

And there was no word about the environment in the throne speech delivered at the end of April—literally.

I would have thought they would be proud of having finally got something beyond the talk, through the legislature and almost into the implementation stage.

As I write this, the comment period for the blue box program plan has passed and there is no word from Minister Stockwell. What is he waiting

"If the minister is going have anything positive to say in time for the eventual election, he'd better approve the plan now or ask the WDO board to make any changes very quickly. There just isn't time to send everyone back to Square One, even if the boys at CSR would love it."

for? Christmas?

I felt sure he was sitting in the wings waiting for the word from Ernie to remind us all about how the Tories saved the blue box.

After all, what's not to like in the blue box plan?

There are those nagging little points that the provincial recycling council brought up about whether CSR can actually raise the funds it needs from the obligated stewards, and the fact that the words *reduce* and *reuse* don't seem to exist in anyone's mind nowadays. And there's this last minute complaint from the packaging material guys about the last minute change to the plan to suggest stewardship can be voluntary. They even hint at a legal challenge, in a round-a-bout way.

If the minister is going have anything positive to say in time for the eventual election, he'd better approve the plan now or ask the WDO board to make any changes very quickly.

There just isn't time to send everyone back to Square One, even if the boys at CSR would love it.

We have seen the May 1 obligation deadline pass, and the June 1 deadline pass. Each month is another \$2 million the brand owners aren't paying and another \$2 million the municipalities are not seeing to support their recycling programs.

Of course, the minister does have a lot on his plate. In 1995, the Tories removed any opportunity Toronto had to manage its refuse locally by killing off the Interim Waste Authority. Now, the minister is lecturing the city about its lack of a second disposal option in the event that the border is closed. That shows leadership. People like leadership.

He is also kind of busy trying to legitimize the Adams Mine lakefill option, not to mention the benefits of incineration to address Toronto's garbage woes. More leadership—and, who knows, an investment possibility for someone?

Sometimes I get the sense that the Tories are really not very proud of the latest stewardship news (particularly the blue box plan), and are afraid they may be asked embarrassing questions on the hustings about the higher diversion rates in other provinces.

So, expect lots of noise about cleaning up the West Nile-infested tire piles, but it looks like we will all have to wait for any publicity on the blue box.