

# Product & Packaging Stewardship Review

## MANAGING WASTE RESPONSIBLY

**A faxed information service for municipal  
governments — Vol 1, Issue 4 July/August 2000**

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## We need backdrop regs—WDO

There will be no money coming from industry to cover the cost of managing organics, backdrop regulations are needed if industry is to support recycling and household hazardous waste (HHW) programs, and getting to 50% diversion is a tall — and expensive — order.

These are the key messages coming from the interim report of the Ontario's Waste Diversion Organization (WDO), delivered to the Minister of the Environment Dan Newman, June 30.

The report provides estimates for current and anticipated recycling, organics management and HHW costs. Net recycling costs for 1999 are estimated at \$66 million; organics collection and processing is estimated at \$43 million; HHW costs are estimated at \$8-11 million.

The recycling costs can be brought down to \$41 million for this year, according to the WDO estimates, "due, in part, to stable collection and processing costs combined with rising revenue streams". Recycling program operators have cautioned this a very ambitious figure given that we are only part-way through the year and fibre prices started to fall this summer. It has also been noted that if soft drinks switched from aluminum cans to PET bottles (see *PPSReview* #1,

March 2000), revenues, and thus net recycling costs, could fall by up to \$20 million.

The WDO funding and regulations committee has put forward a recommendation, not yet endorsed by the WDO board, that calls for a sharing of recycling costs between municipalities and the WDO for five years "and should be subject to finalization of a jointly-approved municipal funding allocation model that establishes acceptable efficiency standards."

If organics programs are to be funded, however, the money would have to come from provincial or municipal taxpayer pockets. The report notes "no clear relationship can be drawn between the quantity of organic wastes generated by municipalities and an industry producer with whom these costs might be shared."

The report provides three diversion targets: 30%, 40% and 50%, which are progressively less achievable and more expensive, and suggests a review of the current 50% goal.

The interim report is available at the WDO website: [www.wdo.on.ca](http://www.wdo.on.ca)

For a comparison of the WDO and the ill-fated Canadian Industry Product Stewardship Initiative, see page 4/6.

## Recovering plastics in BC — what works and what doesn't

A recent study, administered by the Recycling Council of British Columbia (RCBC), shows plastic PET beverage containers collected in BC via the new deposit-return program are being recovered at a rate of 66.6%.

Recovery rates for other plastic containers, collected through municipal curbside and depot programs, are between 13% (HDPE bottles used for detergents and household cleaners) and 33% (wide-mouth containers). Large HDPE milk jugs were recovered at a rate of 62.5%. The BC study sets an important precedent for other provinces around the calculation of recovery rates by using current sales data whenever possible versus baseline or waste audit data. The study is also unique because it separates the individual container types, providing a detailed summary of where program strengths and weaknesses lie.

To learn more, visit the RCBC website: [www.rcbc.bc.ca](http://www.rcbc.bc.ca)

### What is this?

This is the fourth 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.productstewardship.org](http://www.productstewardship.org) and the current edition, as well as past editions, are available via email in .pdf format (Acrobat Reader is required).

## GUEST COLUMN

# Recycled content in plastics — we need regs to keep the “good guys” competitive

A special report on recycled content in plastics has just been released by the Environment and Plastics Industry Council (EPIC). The Summer 2000 edition of EPIC's News & Views, which explores the issue, notes the eight-page report will also be posted on the EPIC website at: [www.plastics.ca/epic](http://www.plastics.ca/epic)

*News & Views* highlights the achievements of plastics engineers in meeting the very diverse packaging needs of brandowners, and looks at the various properties which characterize the various plastic types. The article is timely as pressure mounts for a 10 per cent mandated recycled content in “non-food” rigid plastic containers, based on the so-called SPEC model (named after an initiative of the BC-based Society Promoting Environmental Conservation. The EPIC article prompted the following guest opinion piece from *Frank Moos*, a retired packaging industry executive in Ontario.

Efforts by brandowners and plastic packaging manufacturers to meet the technical challenge of incorporating post-consumer recycled resin into the package, without detracting from package/product integrity are promising.

Given the success in surmounting these technical challenges one can only feel hopeful that cost-effective ways to re-use the millions of pounds of post-

consumer resins, that currently go to landfills at public expense will be forthcoming

What might cause this to happen? Currently, the responsibility and cost of collecting, sorting and finding markets for post-consumer discards is borne mainly by municipalities. There is no direct cost to industry when post-consumer plastic goes to landfill, and limited recognition of responsible industry sectors when it goes to recycling.

What is the incentive (or protection) for brandowners to utilize recycled resins when low-priced virgin resin are cyclically available. They become competitively vulnerable to less responsible competitors using low-priced virgin resins. How then may responsible brandowners remain competitive under such conditions?

If the brandowners' responsibility were extended to include managing their post-consumer discards, however, we can be sure sustainable solutions would be developed.

In Ontario, the Waste Diversion Organization report of June 2000 raises some pertinent questions. Is 50% diversion achievable and is the Province of Ontario willing to implement “enforceable mechanisms” to improve conservation by diversion from landfill?

The Ontario Government's response and definition of the range of mechanisms is currently awaited.

In the absence of market-driven solutions the judicious use of regulation could begin the process of addressing the challenge.

One thing is certain. Without ongoing, reasonably viable markets for the recovered, light weight voluminous plastic discards, their collection leads to expensive landfills at tax payer expense and poor conservation of resources.

One looks forward to seeing how the EPIC special report addresses the situation.

### Stewardship, related sites on the Web

*PPSReview* is (gradually) expanding its website [www.productstewardship.org](http://www.productstewardship.org) to provide links to other sources of information.

Visitors will find links to Canadian stewardship and related websites in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia.

Also linked is the US-based Raymond Communications, which produces the *State Recycling Laws Update* and *Recycling Laws International* newsletters, both of which are regularly referred to in our *Briefly* section. We will endeavour to include all websites referred to in *PPSReview* stories. The links will be added to and updated regularly.

*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 for viewing on the Internet at [www.productstewardship.org](http://www.productstewardship.org) © Ben Bennett Communications, 2000*

#### 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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## Briefly...

### **GERMANY'S GREEN DOT — BIGGER, BETTER AND CHEAPER!**

Germany's Green Dot Recycling Program, Dualles System Deutschland (DSD), is doing better than ever. In 1999, DSD increased the number of registered brand owners, with over 1,000 new licensees, funding the entire recycling program. Combined with decreases in costs and recycling efficiencies through new technologies, DSD will cut its recycling costs by DM200-220 million as of October, 2000. Germany's per capita packaging consumption rate decreased by 13% from 1991-1997. During the same period in the US, per capita packaging consumption increased by 15%.

Source: *Green Dot Program: www.gruener-punkt.de/de*

### **MUNICIPALITIES URGE COMPANIES TO COMMIT TO RECYCLED CONTENT**

Earlier this year, Los Angeles City Council unanimously supported a resolution that beverage vending contracts with the municipality be restricted to those beverages in containers with recycled content. The same council has now passed similar resolutions urging companies like Coke, Pepsi and Miller Brewing company to make a commitment to use significant amounts of recycled content in their bottles.

Source: *Grass Roots Recycling Network: www.grrn.org/*

### **OECD WEBSITE HAS INFORMATION ON ECONOMIC INSTRUMENTS**

The use of economic instruments to curb packaging consumption, to reduce resource consumption and to generate revenues is growing fast. Most recently, the Organization for Economic Co-operation and Development (OECD) launched a website with details concerning environmentally related taxes, fees and charges levied in member countries.

Source: *OECD: www.oecd.org/env/policies/taxes/index.htm*

### **TAX BREAKS IN HUNGARY, BELGIUM FOR HIGH CONTAINER RECOVERY**

European countries are looking at economic instruments to help them reduce packaging waste and resource consumption. Hungary, for example, will be offering tax exemptions to companies that meet reuse and recycling goals.

In Belgium, the law offers an eco-tax exemption to the beverage industry if they meet high recovery rates. Soon, companies using refillable containers in Belgium will be offered a bonus or deduction.

Denmark currently charges an eco-tax on beverages and other household packaging based on weight, but they are looking to expand the scope beyond weight, to include other environmental indicators on the impact of resource extraction, production and packaging of the product. Indicators such as greenhouse gases, resource consumption, waste, CO2 emissions and energy consumption are being considered.

Source: *Recycling Laws International – www.raymond.com*

### **WASTING AND RECYCLING 2000**

US based Grass Roots Recycling Network (GRRN) and the Institute for Local Self-Reliance (ILSR) recently released *Wasting and Recycling in the United States 2000*, a report outlining the current state of waste diversion and garbage in the US. The study aims to refocus attention on the critical issues, highlight their inter-connectedness, and shed light on the need for a zero waste economy. A four-part Agenda for Action government strategy includes: making manufacturers and brand owners share the responsibility for their product and packaging waste, and building the reuse and recycling infrastructure. Specific actions include: requiring beverage containers be sold in refillable packaging; deposits on products like beverages, tires, batteries and appliances; buy-recycled programs; recycled-content regulations, product bans and restrictions, and take-back schemes.

Source: *www.grrn.org and www.ilsr.org*

### **POLLUTION IS FIVE TIMES WORSE FOR ONE-WAY GLASS — RESEARCHER**

A University of Tokyo researcher has concluded that one-way glass results in five times the environmental damage as refillable bottles.

The conclusion is based on the amount of pollution which comes from the manufacture, distribution, recycling and disposal of glass containers.

Source: *Resource Recycling, July 2000*

## **Zero Waste is summit theme**

“Zero waste” proponents from New Zealand and from Oregon will join a well-known British Columbia writer in a one-day conference to be held October 3, 2000 in Vancouver.

Warren Snow, co-founder of the Zero Waste New Zealand Trust, Larry Chalfan, executive director of Zero Waste Oregon and the co-author of *Our Ecological Footprint*, William Rees, have been confirmed as speakers for the event, which is co-sponsored by the Coast Waste Management Association, the Recycling Council of BC and BC Environment.

Described as Zero Waste Summit, the event takes “Creating Resources for a New Economy” as its theme. The final location has still to be confirmed.

The purpose of the event is “to outline a position statement to advocate zero waste as provincial and federal goals”.

Full details will be posted on the CWMA website: [www.cwma.bc.ca](http://www.cwma.bc.ca)

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# Comparing CIPSI 1995 and the WDO 2000

<u>CIPSI</u>	<u>WDO</u>	<u>COMMENTS</u>
An industry proposal in response to government moves to expand deposit/return	Followed (belatedly) municipal pressure for deposit/return	
CIPSI partners developed proposal, met with Province, then offered it to municipal sector for comment	CSR partners plus mainly CSR municipal partners form WDO board	Province observing as discussions progress
Multi-stakeholder decision making	Multi-stakeholder decision making	More industry votes in WDO model, but upfront funding, too
Offered 65/tonne in 1994, \$35/tonne in 1995	Offers \$50/tonne for packaging, 50% of HHW costs, zero for organics	Based on current cost estimates
Everything geared to recovered (recycled) packaging material.	Geared to recovered (recycled) materials, plus HHW and organics	No industry sector taking responsibility for organics
No coverage of managing packaging in landfills	No coverage of managing packaging or HHW in landfills	Thus no incentive to improve capture/diversion
Emphasis on “efficiency”	Emphasis on “efficiency”	The number of recycling plants MRFs will be reduced, but nothing confirmed to date
Needed backdrop regulations	Needs backdrop regulations	Was seen by some as one of the deal-breakers
Public and municipal consultation	No public and limited municipal consultation	
United front from producers, retailers	Retail Council has left table; now lobbying against the WDO	
Principal consultant RIS	Principal consultant RIS, but other input	WDO has more input from municipalities and others on the technical issues

## What do YOU think of the WDO ?

*PPSReview* invites readers to submit their views on the WDO. These will be posted on the [www.productstewardship.org](http://www.productstewardship.org) website. It is up to you whether you wish to include your name, but please indicate your background — municipal, industry etc., and your geographic location. Submission should be sent to [bbc@albedo.net](mailto:bbc@albedo.net) - mark the email subject as “WDO comments”.

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# The history of CIPSI

The Canadian Industry Product Stewardship Initiative (CIPSI) began life in the early 1990s. Sponsored by the Grocery Products Manufacturers of Canada (GPMC), the initiative would have seen municipalities paid \$65 per tonne for two years, during which time more accurate costs would be determined. The proposal was tabled in the summer of 1994, and was followed by an Ontario-wide consultation of municipal politicians and staff.

At the Association of Municipalities of Ontario (AMO) conference that year, the \$65 was turned down, AMO wanted \$100 and no cost at all by the year 2000. There was also concern that newspapers were not covered by the proposal. It was acknowledged at the time that this was a negotiating position and more discussions were expected to follow. CIPSI was then stalled at the MOE for several months.

The following year, AMO indicated it was prepared to negotiate. This time, the CIPSI offer was \$35 per tonne, reflecting the upward surge in market prices. At their annual general meeting in Niagara-on-the-Lake, September 1995,

**The only other model out there was the recently-formed Manitoba Product Stewardship Corporation. Described by Mr. Freeman as “a perverse mutation of the CIPSI approach”..**

GPMC members were told that with a newly-elected business-friendly Tory government, there was a good chance the

proposal would proceed. Provincial support of recycling was to end in 1996. GPMC's Graham Freeman said a strategy “to lay low and let this issue drag itself out” had been considered, but discounted. (The full text of this speech is on the *PPSReview* website at: [www.productstewardship.org](http://www.productstewardship.org))

“I believe this approach would leave us vulnerable to future action and funding responsibilities when we would no longer occupy the high ground of negotiation,” said Mr. Freeman. There was concern that the fiscal cutbacks would hit municipalities first, and dips in market prices would add to their “sense of panic and loss of funding”, which could lead to the removal of some materials from the blue box program.

The only other model out there was the recently-formed Manitoba Product Stewardship Corporation. Described by Mr. Freeman as “a perverse mutation of the CIPSI approach,” the MPSC provided financial support for recycling, based on a two-cent levy on soft drink containers.

In the end, CIPSI did not happen. Whether its demise was as a result of the lack of the backdrop regulation industry wanted, the lobbying by other industry groups not directly involved in the blue box program or the greed of municipalities, as others have argued, remains a source of discussion at conferences to this day.

In 1997, the Recycling Council of Ontario organized the “Roles and Responsibilities” process, which brought industry and municipal representatives to the table to discuss the stewardship issue again. That process resulted in a series of options, presented to then minister of environment Norm Sterling in the spring on 1998. In the fall of 1998, the minister

# COMING EVENTS

## August 13-16, 2000

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

## September 25-28, 2000

Canadian Waste Management Conference & International Trade Show, Halifax.  
Call (902) 463-3538

## September 27-30, 2000

Tenth Annual National Composting Conference, Edmonton, AB.  
Call (416) 535-0240

## October 1– 4, 2000

Joint Counties and Regions of AMO Conference, Alliston, Ontario.  
Call (416) 971-9856

## October 3, 2000

Zero Waste Summit, Vancouver, B.C.  
Call (250) 752-8293

## October 18-20, 2000

'Preventing the Waste Blues' - Recycling Council of Alberta Conference and AGM, Chateau Lake Louise, Alberta.  
Call (403) 843-6563

## October 24-26, 2000

Recycling Council of Ontario's Annual Conference & Trade Show, Ottawa Congress Centre.  
Call (416) 960-1025

## November 9-10, 2000

AMRC HHW workshop & conference: “HHW Stewardship, Partnerships & Program Design”, Oakville.  
Call (519) 623-1990.

## November 15-17, 2000

Coast Waste Management Association fall conference, Ocean Point Resort, Victoria, BC.  
Call (250) 752-8293

announced the concept of the Waste Diversion Organization, which would tackle all diversion streams, not just the blue box. In the fall of 1999, the new minister (then), Tony Clement, announced the actual formation of the WDO. The WDO final report is expected this fall. To be delivered to Ontario's new environment minister Dan Newman, it will likely recommend 50% industry funding of “efficient” recycling and HHW programs, but no producer support for organics programs.

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# Opinion Piece

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

## Wasted Diversion Opportunities

by Jay Arthur

It's beginning to look a lot like CIPSI.... Or is it?

How does the Ontario Waste Diversion Organization stack up to its much-maligned and ultimately mortal predecessor, the Canadian Industry Product Stewardship Initiative?

This summer, the WDO presented the minister with the Big Progress Report.

So let's look at what has been accomplished.

A lot of high-priced volunteer help has been meeting on a regular basis to respond to ideas developed, for the most part, by subcommittees. These subcommittees, peopled by much lower-priced volunteer help, albeit more experienced in the way of waste reduction, responded, for the most part, to ideas developed by WDO staff and consultants. Time constraints meant no substantial discussion or consultation could take place.

The high-priced help were there because it was felt they could be decision-makers, given the lofty perches on which they sit in their day jobs, whether it be in industry or in a municipality. Very few of them had too much experience in the way of waste diversion, but their seniority was seen as the key to getting things done. What it was they would be required to decide on is not quite clear. Some of the key

recommendations in the report which went to the minister did not have the benefit of the review or the approval of the Board of Directors, which may be a reflection of both the tyranny

thought, which is a shame.

Perhaps if the much lower-priced help had been given a few months to sit down and throw some of their own ideas around first, we may have seen something

"A lot of high-priced help has met on a regular basis to respond to ideas developed, for the most part, by subcommittees. These subcommittees, peopled by much lower-priced help, albeit more experienced in the way of waste reduction, responded, for the most part, to ideas developed by WDO staff and consultants."

of the schedule and the value of their input. Once it is published, the report, de facto, becomes a WDO document, whatever claims may be made for its non-executive approval.

Had those who *are* more experienced in the way of waste reduction been able to play a more significant role, other than give it token authenticity, this process could have worked quite well. Unfortunately, after years of inaction, then months of delay, there has been such an urgency placed on the WDO agenda that the time needed for the bringing in and development of new ideas just hasn't been there. This break-neck speed has eliminated any real chance of innovation or original

fresh. Alas, no.

The big thing to come out of the interim report is that we need a backdrop regulation if industry-supported stewardship is going to work. Depending on who you talk to, the lack of a backdrop regulation was one of the major reasons CIPSI died.

The other big thing is the concept of 50% industry support for recycling. If we accept the current figure for the net cost of recycling - \$100 per tonne, that would be \$50 per tonne from industry. Of course that figure would increase once fibre markets settle down and revenues are reduced. No doubt we'll argue about efficiency later.

CIPSI was based on the

one-third industry, one-third municipality, one-third revenue principle. In those days that meant \$65.00 a tonne from the producers. That was turned down by the Association of Municipalities of Ontario in the mid-1990s.

There was no guarantee CIPSI would have actually happened, even if AMO had agreed, given the backdrop issue and the opposition from other industry sectors. Nevertheless, 2 million tonnes of recyclables over five years amounts to \$130 million!

CIPSI was designed by industry and municipalities responded to an existing concept. The WDO hasn't really been much different. The chief architect of CIPSI was a Toronto-based consulting company. The consultant working with the WDO, and no doubt doing much of the legwork, is the same company, albeit with some input from others, this time.

Given the current climate, AMO will probably take the money and run, this time. Can you blame them?

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