

Product & Packaging Stewardship Review

MANAGING WASTE RESPONSIBLY

A faxed information service for municipal governments — Vol 1, Issue 6, November 2000

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NO INCENTIVES IN CSR/WDO PLAN

How “green” will this dot be?

The possible introduction of the Green Dot to Canada does not mean industry is taking full responsibility for its packaging, and has some environmental groups fearful for existing stewardship programs.

CSR:Corporations Supporting Recycling announced November 13 that it has entered into the final stages of negotiations with the Packaging Recovery Organisation (PRO) Europe to award CSR the Canadian rights to the ‘green dot’ recycling identification system. The organizations expect to complete negotiations for the licensing agreement early in 2001.

Under the agreement, CSR would be able to license industry in Canada to use the Green Dot on consumer packaging. The dot, according to CSR, indicates that the brand owner has contributed financially to a fund that manages recycling and recovery stewardship for those materials.

Unlike the European Green Dot programs, the Ontario Waste Diversion Organization (WDO) proposals have no recovery targets and limited funding for municipalities (up to 50% of “efficient” programs, less 5% for research). Also, the WDO levy is proposed to be a sales-based fee rather than a levy based on material used, weight, etc. There are no incentives for materials substitution, packaging redesign or recycled content. These proposals are currently on their

way to the Ontario Cabinet for consideration.

For years, Canadian industry representatives have criticized the Green Dot program as being too expensive and thus impractical. Recent reports from Germany, where the Dualles System Deutschland (DSD) program covers the entire cost of recovering packaging materials, have indicated recovery costs are being substantially reduced (see *PPSReview* July/August 2000).

DOESN'T NEED THE GREEN DOT, SAYS SPEC

Canada doesn't need the European Green Dot, says the Vancouver-based Society Promoting Environmental Conservation (SPEC).

There are a growing number of successful provincially-mandated

producer-responsibility programs that the CSR move puts into question, notes SPEC in a press release.

These include deposit/return programs for beverage containers and producer take-back programs for paint, solvents and other household hazardous products.

CSR is a Toronto-based industry group that represents consumer product and packaging manufacturers and distributors on stewardship issues.

CSR is currently acting as secretariat for the Waste Diversion Organization (WDO). Pro Europe is the European umbrella organization that licenses the use of the “green dot” to other national collection and recovery schemes for packaging waste.

According to CSR, Canada would be the first North American licensee of the “green dot” system.

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GUEST COLUMN

If they have a BEAR, maybe we need a DEAR

by Helen Spiegelman

Diverting discards from the landfill to the marketplace can disrupt the market's delicate supply-demand balance, but once the industrial infrastructure is in place to handle the new commodity, the market settles down into manageable cycles.

The plastics industry can learn a lot from the experience of the papermakers in the 1990s.

Zestful municipal efforts to recycle old newspapers caused a glut in the domestic market. Mills re-tooled for recycling to take advantage of low-priced ONP. The new demand immediately drove prices up to unnatural highs (remember 1995?). Now the balance has stabilized and ONP is a relatively reliable money-maker for municipalities and other recyclers.

Another factor in the development of the ONP market was *social or legislated demand*. Recycled content requirements in several large US states reassured our papermakers that their massive investment in recycling would be a safe one. Legislation told them recycling was not a passing fad.

COMPLICATED

Plastics present a more complicated challenge for industry because of the many different applications and players in the market.

When Coca Cola USA announced a commitment to begin using 2.5% recycled content in PET bottles, this caused panic among several of the

nation's carpet makers and textile mills who use recycled PET bottles. They will now have to compete with Coke for this material. Their response has been to join a new initiative, Businesses & Environmentalists Allied for Recycling (BEAR). BEAR figures that it makes more sense to tap into the 60% of PET containers that go to landfills in the USA each year than to fight with Coke over the 40% that

When Coca Cola USA announced a new commitment to begin using 2.5% recycled content in PET bottles, this caused panic among several of the nation's carpet makers and textile mills who use recycled PET bottles.

are currently recycled. Together, the BEAR allies are pushing for a national deposit-return program to double the quantity of recycled PET available.

POTENTIAL

The other major container resin, HDPE, illustrates the potential of legislated demand.

Plastic recycled content laws in California, Oregon and Wisconsin have created a modest but constant demand for recycled milk jugs in

Western Canada. This was enough to allow Merlin Plastics to pay BC municipalities and depots a stable price for milk jugs—and to allow BC attain a respectable recycling rate of over 60% for these containers (the highest in Canada).

MOMENTUM FALTERING

The momentum is faltering, though. When no additional states passed recycled content laws, resin makers abandoned moves to re-tool for recycling. Worse, an announced expansion of polyethylene production in Alberta will unleash a flood of low-priced virgin HDPE. This will affect the Canadian dairies that have begun supporting milk jug collection programs in several Canadian provinces. The competition from low-priced virgin resin will hurt them (and their consumers) in the pocketbook—and possibly cause embarrassment if the recycling market collapses.

Maybe what's needed is a Canadian **DEAR** (Dairies and Environmentalists Allied for Recycling). We could work together for mandatory 10% recycled content in suitable HDPE applications. With markets assured for their jugs, the dairies would face less uncertainty as they venture into packaging stewardship.

Helen Spiegelman is a long-time product-stewardship advocate based in Vancouver, active with the Recycling Council of British Columbia and the Society Promoting Environmental Conservation. She can be reached at: helens@axion.net

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NOTICE

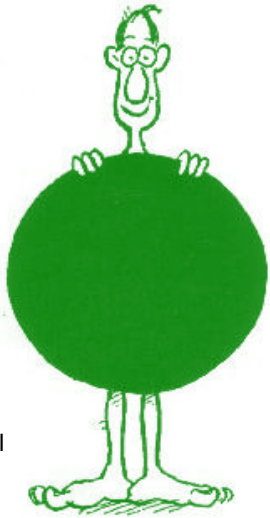
Please be advised that this publication, AND the views expressed, have NO connection with the Association of Municipal Recycling Coordinators of Guelph, Ontario.

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Green Dot - German version

Incentive for sound packaging design



100% of recycling costs covered

Industry levy based on weight/material type

Green Dot - Ontario version

No incentive for sound packaging design



0-45% of recycling costs of "efficient" programs covered

Industry levy based on sales

Briefly...

A NEW APPROACH TO PACKAGING TAXES

In an unprecedented move, Denmark's Environmental Protection Agency has proposed packaging taxes based on their environmental impacts. Currently in Denmark, packaging taxes are based on weight and material type. Denmark's EPA suggests that lower taxes should be placed on materials such as fibres and glass, and higher taxes on materials including aluminum, polystyrene (PE) and polyvinyl chloride (PVC). A similar tax regime on packaging is also being reviewed by the Norwegian government. *Børsen*, a Danish financial newspaper, suggests that if this tax plan were implemented it would effectively prevent future use of aluminum cans for beer and other alcoholic drinks.

Børsen and Recycling Laws International (www.raymond.com) – October 2000

GERMANY FOLLOWS THROUGH ON ACTION FOR NON-COMPLIANCE

Two weeks ago, German Environment Minister Juergen Trittin said he plans to implement a deposit-return program on cans and non-refillable glass and plastic bottles by summer 2001. The action, as directed by the Packaging Ordinance, resulted from industry's failure to meet Germany's refillable target of 72% for two years.

Reuters News Service – October 27, 2000

TORONTO MAYOR VOWS TO FIGHT FOR DEPOSITS ON DRINK CONTAINERS

Not only has Toronto Mayor Mel Lastman assured Torontonians that idea of shipping garbage to the Adams Mine is dead, but now he is vigorously fighting to reduce

waste, too. First, the mayor has established a new city goal of zero waste to landfill by 2010. Then he vowed to "pester the provincial government until it implements a deposit-return system for all beverage containers similar to beer bottles" and "If we keep pounding away, we can win." In Toronto alone, over 50% of all beverage containers, about 24,500 tonnes, end up being landfilled every year.

Toronto Star – November 4, 2000

SONY STARTS TAKE-BACK IN THE US

This October, Sony Electronics Ltd. (SEL) announced that it will be the first US electronics manufacturer to set up a voluntary take-back program for its products in Minnesota. Taking back and recycling products helps Sony design future devices that cost less to manufacture and help save our precious natural resources. "It's a win-win situation." said Fujio Nishida, SEL's President and COO.

Sony Electronics (press release) – October 18th, 2000

ENCOURAGING PACKAGING REDESIGN

Three of the world's largest computer and telecommunications manufacturers from Japan are re-designing their products to meet producer responsibility legislation. Fujitsu, NEC and Dai Nippon Printing have reacted to recent legislation requiring them not only to establish recovery programs for their products but that government agencies buy only environmentally-sensible equipment. Fujitsu has a plan to reuse or recycle at least three-quarters of its equipment components by 2003. NEC and Dai Nippon Printing have similar plans.

Resource Recycling – November 2000

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INCREASED ORGANICS OUTWEIGHS RECYCLING SUPPORT

WDO plan means more costs, not less, citizens' group warns

The Citizens' Network on Waste Management (CNWM) is urging Ontario municipalities to reject the proposals from the Waste Diversion Organization (WDO), claiming they will end up paying more, not less, because of increased organics costs.

The WDO report (see *PPSReview* July/August 2000) was submitted to the Province in September and is reported to be on its way to the Ontario Cabinet. It calls for backdrop legislation to ensure a level playing field for industry contributions. But is also calls for greatly enhanced curbside organics collection by municipalities.

While industry is urged to support efficient recycling by up to 50% (less 5% for research to improve efficiencies), the report notes only those who produce compostable papers should be responsible for managing organic waste programs. These materials are estimated to be about 16% of the organic waste stream, and 50% funding would be sought.

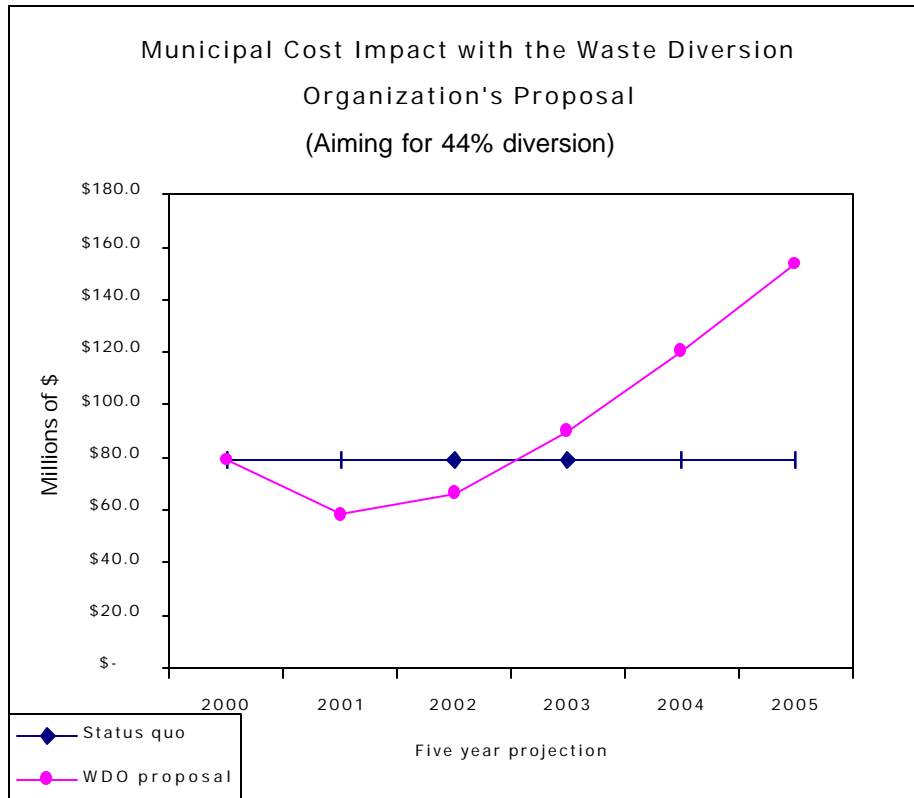
The WDO report also says the 50% diversion goal is going to be very difficult and expensive to reach, and suggest a 44% target is more realistic.

So, while municipalities could see up to 45% to offset the cost of their recycling programs, and help with household hazardous (special) waste programs, they could be on the hook for the entire cost of adding organics collection to their services, unless the Province assists with funding. To date, there has been no indication from the Ontario Government that they will subsidize municipalities for these new costs, notes the CNWM.

ORGANICS COLLECION

The WDO report (Part V: Projected Costs of Achieving These Targets), projects organics collection and management costs increasing from \$27.8 million this year to \$118.5 million in 2005. (With 8% industry support, the municipal portion would be about \$109 million.)

Recycling costs are estimated to increase from \$41.4 million in 2000 to \$64 million in 2005. With 45% industry support, the municipal portion would be about \$35 million.



Household hazardous (special) waste costs are projected to increase from \$10 million this year to \$17 million by 2005. With 45% industry support, the municipal portion would be about \$9 million.

The totals for 2000 are estimated at \$79.2 million, this year, more than doubling to \$199.5 million for a 44% diversion rate by 2005. With the varying industry support, the municipal portion would be about \$153 million. The cost of reaching 50% diversion by 2005 would push those costs to \$260 million, with the municipal portion in the \$200-220 million range.

While the increased diversion of materials will mean lower disposal costs for municipalities, the costs vary and the CNWM does not include these figures in its calculations. It does note, however, that there is no funding from industry (or anyone else) to cover the cost of waste disposal.

The WDO report is available at its website: www.wdo.on.ca

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Target Zero Canada launches in Toronto

November 21 was launch day for the newly-formed Target Zero Canada (TZC) initiative, a project of Earth Day Canada. A news conference was held in Toronto to formally introduce the zero waste concept.

Attending the launch were representatives from leading-edge businesses, government and NGOs. Among the panel of speakers were Barry Friesen, policy advisor to the Nova Scotia Minister of the Environment, and well-known US university professor and environmental advocate Dr. Paul Connert.

"We are using the planet's resources as if Mother Earth were running a going-out-of-business sale ... and the shelves are starting to become bare," said Target Zero Canada spokesperson Jed Goldberg.

Zero Waste emphasizes resource conservation, materials efficiency, waste prevention, reuse, recovery, and recycling. It encourages participation and cooperation among business, community and government.

"We must identify waste as unnecessary, ludicrous and a backward, archaic, inefficient concept. We must set the bar as high for waste as we do for any other societal issue. We must set it to zero." Goldberg said.

What is Zero Waste?

The concept of zero waste entails three important shifts:

It asks consumers, taxpayers and local governments to stop thinking of resources as garbage for which they have to pay to landfill or incinerate, but to maximize reuse, repair, recycling and composting instead.

It asks business to seek out materials efficiencies; redesign products and packaging the community cannot reuse, repair, recycle or compost so that they can be handled that way; and extend their responsibility for the product and its packaging by establishing take-back, reuse and remanufacturing systems.

It asks senior levels of government to shift economic incentives from virgin resources to renewable resources and to facilitate the growth of Zero Waste.

To learn more about the group, visit the following website: www.targetzerocanada.org



COMING EVENTS

February 25-28, 2001

Rural Ontario Municipalities Association (ROMA)/ Ontario Good Roads Association joint conference, Toronto, ON.
Call (905) 795-2555

March 6-7, 2001

Association of Municipal Recycling Coordinators (AMRC) Contracts Workshop, Oakville, ON.
Call (519) 823-1990

March 28-30, 2001

Pan-American Environmental Technology Trade Show/Conference, Montreal, PQ.
Call (514) 270-7110

April 3-5, 2001

Waste Expo 2001, Chicago, ILL.
Call (203) 358-9900

April 18, 2001

RCO Ontario Waste Minimization Awards, Guelph, ON.
Call (416) 960-1025

Meanwhile in BC...

The October 3 Vancouver Zero Waste Summit was sponsored by Mountain Equipment Co-op, Crown Packaging/Green Coast Paper Mill, BC Environment and the David Suzuki Foundation. It was attended by 50 people involved with solid waste, water quality, climate change and energy issues. People came from regional and provincial government, several corporations and several advocacy organizations.

Attendees heard about Zero Waste New Zealand's experiences with municipalities, Oregon's Zero Waste Alliance and how it works with corporations, and an overall environmental footprint analysis.

The majority of the group stayed into the late afternoon to define the goals that a zero waste movement should achieve. An interim 10-person steering committee is developing a Zero Waste BC strategy, projects and organizational structure, as well as planning future meetings.

Zero Waste—Time To Get Serious, an article by Andy Telfer, was published in September 2000 *PPSReview*. It can be downloaded from the www.productstewardship.org website.

RUMOUR DEPARTMENT

Word has it that the Ontario Waste Diversion Organization report is scheduled for discussion by the Ontario Government's Economic Resource Committee, December 10, and, if that hurdle is cleared, it goes to Cabinet on December 13.

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Opinion Piece

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

What's a municipality to do?

by Jay Arthur

Pity the poor Ontario municipality. Like a hockey goalie facing shots from everyone at once, local governments in Canada's most populous province have had to face a continuous, overwhelming assault on all fronts.

They have been downloaded upon by the Harris Corporation (due in part, of course, from reduced transfer payments from the Chretien soon-to-be Martin Corporation). They have been reorganized, amalgamated and streamlined—usually against their will. And they have had to manage all these extra responsibilities with fewer resources and a political climate that says they shouldn't raise local taxes if the province can afford to hand out tax cuts.

So it really isn't any wonder that with affordable housing and other social programs being pushed onto the table in the council chamber that recycling is not getting the attention it should.

The dollars involved may look significant when they come to the budget process, but compared to the numbers at the bottom of the pages of the other departments, waste management is peanuts.

Even in mighty Toronto, where all numbers are magnified beyond most people's reality, the monies required for garbage do not justify an inordinate amount of

council time when other pressing issues demand the attention of the decision makers.

Well, not until Adams Mine came along. Then, because it involved disposal of garbage, like anywhere else, it became the number one topic.

The fact that council

to have a 705 or even US area code.

Given the fiscal climate, it really isn't fair to blame councils for making inappropriate environmental decisions. Toronto's diversion rate is not bad, but could be a lot better. Would an ambitious waste reduction and diversion budget have

the municipalities in Ontario? After turning down the CIPSI proposal back in the mid-90s, they seem to be generally supportive of the latest proposals from the industry-dominated WDO. Just as many electors held their nose and voted Liberal on November 27, local

councils seem to be prepared to take what they can get. It is, of course, a long way from what the very same industries contribute to support waste management programs in other provinces, but what's a municipality to do?

They need the money.

If the Province puts in regulations requiring municipalities to collect organics, however, they could end up worse off, not better off. There is no question the diversion rate would increase, but if industry funding is dependant on adding organics, it will be a very bad deal for municipal tax payers.

And holding their nose won't help.

This mess was created when the Province killed the Interim Waste Authority, which was well on its way (after great expense) to coming up with a made-in-GTA solution to the area's garbage problem. But the disposal site would have had a 905 phone number and that wasn't going happen. "Common sense" dictated it would be far better to have a 705 or even a US area code.

made what might be considered the fiscally appropriate decision, given the climate, didn't matter. There were just too many questions. In the end, it was the fine print that killed the deal (for now, at any rate), and Toronto taxpayers will pay more money and put more trucks on the 401, on their way to US landfills via Windsor.

This mess was created when the Province killed the Interim Waste Authority. As a process, it was well on its way (after great expense) to coming up with a made-in-GTA, and inevitably controversial, solution to the area's garbage problem. But the disposal site would have had a 905 phone number and that wasn't going happen. "Common sense" dictated it would be better

survived the penny-pinching philosophy needed to keep tax increases at zero? Probably not.

Will it now? Only time will tell. If a truly ambitious waste diversion policy, as opposed to grand claims made in the heat of disposal debates, were put in place, it might just be possible to push it through at budget time for fear of the alternative. A protracted fight with Northern Ontario or municipalities on the 401 route would do nothing for the province's biggest city and the taxpayers may be prepared to support real diversion to avoid that.

The mayor is again talking deposit return and increased diversion. The mayor is a great talker. We'll see (and cheer) if real action follows.

But what of the rest of

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