

Product & Packaging Stewardship Review

MANAGING WASTE RESPONSIBLY

An information service for municipal governments
Vol 2, Issue 2, March 2001

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IN SASKATCHEWAN

Voluntary levy to cover recycling HDPE, polycoat milk containers

An expanded HDPE milk container recycling program and the addition of polycoat milk containers are on the agenda this year in Saskatchewan, with the costs covered by a recycling levy on each container sold.

The companies that distribute milk within the province, (Dairyworld, Parmalat, Lucerne and Foremost), the Saskatchewan Association of Rehabilitation Centres (SARC) and Saskatchewan Environment and Resource Management (SERM) met several times to discuss options to increase the recovery rate for HDPE milk containers being collected and to expand the current program to include polycoated, paper milk cartons.

Since February 18, 2001, participating dairies/companies have been levying recycling charges of \$0.01 per one-litre and two-litre HDPE containers, and \$0.02 per four-litre jug distributed and sold in Saskatchewan. The revenue will be used to fund the collection and recycling of all plastic milk containers regardless of volume.

On July 1, 2001, the program will be expanded to include the collection and recycling of polycoated paper milk cartons of all volumes. The recycling charges will be \$0.01 on one-litre and two-litre polycoated paper milk cartons, and \$0.02 on four-litre plastic jugs.

SARC's recycling division, SARCAN, currently operates the beverage container collection system. It has 71 depots throughout the province. SARC used to be paid by the dairies for each milk jug they collected through their depots.

Rather than go with a deposit system, which some were calling for, a voluntary program has been set up, based on the program in neighbouring Alberta. Fees are being collected on each container sold, as opposed to each one collected, thus bringing in more revenue and giving the dairies the same financial responsibility, whatever the recovery rate. Before, they only paid on what was collected. (Current return rates are at 30%.)

In addition to SARC accepting the designated milk containers through their existing network of recycling

depots, the organization will be contracting other local, municipal and regional recyclers to collect these containers. This is designed to ensure that the public will have increased convenience and access to the program.

An independent Dairy Container Recycling Advisory Board has been established to monitor, review and evaluate the operation of the program.

The new board is made up of representatives from the participating dairies (three members), SARC (one member), Saskatchewan Milk Control Board (one member), SERM (one member) and the Saskatchewan Urban Municipalities Association (one member).

The province says it anticipates a 65% to 70% recovery rate for the HDPE plastic milk containers and polycoat cartons once the new initiative matures.

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Briefly...

SOFT DRINK COMPANY STOCKHOLDERS WANT BETTER RECYCLING POLICIES

Socially-concerned investors recently introduced resolutions at Coca-Cola and Pepsi for comprehensive corporate recycling policies, including 25% recycled content and an 80% recovery target for PET soft drink containers. "Investor groups recognize that refundable deposits on beverage containers work. The 10 states with bottle bills have an average 80% beverage container recycling rate, which is two to three times higher than in states without deposits," said Pat Franklin, Executive Director of the Container Recycling Institute (CRI).

Press Release - CRI - Nov 2000

CARPET STEWARDSHIP COMES TO NORTH AMERICA

In January, the United States government and carpet industry stakeholders agreed on a national carpet take-back program. The group decided to set up an industry-funded, third-party organization to manage and finance collection of carpets in America. While it is still too early to determine how the initiative will be funded, the group is looking at fees to be charged per yard on carpets sold. With nearly 2 billion square yards of carpet sold in the US per year, a 10-cent/yard fee would bring in \$200 million/year to finance the program.

*State Laws Recycling Update
(www.raymond.com) - Feb 2001*

BEAR GROUP IS GROWING

The Natural Resources Defense Council (NRDC) has joined an alliance of business and environmental groups that wants to promote beverage container recycling. New York-based NRDC joined the Businesses and Environmentalists Allied for Recycling (BEAR), whose members include the Turner Foundation, Global Green USA, the GrassRoots Recycling Network and a large carpet manufacturer. BEAR is pushing the beverage industry to recycle 80% of its containers, and is negotiating to get Coke to use more recycled PET in its bottles.

Businesses and Environmentalists Allied for Recycling

JAPANESE LAW FOCUSES ON DESIGN

Effective April 1, Japan's new "Recycling Promotion Law" will target manufacturers and importers of products from cars to appliances and electronics, to furniture. The law mandates that producers or importers must ensure design for reduction and recycling. Some producers like those of personal computers (including desktops, monitors and note-books), and rechargeable batteries are required to pick up products from consumers (either themselves or through a third party)

*Recycling Laws International
(www.raymond.com) — Feb-March 2001*

MORE ON EUROPE'S "WEEE"

The European Union's Directive on Waste Electrical and Electronic Equipment (WEEE) is currently in its fifth draft and addresses the growing stream of electrical waste. WEEE will restrict the total quantity of electrical waste to be disposed by establishing take-back as well as separate collection and recycling systems with mandated product or material-specific recovery targets. The WEEE directive also introduces the principle of producer responsibility at the product-design stage to reduce the use of hazardous substances and to improve product recyclability. Also outlined in the directive is the restriction of use of certain hazardous substances in electrical and electronic equipment, and provisions for the replacement of various substances like heavy metals, lead, mercury, cadmium and hexavalent chromium. Various stakeholder groups and EU officials are negotiating details around recovery targets, material bans and restrictions, product exemptions and time lines.

European Union (www.europa.eu.int)

RECYCLING IN NUNAVUT

Nunavut's capital city Iqaluit has joined the recycling club. Earlier this month, the city launched a paper recycling program, a partnership between municipal, territorial and federal agencies. Environment Canada has provided 300 green boxes, which will be distributed to businesses and government offices throughout Iqaluit. Clients of a local young offenders centre will collect the green boxes twice a week. The paper will be dropped off at the Nunavut Public Works department and baled for a cargo flight to Ottawa, where it will be recycled.

Nunatsiaq News via Environment News Service

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Anyone wishing to support the Fair Comment Project may email Ben Bennett (bbc@albedo.net). Confidentiality is guaranteed.

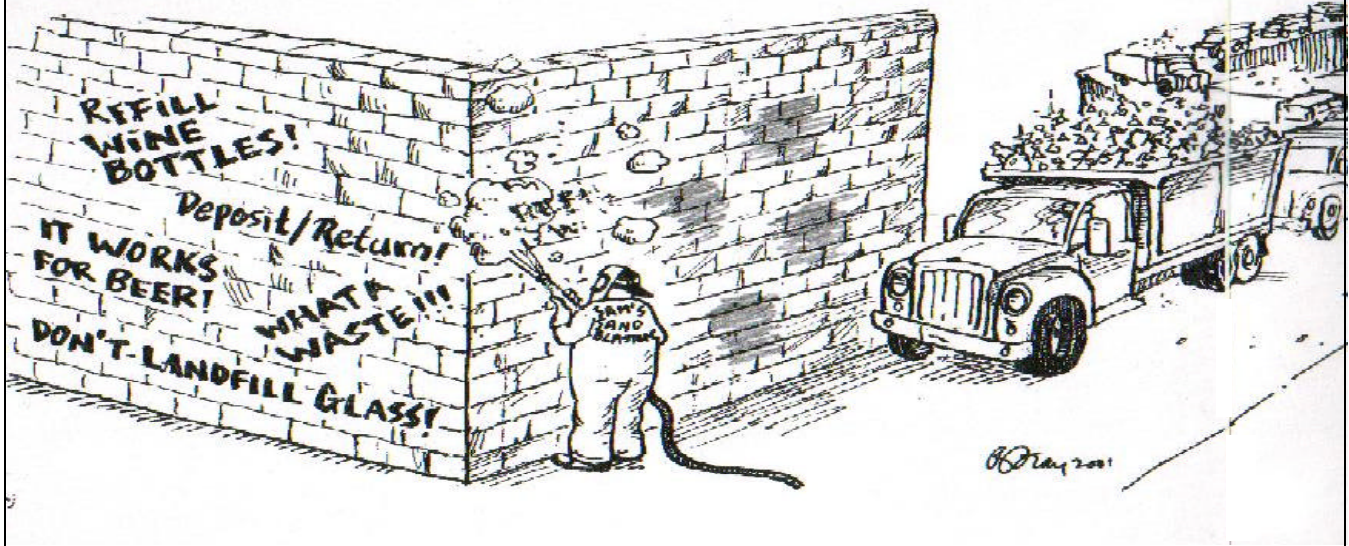
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NOTICE: Please be advised that this publication, AND the views expressed, have NO connection with the Association of Municipal Recycling Coordinators of Guelph, Ontario.

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"I think I'm going to need more glass. This graffiti is everywhere!"



JUST AS LCBO COMMITMENT ENDS... **WANTED: a market for green glass**

Three months after the expiry of the Liquor Control Board of Ontario (LCBO) commitment to support glass recycling, the province's major market for recycling green glass into new bottles has gone.

According to Consumers Glass, its Brampton plant used recycled green glass (primarily wine bottles) as feed-stock for the manufacture of green glass beer and other bottles. The company says one of its clients, Molson, recently closed its Barrie plant, resulting in a reduction in the demand for green glass bottles. Consumers is also facing financial difficulties and the company is being restructured.

NexCycle, a Guelph area company that processed the recycled glass for Consumers, had built up a stockpile of 15,000 tonnes before it was advised no further glass would be required.

Consumers has since committed to using some green glass in the manufacture of brown glass bottles in Brampton, and a Montreal company is offering to take some green glass. (The latter option would mean a net cost to most recycling programs of about \$30 per tonne. Previously they were paid \$22 per tonne and the freight cost to

Guelph for most programs was substantially less. Clear glass is worth about \$45 per tonne, and is still accepted at the Guelph processing plant.)

In the meantime, municipalities have been asked to look for local uses of the material as aggregate substitute or as a sand-blasting medium.

Glass has always been an operational and financial challenge for recycling programs. First, the clear material needs to be separated from the coloured, then the coloured glass needs to be processed to such a degree that any net value it may have had is long gone by the time it comes to selling it. Broken glass in a sorting plant is a potential hazard and adds considerably to wear and tear on belts and machinery.

Since 1996, there has been no direct provincial support of recycling programs, leaving municipal taxpayers to shoulder the costs.

The lack of markets for green glass is expected to see renewed calls for a deposit-return system for wine and liquor bottles. The City of Toronto announced plans for such a system in the late 1990s, using provisions in the

Bill 26 legislation. The Province responded by closing any loopholes which may have allowed the Toronto initiative and the provincially-owned LCBO brought in annual grants to offset municipal glass recycling costs. That three-year commitment expired at the end of 2000.

This month (March), the LCBO has turned down requests for a special top-up to cover the current financial difficulties faced by municipalities. It has said any further LCBO funding would have to be through the proposed Waste Diversion Organization (WDO).

The province indicated late last year it would go ahead with the WDO but there have been no announcements since and there is heavy lobbying from the retail sector against the WDO concept.

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Toronto budget woes may mean the end of its waste reduction plans

Less than six months ago, with the Adams Mine controversy refusing to die and a municipal election looming, Toronto Mayor Mel Lastman vowed that reducing the city's garbage would be a priority.

His first step after re-election was to form a task force to find a "made-in-Toronto solution that demonstrates leadership in waste diversion strategies and new solutions for the 21st century."

But now with the election over and the city facing a budget crunch, the mayor appears to be back-peddalling on his commitment to waste diversion, as do some of his city councillors.

The city's recycling and composting plans were thrown into

question when the waste management department had its budget reduced by an \$8 million, making a mockery of council's stated goal of diverting most of Toronto's waste from landfills by 2010, according to committee member Olivia Chow. Toronto's declared targets are 30% by 2003, 60% by 2006, 80% by 2008 and zero waste by 2010. The city currently diverts about 25% of its 920,000 tonnes of residential waste each year.

"Recycling costs us money, I don't know if we can afford to do it this year or not," Mayor Mel Lastman was quoted as saying.

The previous week, the mayor had repeated the city's ambitious plans to

reduce waste in his much-publicized letter to U.S. president George W. Bush, complaining about Michigan Governor John Engler's threats to close the border to Toronto garbage.

The cuts approved by the budget committee have to be ratified by city council when it strikes its 2001 operating budget in late April.

There was an expansion of the city's blue box program in March, which saw the addition of aseptic cartons, polycoat containers and empty paint and aerosol cans. If all these items had a high recovery rate, the city could expect to add another 1-2% to its waste diversion rate.

Manitoba makes a three-year plan

The Manitoba Product Stewardship Corporation (MPSC) has released its new three-year business plan, and it contains a warning that new revenue sources will be needed.

The report notes the MPSC's 2000/2001 fiscal year was the first to register a deficit, and more deficits are projected for the next three years.

"We have heard stakeholder calls for additional levies. However, developing a model for levy redistribution and securing the proposed newspaper contribution has remained elusive," notes the MPSC's draft report, *Evolving the MPSC Model*.

The corporation will seek voluntary product stewards "with the goals of both redistributing the revenues we need and expanding stewardship," continues the report.

The MPSC projects deficits of more than \$1 million each year for the next three years, resulting in a net bank balance of \$2,257,904 by the end of the 2003/2004 fiscal year.

Under the current Waste Reduction Action Plan (WRAP) levy of two cents per beverage container, the MPSC project revenues remaining constant.

"Developing a sustainable approach to fund the increasing recovery of eligible material will be the most critical task we face," states the report.

The plan lists five goals as priorities for the coming three years.

- increase municipal participation and increase the recovery of designated materials from residential programs.
- work with other provincial

stewardship agencies on servicing communities.

- refine the funding model to ensure fairness/ financial sustainability.
- examine opportunities for greater product stewardship.
- continue to build technical support services.

The activities planned for the next three years include being more active in the national stewardship debate, working with other agencies to measure and evaluate progress on waste reduction, facilitating discussion on levy distribution, developing strategies alliances with other stewardship organizations and working with the City of Winnipeg on multi-family dwelling recycling. The report can be downloaded from the MPSC website (www.mpsc.com).

Increased deposits for NF beverages

The Province of Newfoundland will increase deposits and refunds on non-alcoholic beverage containers this year.

As of July 1, the deposit will increase from six to eight cents per unit, but the refund increases immediately from three to five cents.

While the current recovery rate is just 50%, the 80% recovery rate objective remains. An increase in recovery rates would mean fewer revenues for the trust fund that has grown from unclaimed deposits and has been used to fund community-based initiatives.

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Another new minister, so expect more WDO delays

The replacement of Dan Newman with Elizabeth Witmer as Ontario's environment minister brings yet another face to the table for the ongoing saga of who pays for the blue box.

Since the latest round of discussions began in 1997, there have been four names on the ministerial letterhead. It was Norm Sterling who announced a plan was coming. It was Tony Clement who announced the Waste Diversion Organization (WDO). It was Dan Newman who received the WDO's report and recommendations and said he would act on them. So far, any public statements from Ms Witmer have not covered the issue of waste diversion funding.

The WDO is holding a one-day workshop in April on the 100-plus projects it funded last year. It will be held at the Renaissance Hotel at the Skydome, April 19. Call (416) 594-3456 for more information.

CBC's Marketplace show looks at over-packaging

The February 27 edition of the CBC consumers' show, *Marketplace*, examined the issue of over-packaging and stewardship, the role of producers and the government.

The show included interviews with representatives from the BC-based Society Promoting Environmental Conservation (SPEC), and the Packaging Association of Canada, as well as BC Environment Minister Ian Waddell.

For more information about the show (for the time being—the text is updated regularly) visit:
<http://cbc.ca/consumers/market/files/home/overpackaging/index.html>

LETTER TO THE EDITOR For 'goals' read 'expectations'

I enjoy your publication and thanks for featuring MPSC in the January edition. There is one point that was made in error. The paragraph that starts with "The MPSC's original mandate contained some ambitious goals which included:" As per our December 2000 newsletter the bullets you described as goals were in a section called Expectations: What is MPSC expected to do? The rest of the information was correct. Thanks again, and if you need any additional information, don't hesitate to contact me.

Jim Fogg, General Manager,
Manitoba Product Stewardship Corporation

COMING EVENTS

April 3-5

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

April 6

The Future of Waste Management, workshop
Duncan, BC
Coast Waste Management Association
Call (250) 752-8293

April 18

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

April 19

Ontario Waste Diversion Organization workshop
Toronto, ON
Call (416) 594-3456 ext.240

April 20

CSR: Corporations Supporting Recycling annual
general meeting
Toronto, ON
Call (416) 594-3456, ext 231

June 13-15

Recycling Council of British Columbia annual
conference and general meeting
Richmond, BC
Call (604) 683-6009, ext. 304

September 19-21

Recycling Council of Alberta, annual conference
Edmonton, AB
Call (403) 843-6563

October 9-11

RCO conference
Hamilton, ON
Call (416) 960-1025, ext. 16

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Opinion Piece

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

Buddy, can you spare a dime?

by Jay Arthur

Glass don't get no respect, today.

There was a time when glass bottles and jars were something to treasure, a wonder of engineering. They were sturdy, elegant and about as environmentally friendly as it could get at the time.

Glass is classy. While there may be moves to produce beer in plastic, and pop in plastic, the idea of wine in a plastic container—be it bottle or pouch—is just too tacky for most of us.

Some American beer companies are now putting their suds into PET plastic bottles. It's not as if taste considerations would be an issue with the mass-produced stuff, so it makes sense in a way. It certainly is preferable to the enormous environmental cost of virgin aluminum cans.

The quaint old Canadian notion of continuing to put beer into a glass bottle probably doesn't improve the flavour, but at least no one is asking the taxpayer to cover the cost of recovering the containers. Whatever the motivation for the use of refillable bottles may be, there is no arguing the environmental wisdom and the efficiency and desirability of the deposit-return system. And there is no denying the value of the little brown glass bottle, which epitomizes the system and looks down with disdain on the less than ideal performance of the recycled glass containers in the other system.

The irony is that Coca Cola is making its plastic pop bottles as closely as it can to the old glass bottles. It's a tribute to days gone by, and the refillable aspect is quietly forgotten.

For those operating recycling programs, glass is a big problem. While intact, a glass container is a thing of beauty, with a distinct value. Once it works its way through a recycling program it is just a pile of broken glass,

with minimal value and lots of cost implications.

The recent collapse of the market for green glass in Ontario (see story on Page 3/6) means that most of those broken wine bottles won't even end up as new containers any more.

Their destiny now is as road bed, sand-blasting medium or other low-grade substitutes, which is not much of a prospect for an ambitious glass bottle.

“.....by keeping the same price at the point of purchase, the wine producers would have more than \$6 million each year to fund a deposit-return system, and they would save about 30 cents each on the cost of new wine bottles.....”

Now, various players are scrambling to do something with the molehills of green glass that are gradually becoming mountains.

Meanwhile, where is the Province?

The Ontario Government has this thing it calls the Environmental Levy and it means for every non-refillable bottle of wine you pick up at the liquor store, a dime goes into a piggy bank on the desk of Finance Minister Jim Flaherty.

Intended as a measure to promote the reuse of containers, the revenue from the levy stays in general revenues, making it very handy for financing the next feel-good advertising campaign or even the next provincial tax cut. It sure as hell doesn't get as far as the environment ministry.

After some serious talk by the City of Toronto about bringing in deposit-return on liquor bottles a few years back, the Province, which of course

runs the Liquor Control Board of Ontario (LCBO), told the crown corporation to set aside some hush money and give it to municipal recycling programs—for three years.

At the same time, bureaucrats were busy changing the municipal rule book so the City (or anyone else) could not bring in the system it was planning.

The kicker in all of this is that under the 3Rs Regulations, local governments are obliged to collect green glass for (alleged) recycling, even though it will likely end up as a rather expensive substitute for gravel or sand.

Landfilling green glass is *not* allowed; landfilling green glass in road construction *is* allowed.

Now here's a thought. What if the wine bottles were made to be refilled and a system set up to collect the empties, wash the empties and sell them back to the wineries?

The producers would then be able to avoid the 10-cent levy. So, by keeping the same price at the point of purchase, they would have more than \$6 million each year to fund the system, and they would save about 30 cents each on the cost of new wine bottles. And the poor municipal taxpayer would save a bundle by not having to manage the empties in the blue box!

This may be too obvious an answer to the current fiasco.

But burying wine bottles isn't the answer, either.

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