

## **Extended Producer Responsibility: The Next Phase of the US Recycling Movement**

A Review of the Take It Back! Pacific Rim: Forging New Alliances for Waste Reduction Conference, held February 28 – March 1, 2000 in Los Angeles, California.

The conference was produced by Raymond Communications, Inc. and Huls Environmental, L.L.C. and sponsored by The City of Los Angeles, California Integrated Waste Management Board, GTE Recycling, E-tech Products, Inc., and Waste Management of Orange County.

By Neil N. Seldman  
Institute for Local Self-Reliance (ILSR)  
2425 18<sup>th</sup> Street, NW  
Washington, DC 20009  
(202)-232-4108

*Neil Seldman is the director of the Institute for Local Self-Reliance's (ILSR's) Waste to Wealth Program. Under a grant from the Flora Foundation in San Francisco, California, ILSR will be exploring extended producer responsibility strategies and other rules that help close the loop locally.*

The U.S. recycling movement once again is flexing its muscles, this time in the direction of Extended Producer Responsibility (EPR). EPR proponents see discarded products and packages as an “unfunded mandate.” While some see unfunded mandates only as federal dictates that force spending at the local level, EPR advocates see unfunded mandates as corporate dictates that force local governments and small businesses to spend \$43.5 billion annually for handling the materials that manufacturers so carelessly let loose upon the land. The EPR concept originated in Europe in the last decade, but now is emerging in Central and South America and Asia as well; paralleling the global path of the product and packaging manufacturers against whom the movement is aimed. The demand for companies to take responsibility for their actions is now worldwide.

In the U.S., EPR is taking its own time and own distinct path. While we are lagging behind other regions of the world, the grass roots nature of the approach in the U.S. may lead to more profound and, in the near future, more rapid changes in the solid waste management system. U.S. cities and grass roots organizations are hoping to leapfrog through the learning curve of international experiences.

One place to learn about the EPR issue and its very palpable impact on industry and government is the ongoing Take It Back Conference series. One portion of the conference series was recently held in Los Angeles, California.

### **Plenary and Workshops with International Experts**

At the conference, the EPR issue was made quite real to the audience at the outset, as Mayor of Los Angeles, Richard Riordon, opened the conference with high praise for

recycling. The Mayor pointed to the City of Los Angeles' 46% citywide diversion rate, and the city's goal to reach 70% diversion by the year 2020. He then introduced Lupe Maria Vela, Division Manager, City of Los Angeles, Bureau of Sanitation, Citywide Recycling Division, who explained that the Mayor's strategy for reaching 70% relies heavily on source reduction, increased commercial recycling, education, and developing extended producer responsibility strategies. A series of highly professional briefing reports from the world's leading researchers, in the field of EPR, followed the Mayor's introduction.

There were many excellent presenters such as David Perchard, who discussed the history and current trends of European packaging laws; Wolfgang Ringel, who discussed the German Duales System and PRO Europe, a similar system serving other European countries; Keith E. Ripley of Temas Actuales reported on rapidly changing product and packaging laws in Central and South America; Bente Gansum, of the Norwegian Pollution Control Authority, detailed the final regulations for computer manufacturing and distribution in her country; Richard Ferris, of Beveridge & Diamond, P.C.; and Professor Chung-Huang Huang, of the National Tsing Hua University, who discussed Taiwan's evolving EPR measures and EPR developments in China; Christine Lucyk, of Environmental Directions in Canada, who elaborated on the popularity of refillable beverage containers and other convenient "Take Back" measures, established by industry.

Unfortunately, a presentation from Japan fell short, by comparison, as the data presented was confusing and the talk contained subjective negative remarks against refillable containers, which is one of the most efficient solid-waste management options available.

The conference provided industry representatives with a great deal of information and insight on EPR, the worldwide trend to make manufacturers more responsible for their activities. Grass roots activists and local government officials were impressed with the presentations, from which they also gained a great deal of information.

The presenters and workshops offered an array of innovative EPR policies. Eric Lombardi is the director of EcoCycle, Inc. (Boulder, Colorado), one of the oldest community-based recycling companies. He commented that, "there are an awful lot of 'Gee Whiz' information and model programs here. I can take these ideas back to my region to develop specific policy initiatives that have worked in other cities and regions." Rick Anthony, another well known grass roots recycling advocate and practitioner, representing the Urban Corps of San Diego, put it another way. He said, "who would have thought that Brazil and El Salvador have more advanced EPR policies than the U.S.?" Ted Ward is a local solid waste official from Del Norte County, California, and author of the country's first county Zero Waste Plan. Mr. Ward pointed out that the conference gave an "advanced warning to industry about new EPR initiatives, allowing them to prepare their counter moves." Indeed, the majority of conference participants were industry officials, eager to learn either how to stop EPR initiatives, and/or how to harmonize their products and packages in order to gain entry into the lucrative European and Asian markets, once EPR measures are introduced. For example, companies wishing to sell computers in Norway will have to rid their

products of hazardous waste, in order to comply with soon to be imposed requirements.

The conference organizers prepared a book about the conference, which serves as a valuable resource, containing details of the numerous initiatives from around the world. The book is a literal smorgasbord of EPR policies. One example is Germany's industry, which operates the Duales System where corporate members coordinate with local jurisdictions for recycling selected post-consumer materials. In Germany, the costs of recycling have begun to fall due to new processing technologies and new contracts with collection agencies and companies. Yet the country is pressing for higher levels of diversion, because industry efforts have been deemed insufficient as landfills are being phased out, and incinerators are being required to further reduce pollution. Currently, the cost of recycling is lower than the cost of incineration. As Germany increases its diversion efforts over the next few years, recycling should become even cheaper as compared with incineration.

Other examples of EPR initiatives can be found in Central and South American countries, where neglect by local, provincial, and national governments on solid waste management issues, have caused landfills to near their capacity. In response, El Salvador is calling for a regional refillable beverage container system. Other countries propose to declare plastic waste as hazardous, which would result in severe cost increases for disposing of plastics. Also other countries are proposing to impose deposit fees on packaging, tires, and batteries, in order to pay for recycling and proper disposal. Brazil, Argentina, and Chile appear to be the bellwethers for EPR initiatives.

The conference book highlights a number of EPR laws, which are on the horizon. For instance, countries are considering laws that require tire importers to recycle or reuse old tires before importing new ones and that require companies to spend at least 10% of their advertising budgets for public awareness and recycling and reuse education. Countries are also considering implementing environmental labeling, proper handling of old medical wastes and household hazardous wastes, 50% recycling levels for all packaging, restrictions on disposing of recyclables at landfills, and tax surcharges to pay for new recycling infrastructures.

### **Side Bar Workshops and Discussions**

While the plenary sessions and follow-up workshops focused on industry developments, the conference also hosted a series of additional workshops to focus on special interests, such as the rapidly growing cooperation between cities, grass roots groups, and the Electronic and Electrical (E & E) industry in developing EPR programs. The following are some of the special EPR interests discussed in the workshops.

The Southern California Council on Environment and Development (SCCED) focused interest on forming new EPR alliances among local, city and county officials, and grass roots recycling and environmental representatives, in attempts to expand the existing EPR coalition. The existing coalition is comprised of cities on the Pacific Rim, which have combined forces to address EPR policies and implementation strategies. The energy at this workshop was palpable and harkened back to the powerful coalitions of grass roots organizers and committed civil servants, who not only killed 30 proposed mass incineration plants in California, in the late 1980's, but also led the changes in local

and state policies that launched comprehensive recycling in the state. The fact that citizens and local government have organized together to address EPR is a new and more radical step than recycling. Recycling forced cities and industry to manage their discards differently than they had in the past. EPR implies citizen participation in the redesign of products and packaging and the design of reverse channels of distribution. In Canada, citizens have a strong cultural bias to use refillable milk and beer bottles. In addition, Canada has an array of "Take Back" programs that are flourishing for products such as batteries, paint, and other hard to recycle products. Convenience and efficiency is the key to successful EPR programs in Canada. Customers return used products to stores at the time they go shopping for replacement products. Industry then reclaims their used products and packaging from the stores that sell their finished products. Customers are no longer just purchasers of products, they are a source of raw materials for new production, reversing the traditional channel of distribution from a one way, linear system, to a circular, renewable system.

Sheila Davis of Materials for the Future Foundation in San Francisco, California, reported on a multi-stage pilot program for gathering electronic and electrical discards. The program, conducted by the cities of San Francisco, Berkeley, and Haywood, California, compared household collection, curbside drop-off, and other recovery techniques for gathering electronic and electrical discards. During the first collection period, the collectors gathered mostly old and low-value discards, but subsequent collections garnered more sophisticated and newer equipment of much higher value. Davis said that, "This teaches us that a one-time program is not the way to go." Public awareness and education must be maintained in order to get into the "richer second and subsequent waves of participation," concluded Davis.

Ted Smith, from the Silicon Valley Toxics Network, presented a sobering picture of the known hazardous materials that come into our homes and offices through computers. He also enlightened the workshop participants of the toxins that enter the atmosphere through the landfilling and incineration of computers. "Our concerns have expanded from the manufacturing process in Silicon Valley, which dumps toxics into our disposal systems, to the dangers posed by the use of computers in homes and offices," said Smith. These problems will escalate as the computer industry strives to make new computers obsolete after just 18 months. Currently computers are considered obsolete after just two years, two years faster than in the early 1990's. According to Smith, every two years 100 million pounds of lead from computers is dumped in California landfills. Smith suggests that recycling and EPR advocates focus on health issues to galvanize public opinion. Advocates should focus not only on computers, but televisions as well, because they will soon be replaced, throughout the country, by new technology. Smith also introduced workshop participants to the new wave of micro-enterprises emerging in Europe, such as ingenious individuals who are adopting older computer hardware and software for new uses. Smith says that, "These small businesses are connecting people to the Internet at very low costs."

Lupe Vela covered the perspective of government in working with businesses to develop initiatives for producer responsibilities. She discussed various approaches to getting things done. The main ones were the following:

- Partnerships - excellent first start but needs more substance in the long run;

- Municipal policy – developing good relations with political figures helps tremendously in passing policies and creating programs. Maintain relationships and political figures will be willing to go out on a limb; and
- Good statistics – facts, documentation is critical for convincing business and the public that more can be done.

David Stitzhal of Full Cycle Environmental, introduced other computer reuse and recycling enterprises emerging in the Northwest. Stitzhal represents local governments in the Seattle metropolitan area, including King County, Washington, which has one of the most advanced waste reduction programs in the country. Most recently, King County and Seattle have invested \$250,000 to launch LinkUP, a program that offers engineering and other technical assistance to product and packaging designers and manufacturers. LinkUp also helps manufactures evaluate market potential, find suppliers, and sources of financing for new ideas.

### **Plenary Debate**

Yet another highlight of the Take It Back! Pacific Rim conference was the plenary debate: Does Industry Need a Law To Make Progress in EPR? The debate focused on the plastic industry, the most recalcitrant industry when it comes to recycling. Michele Raymond introduced the topic with specific information about plastics in the U.S. and European municipal waste streams. Plastics, which have grown by 60% since 1990, are too big of a component of the waste stream to ignore. The U.S. packaging industry uses 22 billion pounds of plastic resins, of which only 2 billion pounds or 5.2% are recycled. New designs in plastic packaging are also making it more difficult for recycling processing centers. The plastics industry is complex and difficult to regulate compared to other industries. Europe's EPR system has not solved the problem of plastics because plastic packaging is poorly sorted and much of it is shipped overseas.

Rick Best, Legislative Coordinator for Californians Against Waste, presented the case for government mandates for the plastic industry. "While the glass, paper, metals, and compost industries have stepped to the plate, the plastic industry has refused to establish infrastructure and programs for meaningful recycling levels," says Best. Misleading labeling, low rates of recycling, false promises from companies, temporary facilities to recycle plastic, which are soon closed after a public relations blitz, all contribute to Best's conclusion that the industry's voluntary efforts are woefully inadequate.

Best concluded his remarks with a summary of the specific legislative proposals currently before the California State legislature, with regard to minimum content of plastic containers, and expanding the type of containers covered within the state's container redemption program. He carefully explained the California 'bottle bill,' which relieves the grocery stores of having to handle the returned containers (the containers go to redemption centers); and which bases its fee structure on the market for discarded materials (aluminum does not receive a subsidy while plastic does). Finally, he pointed out that plastic manufacturing has upstream environmental costs to both workers and the environment, due to the extraction of raw materials and manufacturing of plastic products, such as polystyrene and poly vinyl chloride (PVC).

Terry Bedell of the Clorox Company presented the plastic industry's point of view. He steadfastly refused to take any responsibility for the array of differentiated (and hence hard to recycle) plastic resins. "Plastic packaging reduces waste in the economy," he stressed. According to Bedell, the industry is recycling all the materials it could and should, and no one has the right to tell them what to do. Besides, he added to groans from the audience, "Not as many people want to recycle as environmentalists would have you believe." (At the 1998 California Resource Recovery Conference, in San Diego, Ron Perkins representing the American Plastics Council took a similarly irreverent tone. He insisted that there are resin manufacturers, processors, formers, and distributors of plastics, but these groups of companies cannot be seen as an industry group. "There is no plastic industry," he declared.)

Bedell feels that the key to plastic recycling is more efficient collection. This suggestion astounded members of the audience, who pointed out that except for number 1 (PET) and number 2 (HDPE) plastic, there is no realistic infrastructure for plastic recycling. The myriad of the other plastic containers and products are costly contaminants to municipal recycling collection and processing programs. Bedell did not address the market-based solutions posed by Rick Best. Nor did he address the issue of upstream pollution caused by the industry.

Michele Raymond proved to be a highly energetic and entertaining hostess for the debate. She called upon informed members of the audience to comment and challenge the panel of speakers. This stimulated dialog brought up important issues such as the contending approaches to plastic recycling posed by bottle bills, which increase the available supply (verses minimum content legislation which puts the pressure on manufacturers to capture a flow of scarce materials). A Wellman Industries' executive pointed out that the country has 11.5 million tons per annum of capacity for recycling plastic but is forced to chase down only 8.5 million tons that are currently available. The obvious differences between the electronic and electrical industry's approach verses the plastics industry's approach was brought up in this discussion as well. Appropriately, the session ended with comments from Bill Shireman of Global Futures, who has built a career in helping industrial firms and environmentalists reach accommodation over their differences and help them formulate solutions. "Industries that consistently avoid new approaches to problem solving often wind up paying much more in the long run. New laws are an extreme form of feedback that they will face," says Shireman.

The next Take It Back Conference is scheduled for late spring 2001 on the East Coast. For information, contact Raymond Communications, Inc., 5111 Berwyn Road, College Park, MD 20740 Phone: 301-345-4237 Fax: 301-345-4768 <http://www.raymond.com>