



Building Capacity for Product Stewardship in the U.S. ("south of the border")

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FOTOSEARCH



What is the Product Stewardship Institute?

- Non-Profit, based in Boston, founded in 2000
- Membership
 - 45 States
 - 100+ Local governments
 - 35+ Corporate Partners
 - 15+ Organizational/Academic Partners
- Board of Directors: 7 states, 4 local agencies
- Multi-stakeholder product stewardship network



PSI Projects

- Electronics
- Paint
- Fluorescent Lamps
- Mercury Thermostats
- Pharmaceuticals
- Medical Sharps
- Telephone books
- Batteries
- Radioactive Devices
- Gas Cylinders
- Tires
- Beverage containers
- Packaging
- **Motor oil**
- **Pesticides**



Building Capacity for Product Stewardship: **Conceptually**

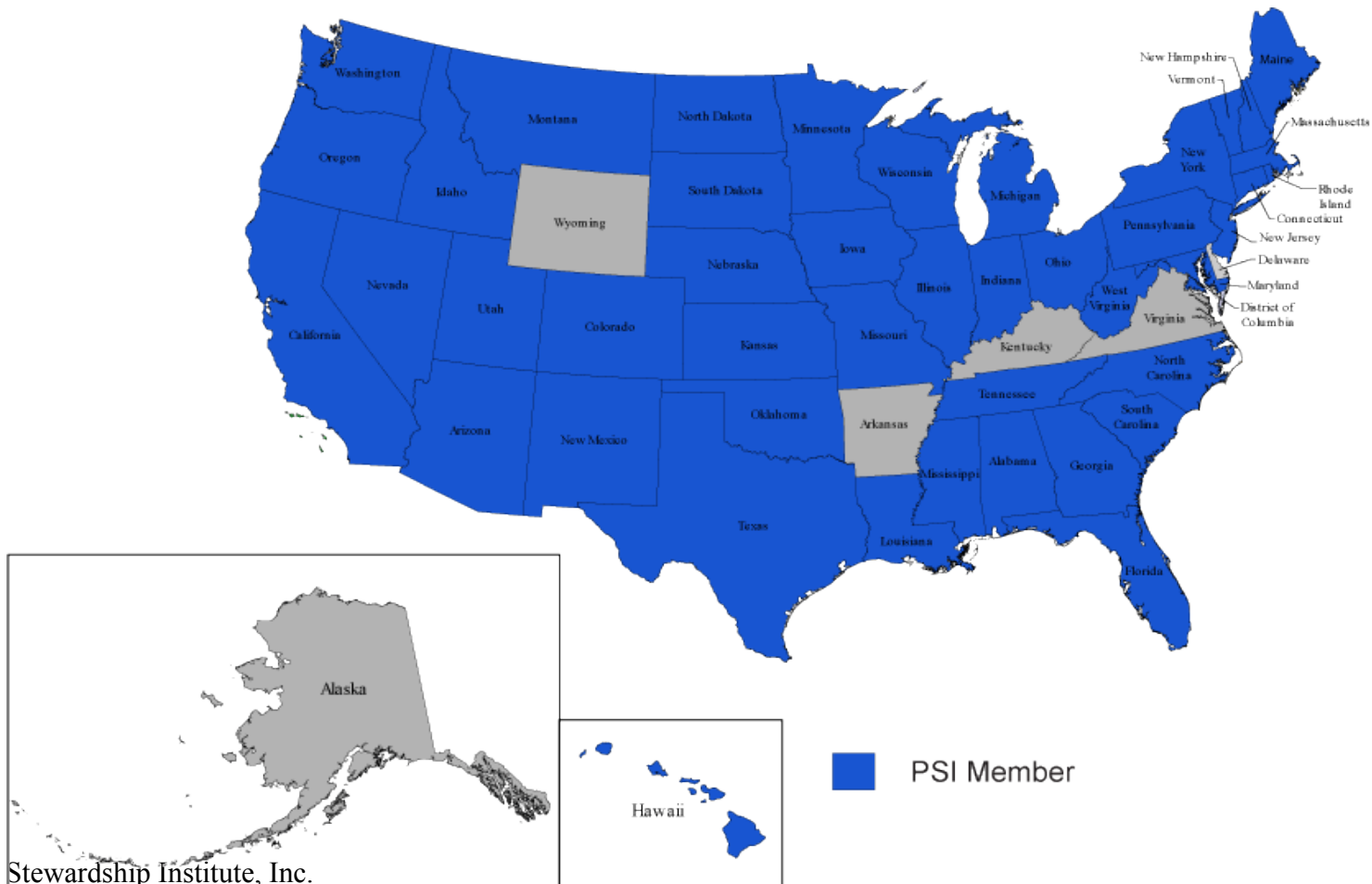
- “Product stewardship” (paradigm shift)
- Unfunded mandate – impacts on local government
- Internalize costs of managing products
- Producer responsibility within context of shared responsibility
- Lifecycle approach (design through end of life)



Building Capacity for Product Stewardship: **State by State**



PSI State Members – 2009

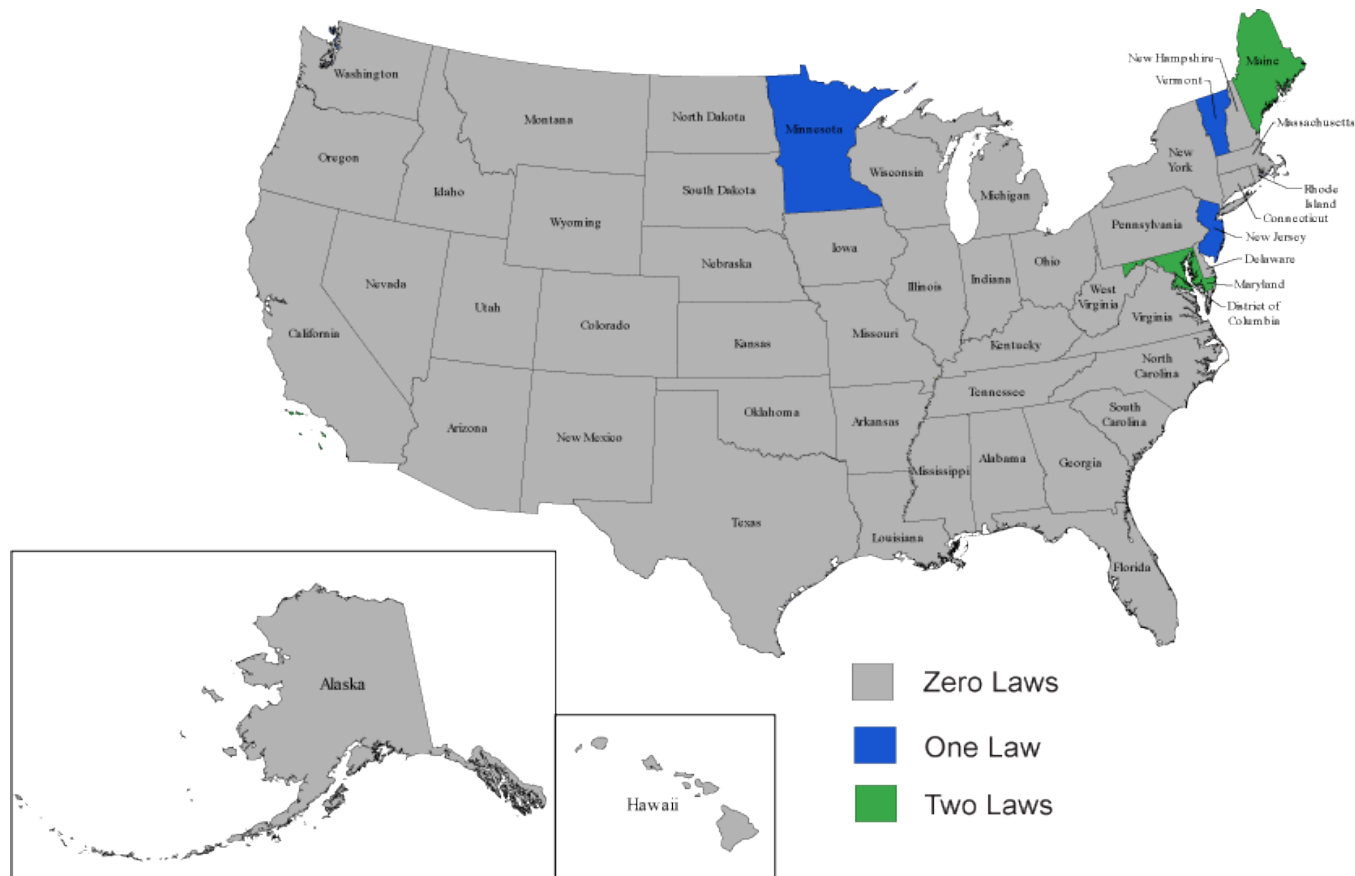




Building Capacity for Product Stewardship: **Statute by Statute**

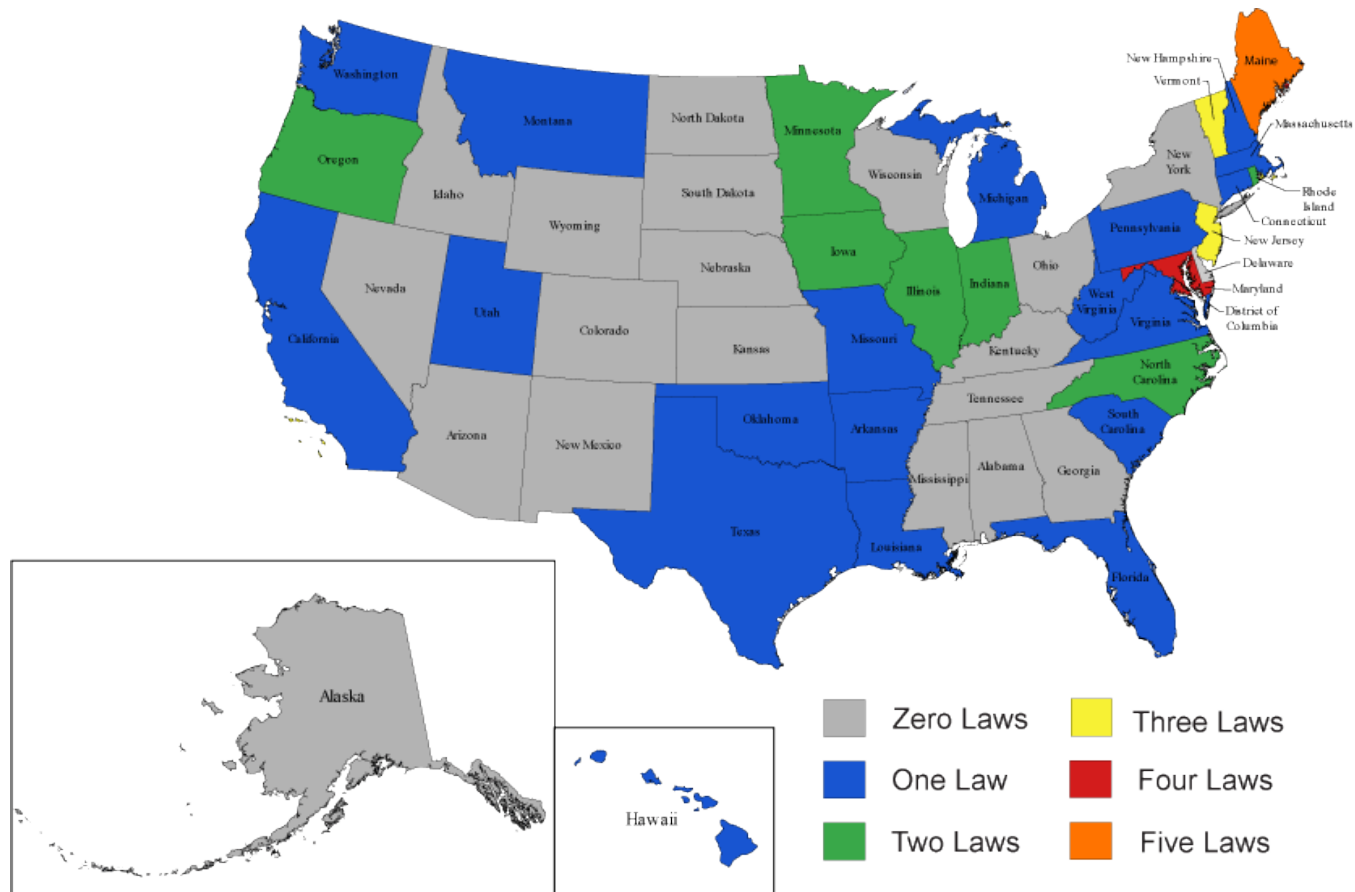


State EPR Laws 2004





State EPR Laws 2009





Building Capacity for Product Stewardship: **Local Government by Local Government**



Product Stewardship Institute State & Local Membership – FY08/FY09

	State	Local
FY08	43	51
FY09	45	100



Building Capacity for Product Stewardship: **Council by Council**

- Northwest (1998)
- California (2007)
- Vermont (2008)
- Texas (2008)
- New York (2009)
- Connecticut (2009)



PSI Local Government Coordination

- New York*
- Connecticut*
- Vermont*
- Oklahoma
- Florida
- Nebraska
- Pennsylvania
- Virginia
- Iowa
- Wisconsin
- Maine

* Formal Councils Created



Product Stewardship Laws

- Electronics – 18 states (+ NYC)
- Auto switches – 14 states
- Thermostats – 7 states
- Batteries – 6 states
- Fluorescent lamps – 1 state (Maine)
- Paint – 1 state (Oregon)



2009 Product Stewardship Legislation

- Electronics
- Thermostats
- Fluorescent lamps
- Paint
- Pharmaceuticals
- Phone books
- Medical sharps
- Framework



Other Product Stewardship Activity

- Gas cylinders
- Packaging



Manufacturers' Transformative Process

- “There is no problem”
- “Increase government programs”
- “I’m OK w/visible fee (gov’t made us do it)”
- “We take responsibility to set up program”
- “Performance is not my responsibility”



Framing the Debate

***You Can't Pull a Flower
to Make it Grow***



*Gilles Goddard, Director General
La Société de gestion des huiles usagées (SOGHU)
Producer Responsibility Organization for Used Oil Recycling*



Retail Role in Product Stewardship

- Focus on wider sustainability (e.g., Wal-Mart)
- Take back (EPR supporters)
 - Rechargeable batteries, toner cartridges, cell phones: many
 - Electronics: some
 - Thermostats, lamps, paint_
 - Ace, Tru-Value, and locals
 - Home Depot: CFLs
 - Pharmaceuticals, sharps: a few retail pharmacies



Financial and Environmental Benefits of EPR

- Financial benefits take two forms:
 - ***Direct cost savings*** as manufacturers take on costs local governments are paying now to collect, transport, and recycle used products
 - ***Expanded service*** as consumers enjoy convenient recycling for more products
- Environmental benefits include removal of toxics from waste streams, conservation of natural resources, and reductions in greenhouse gas emissions



Performance Metrics and Goals

- Measuring performance motivates program improvements and enables comparison and learning
- Harmonized metrics are a cornerstone of understanding program effectiveness
- Performance goals should address program **results**: amount collected and recycled compared to amount available for collection and recycling



Product Stewardship Framework

- More efficient – Multiple products
- Recognition that product legislation should have common elements:
 - designated products, roles of players, plan submittal to agency, performance goals, disposal bans, enforcement, reporting, etc.
- Useful as advocacy tool at local level
- Model for product by product legislation



Product Stewardship Framework Policies/Legislation

- State policy passed: CA
- Framework study bills passed: RI, MN
- Framework legislation introduced: CA, OR, MN
- Need to pass product legislation first



Product Stewardship and Chemicals Policy

- Convergence: PS and Chemicals Policy
- Chemical by chemical
 - Phthalates (plasticizers)
 - Bisphenol A
- Multiple state laws
- Federal Reform: Toxic Substances Control Act (TSCA)



Electronics – Status

- All 19 electronics laws use concepts from national electronics dialogue – lack of harmony
- Manufacturer and retailer take-back programs in response to dialogue (e.g. Staples)
- New State Legislation
 - New laws (computers/TVs)
 - Existing laws adding TVs or other new products
- Federal export legislation + Federal e-waste legislation
- Harmonization: performance goals + other elements



Electronics – Potential Benefits

- Nearly 15 pounds per person per year – scrap electronics available for collection
- \$0.30 per pound – avg. management cost
- In MN and WA, local governments are saving hundreds of thousands of dollars while consumers are enjoying expanded service



Auto Switches – Status

- 14 state electronics laws – lack of harmony
 - \$1 to \$5 “bounty” for each switch returned for recycling
- Federal voluntary negotiated agreement (US EPA)
- Implementation fund (\$2 million from automakers + \$2 million from steelmakers) – ran out of money July 2009
- 80% recovery goal (26% currently achieved)
- General Motors bankruptcy → stopped payments
- Need GM funding to continue & renegotiate MOU
- Other options: federal or state legislation



Paint – Status

- Why is Paint a Problem?
 - 10% of paint sales becomes leftover
 - (2006 = 75 millions gallons in the U.S.)
 - **\$640 million dollars/yr** mgt cost (avg. cost: \$8/liquid gallon)
- *6 Point Plan* – consumer advice on leftover paint
- Recycled paint standard (with Green Seal)
- Paint reuse manual, infrastructure report
- Consensus producer-financed legislation (**OR**, MN, CA)
- Roll out to other states: VT, CT, FL, IA, NC, WA



Paint –Potential Benefits

- **Over \$6 million PER YEAR – direct savings or service benefit for Oregon**



Fluorescent Lamps – Status

- Commercial Lamps: Consensus on need for more laws that ban disposal of lamps and greater enforcement of existing laws (press release issued)
- Household Lamps: Showed that retail collection works! (*7 steps* document) – Ace Hardware pilot in 4 states
- Household Lamps: Framed financing options
 - Producer responsibility, Utilities, Retailers, Cap and trade
- EPR legislation introduced (ME, MA, CA, WA, VT, OR, MN, NYC)
- Continue work on disposal bans, efficiency/toxic content labeling, retailer collections, LEDs, breakage in transport, procurement and mercury content standard



Lamps – Potential Benefits

- Nearly 0.5 spent fluorescent lamps per person per year. Amount expected roughly to double by 2012
- \$0.30 to \$1.50 per lamp – avg. management cost
- 2012 estimated cost savings and service benefits for CA range from \$8.9 million to \$44.8 million, assuming 100% collection rate



Thermostats – Status

- Expansion of Thermostat Recycling Corp. program to:
 - Chain wholesalers, Heating and cooling contractors, HHW facilities, Retailers
- PSI Model State Legislation – 7 state laws
 - ME (2006), VT (2007), NH (2007), IA (2007), CA (2008), PA (2008), MT (2009)
- Common methodology for measuring performance (recycling rate)
- EPR legislation pending 2009 (IL, MA, RI)



Thermostats – Potential Benefits

- Nearly 11,000 mercury thermostats collected in ME since passage of mercury thermostat collection act in 2006
- 97 pounds mercury collected in ME (4 grams mercury per thermostat)
- Saved ME local governments about \$28,000 by shifting recycling costs to manufacturers



Pharmaceuticals – Status

- Consensus on need to change Controlled Substances Act → Congressional legislation
 - No Flushing
 - Reduce cost of take-back programs
- Narrowed/framed issues for debate
 - Take-back vs. garbage disposal
- Consensus on need for source reduction
- EPR legislation introduced (WA, OR, ME, MN, FL)



Phone Books – Status

- Voluntary industry guidelines developed
 - Opt out
 - Recycling
 - Sustainable production
- 90% of publishers now with opt out program
- Industry website set up
- Developing Joint Communiqué – ensure performance
- Progress fueled by legislation



Medical Sharps – Status

- Reached consensus on need for **Demonstration Project in Massachusetts** to show that sharps can be collected and disposed of safely.
- Developed detailed Work Plan for MA Demonstration Project to be **financed by sharps manufacturers and pharmaceutical companies**. Plan outlines roles for all stakeholders.
- Demonstration Project will serve as model for other states.
- Legislation introduced (CA) – requires pharmaceutical companies to report on actions to promote safe needle disposal.



Medical Sharps – Potential Benefits

- One year demonstration project for Massachusetts
- Assumption that 25% of sharps available will be collected
- 24.6 million sharps expected to be collected
- **About \$1.1 million – projected cost for collection/
disposal**



Producer Responsibility Results Sought

- “Internalize externalities” – life cycle
- Allow true “green” products to compete on level playing field
- Manufacturers bear responsibility for the impacts of their products



Key Challenges

1. How do we define and measure product stewardship success?
2. What policies will result in greatest product design changes?
3. How can we achieve change quicker, cheaper, and still be sustainable (over time)?
4. What policies will most reduce product lifecycle impacts (vs. solely end-of-life)?
5. How do we integrate chemicals policy into product stewardship programs?



For More Information Contact...

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Manufacturers Working with PSI

- **Paint**: Benjamin Moore, Sherwin Williams, Valspar, NPCA, etc.
- **Electronics**: Dell, HP, Sony, Panasonic, Sharp, LG, CEA, etc.
- **Thermostats**: Honeywell, White Rodgers, GE, TRC
- **Lamps**: Osram-Sylvania, Philips, GE, NEMA
- **Pharmaceuticals**: King, Novo-Nordisk, Sanofi-Aventis, Pfizer, Astrazeneca, GlaxoSmithKline , Roche, etc.
- **Medical Sharps**: Becton Dickinson, Covidien, UltiMed, etc.
- **Phone Books**: AT&T, Dex, Yellow Pages Assoc., Assoc. of Directory Publishers



Retailers Working with PSI

- Home Depot, Lowe's, Wal-Mart, Best Buy, Retail Industry Leaders Assoc.
- Office Max, Staples
- National Association of Chain Drug Stores
- National Community Pharmacists Association
- Ace, TruValue, local regional retailers
- State retail associations