

Extended Producer Responsibility: Some Key Lessons for Corrugated

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Summary:

- Definitions
- Aim of EPR
- What's the Scope?
- The EPR wave has already left
- The European Experience
- The North American Experience
- Some key lessons for Corrugated



Definitions of Extended Producer Responsibility (EPR)

OECD Definition: “Producers of products should bear a significant degree of responsibility (physical and/or financial) not only for the environmental impacts of their products downstream from the treatment and disposal of their product, but also for their upstream activities inherent in the selection of materials and in the design of products.”



Some other Definitions of what EPR means?

- Extraneous Political Rhetoric (lots of politics)

- Extra Plastic Residue (lots of plastic)



Aim of EPR

- Incorporate environmental costs
- Producers have greatest control
- Financial incentives to encourage design changes
- Shift costs to producers/consumers



What's the scope?

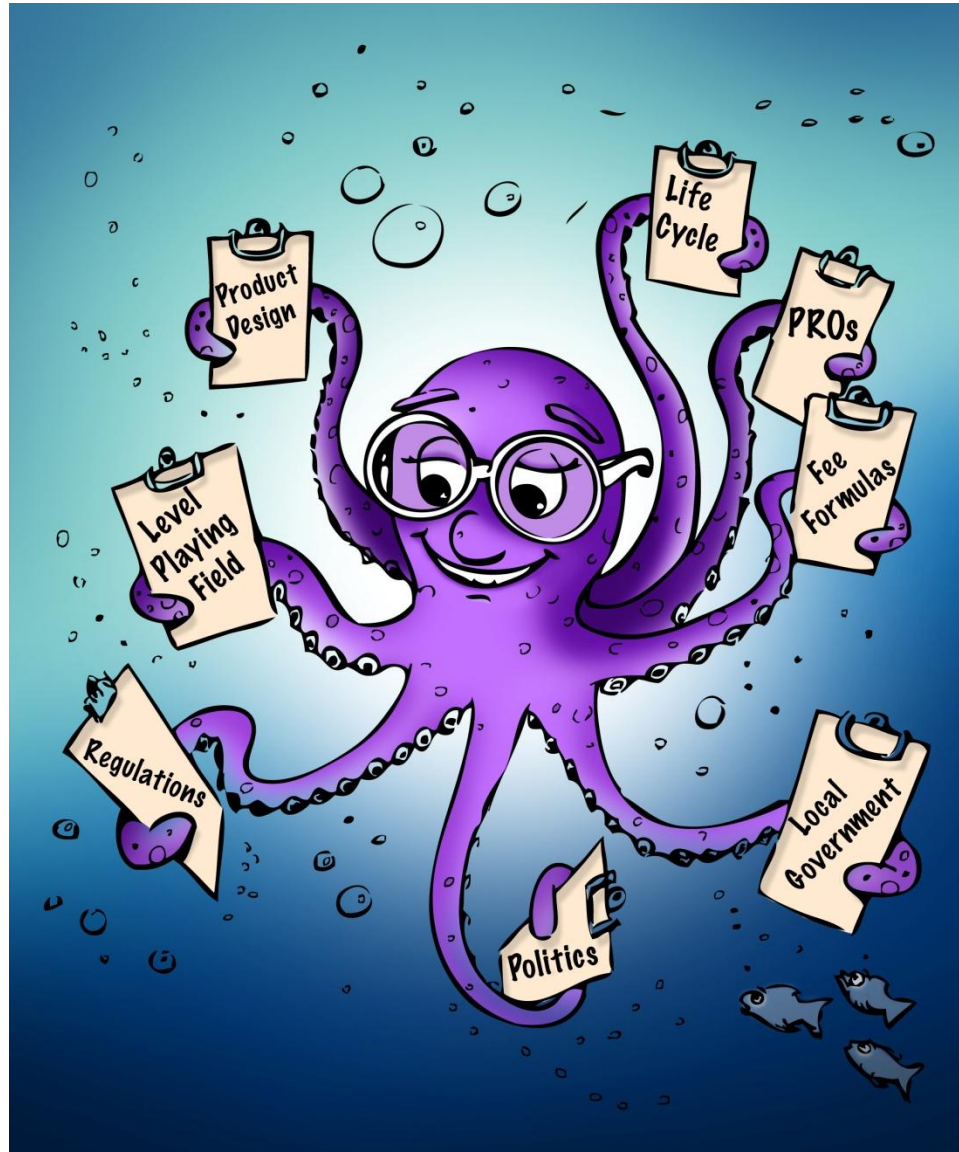
- What does it cover?
- Where's material generated?
- Who pays and how?
- How big?
- What about existing programs?



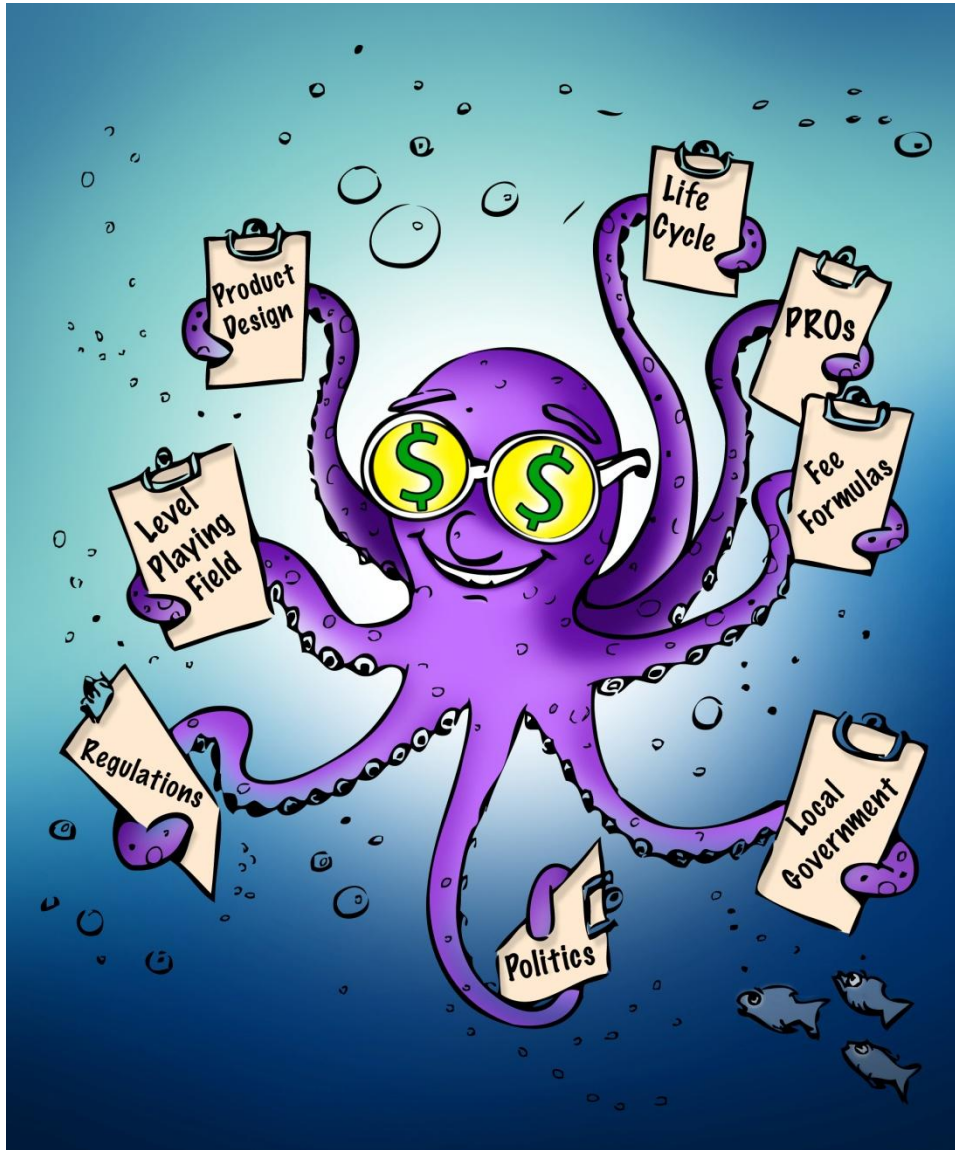
What's the scope?

- Mandatory, negotiated or voluntary?
- Specific or framework?
- Life cycle components?
- How will stewards organize?





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European Experience

- ❑ “Polluter pays” principle
- ❑ Waste strategy developed



EU Packaging Directive

- Recycling and Recovery Targets
- Collection systems, adoption of Producer Responsibility Organizations (PROs)
- Private and Public Participation/Partnerships
- Imports treated same as Domestic



North American Experience

- In Canada, debate over
- Consumer/user will pay
- Operational focus



Ontario Blue Box Cost

Total Net Cost
\$184 million

Includes amortized capital, labour and operational costs less revenue recovered for Blue Box recyclables (3-year rolling average)

Currently "Industry Pay" 50%

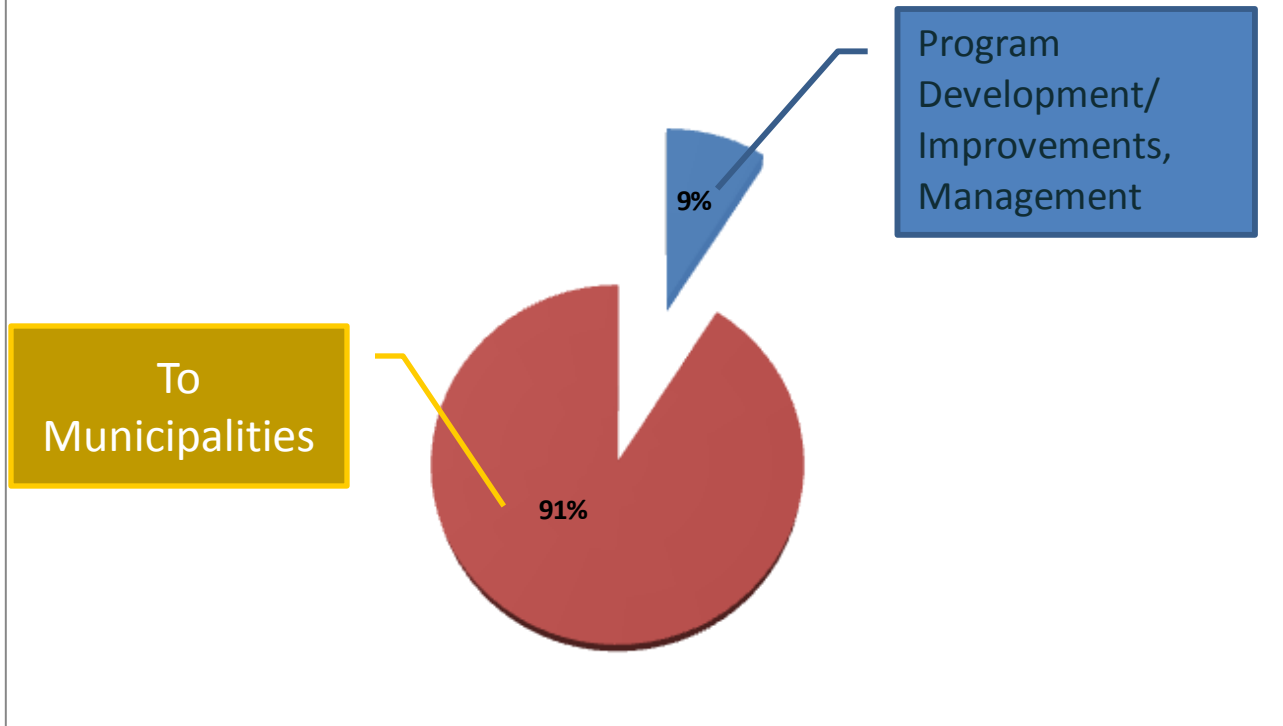
\$91.8 million



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Ontario Blue Box

Where the money goes



Ontario Blue Box (2009)

Range of Materials (by weight recovered)

5%	Metal Packaging: Aluminum cans and foil. Steel cans (inc. paint) and aerosols.
7%	Plastic Packaging: PET and HDPE bottles, film, polystyrene, laminants, Other Plastics.
11%	Glass Packaging: Food and beverage flint and coloured.
27%	Paper Packaging: OCC, old boxboard, gabletop, aseptics, laminants.
50%	Printed Paper: Old News, Old Magazines/Catalogues, Old Telephone Books, Other Printed.



Ontario Blue Box (2009)

Select Recycling Rates

Printed Paper	79%	ONP, OMG, OTD (87%)
Paper Packaging	66%	OCC (92%) OBB (56%)
Plastic Packaging	25%	PET (57%) HDPE (55%)
Steel Packaging	59%	Food & Bev. Cans (67%)
Aluminum Packaging	42%	Food & Bev. Cans (47%)
Glass Packaging	91%	Flint (94%) Coloured (80%)
Overall Blue Box (65%)	Packaging Only (55%)	Paper Recovery 79% of Total



Ontario Blue Box (2011 Fees)

		\$Cdn/tonne
Newsprint	(Assn. Members)	2.90
	(Non-Members)	11.20
Magazines, Catalogues, Directories, Other Printed		24.80
Corrugated, Boxboard		77.00
Gabletop, Aseptic, Laminants		237.50
PET Bottles		137.80
HDPE Bottles & Jugs		132.70
Polystyrene, Film, Laminants, Other Plastics		281.16
Steel Packaging		62.60
Aluminum	(Cans)	5.20
	(Foil)	75.00
Glass	(Flint)	36.90
	(Coloured)	53.50

(SO 2011 Fees)



Key Lessons for Corrugated

- EPR here to stay
- Maine, Vermont, others
- State and local governments broke



Five Phases in EPR Evolution

Define Debate EPR	Mechanics of EPR	Assessing Program Performance	100% Industry Pay IC & I	Steps to Harmonize
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Key Lessons for Corrugated

- ❑ Driven more by customers than governments
- ❑ If 100% pay, they'd rather design it
- ❑ Nice fit with sustainability profiles



Key Lessons for Corrugated

- ❑ Not about paper, paper packaging or corrugated – about all materials
- ❑ Call for exemptions unlikely to succeed



Suggestions for Consideration

- Make sure you are at the table
- Pay great attention to how recycling costs are allocated
- Pay really close attention to funding formulas
- Be warned that fibre quality issues are not top-of-mind among stewards/governments

