Overview of EPR for Packaging

USEPA Dialogue on Sustainable Financing of Municipal Recycling

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President

Extended Producer Responsibility (EPR)

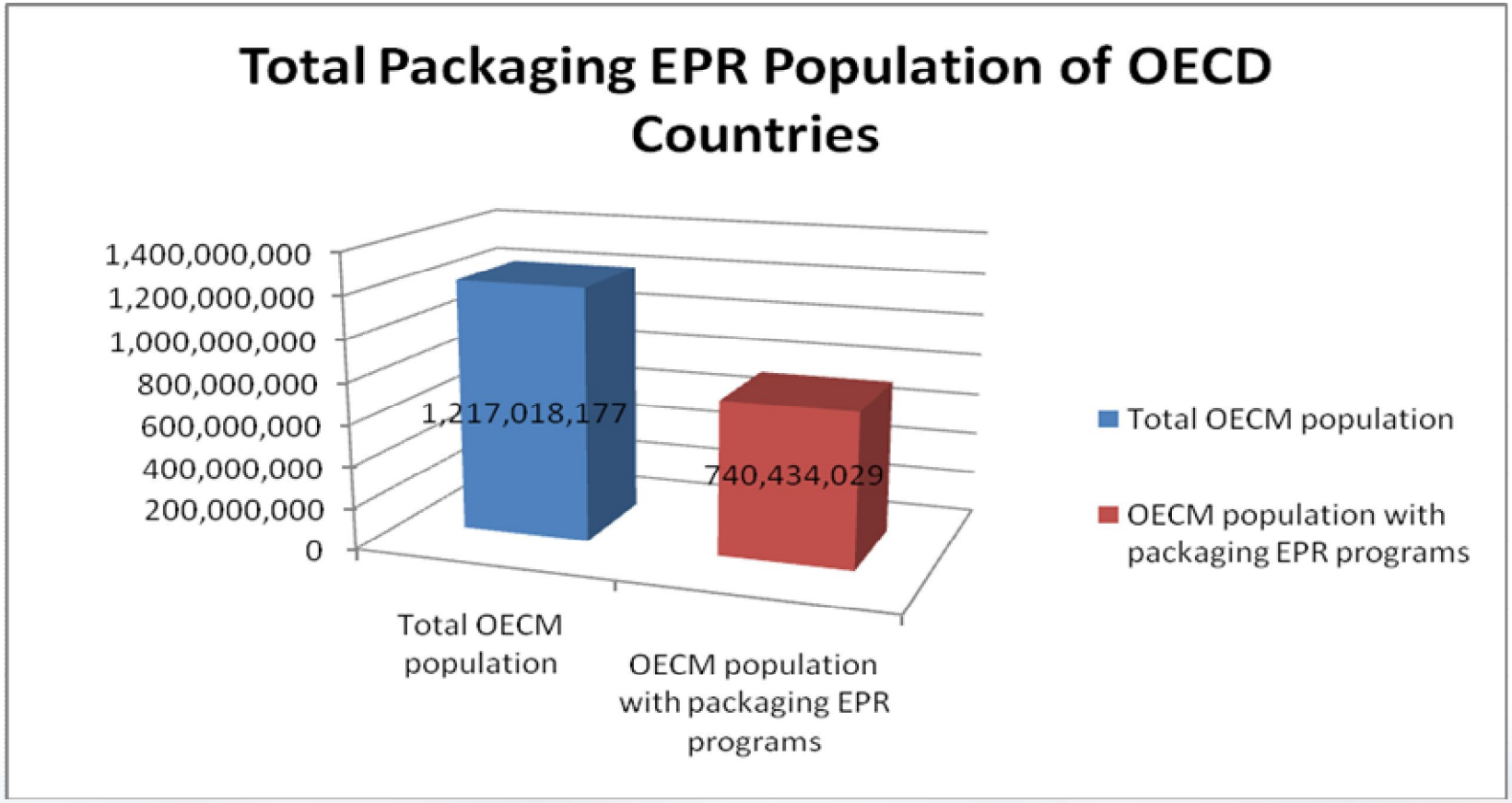
Extending the responsibility of the producer (brand owner/packer-filler/distributor) for the product throughout its full life cycle.

The "Producer"

- "Producer" usually means the owner of the product brand that is sold or distributed in *Province X* & that results in designated waste in *Province X*
  - or when the producer is not resident in *Province X*, the first importer into *Province X* of such product
- Detailed sub-rules for franchises, service packaging
- Voluntary remitter option

What are the Key Drivers?

- EPR a reflection of broader transition underway
  - quantifying environmental impacts
  - internalizing these costs to producers & users
- Driven by converging forces
  - government systemic financial stress
  - commercial pressures for greater transparency along the supply chain
  - securing supplies of key strategic materials
  - policy innovation & adoption across the OECD
- Recognition that cradle-to-cradle management essential to sustainability


Total Packaging EPR Population of OECD Countries
1,400,000,000
1,200,000,000
1,000,000,000
800,000,000
600,000,000
400,000,000
200,000,000
0
1,217,018,177
740,434,029
Total OECM population
OECM population with packaging EPR programs
Total OECM population
OECM population with packaging EPR programs

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How did we get here?

Membership 2010

European Union (+) Models

Approach	Countries	Trends
100% cost	15	Move towards competing compliance schemes
Shared Costs	10	Move to increasing industry cost share + costs of disposal for packaging not recycled
Tradable Credits	2	Provides only indirect price support for municipal recycling; focus on transport packaging
Packaging Tax	2	Add carbon costs as well as recycling costs; new government revenue source

Differences Between Canada & Europe

- No national packaging/no single market legislation
- Provinces & states take their own unique approach to EPR
  - performance goals
  - designated materials
  - financial responsibility
- "Framework" EPR legislation vs. material specific
- Industry has led on harmonization
  - to the degree possible; under the circumstances

Blue Box Program Implementation

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Current EPR Programs for Packaging

Jurisdiction	Industry Cost Share	Trends
Ontario	50% of verified/best practice net costs	Government announced transition to 100% industry pay
Quebec	50% of negotiated municipal costs	Government announced transition to 100% industry pay
Manitoba	80% of calculated municipal costs	Launched April 1, 2010
Saskatchewan (Proposed)	75% of costs (TBD)	Possible 2010 regulation
British Columbia (Proposed)	100% of municipal costs	Regulation expected soon

Options for Discharging Obligations

- Individual producer responsibility
  - each producer legally obligated
- Groups of producers
  - form around like materials/products
- Producer Responsibility Organizations (PRO)
  - form to take on responsibility for all obligated companies

In Canada, at least.....

- Debate is over
  - EPR is permanent
- Who pays is clear:
  - the consumer/user
- Now it's all about performance

Neil Hastie, April 2010

Thank you!

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