

Sustainably Meeting the Goals of B.C.'s Recycling Regulation (November 2007) as related to plastic packaging in designated scheduled application categories

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Who, What and Why are the PPEA-B.C.

The Plastic Processors Environmental Association of B.C. (PPEA-BC) members represent over 2000 direct jobs and 90% of the plastic packaging produced in British Columbia to meet the requirements of brand owners.

Pro-active positions on environmental matters are actively pursued to ensure that the PPEA-B.C. is part of the solution in achieving *Sustainable* Conservation, as per the Legislation /Regulations of B.C.

Mission and Goals

Mission:

Ensure the optimum health of both the B.C. Plastic Processing Industry and the Environment in a *Sustainable* Manner.

Goals:

To meet or surpass the regulated targets for applications/categories designated by the Provincial Government.

Ensure a 'level playing field' with minimal bureaucracy.

Assist in development of a Stewardship approach that is compatible with all packaging material associated with plastics.

Whenever possible, endorse the Provincial Government's Business Plan, Legislation and Regulation. If and when it is not possible, enter into constructive dialogue. If and when it is not possible, enter into constructive dialogue.

Accomplish zero underutilized (plastic) resource on or before 2015.

Executive Summary

This presentation reviews key issues concerning the achievement of the Mission and Goals of the PPEA-BC. The economic aspects of *Sustainability*, i.e. the enhancement/creation of viable local jobs, while protective of the environment, are defined as critical to all concerned parties. The departure of major brand owners (our customers), from the Province is serious. The PPEA- B.C. concurs with the September 2002 B.C. business plan in which:

- Expanded Producer Responsibility (EPR) policy re-confirms that the primary decision regarding selection of package and product rests with the brand owner and the consumer.
- Level playing fields are encouraged by focus on major significant volume/toxic discard streams.
- Design for recyclability is encourage via objective Life Cycle Assessments
- Responsible interpretation of the pollution hierarchy recognizes the use of exhausted discards to energy

PPEA-B.C. members backed by considerable capital investment, provide over 2000 direct jobs within B.C. Many additional downstream jobs are generated including collection and the growing recycling infrastructure. Discussions/Strategies to meet the Mission and Goals are contained in this document.

Inevitable cyclical pricing of virgin plastic resin, as with all primary packaging materials, continues to have a major impact on the emerging recycle infrastructure. PPEA-B.C. members have demonstrated a technical capability and willingness to utilize competitive recycled plastic resin under *sustainable* conditions.

The respective roles of various levels of Government in sustainable management are outlined herein. Should voluntary initiatives be inadequate to meet B.C.'s goals, then a series of possible Optional Regulatory Instruments are reviewed in the Discussions/Strategies section, followed by specific Recommendations.

It is our strong belief that when Plastics are used in a responsible manner they are part of the solution, rather than part of the problem:

- Light weight
- Strong
- Break-resistant
- Recyclable
- Cost effective
- HPB/FDA approved

After Plastics' intrinsic physical properties are exhausted in packaging, the residual value is fully recoverable as clean energy, thereby reducing demand for virgin fossil fuel.

Various recent waste composition studies by major B.C. Municipalities Greater Vancouver Regional District [GVRD] and Capital Regional District [CRD] reconfirm discarded plastic remains a major volume component of the stream going to landfill.

Regulation enforcing recycling should not be imposed, unless or until the volume or nature of the discard stream* is fully defined and it is established by definition that B.C.'s goals are not attainable via the plans submitted by the respective Stewards or the stewardship agency. Such streams would include contaminated and/or low volume non-homogenous streams for which, as yet, no *sustainable* mechanical recycle technology has yet been developed.

**Encouragement should be given to the development of alternate waste management technology for such streams.*

B.C. Government policies should foster the competitiveness of B.C. Plastic processors; i.e. procurement on recycled content and taxation policies.

All packaged imports should have to meet the same packaging regulations as Canadian produced packaging – Health Protection Branch non-objection status, Consumer and Corporate Affairs labelling regulations.

Premises

1. Discarded plastic packaging is over 25% by volume (10% by weight) of the Municipal Waste Stream in 2004/2005. (Source: Landfill Composition studies; GVRD/CRD.)
2. Plastic packaging's use and some Post Consumer application recycling rates are growing in B.C. Municipal/Local recycling facility data
3. Technically proven markets of significant volume already exist in North America for quality recycled plastic resins.
4. Efficient recycling of selected plastic streams avoids green house gases.
5. Markets enhanced by (a) Major Brand Owners commitment to post consumer content in plastic containers in U.S. (b) California/Oregon mandated use of quality post consumer content in non food applications
6. One of B.C.'s major recycle facilities is recognized as a supplier of quality plastic 'recyclates' principally to U.S. markets
7. Inevitable cyclical pricing lows of virgin plastic resins negatively impact the building of a stable conservation infrastructure for recycled resins; likewise cellulose, metals, etc. Some discarded packaging is more sustainably recyclable than others.
8. Industry efforts via CIPSI*1, OMMRI*2, CSA*3, CSR*4, and Stewardship Ontario*5 have, according to August 2005, Coalition for Efficient Recycling by Blue Box (CERB*6), failed to achieve diversion results for packaging discards being achieved in other Canadian jurisdictions employ the HYBRID*7 collection approach

9. Primary responsibility for selection of collection methods of recyclables has been assumed by Municipalities, unless otherwise regulated by Provincial authorities. B.C. Policy is
 - a. No government taxes to address the environmental care of manufactured discards.
 - b. Focus on designated applications, e.g. Beverage, tires, motor oil, electronics, paint, etc.
10. More environmentally friendly products can carry a cost premium and where innovative solutions offering cost savings are available, educational and performance challenges must be addressed. Voluntary attempts by Industry to introduce environmentally products have often not been adequately supported by the majority of consumers due to additional cost.
11. Under the right circumstances ^a. Stakeholders ^b. are prepared to accept a degree of regulation to sustainably meet B.C. Regulatory goals.
 - a. Criteria: Level playing field; adequate quality/quantity of competitively priced recycled resins available; Integrity and marketability of product packaged to be maintained
 - b. Stakeholders: Brand owners, distributors, retailers, plastic processors, depot operators, advocacy and consumers.
12. PPEA-B.C. supports sustainable efforts to voluntarily improve market demand for quality recycled resins as opposed to mandatory regulations
13. B.C. Plastic processors and the associated recycled infrastructure generate significant viable direct and down-stream local employment
14. PPEA-B.C. members compete freely to supply environmentally sound packaging to meet the requirements/specifications of the brand owners. Plastic processors rarely make the decision on package type specified or purchased by brand owners
15. To remain economically sound, Plastic Processors reuse their 'in-plant' scrap and use minimum raw materials in producing cost effective, safe packaging.
16. The PPEA-B.C. believes that the Federal Government Health Protection Branch Packaging Regulations are not being enforced on some imported packaging being used in direct food contact.
17. With Provincial 'Enabling Legislation' and Regulation, the PPEA-B.C. supports the B.C. governments next step in efforts to maintain B.C. leadership leading to zero underutilized resource on or before 2015. The government will designate two new applications in 2008.
18. PPEA-B.C. views Recycling as only one of the important elements in an integrated Discarded Resource Management Plan.
19. The jury is "still out" on the potential impact of degradable plastics. Ref EPAS/RCBC presentation, June 2005, Harrison Hot Springs. PPEA-B.C. members continue to respond to the needs of brand owners while acknowledging developmental and performance limitations exist.

Discussion/Strategies

- Volunteerism
- Optional Voluntary / Regulatory Instruments (ORI)
 - Expanded Deposit Refund
 - Advance Disposal Fees
 - Focused Post Consumer Content (FPCC)
- Focused Recycling by significant application categories
- Recycle Infrastructure Stability

- Level Playing Field
- Manufacturing Responsibilities
- Perceived Government Roles

Volunteerism:

B.C. has been particularly successful in encouraging appropriate levels of community and corporate co-operation in developing programs to improve responsible environmental behaviour. When it is demonstrated over time that community or corporate volunteerism fails to produce acceptable levels of recovery, government may see fit to prescribe Optional Regulatory Instruments in order to achieve minimum standards.

Examples:

- Ontario Multi Material Resource Initiative (OMMRI); now Corporations Supporting Recycling (CSR)
- *Recyc- Quebec*

1 Deposit Refund

In B.C. this is considered a “work in progress”. When Deposit/Refund is the choice of a jurisdiction, the B.C. Encorp Pacific stewarding system employs a consumer paid Consumer Recycling Fee based on cyclical market value of specific materials. This system is in contrast to the “half-back refund” used in Maritime Provinces ref www.encorp.com

1. Advance Disposal Fees

This instrument is already being practiced in the B.C. paint care programme – a North American first as well as the B.C. Used Oil Stewardship programme and the automobile battery program.

Advance Disposal Fee (ADF) Revenue generated by this ‘instrument’ is normally directed to assist in defraying the cost of environmental care

2. Focused Post Consumer Content (FPCC)

This has been mandated for significant volume homogenous discard streams in California and Oregon. When voluntary stewardship is deemed inadequate in meeting Provincial Goals, it becomes an important element for consideration, creating a sustainable contribution to the reduction of discarded material to landfill. FPCC assists in sharing the costs of environmental care and relieving the negative impact of recurring low cyclical pricing of virgin raw materials on the emerging recycle infrastructure. (See premise 6)

Focused Recycling

In line with B.C. policy, PPEA-B.C. endorses concentrating collection and recycling on application categories whose discard streams have a significant homogenous volume and may be sustainably mechanically recycled. Extreme efforts to physically recycle some discards do more harm than good for the environment.

Advance Disposal Fee (ADF) Revenue generated by this 'instrument' is normally directed to assist in defraying the cost of environmental care.

Level Playing Field

This is an elusive yet important goal to strive for. PPEA-B.C. considers the B.C. policy of focusing by application /category creates a favourable climate to achieve a reasonably level playing field from government designated applications.

Manufacturing Responsibilities

PPEA-B.C. has developed a 'code of best practices; that minimizes VOC emissions and maximizes good housekeeping polices on our members properties.

Perceived Government Roles

The responsibility for the management of non-hazardous discarded materials, commonly known as Municipal Solid Waste, rest with the Provinces, (see Premise 9/16) in very close co-operations with their Municipalities.

Fair B.C. Government policies should foster the competitiveness of locally based industries such as B.C. Plastic Processors by procurement on recycled content, and taxation policies. Hopefully, there is recognition that discards, responsibly managed, plastics particularly are more part of the solution than the problem.

Require all packaged imports meet the same packaging regulations as Canadian packaging i.e. – Health Protection Branch non-objection status and Consumer and Corporate Affairs labelling regulations.

The impact of any voluntary or provincially proposed regulatory initiatives must consider the impact on:

- Adjoining Jurisdictions
- National and International Trade Agreements (GATT)/(NAFTA)
- *Sustainability*

The Canadian Council of Ministers of the Environment (CCME) provides the necessary vehicle for adequate co-ordination of multiple jurisdictions.

Ensure that local investors in plastic processing in B.C. remain competitive.

Establish favourable B.C. Government policies, procurement, etc., regarding purchasing plastics containing recycled content plastics.

Encourage co-operative projects to permit the utilization of significant homogenous volume streams of recycled plastic. Promote such plastic discard streams in 'recyclates' that are acceptable for food, drug, and cosmetic direct contact packaging; even its use in CSA controlled applications.

Definitions

Primary Stewardship

An arrangement, usually voluntary, between a supplier and a user whereby the supplier provides 'support' to the system's sustainability. Primary Stewardship is sometimes necessary when the discards materials or items, having significant volume, are either not being collected or have 'no viable home'. This may be due to inadequate collection infrastructure or cyclically low material prices caused by supply/demand imbalance. An example is U.S. major beverage industry's adoption of minimal post consumer content in their beverage containers.

Sustainable Manner

Acceptable balance of economic activity (viable cost/investment) with minimal environmental burden and minimal bureaucracy generated.

Hybrid Collection: Where collection system includes both Focussed Deposit/Return (D/R) of specific applications discards and specified item discards by Curbside collection
e.g. Beverage by D/R and Old News Papers by curbside.

Regional Characteristics

1. Commonalities
 - a. Adequate communication/coordination between Provinces- CCME
 - b. All provinces have deposit / refund on beer containers , majority of Provinces also on soft drink containers
 - c. Sustainably sought by all regions
2. Differences
 - a. Collection Systems – prerogative of Municipalities in coordination with their respective Provinces
 - b. Focused Curbside by Application and Depots well accepted in West/Maritimes
 - c. The HYBRID system – Proximity of West Coast to California and Asian market influences
 - d. Consumer Regional packaging preferences including Milk (Pouch/Jug); Beer (can/bottle); Potato Chips (box/pouch).

Optional Regulatory Instruments

Some options are available to Provincial Governments to mandate under their existing legislative powers, if they assess the need. See 'Sustainable Conservation Loop Concept' / EPAS for detailed discussion.

Post Consumer Material

Any plastic product which has been recovered from its planned last use i.e. Consumer Products after use by consumer; (e.g. milk jugs, aluminum soft drink/beer cans). Industrial Products after use by Industry; (e.g.: stretch wrap, polyester strapping etc.)

Significant Homogenous Volume Discard Streams

When the volume or weight of the specific stream in question represents more than an agreed percentage of overall Municipal Waste streams. The percentages should preferably be agreed upon on a national basis but are at the final discretion of the Provinces/Municipalities.

Adjoining Jurisdictions

In the instance, "Adjoining Jurisdictions" are provincial and municipal. It is important that there continues to be developed an adequate degree of similarity in addressing the overall national goals.

Advance Disposal Fee (ADF)

An 'up-front-fee' or levy to general revenue designated to defray environmental care costs. (e.g. Tires, Paint, Used Oil, Auto Batteries)

Appendix: I

- 1) CIPSI - Canadian Industry Packaging Stewardship Initiative
- 2) OMMRI/ I, II – Ontario Multi-Material Recycling Initiative
- 3) CSA –Canadian Standards Association
- 4) CSR – Corporations Supporting Recycling
- 5) S.O. - Stewardship Ontario
- 6) CERB –Coalition for Efficient Recycling by Blue box
- 7) Hybrid Collection System – deposit refund, advanced disposal fees, curb side recycling
- 8) Recyc- Quebec

Appendix II "Jury still out" **Premise 19**

Vancouver Retailer Capers recently withdrew from use of BPI certified bio plastic packaging - Capers reason concern over potential incorporation of genetically modified corn.

Vancouver Sun January 23 /2008 reports Capers / Wholefoods now intend to offer carriers other than conventional thin plastic carry out Grocery sacks by April 22 Earth Day e.g. cloth, paper and even introduce a New Better Bag - made from Recycled PLASTIC Milk Bottles . Thrifty Foods offers an oxo-degradable that may mineralise to CO₂ and water in 18 months when appropriate composting conditions are met.

Thrifty allows \$0.03/ bag when consumer brings and uses their plastic bag.

Further information is available from Jim Cairns, Environmental Plastics Advisory Service, phone (604)922-7899 or fax (604-922-4595)