DATE: July 21, 2008

PROPOSAL TITLE: Product Stewardship Framework Policy

What is the problem?

- There are currently few, if any, financial incentives for most manufacturers to design products with smaller carbon footprints, e.g. which are energy efficient, easier to recycle, or use less materials.
- Many products are being disposed instead of recycled:
    - Traditional recycling systems don't keep pace with complicated hard-to-recycle products that are highly material and energy intensive.
    - Local governments do not have adequate budgets to finance the special collection systems needed for these complicated products.
- Energy-saving products that also contain toxic materials (such as fluorescent lights) do not currently have the convenient, no-charge recycling options needed to safely and effectively handle the products at end-of-life. This could create a disincentive for consumers to purchase and use these energy-saving products.

What are the target materials (i.e. carpet, packaging, paper, food, organics, etc.)?
Target products include those with high and moderate GHG reductions potential (e.g. carpeting), composite materials and packaging; and energy-saving products whose use we want to encourage (e.g. fluorescent lighting).

Because of the significant stakeholder work already accomplished, the following products are ripe for immediate action: carpet, batteries, additional electronics, lighting, paint, and thermostats. The next tier of targeted products includes packaging and containers, plastic products, and propane gas tanks.

What is the potential for reduction in green house gas emissions (tons)?
A product stewardship recycling program for carpeting alone has the potential to reduce GHG emissions by up to 922,000 tons CO2e (assuming 100% recycling). Recycling of packaging containers comprising container glass, PET bottles, aluminum cans, and tin cans has the potential to reduce GHG emissions by up to 600,000 tons CO2e (assuming 100% recycling). Recycling paper packaging in the waste stream also has the potential for significant GHG reductions, but information is currently not available on the amount of paper in the waste stream utilized for packaging. The potential reduction in GHG emissions from other targeted products (e.g. fluorescent lighting, batteries, additional electronics, propane gas tanks, paint, etc.) is not currently available because the WARM model is not set up to calculate such data, although consultants might be able to provide general estimates.

While GHG reductions related to the *recycling* of fluorescent lighting is currently unknown, the GHG reductions from *using* such lighting is very high. Since there appears to be a growing concern among Washington residents about using these bulbs because of their mercury content, the provision of a recycling program to safely handle the mercury at end-of-life is essential to ensure the continued acceptance and use of energy efficient fluorescent lighting by Washington residents.

Additional benefits of product stewardship programs include utilizing and building on existing collection, transportation and processing infrastructure as well as creating new business opportunities, market development, and green jobs.

What action is needed (specifically)?
The goal of product stewardship is to minimize the environmental and health impacts of products throughout all stages of their lifecycle. Producers take responsibility for their products from "cradle-to-cradle," including during manufacture, use, and end-of-life.

Product stewardship framework policy is needed, including:

- State policy that supports and prioritizes product stewardship as an effective approach for financing and increasing the recycling of products and for decreasing GHG generation.
- Product stewardship framework legislation applicable to consumer products. The policy would result in product stewardship recycling programs arranged and paid for by producers. It would also establish a process for adding covered products.
- Both the policy and framework legislation would include language to encourage the design of products that are less toxic, more recyclable, more energy efficient, and have lower GHG emissions during the product's lifecycle.

What mechanism should be used to put the action in place (legislation, executive order, regulations, policies, etc.)?
Product stewardship framework legislation.

Is the proposal ready to proceed (i.e. can the deliverable be delivered Sept 1? What is the current stage of development)?
Yes. The task group currently working on this proposal is discussing possible draft language. Several product stewardship laws or bills focused on individual products (including Washington's electronics recycling law and the secure medicine return bill introduced in 2008) are also available as possible starting points. If this proposal is selected to proceed forward, the task group would develop draft language to be vetted with the full Beyond Waste IWG in August with the intent of developing draft policy for the CAT by September 1.

Affected parties and likely positions: How feasible is it in terms of support/opposition?

There will likely be support from:

- *Residents* who want convenient recycling programs for many additional products.
- *Schools, charities, and small businesses* who want to be able to participate in free and convenient recycling programs for the products they discard.
- *Non-profit advocacy groups* interested in energy efficiency, GHG reduction, and increased prevention and recycling.
- *Local governments* who want their residents to be provided with recycling programs but are not able to adequately finance programs for many hard-to-handle products.
- *State government.* Product stewardship approaches have been identified as needed in numerous processes and reports by various agencies and are consistent with Washington's electronics recycling law.
- *Retailers*. Product stewardship typically has greater acceptability among retailers than fees at point of purchase.
- *A few specific manufacturers and industries* that are moving toward support of this approach.

There will be opposition from:

- *Many manufacturers and industries* that would be required to arrange and finance recycling programs for their products.
- *Industry associations* representing the general business community.

If this proposal is adopted and is implemented:

Who will be responsible to implement?
Producers will arrange and finance the collection, transportation and recycling programs for their products. Industry-run *stewardship organizations* may be contracted to administer the programs on behalf of the producers. A variety of collectors will cooperate with producers and their stewardship organizations to provide collection services, including *retailers*, *haulers*, *thrift charities*, *local governments*, and *processors*. No specific collector type will be required to participate, but it's expected that many will volunteer to do so. *Consumers* will return their unwanted products into the recycling programs. The *Department of Ecology* will provide regulatory oversight and enforcement. A number of participants, including manufacturers, collectors, retailers, local governments and state government, will share responsibility for education and outreach.

How will it be implemented?
Producers – not state or local governments – would set up and pay for the recycling programs. Recycling becomes a cost of doing business, and producers would use their business know-how and relationships to develop cost-effective programs. The law would not prescribe specific program details, but instead allows the manufacturers flexibility in implementing the program. Producers would be responsible for developing plans, which the Department of Ecology would review and approve prior to implementation. Ecology, with accountability to the legislature, would determine additional products to be covered by product stewardship programs through the use of an advisory committee and rulemaking process.

Financing for the recycling programs comes from the manufacturers, not from the general fund. The Department of Ecology would recover its costs to oversee and enforce the program from the manufacturers. This producer-pays approach minimizes costs to the State.

When will it be implemented?
Framework legislation passed in 2009 would be effective in July 2009. Producers would fully implement recycling programs for an initial set of products by 2011, with additional products added annually. Opportunities to expedite this process would be explored.