

Northwest Paint Product Stewardship Initiative

April 17-18, 2008

SWANA NW Regional Symposium
Troutdale, OR

Prepared by

- David Nightingale, WA Dept. of Ecology (also presenting)
- Alison Keane, National Paint and Coatings Association
- Mark Kurschner, Product Care Association
- Jim Quinn, Portland Metro
- Abby Boudouris, OR DEQ

What is Product Stewardship?

NW Product Stewardship Council:

Product stewardship is an environmental management strategy that means whoever designs, produces, sells, or uses a product takes responsibility for minimizing the product's environmental impact throughout all stages of the products' life cycle. The greatest responsibility lies with whoever has the most ability to affect the lifecycle environmental impacts of the product.

Product Stewardship Models

British Columbia (1994)

- Provincial regulation requires brand owners to take back
- Product Care Association (Third-Party Organization)

WA Electronic Product Recycling Act (2006)

- Will be operational by 1/1/09, law created a Material Management and Financing Authority (Industry TPO)
- Industry Board to fund and operate a statewide electronics product stewardship end-of-life system. The bill prohibits charging a fee for collection of the covered electronics.

OREGON Recycling of Electronic Devices (2007)

- Will be operational by 1/1/09, OR DEQ Administers system but funded by industry
- Manufacturers must register annually with DEQ and must participate in a "manufacturer program" or the "contractor program". Both programs provide a statewide system for the recycling of electronic devices. The bill prohibits charging a fee for collection of covered electronics.

Government's Perspective & Role

- Responsible for public health and environment – traditionally included management of all municipal wastes
- Limited budgets, rapidly growing needs
- Don't design products yet must clean up
- Historic shift from waste containing mostly inorganics (ashes, glass, and crockery) to mostly products that are bulky, complex & contain toxics
- Most problem wastes are from product leftovers and packaging = increasingly large disposal subsidy to producers and consumers of products

Industry's Perspective & Role

- The National Paint and Coatings Association (NPCA) is a voluntary non-profit association, originally organized in 1888
 - NPCA represents approximately 350 manufacturers, distributors, and raw material suppliers to the industry
 - Serve as advocate, compliance assistance resource and community liaison
- NPCA worked with individual states on issue for decades
- Paint Product Stewardship Initiative (PPSI) formed w/facilitation by Product Stewardship Institute (PSI)
 - capable of effectively coordinating multi-stakeholder and multi-state approach to the issue
- Goal was to find a resolution to leftover paint
 - Status Quo not adequate to address challenge

Why Paint?

- An unintentional but natural leftover
- Large proportion of problem waste managed by local programs
- 10% of all paint sold becomes leftover, surprisingly large proportion
- 64 million gallons per year nationally
- Estimated 23,220,000 gal. architectural paint sold per year in OR & WA
- Estimated 2,322,000 gal. leftover paint in OR & WA annually

Portland Metro area collection infrastructure:

- 2 permanent Household Hazardous Waste collection facilities take leftover paints
- 34 "roundup" collection events take paint
- 1 paint store takes leftover paint
- Metro's program takes in 82% of the estimated leftover paint (July 06-June 07)

Washington State Leftover Paint Collection Infrastructure (2006)

- 2 paint stores (Clark County)
- 55 HHW Facilities (6 do not accept latex paint)
- King County (excluding Seattle) is planning to discontinue latex this year
- 35 HHW collection events/yr
- 6.4 million pop., 900k gallons collected in 2006, 61% of generation

Paint in HHW Programs

Paint as percentage of HHW collected-
Portland Metro: 69%

Paint as percentage of HHW collected
in WA State (2006): 47%

Paint Volumes Collected and Recycling Costs

Volumes Collected

- Portland Metro area, fiscal year 2006-2007:
192,550 gallons latex, 107,447 gallons oil-based

Costs

Metro's latex recycling program, net cost per incoming gallon: \$1.32 (does not include collection costs, does include revenue)

Metro oil-based paint, labor (primarily bulking) + materials + disposal, per gallon: \$5.13

Paint Management - Current Options

Management options vary by jurisdictions and programs. Common methods include:

Reuse – latex or alkyd

- Collected paint is given away for reuse at collection points
- Often requires liability waiver from customers

Latex Paint

- Remanufactured as recycled paint or other coatings
- Used as an additive in other manufacturing processes such as concrete and cement
- Energy Recovery
- Solidified and landfilled

Paint Management Options (cont.)

Alkyd Paints

- Remanufactured into recycled paint
- Fuels blending (energy recovery)
- Incineration

Containers

- Plastics recycling
- Scrap metal recycling
- Solid fuels (plastics)
- Landfilling

Metro's Latex Paint Recycling Program

(prepared by Jim Quinn)

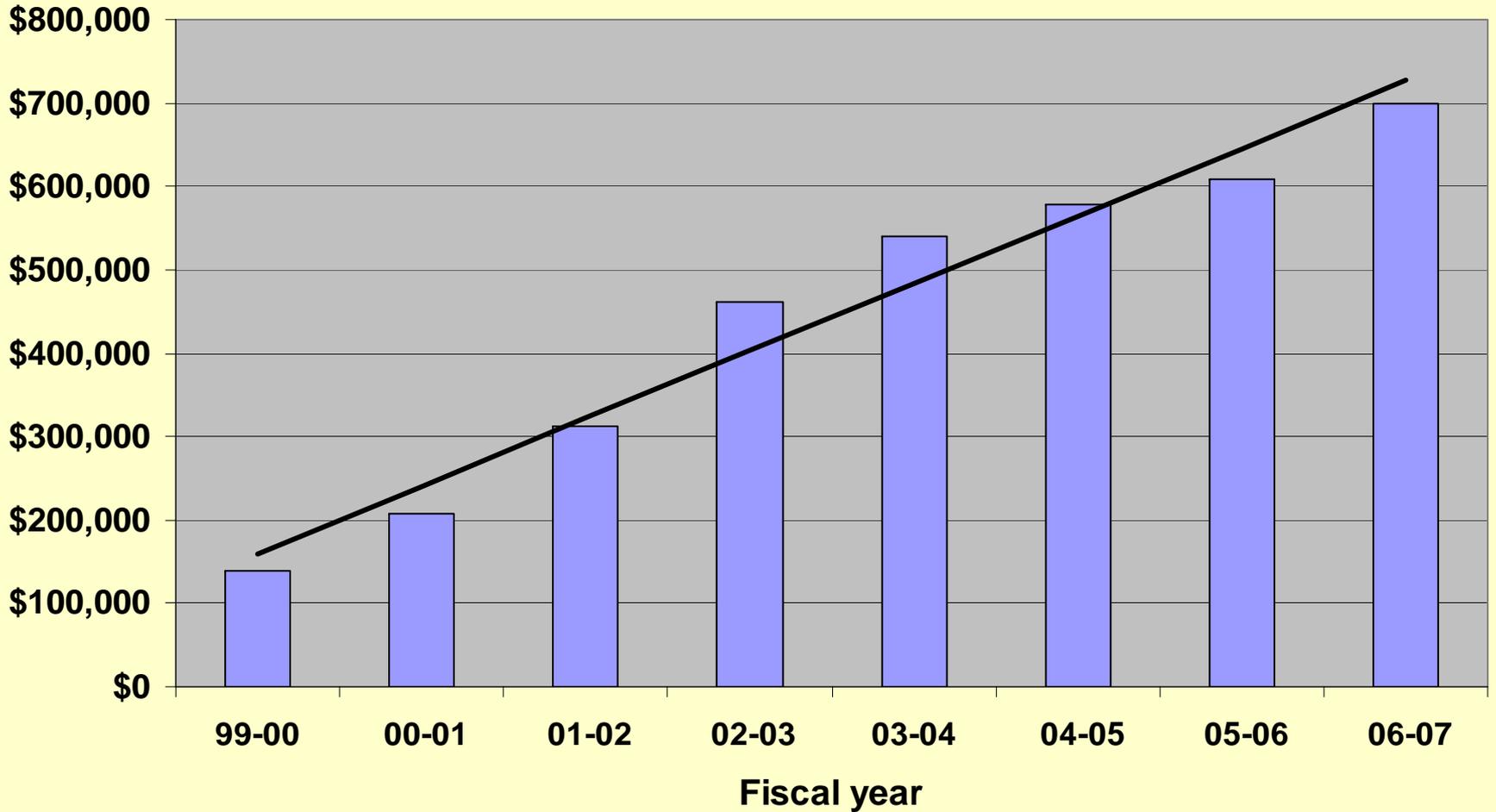
- Takes in about 275,000 gallons of leftover latex paint per year from Metro plus other nearby jurisdictions
- About 2/3 is from the Metro region, 1/3 from other county HHW programs (Clark, Cowlitz, Thurston, Lane, Columbia)
- About 75% of the incoming latex paint is recyclable quality, to date we have been able to market only about half of this. We donate another few thousand gallons, for a total of about 115,000 gallons distributed annually.
- To date:
 - Just over 2 million gallons processed
 - 1.2 million gallons recycled
 - 768,000 gallons sold, to about 57,500 customers

Metro's Latex Paint Recycling Program

MetroPaint – The Recycling Process



MetroPaint Sales by Fiscal Year



Metro's Latex Paint is Certified



Environmental Certification

Presented to

METRO

Green Seal, Inc. certifies that the following products comply with or exceed Green Seal's environmental standard for recycled-content latex paint (GS-43) and are licensed to use the Green Seal Certification Mark:

MetroPaint Interior/Exterior Low-Sheen Recycled Latex Paint
MetroPaint ReNew Interior/Exterior Low-Sheen Recycled Latex Paint

Certified this 27th day of July, 2007.

A handwritten signature in blue ink, appearing to read "Mark T. Petruzzi", written over a horizontal line.

Mark T. Petruzzi, Vice President of Certification

Metro's Latex Paint Recycling Program

Vision for the future:

- Sales continue to increase due to certification, expanded reseller network, & other marketing efforts
- We are able to take in more of the leftover latex paint collected in the Northwest
- Estimated processing capacity (without adding a swing shift) is double our current throughput, which equals about 1/3 of all leftover latex paint generated in OR & WA



Product Stewardship Solutions

“Paint/HHW Stewardship Programs in Canada”

Mark Kurschner, President
Product Care Association

mark@productcare.org

604 592 2972 x 201

February, 2008

Paint/HHW Stewardship Programs Overview

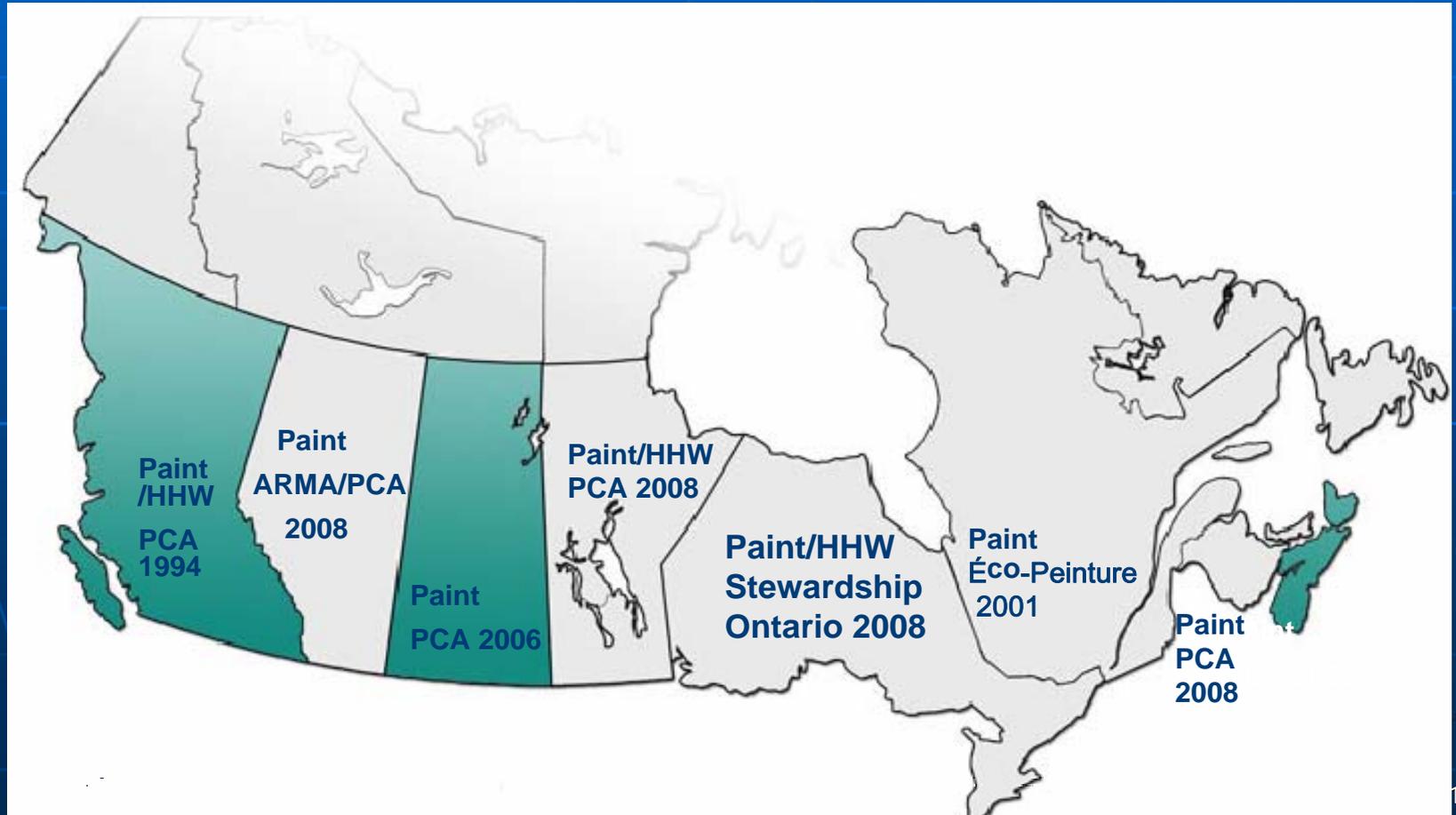
Existing programs

- BC paint-HHW: Product Care manages
- SK paint: Product Care manages
- NS paint: Product Care manages in partnership with RRFB
- QC paint: managed by Éco-peinture

Programs expected in 2008

- AB paint: Product Care negotiating partnership with ARMA
- MB HHW: Product Care leading paint-HHW working group
- NB paint: Product Care will submit program
- ON MHSW: program assigned to Stewardship Ontario. Product Care involved in program development and now interim tasks

Product Care – Paint/HHW stewardship programs in Canada

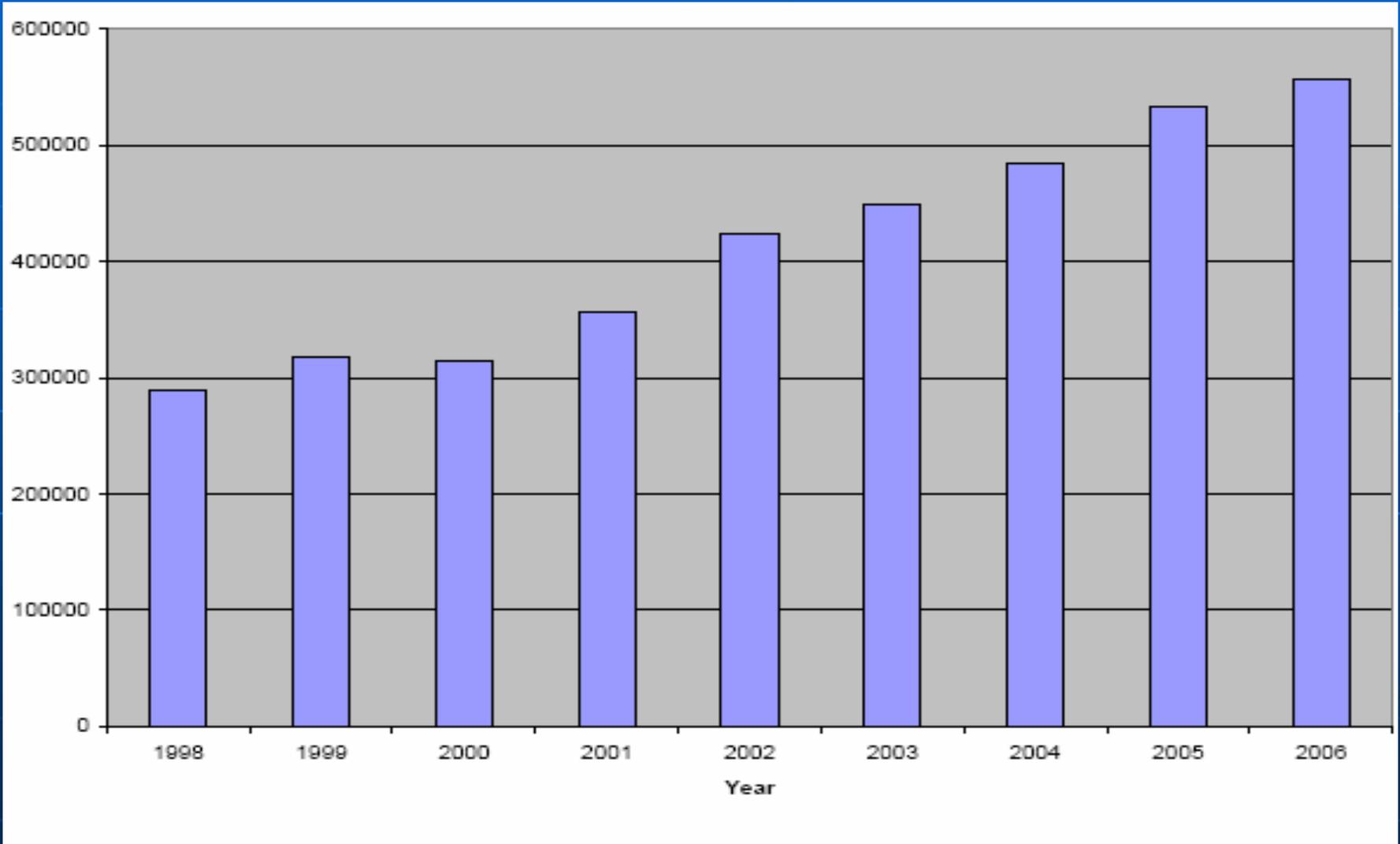


British Columbia



- Products managed: Paint, flammables, pesticides, waste gasoline. Other HHW products may be designated by the government.
- Canada's first paint program – 1994
- HHW added in 1997
- Product Care's 5 year program plan 2006 - 2011 accepted by BC Ministry of Environment
- Paint fees never increased, only decreased

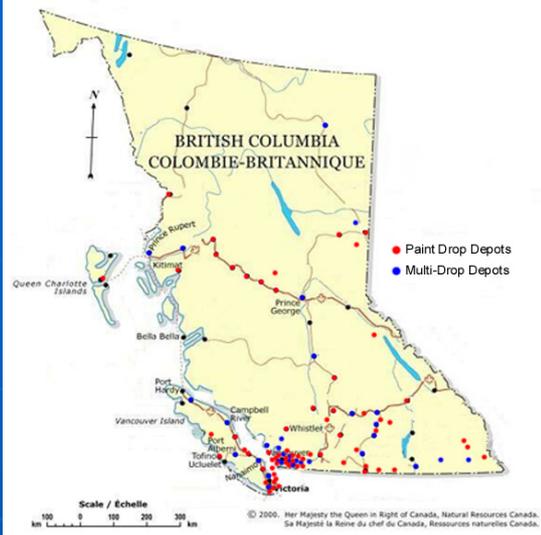
Product Care BC Program - leftover paint - liquid paint volume collected annually (US gallons) 1998-2006



2007 BC Statistics

- Population- 4.4 million
- 9,156,000 gallons architectural paint sold in 2007
- 630,000 gallons of paint collected (6.9% of paint sales)
- Includes 13,000 gallons given away as part of reuse program
- Collected over 1.9 million containers of paint in 2007
- 71% of collected paint was latex vs 29% alkyd

Collection system



- in BC program
 - Product Care operates 100+ depot system,
 - Product Care also operates infill one day “events”
- in NS - province wide 70+ bottle depot system and some participating municipalities
- in SK - province wide 70 bottle depot system is used (same system collects electronics waste for SWEEP program PCA manages)

- collection system
- transportation
- processing/recycling
- communications
- risk management
- administration



Transportation/Consolidation

- collection system
- transportation
- processing/recycling
- communications
- risk management
- administration

- all programs use reusable bin systems
- pick up frequency varies from several times a week to several times a year depending on the depot
- programs contract trucks to pick up full bins, drop off empty bins from depots
- must comply with federal Transportation of Dangerous Goods regns.
- database system used for tracking
- consolidation points used to reduce transportation costs and build full loads



Processing / Recycling

- collection system
- transportation
- processing/recycling
- communications
- risk management
- administration



- In BC, Product Care manages central sorting bulking facility, in SK, NS, sorting/bulking is contracted out
- For BC and SK, recycling solutions include paint reprocessing, latex in cement/concrete, solvent extraction, for asphalt use, fuel blending, metal and plastic recycling etc., “no landfilling”
- In NS bulking managed by Paint Recycling Company, then shipped to Laurentide (QC) for reprocessing
- **Reuse:** Product Care operates “at depot” and “central paint exchange” reuse programs in BC and SK
- **R & D:** two year latex paint in concrete study just completed at University of Western Ont.



- collection system
- transportation
- processing/recycling
- communications
- risk management administration

Communications

Tools include:

- consumer oriented web page,
- 800# hotline,
- municipal mailouts, calendars,
- point of sale material – brochures, stickers on cans
- point of return promotion (cross marketing)



Environmental Risk Management

- collection system
- transportation
- processing/recycling
- communications
- risk management
- administration

Objective:

To protect program, brandowners, directors, consumers, the environment

Tools:

- environmental impairment national insurance policy
- insurance reserve fund established
- development of good management practices, depot guidelines
- system wide manifest and tracking system
- due diligence reviews of depots, transporters and recyclers
- require certificates of disposal, only use reputable recyclers

Administration

- collection system
- transportation
- processing/recycling
- communications
- risk management
- administration

Fee rates:

- In BC, SK, NS, fees vary by container size:

- 100- 250 ml \$0.10
- quart \$0.25
- gallon \$0.40 (BC,SK)
 \$0.50 (NS)
- 5 gallon \$1.00
- aerosol \$0.10

- program is funded by “eco fees” paid by members to the program based on unit sales in the province
- Fees are per unit, e.g. \$0.40 for 1 gallon paint
- **multi provincial approach provides administrative convenience for members (one stop, common product lists, single audit)**
- Admin functions:
 - Identifying and recruiting brandowners and first importers (“level playing field”)
 - reporting non members to regulator for enforcement
 - processing of member reports and fee remittances
 - maintaining database of sales reports
 - online reporting system now available
 - member audits conducted to ensure correct reporting and remittances – level playing field

Paint Product Stewardship Initiative (PPSI) - 1st MOU

Projects to gain understanding of
issues

- Education
- Infrastructure
- LCA/CBA
- Financing
- Recycled Paint

PPSI 2nd MOU

Provided a Context for moving forward and Commitment to a nationally-coordinated paint management system

- Used Findings from 1st MOU
- Goals and Objectives
- Timeline
- Work agreements
- Limitations
- Steering Committee to guide progress

MN Demonstration Project for 12 months beginning July 2008

PPSI MN Demonstration Project

The PPSI Plan for MN Project

- Demonstration Project Process

 - 11/07-6/08 Planning

 - 7/08 Implementation of Project

 - Evaluation & final report

 - PPSI MN Project planning committee:

 - Representatives – US EPA, PSI, Iowa, Snohomish County, WA, Amazon Environmental, Hirshfields Paint, Dunn-Edwards Paint, MN, SWMCB, NPCA

- Paint Stewardship Organization (PSO) will be created – industry lead and funded
- Education – source reduction – top of hierarchy
- Infrastructure – increase collection “points” as needed
- Recycled paint markets – support revenue side
- Measurement/Evaluation – EPA funding

March 2007, NPCA signs 2nd MOU

- **Building off 1st MOU NPCA's Board approved a resolution to:**
 - To continue participation in the PPSI
 - Sign 2nd MOU
 - Begin development of a new nationally-coordinated system for the management of post-consumer waste paint
- **Key Elements**
 - Consumer Education
 - No Mandatory Retail Take-Back
 - Cost Effective
 - Industry Operated Product Stewardship Organization
 - Consumer Fee Based Financing
 - Begin w/Pilot Project in one state (i.e. MN)

NPCA Role

- **Provide funding for the design of the MN project:**
 - MN Collection/Disposal Business Plan
 - Education/Marketing Campaign Proposal
- **Provide funding for the design of the PSO**
 - Implementation will not be undertaken without sustainable financing system
- **Committed funding for PSI (shared 50/50 w/Government Groups)**
- **Committed funding for completion of LCA/CBA of paint disposal methods (the last unfinished 1st MOU project)**

Moving Forward

- **2nd MOU and Nationally Coordinated System contingent on sustainable financing system**
- **Model can be successful based on Canadian paint programs**
- **Producers and/or Retailers pay fee into PSO based on sales of paint and pass this cost to consumers through visible or invisible fee**
 - Utilizes shared responsibility approach
 - Paint is not an inherent waste product
 - Latex paint is not a hazardous waste

Ongoing Work

- **Because a Key component of sustainable financing system is retail participation must partner with retail to reach consumer with**
 - Fee
 - Education/Outreach
- **Legislation is necessary to address level playing field and potential anti-trust issue**
 - Currently working for passage in MN 2008 (February-April) for anti-trust protection for demonstration project
 - Broader legislation envisioned for full program elements in 2009 (model bill for other states)

Next Steps

- NW states need to track/input to MN
- PPSI stakeholders meeting – April 30 & May 1 2008 in Minnesota
- MN Demonstration Project implementation 7/2008-6/2009
- Prepare for successful program roll out to WA & OR - July 2009 (includes VT rep.)
- Writing, presentations, NWPSC website
 - NPCA Meetings w/next states
 - Government and retail reps.

The Northwest Paint Workgroup

- Stakeholders: Gov't, Manufacturers, Retailers, Recyclers, others
- Roles – carry out tasks in your sector per MOU and what is learned in MN demonstration project

Questions?