

A faint map of British Columbia is visible in the background on the left side. In the center, there is a large, semi-transparent green recycling symbol consisting of three chasing arrows forming a triangle.

And now for something
completely different

**EPR for Printed Paper and
Packaging in British
Columbia**

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BC Recycling Regulation – What it says

- Amended May 2011
- Redefines and expands the definition of “producer” from, “a person who manufactures the product and sells, offers for sale or distributes the product in British Columbia...”, to “a person who manufactures the product and sells, offers for sale or distributes or uses in a commercial enterprise the product in British Columbia...”; however,
- Stewardship plan under Section 5 required only for PPP from “residential premises” and from “municipal property that is not industrial, commercial or institutional”;
- 75% diversion rate for PPP as per existing provisions

BC Recycling Regulation - What it says

- 18 months following July 1 2011 producers of PPP must have a stewardship plan place and in 36 months must implement the plan
- Producers may transfer their individual producer responsibilities and liabilities to a 3rd party stewardship agency and that agency and not the producer becomes subject to enforcement of offences. New provisions require any agency operating on behalf of stewards to notify stewards of any infractions;
- The provincial deposit-refund system for beverage packaging is maintained

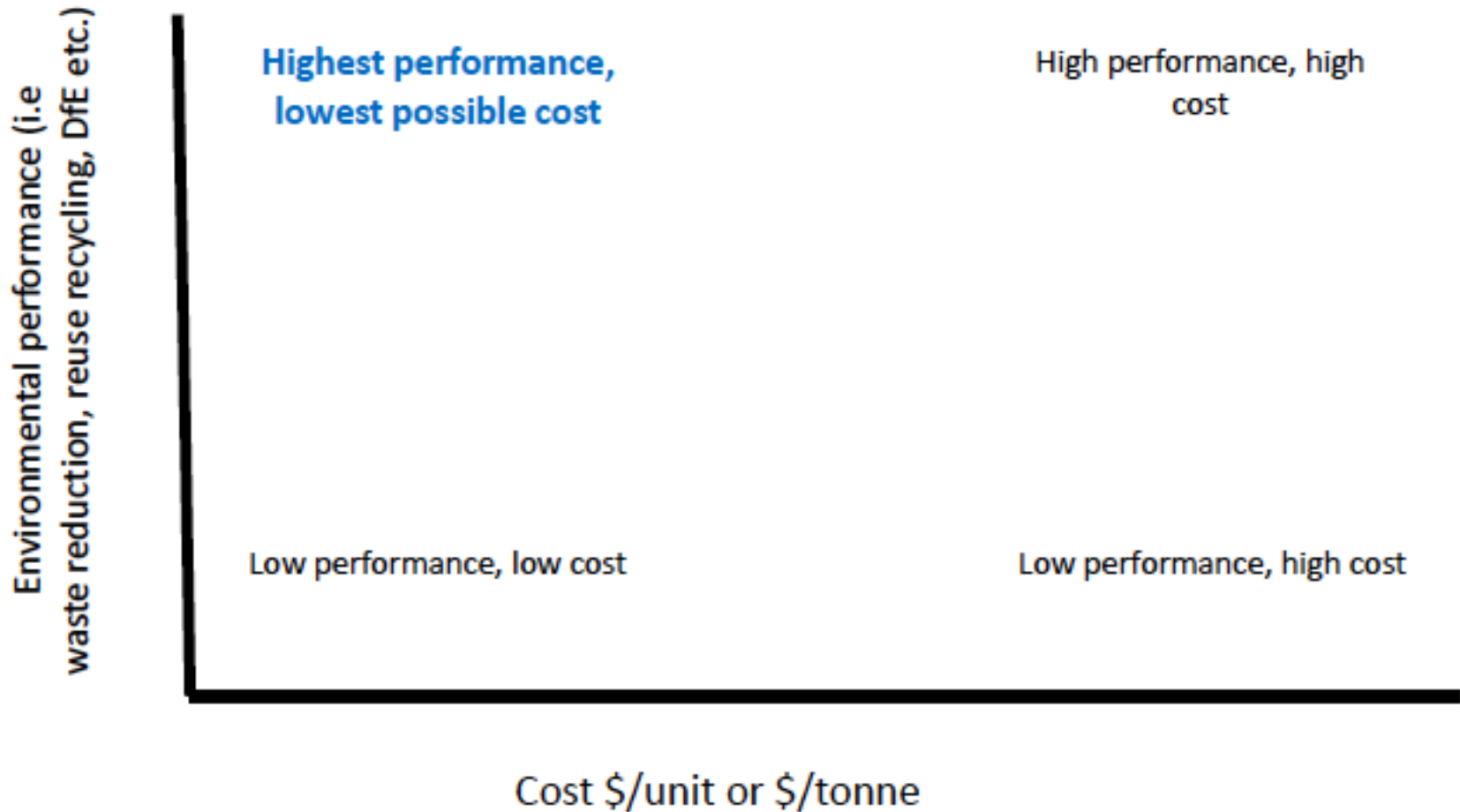
BC RR - What it doesn't say

- Use of municipal recycling infrastructure
 - Mandated in Quebec
 - Ontario municipalities > pop 5,000 must provide recycling collection services
- The cost “sharing” formula between producers and municipalities (i.e. utility pricing of municipal recycling services) or between producers and any other party
- Mandatory collective action by producers; accordingly
 - Is silent about how producers may or may not convene themselves
 - How costs to producers[!] will be calculated and allocated back to them
 - How producers must treat the marketplace

BC is not Quebec, Ontario or Belgium

- BC has a unique legal framework (EMA: B.C. Recycling Regulation, EMA: Municipal Waste Management, Local Government Act, etc.)
- BC has a pre-existing market for the recovery and recycling of PPP
 - Unlike Ontario, municipal recycling is a patchwork
 - Both municipal and private actors have pre-existing commercial relationships
- BC has existing packaging recycling initiatives (Sch. 1 Beverage Container Product Category)
- BC's geography is unique
- BC's provincial secondary materials markets and proximity to extra-provincial secondary material markets **are** unique

What's the goal?



One path, another path, both paths?

- Individual steward action
 - Where a steward has access to recovery infrastructure through its own means or through a commercial partnership; and/or
- Collective steward action through an “agency”
 - The collective undertakes all of the tasks necessary to deliver the diversion objective
- The collective approach is going to have to provide stewards with a strong value proposition to keep them engaged

So, you want to be my stewardship agency

- Effectiveness
 - Delivers the waste diversion target
- Economic efficiency
 - Least cost to stewards
 - Engages entities across BC that can most efficiently deliver diversion results
 - Drives innovation in waste diversion that results in greater efficiency over time
- Administrative simplicity
 - Minimizes transaction costs
 - Minimizes bureaucracy and institutional complexity
 - Clear and simple for stewards to participate
 - Clear and simple for service providers to participate
 - No black boxes – steward costs to participate are clear and simply understood

So, you want to be my stewardship agency

- Market effects and perception by stakeholders
 - Minimizes potential for commercial disputes
 - Prevents undue lessening of competition
 - Minimizes effects on number or range of diversion service suppliers
 - Minimizes effects on the ability of suppliers to compete
 - Does not reduce the incentive of suppliers to compete
 - Does not limit the choices and information available to stewards
 - Addresses municipal concerns

“If morality represents how we would like the world to work, then economics represents how it actually does work.”

Steven D. Levitt author of “Freakonomics: A Rogue Economist Explores the Hidden Side of Everything”

The road to 75% diversion is about managing change

- Stewards have a waste diversion objective
- Various actors collecting and recycling PPP in BC have an economic interest in helping them meet that objective
- Today there is very little dialogue between these two camps
- Functioning markets require exchanges of information
- Exchanges of information lead to transactions where both parties are confident the outcomes are beneficial; therefore
- Developing a “program” for PPP is inherently an information exchange that is primarily based on dialogue between stewards and the various entities that are going to help them meet their diversion objectives

The process to 75%

- Understand the current state of diversion in BC – get the numbers as best as you can
- Start the dialogue – get a handle on the issues
- Develop options and test them against a set of criteria
- More dialogue – get feedback on the options
- Tune, fine-tune and launch

Current state analysis

- Collect as much data as is practical to quantify performance and costs of existing PPP recycling system in BC
 - Use 80/20 rule to get best possible data within reasonable cost
- Use RCBC's database on PPP collected, depot locations, number of streams, etc.
 - Readily available
 - Reduces requirement to recollect data from municipalities
 - Focus on key municipal tonnage and cost data
- Use personal interviews to collect additional data from key municipalities

Current state analysis

- Use personal interviews to gain market insights from the BC private sector
 - Private collectors - subscription curbside, depot, retailers
 - Private companies providing processing services
- Build the current state picture
 - Adjust for incomplete, inaccurate, anomalous data
 - Extrapolate for all operating programs
 - Calculate collection and recycling rates

Starting the dialogue – what one might hear

- Producers
 - System costs
 - Administrative complexity
 - Self determinacy
- Municipalities
 - Reduced service to residents/municipal voters
 - Stranded costs due to transition
 - Possible loss of local employment
 - Implications for municipal staff currently responsible for PPP recycling program
- Private companies
 - Implications for existing business model
 - New business opportunities under EPR model
- Residents
 - Access to convenient PPP recycling systems
 - Assurance that PPP is being managed properly
 - No 'new' costs – municipal costs currently embedded in property taxes

Develop options

- Develop/confirm program objectives and model criteria
 - Through discussions with affected parties
- Identify full range of model options taking into consideration
 - Current municipal and private sector roles
 - PPP program objectives and model criteria
 - EPR models operating in other jurisdictions
 - The realities posed by the data and insights gathered from those currently delivering PPP services
- Continue the dialogue!

The Team

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