



# Product Stewardship Workshop

## NY Federation Conference

*Scott Cassel, Executive Director/Founder*  
Product Stewardship Institute, Inc.



# What is the Product Stewardship Institute?

- Non-Profit, based in Boston, founded in 2000
- Membership
  - 45 State governments
  - Over 100 Local governments
  - Over 50 Partners (e.g., Covanta, Waste Management)  
(Business, Environmental/Organizations)
- Board of Directors: 7 states, 4 local agencies
- Multi-stakeholder product stewardship network



# Why was the Product Stewardship Institute Created?

- **Unified voice** State and Local Governments
- **Fiscal relief** for government on waste issues
- **Objective data** for decision-making
- **Forum** for collaboration with industry
- **Nationally coordinated** systems/harmonized regulations

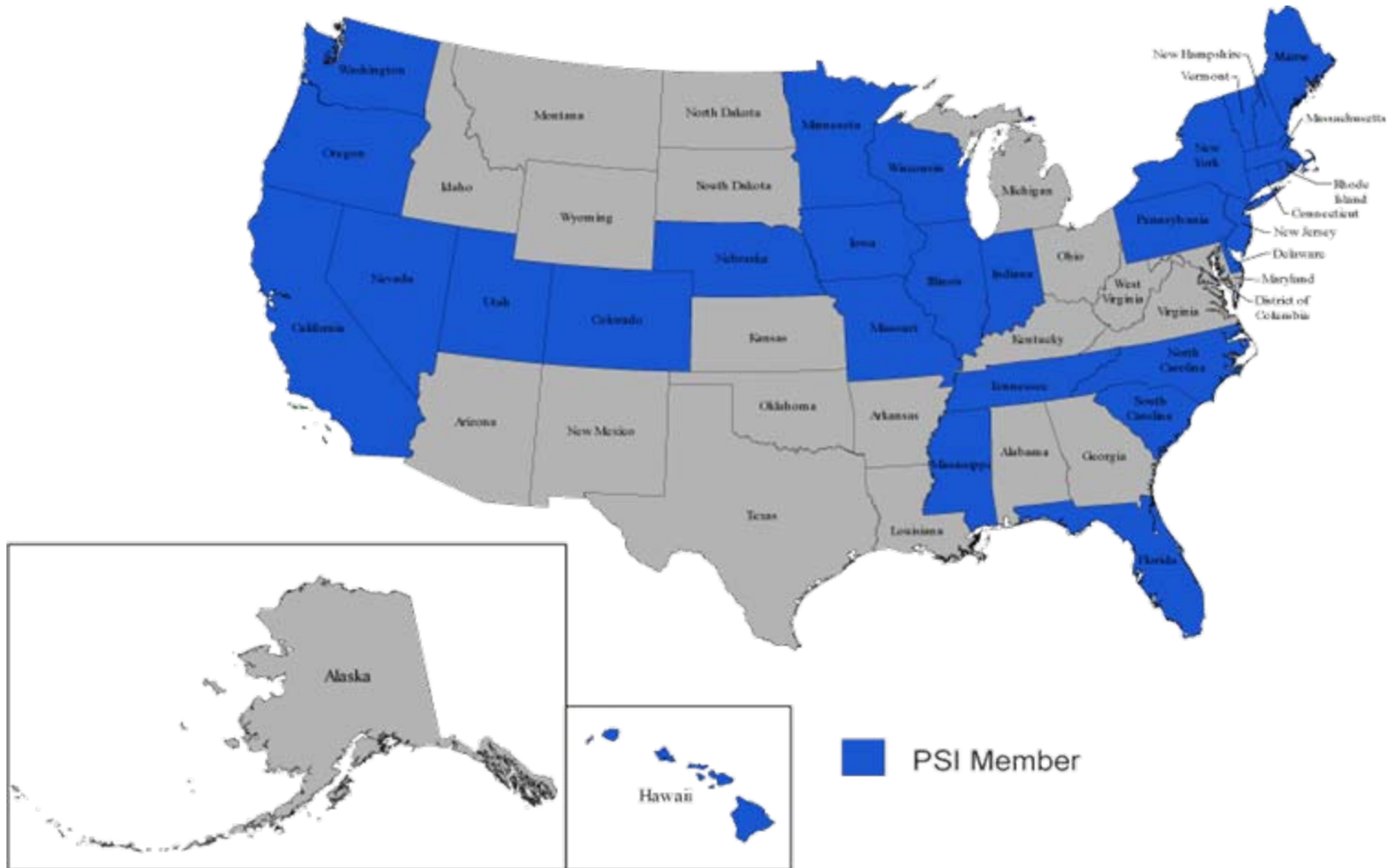


# PSI Principles of Product Stewardship (2001)

- Cost internalization
- Shared responsibility (manufacturers have greatest role to play – producer responsibility)
- Lifecycle costs
- Performance goals
- Flexibility for producers
- Endorsements : ECOS, NWPSC, SWANA, NERC, NAHMMA, PSC (Australia), CRRRA, **CRA, etc.**



# PSI State Members – 2004





# PSI State Members – 2009





# What Does PSI Do?

- Facilitate/mediate stakeholder dialogues
- Create framework for partnerships
  - government
  - product manufacturers
  - retailers
  - trade associations
  - environmental groups



# What Does PSI Do?

- Conduct research & frame issues/solutions
- Subject matter experts
- Conduct pilot projects – new models/replicate
- Develop demonstrations in states
- Seek legislative and regulatory changes
- Information clearinghouse on PS/EPR



# What is Product Stewardship?

*“Product Stewardship” is a principle that directs all those involved in the **life cycle** of a product to take **shared responsibility** for reducing the health and environmental impacts that result from the production, use, and end-of-life management of the product.*



# What is Product Stewardship?

Producer Responsibility  
in the context of  
Shared Responsibility



# Producer Responsibility Results Sought

- End-of-life management costs included into company's cost of doing business (may be reflected in product purchase price)
- Product design changes
- Cost shift: Gov't (ratepayers or taxpayers ) → mfrs/ consumers
- No advanced recycling fees or end-of-life fees
- Cover costs of collection, transportation, recycling/disposal



# Producer Responsibility Results Sought

- Save money for local government
- Greater environmental protection



# Producer Responsibility Results Sought

- “Internalize externalities” – life cycle
- Allow true “green” products to compete on level playing field



# Manufacturers Working with PSI

- Benjamin Moore, Sherwin Williams, Valspar, NPCA, etc.
- Dell, HP, Sony, Panasonic, Sharp, LG, CEA, etc.
- Honeywell, White Rodgers, GE, Thermostat Recycling Corp.
- Osram-Sylvania, Philips, GE, NEMA
- King, Novo-Nordisk, Sanofi-Aventis, Pfizer, Astrazeneca, GlaxoSmithKline , Roche, etc.
- Becton Dickinson, Covidien, UltiMed, Owen Mumford, etc.
- AT&T, Dex, Yellow Pages Assoc., Assoc. of Directory Publishers
- Worthington Cylinder, Manchester Tank, etc.



# Manufacturers' Transformative Process

- “There is no problem”
- “Increase government programs”
- “I’m OK w/visible fee (gov’t made us do it)”
- “We take responsibility to set up program”
- “Performance is not my responsibility”



# Framing the Debate

***You Can't Pull a  
Flower  
to Make it Grow***

*Gilles Goddard, Director General*

*La Société de gestion des huiles usagées (SOGHU)*

*Producer Responsibility Organization for Used Oil*



# Sharing Responsibility: Retailer Role

- Product collection/recycling
- Education of consumer at point of purchase
- Incentives to consumer to return items (e.g., coupons)
- Sell sustainable products



# Retailers Working with PSI

- Home Depot, Lowe's, Wal-Mart, Best Buy, Retail Industry Leaders Assoc.
- Office Max, Staples
- National Association of Chain Drug Stores
- National Community Pharmacists Association
- Ace, TruValue, local regional retailers
- State retail associations



# Sharing Responsibility: State (Federal) Government

- Program planning and oversight
- Set performance goals
- Enforcement to level playing field
- Education of consumers & local (state) gov'ts
- Testing new programs (state gov't)



# Sharing Responsibility: Local Government

- Program planning & facility operations
  - Use existing infrastructure → cost effective
  - Convenience through retail
- Develop pilot projects
- Educate residents



# Sharing Responsibility: Consumers

- Bring used products to take-back locations
- Buy sustainable products
- Tell retailers and manufacturers to be “green”



# PSI Projects

- Electronics
- Paint
- Fluorescent Lamps
- Mercury Thermostats
- Pharmaceuticals
- Medical Sharps
- Telephone books
- Radioactive Devices
- Gas Cylinders
- Tires
- Beverage containers
- Batteries
- Packaging
- **Motor oil**
- **Pesticides**



# Challenges

- Lack of awareness about problem/solutions
- Lack of infrastructure to manage products
- Lack of incentives to change behavior
- Lack of metrics to measure performance/progress
- Lack of funding to address problems
- “Industry unfunded mandate”



# PSI Process of Stakeholder Engagement

- Research (“you’ve been heard/building trust”)
  - Interviews/project summary
  - Action Plan
- Meetings → Agreements (“progress is possible”)
- Projects (“tangible results”)
- Evaluate/adjust program (“we’re not going



# Benefit of Dialogue

- Better information for all stakeholders
- Better understanding of stakeholder positions
- Better understanding of problem, focus, key issues and possible solutions
- Opportunity for consensus on some/all issues
- Opportunity for best/sustainable solutions
- Identification of projects and initiatives that are key to resolving an issue
- **Business opportunities**

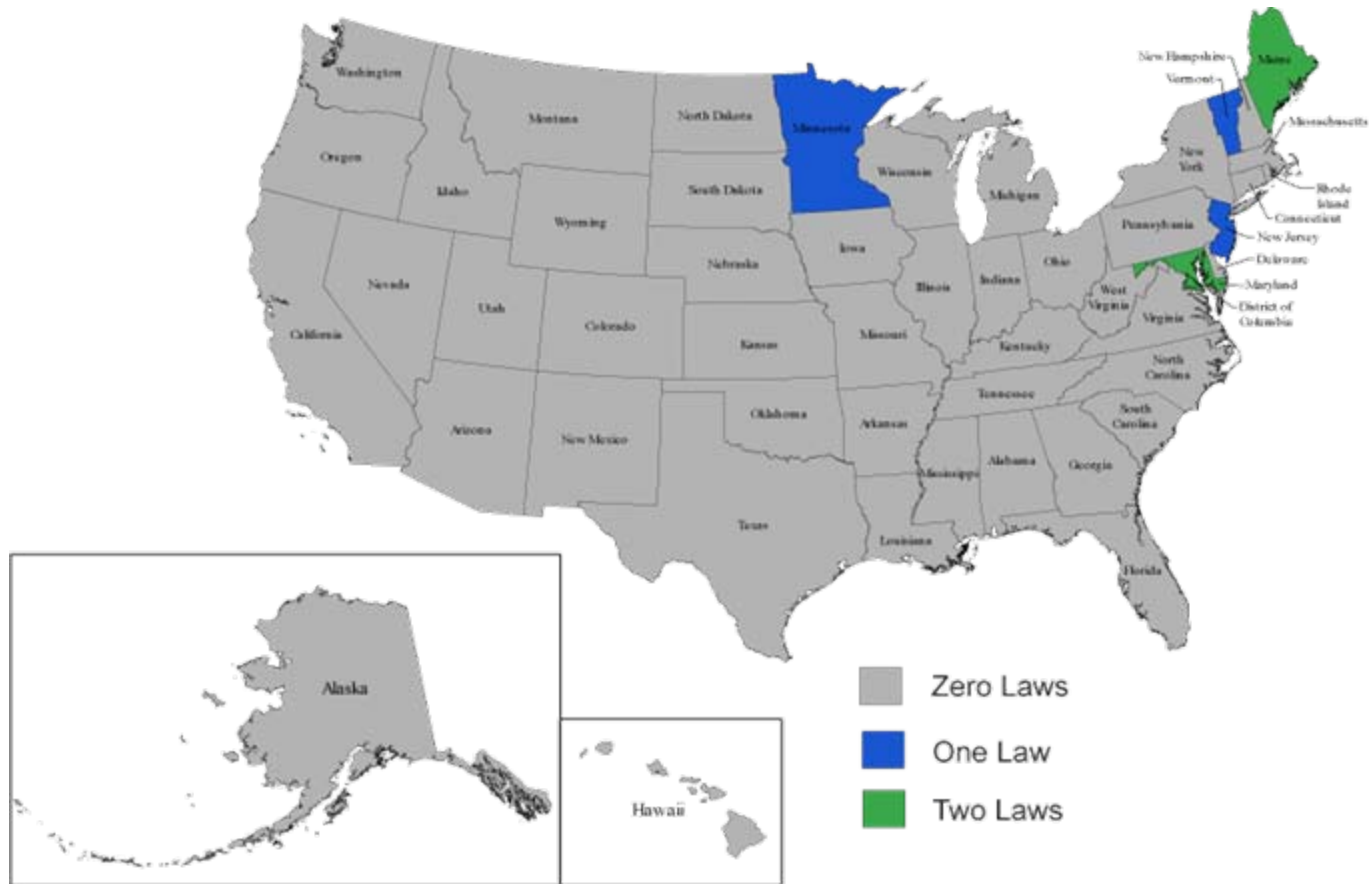


# Key Successes

1. Capacity has been built in the U.S. for Product Stewardship
  - An educated government (45 states/100 locals as PSI members + many other involved local governments)
  - A partially educated private sector (product sector specific)
  - Retailers starting to step into their role
2. States beginning to gain experience with PS laws
  - 19 state electronics laws
  - 7 state thermostat laws
  - States with auto switch laws

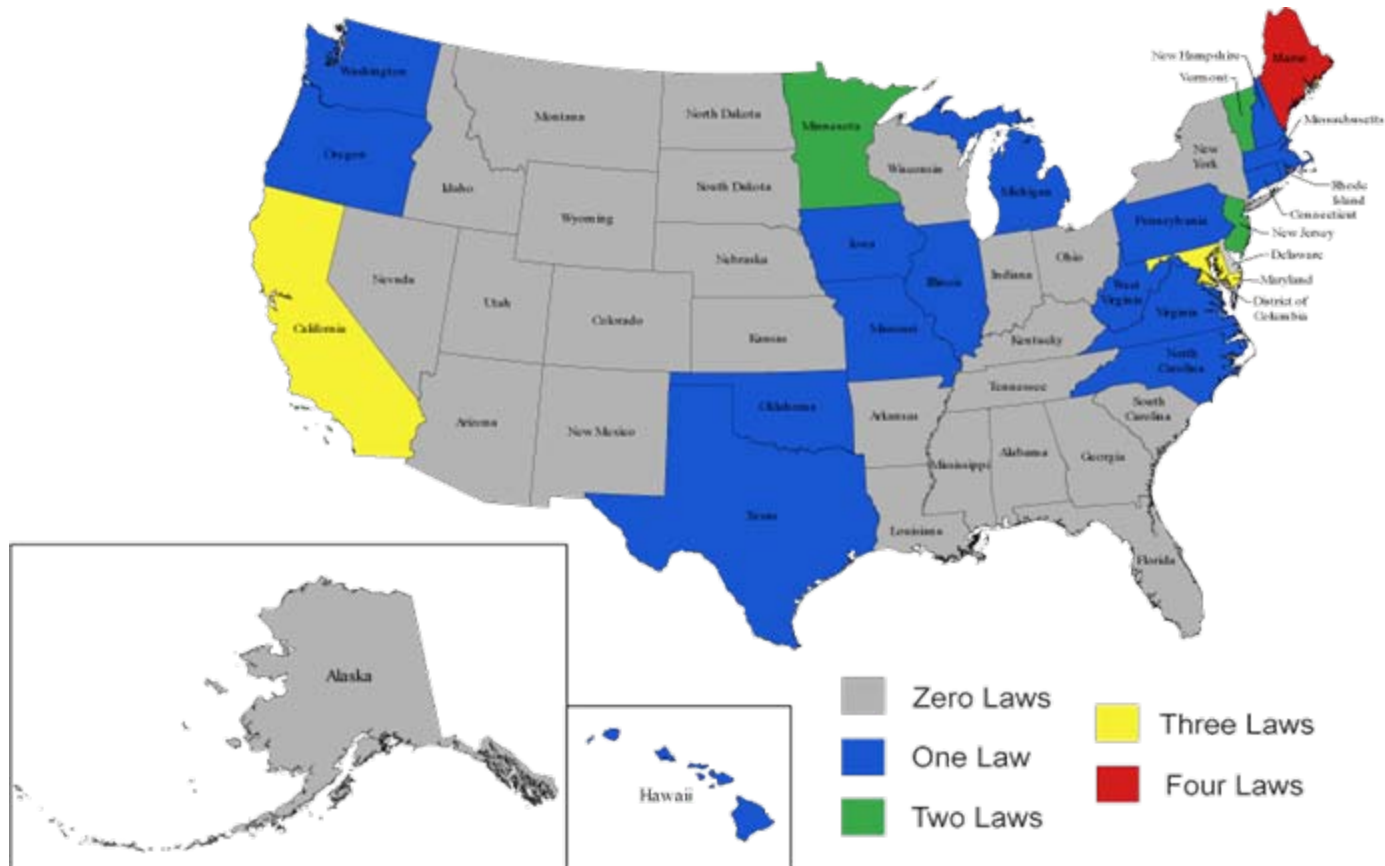


# State EPR Laws 2004





# State EPR Laws 2009





# Key Successes

3. Increase in product stewardship legislation in 2009
4. Movement from product-by-product legislation to framework
5. Realizing benefits for local government
  - Cost savings (MN: \$4-6 million/yr on paint alone)
  - Jobs/economic development
  - GHG emissions reductions
  - More products/tons of toxics collected (take-back)



# Early Product Stewardship Systems

- Beverage containers (Bottle Bill)
- Tires, Automobile batteries, Motor oil

## The Old Way:

- Visible fees
- Government managed funds
- Government responsibility



# Key Elements of Current Product Stewardship Systems

1. Legislation: levels the playing field
2. Manufacturers responsible for financing
3. Retailers responsible to collect products sold (w/funds and voluntary)
4. Stewardship organizations manage program allowing for individual producer responsibility
5. Government sets performance goals, measures progress, (possible financial incentives), and enforces rules



# 2009 Product Stewardship

- ## Legislation
- Electronics
  - Thermostats
  - Fluorescent lamps
  - Pharmaceuticals
  - Phone books
  - Paint
  - Medical sharps
  - Framework (CA and OR)



# Results – Electronics Dialogue

- EPA managed dialogue
- PSI coordinated/negotiated for state and local governments
- All 19 electronics laws use concepts from national electronics dialogue
- Manufacturer take-back programs in response to dialogue
- Staples computer take back pilot



# Results – Thermostats Dialogue

- Expansion of TRC program to:
  - Chain wholesalers
  - Heating and cooling contractors
  - Household hazardous waste facilities
  - Retailers
- Model state legislation – 7 state laws
- Common methodology for measuring performance (recycling rate)



# Results – Paint Dialogue

- Data
  - 10% of paint sales becomes leftover
  - *Half a billion dollars/year* management cost (average \$8/gallon)
- 6 Point Plan – consumer advice on leftover paint
- Recycled paint standard (with Green Seal)
- Paint reuse manual, infrastructure report
- Consensus producer-financed legislation (MN, OR, CA)



# Results – Lamps Dialogue

- Consensus on need for more laws that ban disposal of lamps and greater enforcement of existing laws
- Retail collection works! (7 steps)
- Framed financing options (consumer lamps)
  - Producer responsibility
  - Utilities
  - Retailers
  - Cap and trade



# Results – Pharmaceuticals

- Consensus on **Dialogue** to change Controlled Substances Act → Congressional legislation
  - No Flushing
  - Reduce cost of take-back programs
- Narrowed/framed issues for debate
  - Take-back vs. garbage disposal
- EPR legislation introduced (WA, OR, ME)



# Results – Phone Books Dialogue

- Voluntary industry guidelines developed
  - Opt out
  - Recycling
  - Sustainable production
- 90% of publishers now with opt out program
- Industry website set up
- Developing Joint Communiqué – ensure performance
- Progress fueled by legislation (need for more)



# Results – Medical Sharps

## Dialogue

- Reached consensus for Demonstration Project in Massachusetts to show that sharps can be collected and disposed of safely.
- Developed detailed Work Plan for MA Demonstration Project, which will be financed by sharps manufacturers and pharmaceutical companies. The plan outlines roles for all stakeholders.
- Demonstration Project will serve as model for other states.



# Key Challenges

1. How do we define and measure success?
2. Are programs successful?
  - Meeting high recycling rates (take back)
  - Meeting high convenience metrics
  - Meeting other performance metrics
3. What policies will result in greatest product design changes?
4. What policies will most reduce product lifecycle impacts (vs. solely end-of-life)?



# Key Challenges

5. How can we achieve change quicker and cheaper, and still maintain stakeholder buy-in?
6. How do we respond when industry doesn't like results of dialogue?



# Key Product Stewardship Issues

- **Performance goals**

- Who should set goals (legislature or agency)?
- Who is responsible for meeting goals?
- Ramifications if goals not met?
- What should goals be set at?
- What methodology should be used to evaluate performance?

- **Financial incentives (product return)**

- From beginning or only when goals not met?
- Does size of incentive correlate with return rate?



# Role of Voluntary Systems

- Interim steps prior to legislation
- Address larger sustainability issues
- Allows for industry sector leaders to emerge
- Allows industry sector to advance interests if low government priority



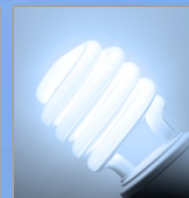
# Role of Regulated Systems

- Level the playing field (Fair)
- Gives authority to agency to enforce against those non-compliant
- Gives authority to agency to enhance program
- Expresses clear will of government



# Get Plugged in...PSI Services

- **Full (paid) and Affiliate (free) Government Memberships**
- **Corporate and Organizational Partnerships**



# Get Plugged in...PSI Services

- **Product-specific dialogues**
- **12 Networking Conference Calls/year**
- **26 Product Stewardship Updates/year (bi-weekly)**
- **Newsletter (quarterly)**
- **Annual Product Stewardship Forum – June 1-4, 2009 (Seattle)**
- **Website – product information**
- **12 product list serves**
- **Government strategic conference calls – legislation**
- **Consulting (e.g., product take-backs, facilitation)**



# For More Information Contact...

**Scott Cassel – Executive Director/Founder**

**617-236-4822**

**[scott@productstewardship.us](mailto:scott@productstewardship.us)**

**[www.productstewardship.us](http://www.productstewardship.us)**