

Product Stewardship for Household Hazardous Waste

STAKEHOLDER OUTREACH MEETING #1
DRAFT MEETING SUMMARY

DATE: January 25, 2016

TIME: 8:30 am to noon

LOCATION: Metro Council Chambers, 600 NE Grand, Portland

**Stakeholders in attendance**

Kristin Power, Consumer Specialty Products Association (CSPA)

Paul Cosgrove, American Cleaning Institute

Mike Dewey, Waste Management

Mark Kurschner, Product Care/ReGeneration

Eric Dennis, Call2Recycle (for Carl Smith, Call2Recycle)

Matt Markee, American Chemistry Council

Justin Gast, Association of Oregon Recyclers

Betty Patton, Recycling Advocates

Willie Tiffany, Oregon Refuse and Recycling

Abby Boudouris, OR Department of Environmental Quality (DEQ)

Chad Ficek, Lane County

David Skakel, Tri-County Hazardous Waste & Recycling Program

Mark Nystrom, Association of Oregon Counties (AOC)

Mendy Droke, King County Solid Waste Division

Bruce Walker, City of Portland

**Stakeholders not in attendance: (some may have called into the online WebEx online)**

Alison Keane, American Coatings Association

Scott Dahlman, Oregonians for Food and Shelter

Mike Freese, Associated Oregon Industries

Colin Price, Oregon Environmental Council

Tracy Rutten, League of Oregon Cities (LOC)

**Observers:**

Dean Kampfer, Waste Management

Matt Raeburn, DEQ

James Matteuicci, MERK

Andy Sloop, Metro

Holly Stirnkoib, CH2M

Megan Warfield, Washington Dept. of Ecology

Approx. 16 called into the online WebEx.

**Staffing meeting:**
Jim Quinn, Metro

Scott Klag, Metro

Mike Rosen, PRR

Kirsten Hauge, PRR

Suna Bayrakal, PSI

Scott Cassel, PSI

**Meeting Summary**

1. **WELCOME AND INTRODUCTIONS** Jim Quinn and Scott Klag, Metro, opened the meeting and welcomed attendees. Scott then introduced Mike Rosen, PRR. Mike said his role was to serve as a neutral facilitator and ensure everyone had the opportunity to share their opinion. PRR has worked with stakeholders in the Northwest regarding product stewardship issues for many years, including electronics recycling efforts. He noted there were multiple ways people could participate in the meeting. The conversation was focused on the stakeholders at the table, however people were also observing the meeting through an online forum, by phone, and in the room. If time allowed, Mike said he would offer the opportunity for questions and comments from observers. He also encouraged people to submit comments through email.

Next, he asked stakeholders to introduce themselves, state their affiliation, and indicate what they hoped to take away from the meeting.

* *Chad Ficek, Lane County*: learn more about process and how Lane County fits in
* *Mendy Droke, local policy liaison at King County for HHW*: learn and listen
* *Bruce Walker, City of Portland Planning Bureau*: interested in reasonable steps that can be taken to address concerns, while balancing costs
* *Justin Gast, Oregon Recyclers*: learn more about process and see where it fits in with membership
* *Mark Nystrom, Association of Oregon Counties(AOC)*: ensure county concerns and infrastructure are taken into account
* *David Skakel, Tri-county HHW, and AOC Solid Waste Subcommittee*: gain a better understanding of the manufacturers’ point of view
* *Eric Dennis, Call2Recycle*: provide information about Call2Recycle’s efforts
* *Mark Kurschner, Product Care*: show how this has been done elsewhere
* *Matt Markee, American Chemistry Council*: listen and learn
* *Betty Patton, President of Recycling Advocates*: help expand product stewardship
* *Willie Tiffany, Government Affairs Director for Oregon Refuse and Recycling*: learn other stakeholder’s perspectives
* *Kristin Power, Consumer Specialty Products Association*: hear from others and participate
* *Abby Bourdaris, OR Department of Environmental Quality (DEQ):* interested in input from others while sharing experiences from paint and electronics programs
* *Paul Cosgrove, American Cleaning Institute*: listen and learn
* *Mike Dewey, Waste Management*: learn first about various programs and ensure if legislation is developed for 2017 that is reasonable, cost effective, and not a bureaucratic challenge
1. **STAKEHOLDER PROCESS**

***Review agenda for today and overview of future meetings***

Mike Rosen said the first part of the meeting was focused on level-setting so everyone had a good understanding of the proposed approach for extended producer responsibility (EPR) for household hazardous waste (HHW). The second half of the meeting would lead to stakeholder discussion to help clarify the intent of the proposed EPR for HHW legislation and surface concerns. He noted there would likely be differences of opinion, but the objective for the group was to focus on solutions. Mike Rosen invited Jim Quinn and Scott Klag to introduce themselves

Scott provided initial background and context about the process. Scott said full copies of the draft bill were available for review. Rather than diving into the details at this point, the group would discuss three of the broadest concepts. Over the course of three meetings the group could help determine ways to improve the bill. Metro staff would also identify to what degree some issues may need additional working sessions outside of scheduled meetings. Scott noted his goal was to ensure industry was at the table to inform a better bill. For product stewardship each area is different and one size does not fit all. DEQ is also available to provide perspectives about other product stewardship programs. This type of EPR program would be statewide and it was important to consider how it could benefit the entire state.

Next, Mike reviewed the agenda. He said the objectives and topics for future meetings would be based on the outcomes of the first meeting.

1. **OVERVIEW-HOUSEHOLD HAZARDOUS WASTE**Jim Quinn shared a PowerPoint presentation focused on a high-level overview of HHW impacts and infrastructure (see slides 3-11). He reviewed the risks to the home and solid waste system and listed key actions the government has taken to address the issue including events like collection events and building 13 permanent collection facilities around the state. Services do vary at each facility, as does the frequency of collection events. Metro’s program is one of the largest in the country and it is supplemented with round-up programs in various parts of the region.

He reviewed key statistics regarding collections. About half of the HHW collected is paint. Based on a waste composition study, an estimated 2.3 million pounds of HHW that would be covered under the proposed legislation are not being managed properly statewide.

Stakeholders asked the following clarifying questions:

* (Mike Dewey) Are you going to get into the financial aspects of how this is funded? It would be helpful to get a magnitude of the costs.
	+ (Metro) Funding for HHW is providing from Metro’s tipping fee, but it is not the focus of the agenda today. We assume about $1-2 per pound for HHW. Metro has about 30 permanent staff, including the recycling facility. For re-use, they are recovering about 75% and the remaining 25% goes to an incinerator or landfill.
* (Betty Patton) Is the percentage breakdown of HHW based on weight or volume?
	+ (Metro) It is based on pounds.
1. **WHAT IS EXTENDED PRODUCER RESPONSIBILITY (EPR)? HOW CAN IT BE USED FOR HHW?**

Scott Klag continued to review the PowerPoint presentation (see slides 12-16). He shared the basic tenets behind product stewardship, reviewed the general concept of EPR, and its benefits. Metro is proposing legislation about this issue because it is time for manufacturers to step up and share the responsibility as they have with paint and e-waste. Resources are also limited and more is needed to collect HHW. Since HHW products are easy to buy, they should be easy to dispose. Now there are successes such as the paint program that serve as models.

Scott asked Mark Kurschner from Product Care in Canada to share more information about their EPR programs. Mark explained that Product Care is not the industry association, but instead serves to deliver the program. Product Care also manages an active program for mercury containing lamps in Washington state, helped get the first paint program started in Oregon, and is working on mattress recycling.

Mark reviewed a presentation with more background about Canada’s program (see slides 17-33). The program includes many different products. Challenges include:

* Defining products
* Worker safety issues at collection sites
* Limitations in who can pick up and transport HHW
* Emergency response needs

Based on the complexities of this type of program, Mark recommended considering a phased approach for implementation.

Stakeholders asked the following questions:

* (Willie Tiffany) For the BC program, is it the business model to reimburse other facilities to handle collections?
	+ (Mark) I Collection is most often done by local government. We do not pay for collection if we can avoid it, but we often cannot avoid it . We have to do the best we can from a financial point of view. For example, our BC program pays on a per bin basis. In Ontario, they are paying collection sites on an hourly basis (not the best model given seasonal variation). The return to retail is a good model for other products, but there are legal considerations for HHW.
* (Mendy Droke) In order for consumers to help offset the cost of program, is there a fee on the receipt or it is built into product cost?
	+ (Mark) We don’t fund the program from the value of the collected material. It is funded through the obligated parties such as the manufacturer, retailer, and distributer. Product Care is funded through membership fees. The fee structure is based on the quantity of products sold. The cost is significant and members want to recover the cost. It’s mixed how this is handled based on geography. In western provinces they have a visible line item on the receipt (either manufacturer or retailer). In other provinces it is more political. It is a good way to educate people about the program, but other places like Ontario have decided it is negative and are suppressing the visibility of the fee. It has been a big issue.
* (Justin Gast) Who is overseeing the collection at bottle depots?
	+ (Mark) In BC, beverage containers are part of EPR. The overseeing organization is called Encorp. They find it worthwhile to set up at collection sites. Each of those collection sites are independent businesses and licensed. We deal directly with the businesses running the bottle depot.

Scott said Mark helped to introduce several things Metro wants to lay out in the proposal. In terms of fees, it is an area they want to approach with Oregon. Scott provided a high-level overview of the proposal (see slides 34-36). After a break the group would discuss specific statutory criteria and review what is not covered under the bill.

Jim said in terms of the product organization, Metro is talking about manufacturers organizing amongst themselves. There are some advantages in terms of establishing on organization such as Product Care, but staff are not at that point in this draft of the bill to describe the specific number of organizations. Regarding cost, the bill does not propose that the state will oversee the fee. Instead manufacturers would portion the costs. Finally in terms of performance, it starts with ensuring health and environmental safety.

Mike invited stakeholders to take a 15 minute break before moving to discussion.

1. **METRO’S APPROACH TO EPR FOR HHW
Review and discussion**Mike said staff were looking forward to hearing from stakeholders about the proposed bill. First, Scott provided some context. His plan was to organize the discussion by three key topics:
* Scope of covered products
* Program financing
* Program performance

Scope of covered products

The intent for the scope was to cover the higher hazard materials, like pesticides, that come into the system, since they are most costly to manage. Jim said they put a lot of thought into it based on the experience from the paint program. When they started collecting paint it was challenging to figure out which products were covered or not. To address this for HHW, they developed criteria that referred to long-standing laws (see slides 39-40).

Stakeholders shared the following questions and comments, with many focused on cost and public education:

* (David Skakel) You should clarify any exemptions to the products covered under RCRA and DOT law, such as batteries and mercury.
	+ (Jim) Yes, those are noted as exemptions in the bill.
* (Mike Dewey) There is no other state who does this today to the breadth of what we are talking about. How many companies are registered in the different provinces? It seems like it could be thousands in terms of registration.
	+ (Mark) It is likely in the 100-200 range, but I will check.
	+ (Scott) We are trying to bring in all manufacturers from trade organizations that would be impacted. Please let us know how best to reach out to others.
* (Betty Patton) Will the public be able to understand the product definitions?
	+ (Jim ) Great question. The short answer is no,but for our collection program we don’t try to educate people about what to bring, we take it all and sort it out.
	+ (Scott) The key question is if the manufacturers understand what will be covered and know if they will be obligated to join a stewardship organization.
* (David Skakel) Using paint care as an example, the consumer does not need to know, it is more of an issue on the back-end.
	+ (Scott) Another consideration in defining the product is that if they are taken to a DEQ approved event or facility we do not have to worry about consumers taking things to an unapproved collection site.
* (Matt Markee) The manufacturer can understand definitions, but there still needs to be consumer training and knowledge—have you thought that through?
	+ (Jim) We do not believe we need to re-train the consumer since they will continue to bring us the same things.
	+ (Scott) However, if retailers play a role in collections we may need to educate people about where to take back the products. Perhaps manufacturers could develop an education program.
* (Matt Markee) I’m curious if manufacturers create this program if it may or may not include existing infrastructure.
	+ (Scott) We are not trying to be too prescriptive. Maybe they would want to run some of their own collection programs, but the cost would be substantial. We think existing sites could be the default place for these programs.
	+ (Jim) HHW facilities make the most sense. We have trained staff with protective gear in case of spills.
* (Paul Cosgrove) Is there any data to evaluate or estimate the effectiveness of the proposed program? If you have not included a program for consumer education, it just seems like you are shifting funding to the manufacturer.
	+ (Jim) We have put a lot of thought into this—about half of these products are going into the trash. Half make it into the collection program. The real goal for me is to get from 50 to 100 percent collection. It comes down to convenience.
	+ (Scott) Shifting costs is part of what is going on here from rate payers to people using the products. We are open to having a conversation about education programs.
* (Mike Dewey) Waste Management has “At Your Door” services. Have you considered using existing infrastructure? Your costs might be a lot less.
	+ (Scott) We have put a provision in the bill to pull the same language as in the e-waste bill regarding at “at your door” type of service. It could plug into the program like that.
	+ (Jim) We have excellent models through paint—we feel we are getting about 100 percent.
* (Matt Markee) As you discuss internally have you tried to put a cost estimate as to what this would cost to implement?
	+ (Jim) Statewide there are a couple of million pounds not being properly managed, we are assuming $2-3 million annually to manage this.
* (Betty Patton) The paint program advertises and gets the word out to the public. It does not seem this has a similar component.
	+ (Jim) Part of the stewardship program is for parties to list that as part of the plan.
* (Bruce Walker) In terms of future meeting topics, it seems appropriate to focus on cost. My understanding in regard to Metro’s transfer station project is that none of the private facilities were able to take on HHW due to cost. In terms of household collection, I would be very interested in the capture rate. We have an excellent program in the Metro area, but there is one location not easily reached. We need to look at different options statewide.
	+ (Scott) We can work with others to map out the current cost structure and capture rate.
* (David Skakel) An expanded collection of toxic wastes is laudable, but I sympathize with the manufacturers’ concern about the cost responsibility. With paint care we experience an avoidance of costs and increase in costs due to added staff to handle materials. We have overlap with the manufacturers in terms of cost concerns.
* (Observer) In Canada, did this approach lead to more manufacturers changing the formulations on products to be more “green”?
	+ (Mark) We have seen a limited amount change formulations. There is a much bigger impact with respect to products such as pesticides, but more as a result of other drivers.
* (Kristin Power) There are a number of organizations who are looking at various changes to make product formulations greener, but there are always going to be a broad spectrum of products based on consumer needs.
	+ (Scott) There are other drivers out there with programs such as natural gardening.

Program financing

Scott said in order to finance the program manufacturers would be part of a stewardship organization (see slide 41). By joining the organization, members would decide how they would charge, similar to the battery program. In regard to the battery program, Eric Dennis shared that they do not have a membership program, but the program includes a couple hundred product manufacturers. The fee schedule is based on what they sold into the market.

Scott added that the bill proposes a “return share” tracking system for identifying materials collected so manufactures are aware of what materials are being collected and can share the information with members.

Stakeholders shared the following questions and comments, with many focused on the issue of visible versus internalized fees and the organization of the stewardship group(s):

* (David Skakel) I’m wondering if given the bigger group of manufacturers if it might lend to a more chaotic approach. Too many stewardship organizations might deter the effectiveness of the program.
* (Betty Patton) With Oregon e-cycle, manufacturers registered and created consortiums to present plans for implementation. There were two consortiums for manufacturers and a default for others. Since Kristin’s organization represents over two hundred, maybe the collaboration would be there already.
* (Abby Boudouris) I’m curious about what people think about internalized versus eco-fee models. We have both and they have their pros and cons.
	+ (Scott) Are people seeing this as an issue they might want to grapple with?
* (Eric Dennis) Collection targets are changing for the battery program—fees do need to be addressed.
* (Mike Dewey) It’s a misnomer nobody is setting a fee. DEQ is going to need to certify that the program would meet some sort of goals or metrics, so there is some sort of number in mind. Indirectly the government is setting the fee.
	+ (Scott) I agree there are a lot of things in play in terms of approving the plan and working out collection goals.
* (Betty Patton) For the e-waste program there is pressure to charge as little as possible. Most of the consortiums have decided to be slightly uniform across groups.
	+ (Scott) If you have an organization with a lot of different products it becomes easier to levelize costs. I would like to hear from industry organizations about the number of organizations that could form.
	+ (Mark) In Canada, there are different programs for different product groupings, but when it comes to HHW we decided to do paint, other solvents, and lighting products. It’s really up to industry about what is most efficient.
* (David Skakel) In terms of eco-fees versus internalized costs I do not have an opinion, but I do have an interest in understanding the preference of manufacturers.
* (Mark) My observation would be the smaller the product group, the less sense it makes to have multiple organizations. On the visible fee side there has been endless dialogue in Canada, but people like the option to choose. In the U.S., you do have to worry about antitrust protection.
* (Betty Patton) Recycling Advocates is really torn on this issue. The pros are that a visible fee would help inform consumers about collection opportunities, but if the fee is internalized manufacturers might be more inclined to diminish toxicity.
	+ (Scott) We can make additional information available about how it is handled in different areas. We have a white paper we can update.
* (David Skakel) I’m not sure where it would fit in, but I would like to discuss how CEGs would fit in this proposal.
	+ (Scott) We didn’t touch on what is sold to households. We could talk about this and if a small business buys products through household levels if they should be able to use the program.
	+ (Jim) The main focus is for households, but we also serve small businesses that are exempt. Under paint, small businesses can bring it into collection.
* (David Skakel) You should consider how to differentiate between HHW and exempted business waste.

Program performance

Scott said the goal for Oregon should be to is increase what is collected and build on current successes. In terms of program performance, the bill addresses record-keeping and management, how it is managed, HHW infrastructure, and working with existing programs such as paint (see slide 41). The bill does have placeholders for the number of collection sites and performance targets. These are items to be discussed and negotiated. E-waste has program targets that are doable—we want to ensure the same for this program.

Stakeholders shared the following questions and comments about performance and access to service:

* (Paul Cosgrove) What are Metro’s current performance targets? I assume they are evaluated by Council.
	+ (Jim) Our collection system is not designed around performance goals as far as total amount or % collected, it is designed to provide services to customers. Funding is based on need.
	+ (Scott) Council pays close attention to cost and driving down costs through internal management measures. We have been queuing service for many years in terms of what is available and the number of sites. We continue to see needs grow and can provide more information.
	+ (Jim) We typically see increases of five percent over the previous year. Although there was some drop off after paint care, we have not seen the ceiling.
* (Observer) Retail collection makes up a huge part of other programs. If retail is not an option, how do you foresee filling the gap of statewide service?
	+ (Jim) Facilities could increase operating hours and collection events can help. The event model helps to supplement facilities.
* (David Skakel) By example, our rural county program has three sites, but we have seven other sites where we hold events throughout the year.
	+ (Scott) We can provide more detail about what is on the ground right now and current services.
* (Betty Patton) I am hoping and assuming that the requirements for service coverage will be similar to the OR e-cycle program where every county has access to service. I assume service provisions would be detailed in the stewardship plan?
	+ (Scott) Yes, that is the requirement.
* (Matt Markee) If the program is not driven by metrics, but by budget allocations then what is the budget?
	+ (Jim) Approximately $5 million per year.
* (Matt Markee) Is there a charge to the consumer?
	+ (Jim) It is $5 per customer, which makes up a small percentage in terms of cost to manage. The fee is determined by Council. They do not want the fee to be a barrier to people visiting our sites.
* (Mike Dewey) I do not understand the differentiation between the state’s costs and Metro’s budget.
	+ (Scott) We can provide a table with more detail. We provided the $4 million estimate to detail what would be covered under the new program statewide.
* (Matt Markee) Earlier you said you collect about 3 million pounds at about $1-2 per pound, then the rest is administration fees?
	+ (Jim) Some of the cost is paint and the rest is uncovered products. Covered products are just a portion of what we manage.
* (Eric Dennis) Who would be responsible in counties without HHW facilities? Stewardship groups?
	+ (Scott) We would work in coordination with them and DEQ.
* (Mark Nystrom) In order to sell this concept to elected officials in my area, there is a need to develop responses to the following key questions. Why should we do this? And if we don’t, who will pay for it?
	+ (Scott) We can provide more information next time about the history and need.
* (Mark Nystrom) If Metro’s budget is $5 million, how many people do you serve?
	+ (Jim) We serve 1.5 million.
1. **NEXT STEPS**

Mike Rosen led a discussion about the best time for the next meeting. Stakeholder suggested the following key topics:

* Cost
* Public education
* Existing infrastructure
* Adding CEG to proposal
* Coordination with DEQ
* Harmonization with other efforts such as paint care (long-term topic)

Mike invited participants to share comments or questions through email in between meetings. The group agreed to meet the week of April 4. Jim Quinn also invited members to join a tour of Metro’s collection site following the meeting.

 Mike thanked stakeholders for participating and adjourned the meeting.