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Trends Shaping the Future of Product Stewardship

Scott Cassel, CEO and founder of the Product Stewardship Institute, highlights the current trends in product stewardship, including recycling, extended producer responsibility and the circular economy.

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Proactive waste generators are increasingly looking for ways to manage their processes, including making strides in reducing packaging, dealing with the multifaceted challenge of e-waste and assessing what role product stewardship could have in mitigating climate change.

These were among the subjects discussed when Boston-based Product Stewardship Institute Inc. held its annual forum in July at the Omni Parker House in Boston. Generators and environmental experts gathered to discuss the current trends in product stewardship, including recycling, extended producer responsibility (EPR) and the circular economy.

During forum panels, speakers talked about why the U.S. is at a competitive disadvantage to other countries that require brand owners and other generators to properly manage the packaging they produce, the benefits of EPR practices, how the U.S. paint stewardship program could serve as a helpful model for the electronics industry and other industries, how the shifting state and federal political landscape will affect product stewardship and other environmental initiatives and the growing trend of a circular economy.

Waste360 recently sat down with Scott Cassel, CEO and founder of the Product Stewardship Institute, to discuss some of the hot topics of the forum and what the future has in store for product stewardship.

***Waste360*: EPR for packaging was one of the hot topics at PSI's recent forum. Tell us a little bit about what's happening with that.**

Scott Cassel: The increasing number of corporate executives, particularly those from Canada and Europe, are beginning to embrace EPR. And in the U.S., corporate executives are realizing that they need to embrace EPR as well to remain competitive in the global marketplace for secondary materials.

For packaging specifically, the forum speakers said they are becoming a clearer and louder voice in the U.S. Together, the speakers stated that money needs to be invested in U.S. recycling systems because they are archaic and important for the country to remain in the competition.

The U.S. is falling further and further behind other countries like Canada, Europe, Chile, Israel, China, Russia and Latin America when it comes to EPR for packaging,

and it's becoming somewhat embarrassing for those in the U.S. In the U.S., the recycling rate has leveled off with quality problems, and there's no financial signal to the brand owners who have current systems to use materials that are sustainable. That needs to change in order for the U.S. to grow and keep up with the other countries that have embraced EPR and put systems into place.

***Waste360*: Can you explain why the U.S. is at a competitive disadvantage to other countries that require brand owners to properly manage the packaging they produce?**

Scott Cassel: It's not dissimilar to climate change and the global efforts involved with that. The U.S. has pulled back from commitments made by the past administration that took many years to make so corporations and individuals in the U.S. are now seeing a need for operating on a common basis.

In the past decade, the U.S. has made strides with climate change and more and more companies have begun to understand that they are part of both a global environment and global economy. And because of that, companies are making more efforts to reduce emissions and become more sustainable.

The U.S. is a capitalistic country, and there are a number of positive things and a number of negative things that come along with that. For example, companies in the

U.S. view themselves as separate, and they often don't see how they're going to benefit from developing EPR or climate change systems. Some companies are also benefiting from the pollution being generated, while others are suffering. As a whole, we are learning how to operate in both the global environment and global economy, and we need to work together and invest in future technologies to become a leader in both climate change and EPR. Those future technologies are the ones that other countries are currently investing in right now to reduce emissions.

If companies in the U.S. would stop taking a shortcut approach with EPR and invest in technologies that would reduce waste, increase recycling and increase reuse of materials, then they would have a competitive advantage in both the global environment and global economy.

One of the most important things to note, which was one of the main themes of the forum, is Canadian Stewardship Services Alliance Executive Chair John Coyne's question of "are you going to lead or be led?" What that is referring to the opportunity that companies have right now to work with governments to change the type of rules and regulations that will assign responsibilities for ways that work for both the companies and the stakeholders.

John Coyne on the Role of EPR in the Circular Economy

In the U.S., Connecticut, California and a number of other states will serve as the leaders to address the issue of EPR because it's such a large cost for local governments in the U.S. If those states don't take the opportunities, the local governments will have to step up and make decisions that will make EPR more difficult for the industry.

Ultimately, it's not a question of *if* EPR is going to happen for specific products in the U.S., it's *when* EPR is going to happen for specific products in the U.S. There are currently 105 EPR laws in 33 states in 13 product categories and that number will continue to grow as EPR continues to grow globally.

***Waste360*: E-waste still remains top of mind for many in the recycling industry. Can you share how PaintCare Inc., the U.S. paint stewardship program, could serve as a helpful model for e-waste?**

Scott Cassel: Electronics and paint are two good and different examples of ways that industries have responded to governments' will to regulate. With electronics, the industry has not been able to get on the same page with regulations. It went through years of negotiations and walked away from those negotiations, leaving state governments to figure out what each of them wanted to do. Because of that, we now have 25 different laws in the U.S. for electronics and e-scrap EPR laws, which is inefficient.

On the paint side, the industry has worked with PSI to develop collaborative forums on policy, and it has created its own paint stewardship program called PaintCare Inc., which represents paint manufacturers to plan and operate paint stewardship programs in the U.S. in states that pass paint stewardship laws.

When the paint industry started working with us in 2002, it only took nine months and four meetings for us to have our first national agreement. From there, we worked on eight projects together for two years, funded $2 million of public and private money and came to a second memorandum of understanding with stakeholders to take full responsibility for the paint that's left over in the U.S., which is about 65 million gallons each year.

Together, we came up with an innovative financing system that works for the paint industry, and there are now eight states and the District of Columbia that have passed a universal paint bill sponsored by the industry and supported by the government and environmental groups. While the states' bills have some minor variations to them, there is harmonization and consistency with the laws, which is something that the electronics laws are lacking. This is a perfect real-life example of an industry leading and another industry being led. Here, the paint industry is leading and the electronics industry is being led. If the electronics industry can get on the same page and develop similar laws like the paint industry has, I think the industry will see better results.

***Waste360*: How do you think the Trump administration will affect product stewardship and other environmental initiatives?**

Scott Cassel: The federal government will have an impact on everyone, and it already has. However, there will be many opportunities moving forward.

On both the state and local levels, we have seen many governments take their environmental responsibilities to heart by taking steps to protect their local government or state. These governments and states no longer feel that they can rely on the federal government for certain things, and they have created bans and takeback programs for items like plastic bags, polystyrene and pharmaceuticals to become more environmentally friendly.

Waste management and EPR has always been more of a state and local government function than a federal function. And while support for EPR at the federal level would provide a great context in environment and leadership, I don't think that it's needed right now for EPR to continue to expand in the U.S. In fact, the first EPR law for solar panels was just passed in the State of Washington, which is very exciting.

One of the reasons why there hasn't been a federal law for EPR is because EPR is still a new concept in the U.S. We need to track and record data and to have a greater understanding about what works and what needs to change before we can move toward a federal bill. But even if we do all of those things, I don't think a federal bill for EPR is realistic. It wasn't realistic in 2000, and it's not realistic now. There will be a right time for a federal bill in the future, but it's uncertain to say when at this time.

Moving forward, we will continue to see fewer dollars being spent by the federal government for pilot projects that benefit businesses the most, and that will show how certain products can be separated from the environment. I think many states are bracing for a reduction on funding from the federal government to their state programs and many nonprofits are anticipating less funding from the federal government for innovative pilot projects and other voluntary or mandatory

initiatives that have helped product stewardship in the past. These funding cuts will impact the businesses very much because we need the businesses to collect, process, manage and implement whatever policies are put in place.

We have seen successes with each of the 13 products in which EPR has been applied to in the U.S., and these successes help show that EPR can save money, create jobs and save resources. My hope is that we can build upon these successes in the future and pass additional EPR laws.

Waste360: What other trends are you forecasting for the future of product stewardship?

Scott Cassel: I think there's an increasing link between EPR and climate change. The Environmental Protection Agency did a study back in 2009 that revealed that 29 percent of greenhouse gas emissions come from product manufacturing. Corporations are key to supporting changes, and EPR is somewhat of a mirror of the changes that are already taking place. For example, we can understand the corporate reaction to climate change because it's a wider content in which EPR is working right now. Many of the same dynamics are at play so we can learn from the climate change movement and its proposed strategies.

Currently, there are billions of dollars being spent on mitigation of preparedness for climate change. And, in addition, governments and tax payers are dishing out millions of dollars on waste disposal and the circular economy package coming out of Europe, which continues to be a strong trend. The circular economy is refocusing us to see that the money that taxpayers are spending on waste disposal is wasted dollars, but their investment on business and opportunities is money well spent.

In addition, pharmaceuticals are continuing to gather momentum. It's unfortunate that we still have an opioid epidemic, but it's a good thing that there is unanimous support from all parties for both significant and quick changes.

The pharmaceutical industry has a responsibility not only on the front end of manufacturing but on expensing to doctors and ensuring that leftover drugs are safely disposed of. There is a political will in every state, and there will be more and more new laws put into place that will hold the industry accountable.

The industry has tried to encourage safe disposal by developing takeback programs and disposable pouches, but these efforts aren't something that the local, state or federal governments have supported and there's very little data that proves that these initiatives are safe ways of disposal.

To overcome the industry's current issues, we need collaboration from disposal companies, governments, manufacturers and pharmacies and a forum to figure out the best strategies for safe disposal. Right now, majority of federal agencies, state governments and organizations are supportive of takeback programs, which are currently the most successful way to keep drugs out of landfills. Companies like Covanta and TerraCycle have stepped up in a huge way by helping to safely dispose of millions of pounds of leftover drugs, but some chain pharmacies have yet to provide takeback or mail back programs for customers to take their leftover drugs.

That is a crucial step to keeping drugs out of landfill, and it takes one to lead for the rest to follow.