

An (Improved) EPR Program for AB

RCA Conference, October 4, 2014

Outline: things AB should consider

- **Clarify what we are trying to achieve**
 - The circumstances have changed
- **Confirm the value of Stakeholder Stewardship**
 - And the participants should change also
- **Compliance, Accountability, Transparency are still critical**
 - Gov't regulation means gov't is ultimately accountable
- **Conclusion**
 - What's in a name?

Clarify what we are trying to achieve

- In the beginning - EPR was about Design for Environment (DfE)
 - Original EPR theory out of Europe. National perspective.
 - Gov't law forces Industry to be liable and pay for "their" products when discarded by consumers
 - Cuz govt thinks Industry will design environmentally better products in order to reduce these costs
 - But it isn't working – growing admission that EPR doesn't drive DfE
 - Realistically, \$1.00 on laptops in CAN won't impact how Industry designs products
 - Regardless, Industry passes these costs on to customers
 - (Good news on DfE – it's already happening > market forces)

Clarify what we are trying to achieve

- So if DfE is not the purpose, why promote EPR in CAN?
 - One reason is “Harmonization” - Industry wants standard definitions, fees, rules in all provinces to reduce EPR administration costs
 - Like DfE, a nice theory but not realistic.
 - Another reason is EPR regulation creates a serious liability for Industry
 - This is an unneeded hangover of Europe’s DfE strategy so draft regulations differently - like ABs!!!
- “Pure” EPR is no longer necessary. Or advantageous.
 - Going forward, top priority should be how well we recover and recycle products at end-of-life
 - The most effective End of Life Management [EOL] programs possible
 - And that means changing how these programs are run

Clarify what we are trying to achieve

- So, how can EPR be improved to achieve the best possible EOL programs – location, location , location
 - Industry is predominately national/international
 - Design > manufacture > distribute – nationally and beyond
 - Most EOL happens locally/provincially
 - We buy > use > reuse > discard > divert > collect > recycle - locally
 - Programs need expertise in how things are done locally/provincially
- To be compatible with the heavy local content of EOL programs, EPR needs to evolve, flex and broaden.
 - And “Stakeholders” are the answer.

Confirm the value of Stakeholder Stewardship

- Stakeholders offer tremendous expertise, resources, commitment. Examples:
 - **Municipal officials** – are champions of waste diversion + recycling, of providing excellent service and facilities for residents
 - **Environmental NGOs** – Who wouldn't want the RCA on your Board?
 - Professional expertise - financial? engineering?
- A broader-based Board is good stewardship, good governance, good optics, and good politics
 - Already works very well:
 - AUOMA - industry majority, stakeholder minority
 - BCMB - equal industry, public, depots
 - ARMA – stakeholder majority, industry minority + Councils

Confirm the value of Stakeholder Stewardship

- Given the evolving realities of EOL and EPR, the GoA should:
 - Confirm that the overarching goal is the **best EOL programs** possible
 - Confirm the value of **Stakeholder Stewardship** in meeting that goal
 - Confirm that **EPR needs to evolve** to meet the new realities
 - Consider making **Stakeholder participation mandatory** on all EOL program Boards

Champion Compliance, Accountability, Transparency

- Govt's responsibility to ensure EOL regulations are applied, understood , met.
 - Most programs in Canada are regulated
 - Ensure complete participation
 - to facilitate revenue completeness
 - to ensure Industry has a level playing field
- Regulation brings huge responsibilities to the Programs
 - Compliance - comprehensive verification processes for remittance and expenditure of "regulation-derived" funding
 - Accountability - full responsibility for governance, management, admin
 - Transparency – open reporting on financial management, performance

Champion Compliance, Accountability, Transparency

- Other things Govt has to get it right
 - Programs should be inclusive
 - Approve one program for all 'stewards' of a product group. Multiple EPR programs for the same product group will:
 - Cause confusion for the public and other stakeholders
 - Lead to inefficiencies for collection and processing companies
 - Undermine compliance, accountability, transparency, govt oversight
 - Find the balance between over- and under-prescriptive
 - Over: AB regulating maximum fees
 - Really over: ON complex program details
 - Under: BC's oversight of multiple programs

Champion Compliance, Accountability, Transparency

Worth keeping in mind:

- EOL programs depend on public awareness, support and participation for effectiveness and credibility
 - Problems can lead to significant political attention
 - [Stakeholders can be HUGE friends]
- Ultimate accountability rests with Govt
 - If things go really badly, Auditor General talks to Govt not Industry

Conclusion - What's in a name?

- Intentionally used EOL instead of EPR, to make the case for change
 - But a variation of EPR acronym captures point:

Extended Producer Responsibility → **Extended PRODUCT Responsibility!**

- Reflects the shared responsibility of EOL, between those who supply our products and those who manage them at end-of-life