

2ND OPINION

It's Time For America to Consider Extended Producer Responsibility

In the United States, differing and sometimes conflicting regulations can govern packaging waste for the same product in two adjoining counties, and they are causing headaches for companies and adding to their cost of doing business. One can only sympathize with their problem. But despite the current difficult financial times everyone is facing (or is it because of it?), a growing number of states are discussing new legislation intended to introduce producer responsibility obligations. And states are not alone in this regard; counties and even cities are talking about the same issue.

Behind most of these legislative initiatives are the concerns of public authorities over the increasing amount of packaging that public waste management systems must deal with, the complexities of doing so, and the growing strain on public funds. Traditionally, beverage packaging is the first target of such proposals, and more and more deposit legislation or "bottle bills" are emerging.

This situation is not much different from what industry faced in Europe 15 years ago. But today, such headaches are largely a thing of the past. Extended (or shared) packaging producer responsibility and the systems it funds have taken much of the heat out of any criticism of packaging. Extended producer responsibility (EPR) also provides the best possible insurance against conflicting packaging legislation arising in different parts of Europe. I believe that properly led and industry managed producer responsibility can do the same in America.

It is true that in the early '90s in Europe, many companies were skeptical of the idea of legislation requiring them to pay part of the cost of managing waste from the products they sold. Most resisted the concept; a few were even hostile to the idea. But 15 years of experience with such systems has clearly demonstrated the benefits and quelled the skeptics. All who share the costs are benefiting.

With a few exceptions, producer responsibility has led to a remarkable reduction in the amount of public criticism of packaging waste. Secondly, the systems themselves provide one of the best defenses against bottle-bill types of legislation, because the systems already in place take care of that. Thirdly, market competition between the various packaging materials has brought better performance, lower costs, and increased recycling levels for all of them.

An often misunderstood fact about the financing of EPR schemes is that, while producers of branded goods make substantial contributions, these costs generally are eventually absorbed in the selling price of the product. Over time, the "polluter pays" principle takes on its true meaning.

Perhaps it is time for the packaged goods industry to look more closely at these successes in Europe. The alternative, that of fragmented and disruptive legislation in the United States and the danger of allowing public authorities to set the rules (and the costs), would by default seem a less viable option. **PS**

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Volume 27, No. 12 June 30, 2009
Packaging Strategies (ISSN 8755-6189) is published 22 times a year (including an annual industry review). For *subscription and editorial information* contact:

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Subscription Rates:
U.S.: \$497/year
Single issues at \$50 per issue

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