



Session 3 - Understanding Producer Responsibility Organizations and Management

April 2023

5 KEY TAKEAWAYS

1 **Legislation should be less prescriptive, and more outcome and principle-based in order to empower PROs with flexibility to respond to system needs.**

Clarity of purpose and principles behind packaging EPR laws has allowed Canadian and European producer responsibility organizations (PROs) to grow EPR programs effectively over time, presenters recommended:

- Starting with basic legislation to create an EPR program allows programs to grow gradually instead of having all program provisions locked into place by statute and regulation.
- High-level, outcome based enabling EPR program legislation has given PROs in Canada and Europe licenses to evolve and improve the programs over. PROs with clear missions and transparent operations have the flexibility to act upon business-to-business conversations and create negotiations that have established effective best practices.
- Much of the state-level EPR legislation introduced and passed in the U.S. to date includes prescriptive provisions, even extending to state control of the PRO in Maine. Although this approach is intended to serve as a guardrail, ultimately too much prescription can act as restrictions on change and improvement to recycling systems.

2 **Development of PRO fee structures should be transparent and constructive, rather than punitive.**

The fees assessed on a producer by a PRO should be clearly defined and easily explained to producers who may be wondering why a previously nonexistent cost is necessary and constructive. Having a transparent fee structure gives producers confidence in the administrative competence of the PRO and insight into how fees are used. This approach makes it easy for producers to see how fees are tied to the costs of recovery per material and not used to cross-subsidize other materials.





3 Use your international colleagues as a resource!

Packaging producers in Canada and the European Union have been working with municipalities and PROs for decades (20+ years in Canada and 30+ years in parts of the European Union) and have insight into managing these relationships to create effective packaging EPR programs that have been able to increase recycling rates and improve recycling systems. Don't be afraid to seek their advice.

4 Continued advocacy for initial shared producer responsibility is important.

While Canada has 100% producer responsibility (and PRO control) programs in place in some jurisdictions already, with the remaining provinces likely to follow in the next several years, these EPR programs started out on a shared responsibility model between producers and municipalities. This timeframe permitted opportunities to work out changes to the system that impacted the various stakeholders. Attempting to implement a 100% producer funded EPR system from the start may result in a disrupted equilibrium between stakeholders as they adjust to the shifts. This may ultimately require changes to the laws in a few years' time.

Italy introduced their two programs over time, starting with one initial PRO as they learned that a recycling system and a composting system are two distinct identifies with unique needs and were able to build out as needed.

5 Education is key.

The Italian PRO system, through material-specific consortiums, provides for the use of producer funds for educational public relations campaigns on proper disposal of various packaging materials. This has resulted in more effective, clearly defined recovery (recycling and composting) streams, as well as recovery rates on materials such as compostable plastics that are significantly higher than those elsewhere in the European Union. This drives home the importance of strategic communication and public education strategies as key elements in the effectiveness of a packaging EPR system.



Did You Know?

California will only have one PRO to start, with the possibility of more after 2030.

Colorado will only have one PRO to start, with the possibility of more after 2028.

Maine will have only one PRO that will be awarded a 10-year contract through a request for proposal (RFP) process.

Oregon could have more than one PRO from the start.