

**METRO**  
**2019 LEGISLATIVE ISSUE IDENTIFICATION**

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**ISSUE:** Product Stewardship

**BACKGROUND:** Product stewardship is an approach to environmental management providing that whoever designs, produces, sells or uses a product takes responsibility for minimizing the product's environmental impact throughout all stages of the product's life cycle.

The principle of product stewardship has been endorsed by a number of national organizations, including the U.S. Conference of Mayors, the Solid Waste Association of North America (SWANA), the Environmental Council of the States (ECOS) and the North American Hazardous Materials Management Association (NAMHMA). Metro is a member of the Product Stewardship Institute, an organization that counts 47 states and hundreds of local governments as members.

Throughout the United States, local governments generally take responsibility for ensuring that residents and businesses within their jurisdictions have environmentally sound and efficient solid waste collection and disposal options. However, local governments and their ratepayers are struggling with an array of products that contain materials that are problematic, sometimes toxic; that can be expensive to handle; and for which no adequate recycling infrastructure may have been developed. Those materials that are recyclable may lack reliable markets, leaving the burden on local governments. Because manufacturers are not responsible for end-of-life costs, there is little incentive for them to design products that are less toxic, more recyclable and more economical to handle at the end of their useful life.

Metro's ratepayers should not be required to continue to absorb the costs of handling these materials in an environmentally responsible manner. Product stewardship provides a way to reduce the costs of handling these products to our ratepayers while providing incentives for manufacturers to design products that are less toxic and easier to process or disassemble for recycling. Product stewardship also can reduce costs to local governments by requiring manufacturers to bear or share the costs of collecting and transporting these products for recycling or safe disposal. Legislators and regulators have the important role of establishing baseline policies and programs to level the playing field and encourage product stewardship. Product stewardship approaches have been shown to be effective for a wide variety of materials.

**Product stewardship programs in effect in Oregon**

- Computers, TVs, printers and computer peripherals ("e-waste")
- Beverage containers
- Paint

**Product stewardship legislation likely to be proposed in Oregon in 2019**

- Hazardous household products (pesticides, flammables, corrosives)
- Pharmaceuticals
- Sharps (i.e., syringes)
- Mattresses

**Product stewardship legislation in other jurisdictions**

- Packaging
- Carpet
- Solar Panels
- Textiles
- Mercury-containing products (e.g., thermostats, fluorescent lamps and tubes)
- Batteries
- Tires

**RECOMMENDATION:** Support the establishment of product stewardship programs for additional product categories. In addition to Metro's proposal to establish such a program for household hazardous waste, it is anticipated that others will propose programs for mattresses and pharmaceutical drugs (possibly including sharps) in 2019.

**LEGISLATIVE HISTORY:** Oregon is a leader in product stewardship legislation. Our Bottle Bill, an early form of stewardship, was first in the nation in 1971. It has been modernized over the last several years to increase the deposit to 10 cents, establish a network of clean "Bottle Drop" redemption centers and cover almost all beverage containers. Oregon's E-Cycle law in 2007 was among the first state laws to tackle that growing waste stream. In 2009, Oregon became the first state to pass a PaintCare program. Metro has been working on a stewardship bill to manage additional household hazardous wastes beyond paint over the past couple of legislative sessions.

**OTHER INTERESTED PARTIES:** Local solid waste recycling and other environmental organizations support stewardship programs. Reaction from the private sector in general (e.g., retailers, manufacturers, distributors) differs by industry and depends on how the proposal is presented and what particular products are perceived as the focus.

**IMPACT IF PROPOSED ACTION OCCURS:**

- Reduces the cost to ratepayers and local governments of waste disposal and recycling.
- Encourages manufacturers to reduce product toxicity and the resulting risk to workers, citizens and the environment.
- Increases resource conservation and produces local economic activity by returning usable commodities back to commercial use.

## **ATTACHMENT: What is Product Stewardship?**

Product stewardship is an environmental management strategy providing that whoever designs, produces, sells, or uses a product takes responsibility for minimizing the product's environmental impact throughout all stages of the product's life cycle.

The following principles of product stewardship have been widely accepted by product stewardship proponents throughout the United States.

**Responsibility:** The responsibility for reducing product impacts should be shared among industry (designers, manufacturers, and retailers of products or product components), government, and consumers. The greater the ability an entity has to minimize a product's life-cycle impacts, the greater is its degree of responsibility, and opportunity, for addressing those impacts.

**Internalize Costs:** All product lifecycle costs – from using resources, to reducing health and environmental impacts throughout the production process, to managing products at the end-of-life – should be included in the total product cost. The environmental costs of product manufacture, use, and disposal should be minimized, to the greatest extent possible, for local and state governments, and ultimately shifted to the manufacturers and consumers of products. Manufacturers should thus have a direct financial incentive to redesign their products to reduce these costs.

**Incentives for Cleaner Products and Sustainable Management Practices:** Product stewardship policies and programs should create incentives for the manufacturer to design and produce "cleaner" products – ones made using less energy, materials, and toxics, and which result in less waste (through reduction, reuse, recycling, and composting) and use less energy to operate. These policies should also create incentives for the development of a sustainable and environmentally sound system to collect, reuse and recycle products at the end of their lives.

**Flexible Management Strategies:** Those that are responsible for reducing the health and environmental impacts of products should have flexibility in determining how to most effectively address those impacts. The performance of responsible parties shall be measured by the achievement of goal-oriented results.

**Roles and Relationships:** Industry should provide leadership in realizing these principles. Government will provide leadership in promoting the practices of product stewardship through procurement, technical assistance, program evaluation, education, market development, agency coordination; by addressing regulatory barriers; and, where necessary, by providing regulatory incentives and disincentives. Industry and government shall provide – and consumers should take full advantage of – information needed to make responsible environmental purchasing, reuse, recycling, and disposal decisions.