



**Electronics Product
Stewardship Canada**

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**Recyclage des produits
électroniques Canada**

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**Speech by David Betts
E-Scrap 2003, Orlando, Florida, USA
October 22, 2003**

Good morning and many thanks to the organizers for inviting me here today to speak about e-waste activities in Canada.

Canada is often referred to as the “Great White North” because of our size, geographic location, and the abundance of snow. Well, I am here to tell you today about the “greening” of Canada--- as governments move full speed ahead to introduce industry managed stewardship programs for a variety of products--- including electronics.

Let me begin with a few comments about perceptions. I have a perception of what some folks in the United States think of EPS Canada and I thought I might address these head on.

Perception 1: What are you folks doing up there asking for governments to introduce stewardship regulations for electronics? Perhaps the cold weather has affected your judgment? The reality is we are not asking for regulation and we have never asked for regulation. Governments have made it very clear they will require stewardship programs. As such we are working with governments and other stakeholders to ensure programs are designed that will provide the best solution at the lowest cost.

Perception 2: Why don't you lobby the federal government to pass a national law that would put a stop to all these provincial initiatives? In Canada our constitution defines waste management as a provincial/territorial responsibility. It is not possible to pass a federal law in this area. Our federal government is helpful and supportive but unable to take direct action.

Perception 3: Obviously you do not have enough lawyers and we have some we can send you. This point is obviously tongue in cheek. We very much believe in the merits of cooperative program development with all stakeholders.

Perception 4: Don't do anything that would set a bad precedent. Although we feel that industry does carry influence with government we know that the bar for our industry has already been set by a range of stewardship initiatives around the world including the WEEE directive in Europe and the recent California legislation.



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Let me use my time this morning to speak to you about the overall status of Canadian stewardship programs, discuss EPS Canada objectives and activities, give you a sense of how we might see a program structured in Canada, and conclude with a few comments on where we see things headed in the near future.

So the first question you might ask is: “what are the provincial and territorial governments doing? Have they passed legislation and how imminent is the need for an electronics program?”

Today eight provinces representing over 95% of the Canadian population have passed stewardship program laws or are in the process of amending existing legislation. The legislation typically does not mention electronics---rather we have enabling legislation where the Minister of the Environment in each province is given the authority to request industry to develop and implement a program. Our highest profile example of this enabling legislation is Ontario’s Bill 90 which I am sure many of you are familiar with. This legislation is now law and is known as the Waste Diversion Act. So far Ontario’s minister of the environment has asked for programs covering consumer packaging, oil and tires. No province, including Ontario, has asked for a program for electronics hardware---but we know we are on everyone’s target list and we fully expect that within six months two or three provinces will request the development of a program.

A few comments on packaging. Stewardship for product packaging, which affects all industry sectors, is about to be introduced in the two provinces of Ontario and Quebec. These two provinces represent roughly 60% of Canada’s population. Both provinces are introducing programs calling for a 50/50 funding split between government and industry. This will not be a fee placed on individual products. This will be a direct levy on corporations based upon the weight of packaging that ends up in the consumer waste stream. For some of our companies this levy will reach six figures annually just for the province of Ontario. While Ontario’s implementation has been delayed for a variety of reasons we do expect this to move forward early in the new year. This will be followed closely by implementation in the province of Quebec.

So what are we at EPS Canada doing for our industry?

EPS Canada began operations about 12 months ago representing major manufacturers in the desk top computer, lap top computer, printer, and television



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markets. These commodities were selected because they appear to be the focus of both the public and the government. We felt that if we could work with this limited group of products we could expand into other areas. This allows for a much smaller consultation group and simplifies decision making.

We hope to achieve our goals by working with several provinces who have indicated they are ready to move forward and to use this as a model for implementation in other regions of the country.

We are not financed by the government. We are a not for profit corporation financed and managed by our member companies. We consider the financing we have received an advance that will be paid back to members following program introduction.

Our first activity centered on providing Ontario with our member company's position on stewardship for packaging. This continues to be a work in progress as I mentioned a few moments ago.

When we first looked at electronics hardware we thought the best approach should be to develop a plan that could be used as a model and we could build upon this as we moved forward with our consultations. We thought we should share this with everyone to show that industry was engaged. The reality, of course, was that governments and stakeholders now had something to take a close look at and they proceeded, in no uncertain terms, to provide us with feedback. And it wasn't always supportive of industry's position.

In addition we continue to move forward into uncharted territory with our members on a number of these issues. This continues to be a work in progress as I know it is in the United States.

However, we have taken the bad with the good and we are developing a draft plan that includes the following elements:

- 1) We need to work with governments to enshrine, in backdrop regulation, the option of either collective or individual corporate stewardship programs to ensure we have the full range of implementation options. We believe backdrop regulations are essential, as well, to maintain a level competitive playing field.
- 2) We are calling for collective solutions to have the same fee for major product categories regardless of manufacturer and regardless of location in Canada. The challenge, of course, with set fees is that we do not



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- reward corporations who are investing in environmental leadership and this is an issue we continue to explore.
- 3) We need a harmonized solution across Canada. We believe it is impractical and expensive to consider different solutions for each province or territory but, of course, we must provide some flexibility. To meet our regional requirements we are considering a program which could see a national office deal with such issues as vendor qualification, performance targets, fee collection and fee distribution. Local needs could be met through regional delivery partners, assisted by advisory boards, who could manage the day to day implementation.
 - 4) Similarly we are carefully reviewing how any environmental handling fee should be managed including the impact on manufacturers and retailers. One model would see the fee placed on the product by the manufacturer, passed through to retailers, and remitted monthly by manufacturers to EPS Canada. Each month EPS Canada could provide our regional partner delivery organizations with their share of funds. We continue to review the various fee and cost models including the always contentious issue of visible vs. non visible fees.
 - 5) We would expect any environmental handling fee would likely include such things as the costs of administration, transportation from collection sites to recyclers, and the costs of recycling. In time we would also like to see this fee cover the cost of packaging stewardship as well.
 - 6) We think that convenient collection is critical and the use of existing infrastructure will likely provide the most cost effective results.
 - 7) The focus should be on consumer waste notwithstanding pressures from provinces to handle commercial waste.
 - 8) We will need both a phased implementation of products and geographical phase in.
 - 9) We do not believe mandatory return to retail would be well received nor supported by the retail industry and we are working closely with the retail industry on this issue.
 - 10) We need governments to put in place rigid compliance enforcement measures to ensure we maintain a level competitive playing field.

So what do we expect in the short term?

The provinces of Alberta, British Columbia, Manitoba, Quebec, and possibly Nova Scotia are signaling they will formally ask industry to work with them to develop a stewardship program for electronics hardware. We expect the first requests to arrive before the end of this calendar year.



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We expect that EPS Canada will be asked to have a draft program plan ready for review by at least two provinces in early 2004 with implementation in the fall of 2004.

We are optimistic the Canadian Council of Ministers of the Environment will endorse a harmonized e-waste program for electronics hardware and work towards a set of national principles.

We expect both Ontario and Quebec will implement consumer packaging stewardship programs in early 2004.

We will very shortly have the opportunity to address the solidarity of our industry as we respond to government requests and deal with the details of program development and negotiation.

In conclusion, we acknowledge that our approach is fraught with challenges and we recognize we are walking a careful line. But make no mistake about it. Electronics stewardship programs in Canada will be a reality within 12 months. We believe our approach of seeking the most cost effective and environmentally responsible program through consultation with governments will deliver the best results for our industry.