

Carpet America Recovery Effort (CARE)

Post Consumer Paint Management ACA Perspective

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American Coatings Association (ACA)

- The ACA (formerly National Paint and Coatings Association) is a voluntary non-profit association, originally organized in 1888
- ACA represents approximately 300 manufacturers, distributors, and raw material suppliers to the industry
 - Paint and other Coatings
 - Adhesives
 - Sealants
 - Caulks
- Serve as advocate, compliance assistance resource and community liaison
 - Legislative
 - Regulatory
 - Judicial

History

- Paint identified as the #1 issue by cost and volume for Household Hazardous Waste Programs
- ACA worked with individual states on issue for decades
- Paint Product Stewardship Initiative formed w/facilitation by Product Stewardship Institute (PSI)
 - capable of effectively coordinating multi-stakeholder and multi-state approach to the issue
- ACA joined PPSI in 2002
 - Coordinated approach versus state-by-state approach
 - Provide better information to state and local governments
 - Gain better information from non-industry stakeholders
- Goal was to find a resolution
 - Status Quo not adequate to address challenge

History

- **ACA signed 1st MOU in 2005 outlining dialogue participation and pilot projects**
 - Projects address the potential to eliminate or lower leftover paint volume and cost
 - Projects address data gaps
- **ACA signed 2nd MOU in anticipation of developing a new nationally coordinated system for the management of post-consumer paint**
- **Begin in one state w/pilot and then take to other states**
- **Key Elements**
 - Consumer Education
 - No Mandatory Retail Take-Back
 - Cost Effective
 - Industry Operated Product Stewardship Organization
 - Consumer Fee Based Financing

Legislation

- Industry sponsored legislation needed to address anti-trust implications for the financing system and to ensure a level-playing field
- Introduced in MN in 2008 and 2009, passed both houses, but vetoed by Governor
- Introduced in OR in 2009 – signed by Governor July 23, 2009
- Legislation ongoing in VT, CT and CA
- Industry concerned about Extended Producer Responsibility **Framework** bills

Next Steps

- OR Pilot to start by July 1, 2010 (hopefully), several key plan issues need to be addressed
 - Collection “convenience” standard
 - Public review of plan
 - Approval of contracts
- PPSI
 - Continued participation and funding of dialogue
 - Work with MOU states on paint legislation
 - 1 to 2 states at a time
 - Workable schedule – staggered implementation dates
 - MOU states WA, VT, CA, IA, FL, NC, CT
 - Additional states – NY, PA, NM

PaintCare Implementation

- **OR Legislation provides for an industry-run Stewardship Organization (PaintCare) to manage collection, transport, processing, sorting, recycling and disposal of left architectural paint**
- **A Paint Stewardship Assessment fee to be added to the price of all architectural paint sold in Oregon to fund the program**
 - \$ 0 per container $\frac{1}{2}$ pint or less
 - \$.35 per container $> \frac{1}{2}$ pint to gallon
 - \$.75 per gallon container
 - \$1.60 per container $>$ gallon to 5 gallon
 - Manufacturers remit payment to PSO, include in invoice to retailers, retailers recoup the assessment via purchase price
- **Product Care hired as PaintCare Program Manager**
 - 15 years experience in Canada
 - Shared membership

Considerations

Legislation

- Industry sponsored legislation critical:
 - address anti-trust implications for the financing system
 - sustainable funding mechanism
 - ensure a level-playing field
 - consistency – model bill
- Difficult to control, rogue states, erratic schedule
- Stakeholders are important - state, local HHW programs, retailers

Voluntary Program

- “Product Stewardship” – shared responsibility approach – manufacturers, government, consumers and retailers all need to be part of the solution
- PaintCare based on 15 years of Canada industry run programs
- Hard sell to management, retailers, criticism
- Control our destiny
- Industry-run program best opportunity:
 - Sustainable funding mechanism
 - Level playing field for all participants
 - Program is cost efficient
 - Administration is effective
- Helpful in addressing concerns with EPR framework approach

Paint Product Stewardship Initiative (PPSI)

- Group capable of effectively coordinating multi-stakeholder and multi-state approach to the issue
- Status quo not adequate to address challenge
- Coordinated approach versus state-by-state approach
- Projects addressed information data gaps
- MOUs were challenging, however provided some assurance
- Moving forward - dialogue, information sharing, legislative support, managing roll-out schedule
- Additional groups – Product Policy Institute, California Product Stewardship Council, CA counties

Extended Producer Responsibility Framework Approach

- Stringent and costly government mandates
- Potential to over design the system - increase costs
- Lack of sustainable financing
- Place all responsibility on producer - consumer and retailers need to be part of the solution
- Should recognize previous industry work
- Should also recognize differences in products
 - Paint is not an inherent waste product
 - Latex paint is not a hazardous waste
- CA local ordinances – San Louis Obispo and other CA counties
 - Retail take back
 - When grant funding ends, retailers must fund
 - No sustainable funding mechanism
 - Threat to state wide program