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 ½ pint or less
  - $.35 per container > ½ 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