



PRODUCT CARE ASSOCIATION

12337 – 82A Avenue, Surrey, B.C. V3W 0L5

Phone: 604 592-2972 Fax: 604 592-2982

Web: www.productcare.org

Mark Kurschner Direct Line: 604 592 2972 local 201

Email: mark@productcare.org

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The Honourable David Forbes
Minister of Environment
Saskatchewan Environment
3211 Albert Street,
Regina, Saskatchewan, S4S 5W6

**Saskatchewan Waste Paint
Product Management Program -
Product Care Association**

1. Submission of this Program Proposal

The Saskatchewan government (Saskatchewan Environment) has issued *The Waste Paint Management Regulations* (the “Regulation”) under the *Environmental Management and Protection Act, 2002* by Order in Council 711/2005 dated September 7, 2005. The Regulation requires every “First Seller” in Saskatchewan to operate or join an approved “product management program” for waste paint.

Product Care Association (“PCA”) is a not-for-profit industry association established to manage environmental stewardship programs in Canada. Product Care currently manages stewardship programs in British Columbia for paint, flammable liquids, pesticide and gasoline, and in Nova Scotia for paint.

Product Care submits this application to the Minister under *The Waste Paint Management Regulations* for approval of Product Care’s proposed Saskatchewan waste paint product management program (the “Product Care Program”).

Each participating member in the Product Care Program will be required to enter into an agreement appointing Product Care to operate the Product Care Program on its behalf.

2. Summary of Proposed Product Care Program

Product Care proposes to establish a paint product management program in Saskatchewan pursuant to the requirements of the Regulation.

The Product Care Program will manage post consumer leftover architectural paint returned in original consumer size containers, as well as aerosol paint of all types.

Product Care will contract with SARCAN Recycling, division of the Saskatchewan Association of Rehabilitation Centres (SARC) for collection depot, transportation and consolidation services.

Consumers will be able to drop off leftover paint during normal business hours, without charge, at all Sarcan depots across the province. Better quality leftover paint will be given away at depots through a “paint exchange” program. Using its existing transportation system, Sarcan will transport filled bins of waste paint in original containers to Sarcan’s Saskatoon and Regina consolidation centres.

The collected containers will then be shipped to one or more processors for bulking into drums or other bulk containers. The bulked paint will then be shipped to selected suppliers for resource recovery.

The Product Care Program will be funded by “eco fees” paid to Product Care by its members based on volume of paint sales in Saskatchewan.

Product Care will manage a comprehensive communication program to inform consumers of the availability of the Product Care Program, and to educate them on buying the right quantities of paint and the proper handling of leftover materials.

The Product Care Program will be managed by Product Care Association with input from a Saskatchewan paint program advisory committee.

3. Program Products

Products accepted and not accepted: The Product Care Program will manage post consumer “waste paint” as defined in the Regulation which includes:

- architectural paints and coatings (generally paint and coatings used for houses and wood finishing)
- all paint aerosols regardless of use

The Product Care Program will not accept:

- non –aerosol automotive, industrial and specialty paints
- already empty containers

Non Program Material: Non-program material, whether paint or non paint products, introduces unfunded costs and safety hazards into the system and will not be accepted at

depots. Minimization of non-program material will be achieved through a comprehensive program of public education, signage, depot staff training, as well as effective regulatory enforcement against those who abandon products at or near collection sites. Any non program material which does enter the system will be segregated at the time of processing for special handling.

4. Management Structure: Product Care Association

The program will be managed by Product Care. Product Care is a federally incorporated non profit industry association incorporated under the laws of Canada. Product Care has managed paint and other household hazardous waste industry stewardship programs since 1994. Product Care has active programs in BC and Nova Scotia with programs at various stages of development in several other provinces. For more information about Product Care see www.productcare.org.

Product Care's existing programs include over 100 members who are manufacturers, distributors and retailers of the regulated products. Product Care follows the principle of sector representation on its board. Currently the board is comprised of the following positions:

coatings	5
pesticides	1
flammable liquids	2
petroleum products	1
retailers	<u>1</u>
TOTAL	10

This structure ensures representation for all sectors producing products as well as from the retail sector which interacts with consumers.

5. Advisory Committee

As required by the Regulation and to ensure ongoing stakeholder input, Product Care will form a Saskatchewan advisory committee for the Product Care Program.

Role: Through regular meetings the Advisory Committee will be consulted by Product Care management on the structure and performance of the Product Care Program from the viewpoint of all stakeholders.

Composition: Participation on the advisory committee will be invited by Product Care from stakeholders who will represent Saskatchewan interests such as:

- environmental associations
- local government
- Saskatchewan Environment
- Local paint industry representation
- Paint retailers

Notification of membership of committee: Product Care will notify Saskatchewan Environment prior to the date of commencement of operations of the Product Care Program of the names and positions of the initial members of the Advisory Committee and subsequently as any change occur.

6. Collection system

Sarcan collection system: Sarcan's system of more than 70 depots across Saskatchewan will operate as the collection system for the Product Care Program. Product Care is negotiating a 5 year agreement with Sarcan for this purpose. Every Sarcan depot will participate subject to municipal zoning restrictions. Consumers, mainly homeowners and commercial house painters, will be able to drop off leftover paint at a Sarcan depot during normal operating hours throughout the year. As the system will be funded by eco fees applied to new paint sales, there will be no charge to a consumer for dropping off paint at a depot.

Product Care will work with Sarcan to ensure adequate training of depot operators. Daily limits for quantity of paint which may be dropped off at one depot may need to be established due to storage space limitations and for safety reasons. It may be necessary to establish or designate specific depots or other collection methods which are suited to commercial painters or other businesses generating high volumes of program products and to require advance notice and prearrangement for larger volumes.

"Tubskid" collection bin system: The Product Care Program will collect and transport waste paint in standard plastic collection bins known as "tubskids" which will be acquired by Sarcan and placed at every Sarcan depot. The tubskids are approximately 1 m³ in volume, stackable and leakproof (when upright) with an integrated pallet allowing movement by forklift. Tubskids are in use in the BC and Nova Scotia paint programs. The tubskids have lids and may be placed indoors or outdoors, but will be required to be kept in a secure location, not accessible at the time the depot is closed.

Municipal participation: Arrangements will be made with any municipality conducting its own paint collection event. The collected paint will either be picked up by arrangement, or received at a nearby depot.

7. Transportation and Consolidation

Transportation of full and empty tubskids between depots and Sarcan central consolidation facilities in Saskatoon and Regina will be managed by Sarcan. The Product Care Program will comply with any requirements relating to transportation of dangerous goods, with respect to oil based paints or aerosols.

8. Processing

Product Care has identified a number of options for the processing of the material following the consolidation stage. Processing will consist of sorting the collected

consumer containers by type: latex and oil based paints, and aerosols. Any non program material is segregated.

Paint containers of the same type are then emptied into drums or other shipping containers. Colour and quality sorting of paint at the time of bulking may also be required depending upon the resource recovery option chosen. Empty steel containers will be flattened and baled. Plastic containers which are recyclable will be stacked and palletized.

9. Resource Recovery

The objective of the Product Care Program is to divert paint from landfills. Product Care has identified a number of options for recycling and disposal of bulked paint. The choice of options will depend on factors including paint quality, processing method (e.g. colour sorted or not), market conditions, transportation regulations, and cost. Some options include:

Latex Paint

- Giving away in “paint exchange” program at depots or other locations
- reprocessing as paint or other product
- incorporation into concrete products such as retaining wall blocks.
- incorporation in the manufacture of Portland cement.

Oil Based Paint

- giving away in “paint exchange” program at depots or other locations
- reprocessing as paint or other product
- solvent recovery for asphalt production or other manufacturing processes.
- energy recovery -- blending the oil based paint with other hydrocarbons for use as an alternative fuel in facilities such as cement kilns with high level air quality controls.

Aerosols: Aerosols will be managed separately. Aerosol paint containers will be shipped to processors with equipment which separates the aerosol propellant, leftover paint and the steel container.

Empty paint containers: After emptying, steel and some plastic containers can be recycled depending on market conditions. In preparation for recycling, steel containers will be baled and dried and plastic containers will be shredded where possible. The resulting steel and plastics will be shipped as recyclable materials to purchasers of these scrap materials, such as the scrap metal division of IPSCO. Containers which cannot be recycled due to material type or market conditions will be landfilled or used for energy value. As the purpose of the Product Care Program is to manage leftover paint, containers which are already empty are not part of the Product Care Program. These will not be accepted at depots but can be recycled by consumers in the same way as other containers.

Non program material: Non program material which was not screened out at the collection point but identified at the processing stage will be segregated for special processing. Depending on material type this may include landfilling, physical or chemical treatment, energy recovery or incineration.

PCB contaminated paint: Any paints which are detected to exceed allowable PCB limits will be managed as PCB waste according to regulatory requirements.

10. Program Funding

In order to finance the Product Care Program an "industry eco fee" will be paid to Product Care by its members based on each member's paint sales in Saskatchewan.

Fee rates: The fee system will be based on container size, initially consistent with the rates used in BC, as follows:

Container size	Eco Fee
100 ml to 250 ml	10¢
251 ml to 1 L (includes US quart)	25¢
1.01L to 5 L (includes US gallon)	40¢
5.01 L to 23 L (includes 5 US gallons)	\$1.00
Aerosol Containers (all sizes)	10¢

Program financial accountability: Product Care will maintain separate accounts for the revenue and expenses of the Saskatchewan program. Product Care's financial statements are audited annually by an external professional accounting firm. The eco fee rates will be subject to change based on principle followed by Product Care that the costs of the program in any province must be covered by revenues from sales in that province to prevent "cross subsidization". Similarly, any surplus generated by a provincial program will be maintained for the benefit of that program.

Visibility of Fee: Retailers (whether or not members of Product Care) will have the option of showing a visible paint eco fee at the point of sale. A visible eco fee is highly effective and efficient way to raise program awareness among consumers. A visible eco fee simplifies financial administration for all parts of the distribution chain, facilitates national pricing programs, contributes to the maintenance of a "level playing field" and avoids resale mark ups on the eco fee.

However with eco fee visibility comes the need to properly inform consumers that the charge is an industry fee, not a government tax. A key part of the Product Care Program's public education message will be that the eco fee is imposed and collected by industry, not the government, and may be shown separately for the consumer's awareness. Retailers will be encouraged to use the description "industry eco fee" on sales register tapes if they choose to make the fee visible.

As the eco fee is not a tax, but part of the cost of the product, the eco fee itself is subject to provincial sales tax and will result in the generation of significant new tax revenue to the provincial government.

Member Auditing: Periodic audits will be conducted by Product Care to ensure each member is remitting the correct eco fees based on sales in the Saskatchewan (and other provinces). This ensures fairness among members. Product Care's ability to conduct one audit for many provinces is cost and time effective.

11. Quality Control and Assurance, Tracking and Auditing Mechanisms

Participation by First Sellers: Product Care already has an extensive database of "First Sellers" and their products from its existing programs. For all Product Care programs, compliance is an ongoing process. Any non-compliant First Sellers will be identified and invited to join Product Care, failing which the First Seller will be reported to Saskatchewan Environment for enforcement proceedings pursuant to the provisions of the regulations. In addition, Product Care conducts audits on members to ensure that sales and eco fees have been correctly reported and remitted.

Product Sales in Saskatchewan: Specific data does not exist for architectural paint sales for Saskatchewan. Comparing known data from other provinces, and assuming an equal rate of paint sales per capita, it is estimated that annual sales of new architectural paint and paint aerosols in Saskatchewan including aerosols will be approximately 7.5 million litres per year. Once the Product Care Program is underway, more accurate data will be available based on actual reports from Product Care members.

Recovery Rates: Estimating the quantity of leftover paint that is generated by consumers difficult to determine with any precision. Leftover paint is often stored by consumers for several years before the decision is made that it has become a waste product. Once this decision is made, the unwanted paint is often stored for a further period until there is reason to remove it such as a change of residence. Based on program experience in other provinces, eventually a maximum of about 3-5% of the liquid volume of new paint sold can be expected to be left over and available for recovery, however these recovery levels may take many years of continuous program operation to achieve.

Environmental Risk Management: In managing an environmentally motivated program on behalf of its members, Product Care is cognizant of the need to minimize the potential for environmental incidents. Product Care will work with Sarcam to ensure compliance with environmental regulations with respect to the collection, transportation and consolidation of leftover paint.

Product Care and Sarcam will utilize a database tracking and control system to record and track waste materials managed. Only reputable suppliers utilizing adequate record keeping and control systems will be contracted to manage the collected paint. The system will employ "good management practices" guidelines including handling and safety

requirements. Where required and available environmental impairment insurance will be obtained.

12. Communication and Public awareness

Product Care will implement a communication and education program to raise awareness of the Saskatchewan paint stewardship program, to encourage consumers to minimize leftover paint and to dispose of leftover paint safely and responsibly at authorized depots. Product Care will use a proactive public education strategy known as “BUD”, which stands for, “Buy what you need, Use what you buy, Dispose of any leftovers responsibly”.

Program launch – a special “program launch” will be designed to inform consumers of the commencement of the new Product Care Program. This will be coordinated with SERM, Sarcan and other stakeholders.

Ongoing: Product Care will develop an ongoing communication and education strategy which will include partnering with communication initiatives of other Saskatchewan stewardship programs as well as with local governments, public educators and the media, to facilitate its communications and public education program. Components of the program would include:

- **Point of Sale** -- Product Care will develop and provide retailers with public education material including point of sale signage and brochures.
- **Website** -- Product Care will develop a Saskatchewan section of its website to provide both program information for Saskatchewan residents including a link to the Sarcan website for depot information.
- **Media Awareness** -- Product Care will promote its program and the use of its depots by issuing media releases. Media releases and public service announcements have proven to be an effective means of informing the public about Product Care's program in other jurisdictions.
- **Local government** –information about the paint Product Care Program will be provided to local governments and included with local government mailings where available.
- **“Renews”**: Participation in “Renews”, the annual public information newspaper insert which is a joint production of the beverage container, oil and tire programs, organized by Saskatchewan Waste Reduction Council.

13. Timeline

A notification period of three clear months following the approval of the Product Care Program will be required to allow adequate notice to its members to enable them to have eco fees applied to products sold in Saskatchewan as of the effective start date of the Product Care Program. In addition, the same time period will be required to enable Sarcan to order and take delivery of the tubskids required for the collection function, staff training etc. This time period will be used to implement a pre-program communication strategy.

Based on current information, it is proposed that the Product Care Program start date will be April 1, 2006.

14. Reporting

Product Care will report annually to Saskatchewan Environment in accordance with the requirements of the Regulation and the filed Product Care Program, including:

- types and amount of waste paint collected and diverted to each of the program's recycling options
- total amount of recycling fees collected to fund the program in Saskatchewan;
- total amount spent to operate the program in Saskatchewan;
- amount of recycling incentives paid out, if any;
- costs incurred to administer the program;
- amount spent on public education or public awareness and communication;
- any other information that the Minister may reasonably require.

15. Further Information

Thank you for the opportunity of submitting this proposal. For further information please contact Mark Kurschner, President at 604 592 2972, local 201 or via email mark@productcare.org.
