

► In My Opinion

# A COLLECTION POINT CONUNDRUM

Some product stewardship laws require retailers to take back select products for recycling. But recent research indicates that may be a counterproductive strategy. *BY CARL SMITH*

**T**he concept of product stewardship ideally pushes everyone involved in the lifespan of a product to be responsible for reducing its environmental impact, from manufacturer through seller and consumer. For retailers, this means actively collecting products they sell.

In the battery space, some U.S. jurisdictions have taken this idea a step further and passed laws that require retailers that sell batteries to also collect them for recycling. But do these laws really fulfill the goal of these mandates and increase overall battery collections?

Call2Recycle, Inc. has been the leading product stewardship organization for the collection and recycling of used batteries throughout North America for the past 20 years, and recent analysis by the group shows that retailer collection requirements don't always move the collection needle. The research shows requiring retailers that sell batteries to also collect them does not significantly improve collections or consumer accessibility. In fact, the move may actually hurt collection efforts, seemingly detracting from the retailers' motivation to promote battery recycling and increasing program costs.

## A Look at the numbers

Today, two U.S. states, California (2006) and New York (2010), require retailers to collect rechargeable batteries for recycling – New York City also had a mandate in effect from 2005-2010 before the state law went into effect.

All three jurisdictions had voluntary rechargeable collection

programs in place prior to the legislation requiring retailer participation. When the mandates went into effect, the number of retailers joining the Call2Recycle program immediately increased, as shown in Figure 1 (see page 45).

Yet these new enrollments didn't translate into increased collections, as shown in Figure 2 (see page 45). Overall U.S. collections (the top green line) actually increased faster than those jurisdictions with retail take-back requirements, especially in New York City and New York State.

Approximately 82 to 93 percent of the battery collections in these jurisdictions came from retailers that had joined the Call2Recycle program before the mandate went into effect. These retailers were already committed to collecting used batteries. Only 7 to 18 percent came from those retailers that enrolled after the mandate.

Not surprisingly, 62 to 78 percent of the retailers that joined the Call2Recycle program after the mandates had not returned any used batteries since they enrolled. In other words, new participants enrolled in the program to meet mandates, but they didn't actually participate.

## Accessibility is key

Why would adding new retailers not increase recycling? The answer lies in the issue of accessibility, or the degree to which battery recycling is available to as many people as possible. Call2Recycle's goal is to get to a point where 95 percent of the population resides within 10 miles of a publicly accessible collection site.

Most public collection sites are concentrated in suburban/urban areas. Collection rates are also highest in these areas. These areas already have a strong retailer presence because stores tend to cluster around population centers. Therefore, adding new retailers has little effect on collection volume or accessibility. Consumers in these areas already have access to recycling collection sites, so adding more retailers doesn't increase collections because the service is already available.

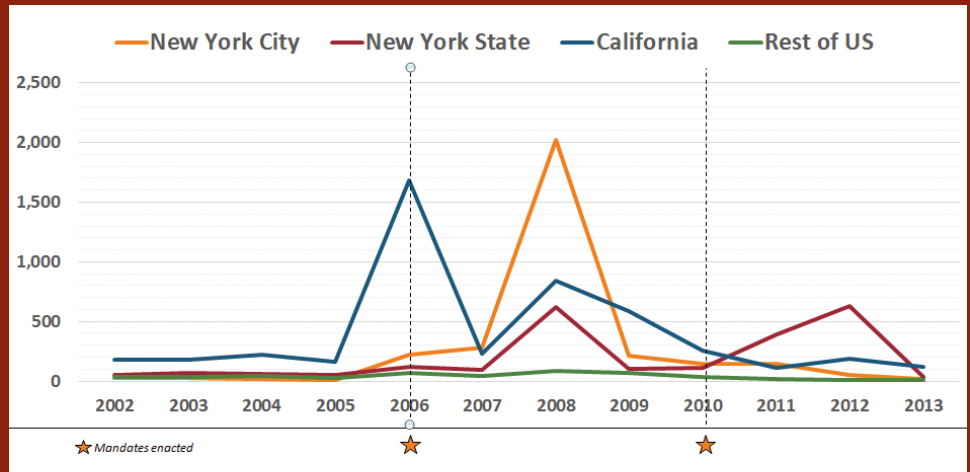
A good example of this phenomenon can be witnessed in New York state. Pre-mandate, it had 97 percent of its population living within 10 miles of a publicly accessible collection site. Post-mandate, accessibility increased a negligible 0.9 percent. The same happened in California, which pre-mandate had 98 percent of its population living within 10 miles of a publicly accessible collection site, and its accessibility rate increased 0.4 percent after legislation took effect. In essence, adding retailers did not affect consumers' accessibility in both those states.

On the flip side, retail mandates have negatively affected Call2Recycle program costs. During the past three years, Call2Recycle has spent more than \$150,000 – or 3 percent of its direct operating costs – on stranded (non-returned) boxes and shipping costs for enrolled, but non-participating, retailers in these jurisdictions. This sum does not take into account overhead costs for administration, training and marketing to support the mandates. A nationally mandated retailer take-back program could cost close to \$1 million in stranded box and shipping costs.

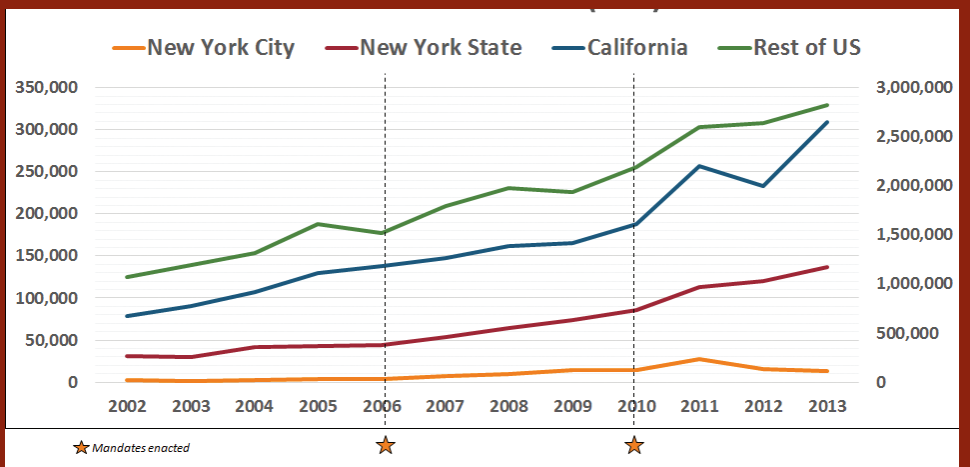
## The British Columbia experience

The rechargeable battery recycling program in British Columbia illustrates how battery stewardship regulations can be successful without a retailer collection requirement. Since its regulations went into effect in 2010, British Columbia has seen a 400 percent increase in retail enrollments and a 23 percent collection rate during the past three years. In addition, participation rates are three times higher than in mandated jurisdictions. To reiterate: In British Columbia, collection sites were not required

### Figure 1 | Retail enrollment



### Figure 2 | Mandatory retail collections



to participate; they voluntarily signed up to participate. And the system is seeing strong results.

North America has sufficient numbers of large and small retailers willing to serve as collection sites. Retailers volunteer to participate for three reasons:

- *Increased traffic and sales.* Many retailers know from experience that take-back programs increase store traffic and sales. This result is backed up by Call2Recycle research.
- *Sustainability.* Many retailers now have corporate sustainability programs. The recycling program helps them actively contribute to this commitment.
- *Consumer perceptions and demands.* More consumers are conscious about the environmental impact of their purchasing decisions. Thanks to the

promotional efforts of big-box retailers, consumers now expect to find battery recycling where they shop, especially in electronics and power tool retail stores.

## Mandates don't work

Mandates that require retailers to collect used rechargeable batteries increase overhead costs without increasing collections. Currently, collection materials must be sent to non-producing retailers in mandated jurisdictions, which raise the cost per pound of material collected. In addition, mandates may detract from the retailers' interest in promoting recycling.

By forcing participation among retailers, the opportunity to offer recycling as a unique, value-added service is minimized and the motivation to invest in public

education and promote recycling is reduced. Programs like Call2Recycle rely on retailers' interest in promotions to help stretch the budget of an outreach program. Finally, in mandate systems, retailers may begin viewing their recycling stewardship contact as more of a regulator instead of a partner.

Call2Recycle has found that the ideal collection footprint relies on retailers that want to participate, whether to drive incremental store traffic or to burnish their reputation as a sustainable company. Voluntary take-back programs encourage motivated retailers to participate as a service to their customers and support a more efficient, effective use of limited program resources.

As more product stewardship programs are put in place across North America and look to increase diversion of a greater array of products, administrators and industry groups would be wise to limit the use of retailer mandates. Maximized efficiency at the collection point level could be the difference between success and failure for many product stewardship efforts. Our research shows that when it comes to rechargeable batteries at least, retailer mandates represent the wrong choice. **RR**

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