



Manufacturers Challenge Update & Next Steps

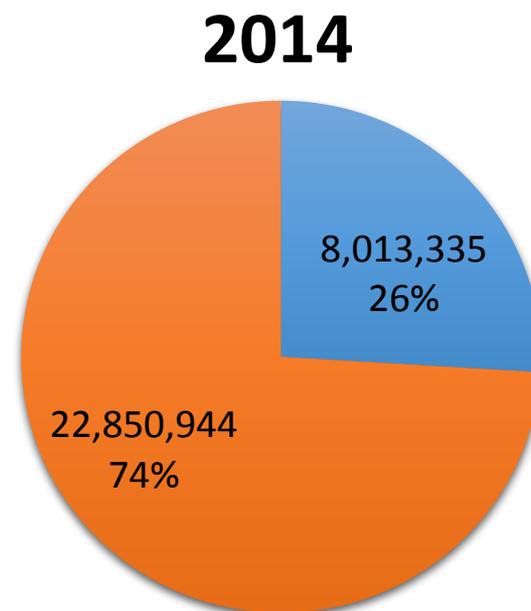
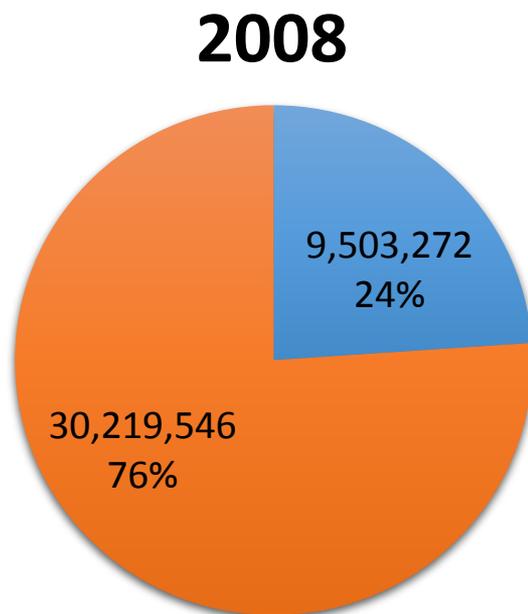
September 20, 2016





Packaging in California's Disposal Stream (tons)

- Packaging disposal
- All other materials



Based on data from CalRecycle's 2008 & 2014 waste characterization studies

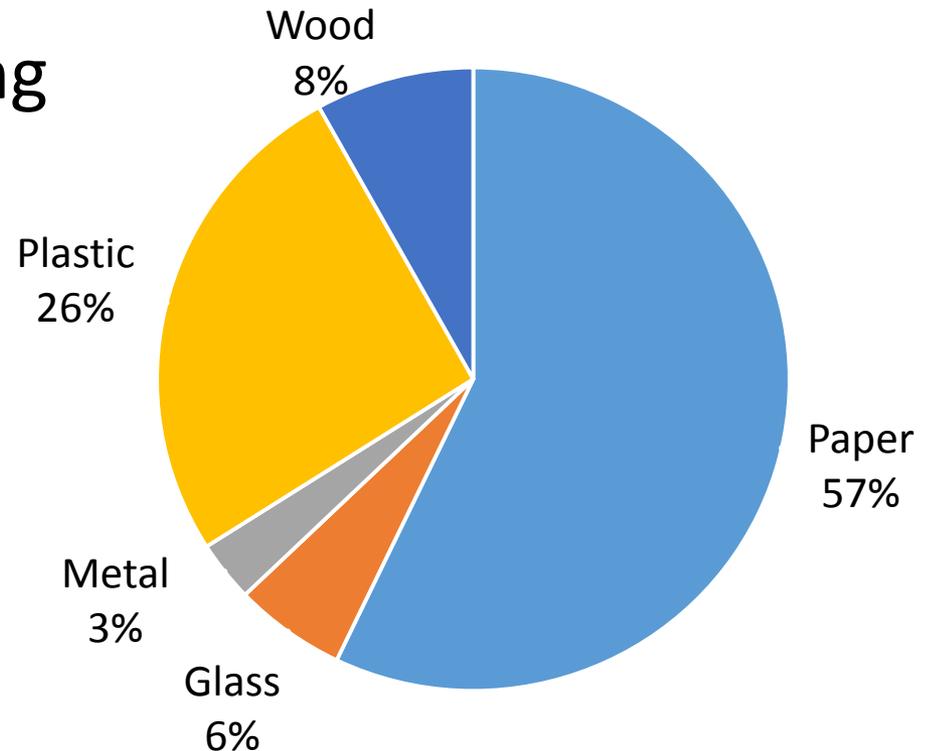
Packaging Material Types Disposed

Most prominent packaging
material types (tons):

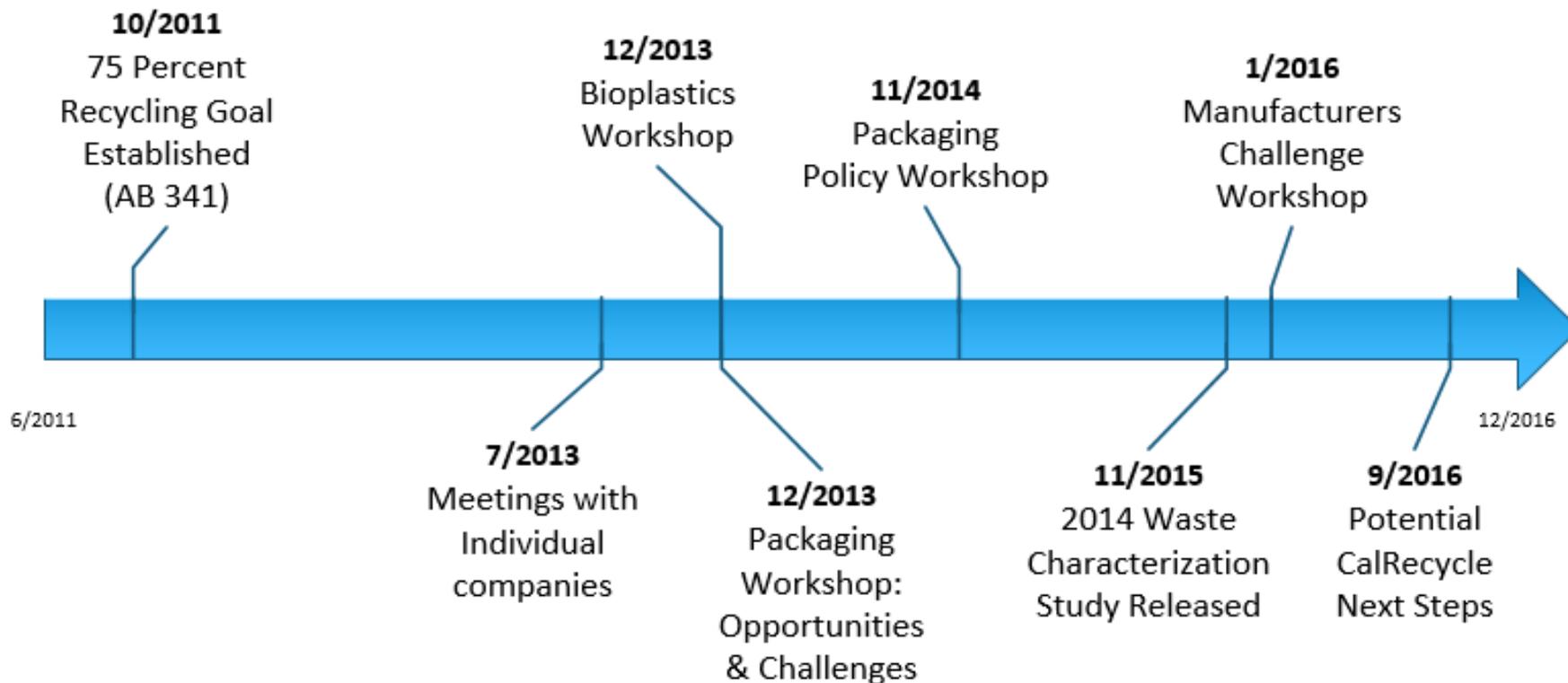
Paper – 4.5 million

Plastic – 2 million

Based on data from CalRecycle
2014 waste characterization study



Timeline of CalRecycle's Packaging Activities





Stakeholder Themes: Pre-Manufacturers Challenge

- The **entire product chain** needs to work together
- How should end-of-life solutions be **funded**?
Cannot come from local governments alone
- Need more effective **messaging** to consumers
- Material **lifecycle view** should be considered
- What is the role of **energy recovery**?
- **Infrastructure** needs must be addressed



Industry-Specific Themes: Pre-Manufacturers Challenge

- Industry must be able to continually **innovate**
- CalRecycle data on packaging disposal is **flawed**
- Packaging has many **functions and benefits**
- Important to take a **lifecycle view** of materials
- Significant **voluntary efforts** to-date and in progress
- ***Don't need mandatory approaches***



Voluntary Approach: Manufacturers Challenge

Reduce the amount of packaging disposed in California landfills by 50% by 2020

- Collective
- Comprehensive
- Effective
- Addresses financing



Manufacturers Challenge Key Components

- Detailed California-specific activities;
- Metrics, including a baseline;
- Timelines;
- How activities would be financed



January 5, 2016

Workshop Participants

American Beverage Assn.

American Chemistry Council

American Forest & Paper Assn.

AMERIPEN

Carton Council

Closed Loop Fund

Foodservice Packaging Institute

Glass Packaging Institute

Grocery Manufacturers Assn.

The Recycling Partnership

Society of Plastics Industry

Western Plastics Assn.



Industry Responses to Manufacturers Challenge

General support for:

- Voluntary efforts
- Development of best practices
- Pay-as-you-throw policies
- Harmonized consumer education

General lack of support for mandatory efforts, especially:

- Extended Producer Responsibility
- Mandated recycled content
- Product bans



Industry Responses to Manufacturers Challenge

Summarized/highlighted:

- Achievements to-date
- Current, national activities
- The benefits of packaging
- Activities CalRecycle should conduct



Industry Responses to Manufacturers Challenge

Stated that solutions must:

- Be voluntary, involve partnerships
- Come from individual companies
- Include energy recovery
- Require additional time to develop
(no alternate timelines were suggested)



Industry Responses to Manufacturers Challenge

Two potential complementary, individual voluntary activities proposed:

- American Chemistry Council invitation for CalRecycle to join its plastic film recycling program
- Closed Loop Fund offer to explore potential innovative financing strategies



Staff Evaluation of Industry Responses

- Posted January workshop notes and solicited review for corrections
- Solicited and posted additional public comments
- Evaluated responses compared to the four key components of the Challenge



Staff Conclusion

Industry groups did not adequately respond to the four key components of the Manufacturers Challenge:

- Specific activities
- Goal measurement
- Timelines
- Financing



Option 1: Develop a packaging policy model

Elements:

- Mandatory, comprehensive, state-wide

Process:

- Outreach and education efforts to explore potential policy approaches
- Extensive public process to solicit expertise and feedback on draft CalRecycle model



Option 1:

Develop a packaging policy model, cont'd...

Examples of policies to explore:

- Extended Producer Responsibility
- Landfill ban on recyclables
- Minimum recycled content
- Others



Option 2: Explore individual voluntary activities

- American Chemistry Council and Sustainable Packaging Coalition:
Wrap Recycling Action Program (W.R.A.P.)
- Closed Loop Fund:
Explore potential innovative financing strategies



Staff Recommendation

Director approval of Options 1 and 2:

1. Develop a packaging policy model for a comprehensive, statewide mandatory program; and
2. Explore specific potential voluntary activities presented at the 1/5/16 Manufacturers Challenge workshop



Staff does not recommend a third option:

3. Continue the Manufacturers Challenge as a voluntary effort to develop a comprehensive packaging reduction and recovery effort.



Questions/Comments