

CalRecycle Packaging Workshop
Cal/EPA Headquarters Building, 1001 I Street, Sacramento, CA

November 13, 2014

Overview of Comments Received During the Workshop

I. CalRecycle Proposed Packaging Definition and Scope

- Should acknowledge and include energy recovery
- Should consider adding printed paper

II. Mandatory Approaches (This was included in the background paper)

General comments on Mandatory Approaches include:

- Policy should be inclusive of all materials (material neutral)
- Consider practical regulatory approaches
- Need mandatory recycling
- Need a framework to drive consolidation of existing programs
- Make sure that we don't end up with solutions put in place that end up on the backs of local government

A. EPR (This is one example of a mandatory approach that was included in the background paper)

- "The devil is in the details"
- Are we putting too much faith in EPR to avoid unintended consequences without it being proven that it would work in California?
- More cost effective to prevent the packaging from entering the waste stream. An upfront program, such as EPR, so that additional costs to manage the materials throughout the system would be less. Would be easier for consumers to return materials to the manufacturers, alleviate local governments of the financial burden, etc.

B. Landfill Ban on Recyclables (This is one example of a mandatory approach that was included in the background paper)

- Ban virgin content paper
- Ban paper and plastic packaging from landfills
- Discourage ban on landfilling recyclable materials
- No disposal ban without a plan
- Consider bans only on products not compatible with recycling stream
- Can see a lot of problems enforcing a landfill ban
- Consider unintended consequences of a landfill ban on recyclables
- A landfill disposal ban could push material into recycling but can also push it to dispersion into the environment
- Ban on recyclables in landfill is impractical. Operator has no control over what comes in, and materials do not come in in a marketable or recyclable condition.

- Ban paper and plastic packaging from landfills as long as there is a funding mechanism. Concern about unintended consequences such as illegal dumping and can local infrastructure handle it.

C. Minimum Content (This is one example of a mandatory approach that was included in the background paper)

- Minimum content law is a good mechanism to pull material but there should be some exemptions due to technical challenges, etc.

D. Deposit Programs (This was put forward by workshop participants)

- Deposit-type programs are proven to work and are less work for local government to implement
- Recognize beverage container recycling program currently provides more than \$100,000,000/year in funding for curbside programs in California, and this is in addition to the scrap value of beverage containers in curbside programs.
- Build on bottle bill mechanisms

E. Mandatory Recycling (This was put forward by workshop participants)

- Mandatory recycling might be a good option, even if not enforceable.

F. Increase Landfill Tip Fee (This was put forward by workshop participants)

- Increase tip fee to incentivize recycling
- Tip fee surcharge to address gaps in infrastructure or education/behavior change
- \$1-2 added to tip fee to fund education to help with MRFs, keep up with packaging innovation

G. Sales Ban (This was put forward by workshop participants)

- Should be an option on the table
- Should focus on banning the sale and distribution in California of problematic products that are not compatible with California infrastructure
- Focus on improving infrastructure to include broader materials (e.g., those made from #3-7 plastics) without resorting to bans
- Sales bans do not recognize efforts already taken re: source reduction and recycling efforts, for example
- Ban virgin-content paper

H. Pay-As-You-Throw

- Support PAYT

I. New Concept #1 (Proposed from Small Group Table Discussion)

- Focus on most problematic packaging products/product categories

- Those manufacturers pay a fee that is prorated based on the hierarchy and their packaging's relative impact, based on certain impact categories; higher fees for more/higher impact and lower fees for lesser impacts
- Money collected goes to a multi-stakeholder committee/group (public/private partnership) comprised of product chain representatives (e.g., manufacturers, NGOs, recyclers, etc.) that oversees manufacturer progress
- Manufacturers have the opportunity to earn money back/pay less fees by achieving progress moving up the hierarchy (encourages redesign)
- Some of the money would be allocated to local jurisdictions for beach/other cleanup efforts, some money towards R&D for problematic products to make them more recyclable
- Perhaps the Legislature sets the parameter of how to calculate the fee and then picks the groups, or CalRecycle picks the groups, such as was done with the Mattress Advisory Committee
- Some of the money would also go toward any support for CalRecycle to oversee

J. New Concept #2 (Proposed from Small Group Table Discussion)

- Suggest a materials management fee on *every* product sold in California. Back-of-the-envelope calculations of 0.01% fee on sales suggest this could yield about \$400 million/year. Could be used for infrastructure, statewide education, etc., then narrow down into the problem materials.

III. Voluntary Approaches

General Comments on Voluntary Approaches

- Voluntary approaches tend to be more market-driven, but generally have not succeeded in reaching high goals in a relatively short time frame
- Partnerships should be prioritized over regulations
- Need a carrot approach

IV. Comments Specific to CalRecycle Background Document

- Surprising to see PET, HDPE, glass, metal not on the table when industry is clamoring for these materials. Huge opportunity to work with industry on these materials.
- Concern with CalRecycle using 2008 waste characterization data for policy decisions
- Remove "catch all" category that includes some non-packaging materials
- Questioned the absence of PET in the Plastics category.
 - Cynthia Dunn: After several iterations, we decided to exclude HDPE and PET since they are currently collected and recycled at higher rates than the other resin types.
- See a gap in the report of how to improve the voluntary aspects, such as an understanding of what is recyclable from jurisdiction to jurisdiction.
- Lack of appreciation of voluntary programs. Companies are increasingly moving toward practices that are more sustainable.

- A lot has been accomplished since 2008, which CalRecycle used for its analysis, so look forward to the new data coming out soon.
- Concern with CalRecycle's intense focus on EPR; seems like a driving preference by CalRecycle
- No solid data analysis provided to support why particular options were recommended
- Has the proper audience been identified -> consumers are key

V. General Comments/Discussion by Topic

A. Collaboration

- Need transparent, open collaboration from industry
- Shared responsibility, industry cannot be the only ones responsible. All stakeholders need to be included.
- Recognize the importance of round table approach to make sure everyone's voices are heard as approaches are considered
- Everyone in the supply chain needs to be engaged
- Partnerships are very important

B. Collection Systems/Infrastructure

- Proximity to infrastructure can be a challenge
- Streamline permitting for MRFs to improve infrastructure
- Need statewide harmonization of collection systems
- Streamline MRF permitting
- Sorting processes unimportant if there is no value in the material
- Need to optimize the entire material management system
- Should implement best practices around collection/processing
- How to capture more with existing infrastructure
- Need statewide harmonization of the collection system. Every municipality is collecting different things, calling materials different things. Would offer more effective education as well as other benefits.

C. Financing

- Use differential fee structure that incentivizes manufacturers to use material/packaging types that are more recyclable
- Ensure no cross subsidizing between packaging industries; some already have very good recycling rates; others do not and the good ones should not subsidize the poor performing ones.
- Per ton subsidy to incentivize CA-based processors
- Allow municipalities to add fees to residents to collect materials. E.g., household hazardous waste/sharps/pharma model
- Cost to administer a program. Needs to be easy to administer, whether by government or private associations.
- Don't put a fee on reusable packaging; don't want to disincentivize reusables.

- Charge a penny/package to create funding
- Would like to see mechanisms that drive innovation and cost reduction across the entire supply chain
- Economic incentives (with structure)

D. Markets

- Needs to be markets for materials to provide value and incentives
- Need to create value in end market to divert materials. Liked the idea about using the hierarchy for this purpose.

E. Education & Outreach

- Education of consumers; focus at the local level
- Need to create value in end market to divert materials. Liked the idea about using the hierarchy for this purpose.
- Show the consumer the recycling fee on receipt as an educational effort
- Statewide education to go with statewide harmonization of materials collected
- Scale (size of jurisdiction), jurisdictions' culture should be taken into account
- Proximity to infrastructure can be a challenge in some areas
- Should focus on materials that can reach a critical mass to contribute to significant diversion

F. Program Implementation/Oversight by CalRecycle

- Over-regulation prohibits positive action for entrepreneurs
- Be mindful of approach and how easy or difficult it would be for CalRecycle to effectively implement. Hope that CalRecycle can share its experience with effectiveness of some market drivers in implementing existing programs (e.g., RPPC, EPR, grants, incentive programs). See challenges with RPPC program, starting to see frustrations with some of the EPR programs. Would like CalRecycle to comment on how well it thinks those programs are being implemented.
 - Howard Levenson: Often times it comes down to statutory language; in many cases we feel we know what those challenges will be regarding implementation and enforcement, but we are constrained by the language in statute. E.g., we have a checklist of things we think are necessary to implement EPR programs, but we have yet to see all of those things included in the statute.
- Suggestion that CalRecycle host a forum specifically to hear comments from manufacturers and to explore ideas for manufacturer engagement in California

G. Other

- Need combination of approaches
- Needs level playing field
- Look at life cycle, systems approach, not just end-of-life
- Encourage private sector-managed programs for efficiency

- Packaging is not necessarily bad; can't underestimate the value it brings. E.g., Cucumber lasts 2 weeks in plastic as opposed to no packaging
- Recycling rate for packaging in CA is actually below (the national) average when the beverage container recycling program materials and cardboard are not considered
- Of the 25% of disposal that is packaging, do you know how much is residential vs. multi-family or commercial? 2008 data was used and now we have a 2012 mandatory commercial requirement.
 - Howard Levenson: Generally, 2/3 is commercial and multi-family. Will have new data early next year from the new waste characterization study.
- CalRecycle should consider a hierarchy approach in any path forward. E.g., how to move the material from dispersion in the environment to landfill; from landfill to recycling...ultimately source reduction. This should be part of the framework of any approach. Must figure out the economics of how to finance the hierarchy.
- Try to keep it simple
- Now have a mandatory commercial recycling (MCR) in CA; haven't seen the impact of this yet, but it could be that MCR is already addressing much of the material in the disposal stream. Question is really how do we sort the material?
- Need an overarching framework to drive collaboration, such as a 3rd party organization to take control over meeting targets, whether as part of an EPR program or not.
- Private sector should run the program as much as possible because of efficiencies that can be gained

VI. Afternoon General/Open Discussion

Alan Blake, Packaging Consortium

- Membership based in Canada, have a lot of EPR experience in Canada, with recovery rates of between about 55% -75%.
 - Canadian EPR program results are starting to flat line. More and more investment is going into the programs, with less results. Can learn from their experiences.
- Can look at the British Columbia packaging and printed paper program rolled out in May of this year and is the only full producer responsibility program. They're looking at each individual material and try to understand what the opportunities are for each. E.g., Glass does not go into their recycling system. Goes into deposit systems...gets color separation and recycling more readily rather than mixed cullet going to asphalt. About getting value out of the system with the system you have. Don't want to lose the value opportunities.

Joe Gershen, Encore BioRenewables

- Why weren't wax coated cardboard boxes included? Quite a bit of corrugated cardboard boxes that go to landfill because they're coated with paraffin and therefore not recyclable.
- 1.5 million tons are coated in paraffin, which renders them unrecyclable. How can we include this in the discussion?
- Could be a redemption value placed on corrugated to increase recovery.

Tim Goodman, NatureWorks

- Don't squash innovation. The packaging of today might not be the packaging of tomorrow.
- If you're looking at getting to 75%, there are potential opportunities down the road for bio materials like PLA to be recycled.
- Also going to have to look at organics diversion, compostability
- Take a materials neutral approach in order to get more industry involvement and success.
- We are out of PLA beverage bottles (they are no longer contaminating the PET stream). PLA is 0.01 percent of the stream.

John Katz, US EPA Region 9

- How to encourage innovation but discourage unforeseen negative consequences?
- How best to channel innovation towards environmental benefits rather than challenges?

Mike Mohajer, LA County Task Force

- What is industry going to do to help CalRecycle and local government reach the 75%?

Alan Blake, Packaging Consortium

- Industry is looking for and offering transparent and open collaboration with the entire value chain with a lifecycle approach, rather than a particular portion of the value chain to get better outcomes.
- Must be inclusive of all materials
- Must accept that this will be a journey, and some compromises must be made in order to move ahead.
- Conversations need to occur early, before products go to market, with the right players (package designers, municipalities, recyclers).

Keith Christman, American Chemistry Council

- Could expand on partnerships with ACC, SPC, others around polyethylene plastic film recycling. The report had PE film lumped in with other kinds of plastics, but should be broken out.
- Recyclable packaging should be brought back to stores

Tony Kingsbury, T Kingsbury Consulting

- Citrus Heights partnered with Dow and Republic Services in a pilot program over the summer. Energy bag program. Would be good to explore what kind of opportunities may be there.
- Right now it goes to energy recovery because there's not enough of it, but in the future, that type of material doesn't have to go to energy. If you get enough of it, it can be recycled

Patty Moore, Moore Recycling Association

- Referred to the comment letter from BlueGreen on polyethylene film recycling.

Eastman Chemical (webcast)

- Supplier of resin used to make shrink labels
- Started an industry group 2 years ago to explore solutions to full shrink wrap labels to allow PET recycling. Look forward to sharing information on potential solutions very soon.

Doug Kobold, County of Sacramento

- Discourage landfill ban concept. Takes a lot of political will that may not be there to enforce.

Joe Ackler, representing SPI

- Concerned with using 2008 data. Plastics industry has come a long way since then. Recommends any policy approach be developed using data from the current waste characterization study.
- Paper uses a “catch-all” plastics category that includes auto parts, linoleum, vinyl, Formica, etc. should be removed since they are not packaging.

Heidi Sanborn, California Product Stewardship Council

- Need to focus on collaboration and partnerships. Would encourage industry groups to come up with ideas, pilot projects, something – we’re running out of time.