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December 12, 2014

Ms. Cynthia Dunn
Senior Environmental Scientist
CalRecycle
1001 I Street
Sacramento, California 95812-4025

Dear Ms. Dunn:

Thank you for the opportunity to provide feedback to CalRecycle on its Packaging Workshop and Background Paper. The Product Stewardship Institute (PSI) believes strongly that initiatives to reduce packaging waste will save money, create recycling jobs, and improve the environment. We support a comprehensive approach that centers on mandated extended producer responsibility (EPR), but also includes other non-EPR policies as well as voluntary approaches.

Why the Current Recycling System is Flawed

The current solid waste management and recycling system presents the following challenges:

- **Inefficiency:** Current recycling programs are disorganized and ineffective. Adjacent municipalities often collect different materials, have different contracts, and communicate different messages to their residents. Moreover, products consumed away from home present particular challenges for packaging due to a lack of sufficient “away from home” recycling options.
- **Inconsistency:** Municipal recycling budgets vary greatly from year to year, as recycling competes for funding with other important public services, such as fire, police, and schools. Constant budget constraints make municipal recycling programs unreliable suppliers for producers of recycled content goods. Additionally, annual budget cycles don’t allow governments to enter into long-term contracts that can stabilize the markets for recycled materials. Finally, the value of

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recycled materials that government officials manage changes constantly, as manufacturers vary their product designs.

- **Inadequacy:** The current waste management and recycling system is not sustainable. Recycling programs have stagnated: in the past decade, recycling has increased, on average, only one percentage point per year, resulting in nearly 9.5 million tons of packaging and printed materials disposed annually in landfills and incinerators in California. Additionally, government is financially unable to invest in collection and recycling infrastructure needed to process additional materials. PSI believes that additional funding should come from companies that benefit from the materials collected, and from those whose packaging results in billions of dollars of waste management costs.

Why EPR is Needed to Reduce Packaging Waste

EPR for packaging shows great potential for increasing materials recovery while lessening the financial burden on government. EPR programs eliminate the inefficient municipal patchwork of programs, collect a consistent set of targeted materials, and help increase the quality of recovered materials. EPR systems also operate with sustainable funding, as they shift costs from taxpayer-funded government programs to the producers and consumers of products. In addition, EPR sends a direct financial signal to manufacturers, which can, at times, influence the materials they use for their packaging.

PSI's review of high-functioning EPR systems around the world, as well as EPR systems for other products in the U.S., shows that these systems can, and do, increase materials recovery. PSI evaluated 11 EPR programs for packaging – British Columbia, Manitoba, Ontario, and Québec in Canada; Austria, Belgium, France, Germany, the Netherlands, and the UK in Europe; and Australia – revealing recycling rates for packaging ranging from from 52 percent to 80 percent. Complementary programs including pay-as-you-throw, mandatory recycling requirements, and landfill bans for recyclable materials play an important role in increasing the performance of packaging collection and recycling systems.

PSI believes that California could optimize its current recycling program by introducing an EPR system with targeted recycling rates set by material. Recycling rates by material offers a pathway toward continual improvement of recycling that prevents cross-subsidization of materials (e.g., high paper recycling rates do not support low plastic recycling rates). PSI also supports CalRecycle's recognition that the effectiveness of EPR for packaging can be strengthened by the following complementary policies: (1) landfill bans for recyclable materials; (2) pay-as-you-throw programs to provide an incentive to separate recyclable materials for collection; and (3) mandatory recycling. These mandatory non-EPR initiatives, along with strategies to reduce single-use plastics, can increase the efficiency of EPR programs and reduce marine debris.

PSI also supports the State Agency Buy Recycled Campaign's (SABRC) purchasing requirements for 11 product categories, which set minimum government recycled content specifications. However, we believe the SABRC could do more. Currently, SABRC accounts for less than 8% of California state

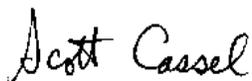
agency product purchases, and only 57% of paper products and 54% of plastic products are SABRC compliant. We encourage the state to use its significant purchasing power to develop higher recycled content standards and stricter procurement policies, and to promote them widely to create a statewide demand for recycled materials. A government that favors buying recycled material encourages recycling and recycled material in the entire state.

Who is the Product Stewardship Institute (PSI)?

PSI is a national, membership-based nonprofit committed to reducing the health, safety, and environmental impacts of consumer products across their lifecycle, with a strong focus on sustainable end-of-life management. We develop and promote legislation and voluntary initiatives whereby manufacturers are responsible for recycling or safely disposing of their products once consumers are done with them. A key part of our work involves coordinating and facilitating multi-stakeholder dialogues that forge consensus on sustainable materials management solutions. We serve as the national product stewardship “voice” for 47 state environmental agencies and hundreds of local governments from coast to coast (our members), helping them create and implement programs that increase recycling, reduce waste management costs, and strengthen local economies. We also leverage our partnerships with nearly 100 businesses, non-U.S. governments, academic institutions, and environmental organizations to achieve these goals. Overall, our work spans 18 product categories, which gives us the unique ability to pinpoint trends, similarities, and differences in product lifecycle impacts and management methods. Although packaging and printed paper is a complex product category (owing to well-established collection and recycling systems), there are still many lessons that PSI has learned from its work on other products that can be applied to the management of packaging and printed paper.

PSI welcomes the opportunity to assist CalRecycle and the State of California to achieve its recycling targets, contain costs for taxpayers and businesses, and create new recycling jobs.

Sincerely,



Scott Cassel
Chief Executive Officer/Founder