spi the plastics industry trade association

November 13, 2014

Ms. Cynthia Dunn
Senior Environmental Scientist
Department of Resources Recycling and Recovery (CalRecycle)
1001 I Street
P.O. Box 4025
Sacramento, CA 95812

Subject: Comments – CalRecycle Packaging Workshop November 13, 2014

Dear Ms. Dunn:

SPI: The Plastics Industry Trade Association appreciates the opportunity to provide requested input on the "CalRecycle Packaging Workshop Background Paper: Increasing collection and recovery of packaging in California".

SPI's members represent the entire plastics industry supply chain, including processors, machinery and equipment manufacturers, raw materials suppliers and brand owners. The plastics industry and dependent industries combined employ 3.5 million Californians while contributing $78 billion in state and federal personal income taxes and $24.6 billion in payroll (FICA) taxes. Industry shipments total nearly $24.4 billion. Products of the plastics industry are utilized in most every sector of the economy. Examples include agriculture, construction, medical, automotive, aerospace, electronics, packaging, recreation and sports, plus more.

We thank CalRecycle for convening this workshop and look forward to further participating in this ongoing process. Following are our initial observations:

Statute AB 341

The statute makes a declaration that it is the policy goal of the state that not less than 75 percent of solid waste generated be source reduced, recycled, or composted by the year 2020. While the Department appears focused on packaging only, we would suggest reviewing all the various components of the waste stream for a more balanced approach, particularly as organics and inerts comprise more than 61% of material disposed in the state's solid waste stream.

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Good Data Results in Good Policy

A number of assumptions made in the background paper rely on the Department's waste characterization study of 2008. In fact, the Department relies on the 2008 study to specifically focus on packaging. To begin contemplating policy options based on six year old data is premature. We would strongly encourage the Department to complete its newer study and allow stakeholders ample opportunity to review this data prior to any policy recommendations put forth.

The Department chose to rely on a combination of qualitative and quantitative data analysis as a methodology to determine priority packaging. Quantitative analysis involves the collection and analysis of numeric data. Qualitative analysis is where descriptions and words are used to convey evaluation. The Department states that "Much of the data used for this evaluation was qualitative primarily because of a lack of data availability and the level of effort and resources to obtain a larger amount of quantitative information to evaluate was not necessary for purposes of this discussion." A dependency on qualitative data analysis can lead to speculation and subjective interpretation rather than objective conclusions.

Further, to estimate packaging disposal in California, the Department's subcategory definitions were not discreet in identifying packaging and non-packaging items to arrive at disposal tonnage estimates. Using plastic as an example, the Department used a catch-all subcategory for plastic packaging that included auto parts, Formica, linoleum, etc. This subcategory represents almost half of the Department's estimate of disposed plastic packaging. Auto parts are not packaging, nor or linoleum, Formica, etc. and by including these items as "packaging" distorts the numbers. We recommend the Department delete this subcategory.

Costs

The Department is silent on the issue of cost. With a budget last year of about $1.5 billion, has the Department put forth any recommendations for reprioritizing existing resources to best achieve the policy goal that not less than 75 percent of solid waste generated by source reduced, recycled, or composted by the year 2020? This provision is specifically written into the statute.

Mandatory vs. Voluntary

The Department's predisposition is clearly and heavily weighted towards mandatory programs, such as extended producer responsibility (EPR), which we strongly oppose. This type of program creates a new regulatory burden and costs which will principally be borne by manufacturers. Also, these proposals do not address the value of energy recovery for those items than can no longer be reduced, reused or recycled, yet retain value in terms of energy recovery or conversion. Mandatory approaches do not provide for any flexibility in terms of response to changing markets and siphons resources that can be directed towards design innovation and research and development. Nor do EPR programs account for

or recognize the importance of the individual or entity purchasing a product and their responsibility to ensure that it is properly disposed of.

Beverage Container Recycling Program (BCRP)

The Department has expressed interest in using the BCRP as a model for other programs. This program is broken. It is insolvent with a structural deficit exceeding $150 million despite fee collections in excess of $1.173 billion as noted in the Department's February 2014 program status report. Beyond the fraud committed on this program, to which the Department has begun taking steps to address, we do not believe it should be used as a model for any other program going forward.

We appreciate the opportunity to offer our comments and look forward to working with the Department on these issues and others going forward.

Sincerely,

Jane A. Adams

cc: Caroll Mortensen, Director, CalRecycle
Scott Smithline, Deputy Director, CalRecycle
Joe Ackler, Sacramento Consultant