

CalRecycle Packaging Reform Workshop  
Cal/EPA Headquarters, Byron Sher Auditorium  
1001 I Street, Sacramento, CA 95812  
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CalRecycle Staff Notes

CalRecycle Packaging Team: Karen Morrison, Teresa Bui, Cynthia Dunn

**Director Scott Smithline – Opening Remarks**

- Here to talk about packaging materials, packaging design, and how we manage packaging waste in California (CA). Critical element of achieving goal of 75% source reduction, recycling, and composting, as packaging constitutes approximately a quarter of what we dispose in landfills.
- CA has seen an increase in disposal, including disposal of packaging, but a reduction in CA recycling rate to 44%. 62% of materials that are exported go to China. “National Sword” policy not yet finalized but will have significant impact on export/scrap market.
- Commend companies who have made packaging increasingly recyclable and developed voluntary programs, but has not been sufficient.
- Staff will present development of mandatory approach for managing packaging in CA. Suggest mandatory path that allows flexibility for both manufacturers and the department. Comprehensive policy will include front-end decision-making on packaging design and materials, as well as back-end processing and collection infrastructure.
- All stakeholders need to be involved in developing the proposal and are encouraged to read background paper, ask questions, and provide comments. Voluntary approach would be our preference, but it needs to be successful. Critical elements include specific goals, metrics, timelines and dedicated financing to achieve goals. We continue to be committed to a collaborative approach and working with all stakeholders to develop a meaningful policy for packaging.

**Deputy Director Howard Levenson – Opening Remarks**

- Packaging engagement process started about four years ago. Considered voluntary approach, but did not hear comprehensive voluntary approach that would satisfy goals. In September 2016, director asked staff to develop mandatory comprehensive policy model for managing packaging in CA. Workshop in March 2017 looked at some aspects of that, and in today’s workshop, staff will present overall thinking of what approach may look like.
- Important that stakeholders read background paper, listen to staff presentations, and ask questions. We need input.
- Declining export market makes this issue even more important in terms of how we are going to deal with packaging. Need to consider what this means for collection and manufacturing infrastructure in state. We have heard one-size-fits-all policies do not work for packaging. This comprehensive framework approach, includes a range of different policy tools that could be applied in different situations to different packaging types.
- Karen and team will present contents of background paper and walk through approach to comprehensive mandatory framework, including general approach, policy tools for managing

packaging, screening criteria to identify priority packaging, and applying the policy tools to packaging. Then, two hours for open discussions to solicit input.

## **Staff Presentation by Karen Morrison**

### Background

- One of driving statutes is Assembly Bill (AB) 341, which established goal of 75% source reduction, recycling, and composting by 2020. Disposal and disposal-related activities have grown since 2010 to a total of 42.7 million tons in 2016. Recycling rate is 44%, the lowest since AB 341 passed. If disposal continues to increase at projected rate, need to divert additional 24 million tons from disposal in 2020, which creates additional pressure and motivation to divert packaging, and find higher and better uses for packaging materials.
- Packaging represents about ¼ of waste stream according to last two waste characterization studies. Over half of packaging disposed is fiber and paper-based, roughly five million tons in 2016. Plastic accounts for about ¼ of disposed packaging (over two million tons), and 90% of disposed packaging is fiber and plastic.
- Roughly 1/6 of waste generated in CA is exported (about 11 million tons), and a significant portion is packaging. China's "National Sword" policy to address illegal imports, China's proposed import ban on scrap commodities, and increasing restrictions on contamination levels, will have impacts on CA management of recyclable materials.
- Need to divert material from landfill, promote source reduction, recycling, and higher uses for materials, and develop in-state infrastructure. Discarded packaging can have a number of other environmental impacts that may also be managed by packaging policy.
- At September 2016 public meeting, staff presented summary of packaging efforts to date, including Manufacturers Challenge to pursue voluntary approach for managing packaging. Summary stated that key components (activities specific to CA, proposed activities, metrics, timelines, and financing) were not addressed in a significant way. Director approved staff recommendation to develop mandatory comprehensive statewide packaging policy model and continue public consultation.
- March 2017 workshop was to generate discussion and gather stakeholder feedback to contribute to development of model, which included panel of experts on policies mentioned at previous workshops, including landfill bans, EPR, and minimum recycled-content requirements.
- After five years of meeting extensively with stakeholders (this is seventh public forum), CalRecycle is releasing thinking on how to address this portion of waste stream, but will continue to gather feedback on how this could be implemented and factors we should take into consideration. Preparing draft recommendations to propose to Director Smithline in early 2018. Does not mean CalRecycle is pursuing legislation. We are not deciding whether mandatory approach should be considered, but rather discussing what the approach looks like.

### Components of Statewide Comprehensive Packaging Framework

- Comprehensive means managing all packaging material types (not piece-meal approach with one packaging addressed at a time), including primary, secondary, and tertiary packaging materials sold, distributed, or imported into CA market. Should include enforceable metrics and goals, manage significant amounts of materials moving to landfill, provide authority to identify priority products and implement appropriate tools.

- Essential components take into account stakeholder feedback, departmental goals, and lessons learned from other programs. Model will be comprehensive, flexible, developed with consistent process and transparent public participation, recognize prior innovations and efforts, address both pre- and post-consumer life of packaging, and move the amount of materials out of landfills necessary to achieve goals (with statutory authority).

#### Four Key Stages for Implementing Framework

- 1) Regulation Development. CalRecycle would develop guiding regulations to establish process to implement framework. Identify method to develop policy tools (including process to add tools), which would include analysis of waste stream. Could create pathway/opportunities to exempt individual companies (or transition to voluntary system) who have reached proposed goals.
- 2) Select policy tools. Once regulations are in place, CalRecycle uses established public process to match appropriate tool(s) with packaging type, including setting metrics and enforceable goals via public workshops and decision by CalRecycle's Director.
- 3) Implement policy tools, including phasing in tools overtime, as needed.
- 4) Assess progress to determine how tools are working and how to improve or respond to market changes or technical challenges. If change is warranted, loop back to stage two.
- Efficient approach complimentary to existing requirements that provides flexibility and consistency. Allows for phasing, which can address "low hanging fruit" early in process and take time to develop more complicated tools. Seeking feedback on all stages to guide development of policy model to be released in early 2018.

#### Identifying Potential Policy Tools

- Staff conducted qualitative evaluation, took into account workshops and feedback, and detailed analysis in background document. There are trade-offs for all potential policy tools identified, and no single tool is likely to adequately manage all packaging, so any model will need to include multiple tools to be successful.

#### Identifying Priority Packaging

- Screening criteria include prevalence in waste stream, usage trends, current collection infrastructure, current processing infrastructure, GHG impacts of recycling, waterway and marine debris impacts.
- CalRecycle received 26 comment letters from 36 entities on draft screening criteria. Comments included nine new criteria, and feedback on the nine proposed criteria. Condensed original nine to final six categories after limiting screening criteria to factors with well-defined data sets with sufficient granularity of packaging types. Eliminated reusability and recyclability, although critical for management, due to lack of data sources that provide sufficient granularity or definitions of reusability or recyclability, which are highly dependent on markets. Still included in analysis, just not in screening criteria. Received conflicting feedback on marine debris criterion. Decreasing waterway and marine debris is consistent with CalRecycle mission to protect public health and environment and directly relates to long-term environmental impacts. Acknowledge cross-media impacts of packaging.
- Each criterion was applied to fiber and plastic packaging categories.

- Provided examples of how screening criteria would be applied to film plastic, PET containers, or HDPE containers.
- Highest priority assigned to materials with prevalence in waste stream, increasing usage trends, not collected in curbside bins, not accepted (or rigorously sorted) at MRFs, high GHG savings from recycling, and materials often found during coastal cleanups.
- Result of analysis identified six priority packaging categories. Fibers include uncoated corrugated cardboard, waxed cardboard, aseptic containers and cartons, and plastics include film plastic, expanded polystyrene, and pouches.

### Selecting Policy Tools

- Eight tools could apply to all packaging (two tools apply generally to all materials). Applying broad tools takes advantage of economies of scale, allows for consistent education of material management, provides broader funding base to support efforts for packaging overall, and could address lower priority packaging earlier in process, but may not address individual needs for packaging types.
- Tools for specific packaging may better address unique challenges for each packaging type. For example, waxed cardboard not recyclable in most markets, but uncoated corrugated cardboard is highly recyclable, but still high volume.
- Identified key challenges for managing film plastic, including that it is a very lightweight material, so need a lot to make collection/processing economically viable, often contaminated with food, curbside collection can lead to MRF contamination or damage, and represents a wide variety of materials. When collected in bulk, clean and separated, there are viable end-markets. Goal to ensure cleaner streams in selecting tools, establish stable funding, minimize generation, and if measures aren't sufficient could resort to additional or alternative tool (such as labeling requirements to indicate materials are not recyclable in CA).
- Performed same analysis for all priority packaging, as detailed in background document. List is not final, but intended to continue discussion of how to manage packaging under mandatory, comprehensive model. Significant opportunity for stakeholder input on which tools to select, how these tools would be implemented, as well as specific metrics and enforceable goals that will be critical for success.

### Discussion

- **Gene Erbin, Nielsen Merksamer/Waste Management-** Chart comparing 2008 and 2014 on page seven of background document [referenced slide seven of presentation] suggests disposal increased modestly, but disposal of packaging decreased substantially (by 15%), which is the objective, correct?
  - Karen- Total disposal of packaging went down from 2008-2014, but recent trends for disposal show packaging as a portion of the waste stream continue to increase. Every waste characterization performed by CalRecycle over the past 20 or so years has shown packaging represent about ¼ of the waste stream. Apologize if slide is misleading.
  - Gene- Related directly to the decline in exports or refusal of China and others to continue to import. Want to see clarity on page seven.
- **Chuck White, Manatt, Phelps & Phillips, LLP-** Chart on page seven shows reduction between 2008-2014 in packaging disposal from nine point five million tons to eight million tons, which seems to be

going in the direction you would like it to go. There may be other data we have not seen, but seems to indicate downward trend in packaging disposal. One of biggest missing pieces is a clearly articulated description of the problem you are trying to solve with respect to packaging (environmental problem, public health problem, or some other problem). What is the damage that packaging is causing? May be packaging is present in storm water runoff and Water Board and other agencies are concerned about marine debris, but, for example, considering a landfill fee on film plastics is not going to help the marine debris problem. In fact, you would probably want to decrease fees on landfills to try to get more packaging collected and processed more cheaply, so it does not result in marine debris. All due respect to 75% goal, asking you to try to be more clear about what is the real problem you are trying to address. One of the biggest missing pieces is lack of addressing the development of syngas technology that could be used to handle these top priority materials that you are looking at (fibers and plastics). Developing technologies worldwide to use syngas, pyrolysis, and gasification to generate low-carbon fuel with near-zero carbon intensity, which is another aspect of CA's myriad of environmental programs in need of more robust opportunities and development. Strongly suggest looking at some of the barriers to citing and using syngas technologies to convert residual solid waste that needs to be collected to produce low-carbon fuel, which CA desperately needs to meet GHG goals. Hoping you do comprehensive life-cycle assessment on all of these types of things. Because packaging is not just packaging that produces a waste material that has to be managed. It actually preserves many of the products and keeps them out of the waste stream thereby preventing GHGs. Without packaging, would have more food waste. Chart shows GHG impacts to film packaging are minor or near neutral. What is the problem we are trying to solve?

- Howard- Disagree with respect to "what's the goal." We operate under AB 341 (along with beverage container recycling program), need to achieve 75% reduction by 2020, looked at broader potential environmental impacts under framework of primary statutory drivers. With respect to syngas conversion technologies, there have been many attempts in the legislature to change definitions, and we understand your concern. With respect to life-cycle analysis (LCA), it is very difficult to do comparisons even within different variations of the same product, let alone to try to do a broad LCA. We did LCA for organics, and it was very difficult, but did not come to any significant conclusions about environmental impacts of different management technologies. Also, we did LCA for used oil, and spent two and a half million dollars in three years and again not enough information and no significant conclusions. Decisions have to be made with a more qualitative approach with a discussion of relative tradeoffs.
- **Nick Lapis, Californians Against Waste-** CalRecycle has fairly clear statutory direction in AB 341 and SB 1383 (both have 75% goals). As a sponsor of the bill [AB 341] with broad 75% goal, this is exactly the type of process we envisioned. Bill was passed in 2011, it is a 2020 goal, and we are glad you are finally getting to it. Also, SB 1383 passed last year, which has 75% organics diversion mandate, and organics includes fiber and paper. Staff has done a great job identifying some of the problem products and taking comprehensive approach to evaluating products. Clear existing authority with aseptics, cartons, some of the fiber materials, as well as RPPC. As well as other materials we know could be recycled with a greater investment, such as aseptics, and thermoforms. Appreciate concept of putting onus on producers. If you look at products identified, you can see by omission how to solve problem. Products identified are not part of existing programs, like CA bottle bill. That

is a successful model we should implement for some of these non-beverage rigid plastics. Also with products like EPS, due to its inherent nature especially when food coated makes it not recyclable and ends up in waterways of the state.

- **Greg Haskin, PepsiCo**– Would be nice to have a more clear definition of film. Variety of things that could fall under the category of film. For example, potato chip bags or cereal box liners; is that film or not? Did you factor in the fact that a lot of film manufactured in CA is manufactured from recycled plastic. What would this program do to impact that and scrap values, if suddenly, film industry that relies on recycled plastic doesn't have stream of recycled plastic it needs? Another category that begs clarification is waxed cardboard containers and aseptics. There has always been this bold line in the sand that you cannot cross with dairy industry (cannot put cost to recycle on dairy, not in bottle bill, cannot have any kind of deposit, etc.). Many products in aseptic and waxed cardboard containers are dairy. Are you demonstrating that you are going to have a shift in policy in that regard?
  - Karen- Using fairly broad definition of film plastic (definition on page 25 in background doc). CalRecycle is not making a decision yet on whether to include dairy in potential programs. Considering packaging very broadly right now independent of materials that are being contained in that packaging, which would be part of further discussions.
- **Nina Goodrich, GreenBlue**- (email comment)- Do you think “National Sword” may create a new priority on some of the number three through seven plastics currently exported? What would that look like?
  - Karen- We are very concerned and actively monitoring impacts “National Sword” policies may have.
  - Howard- Decline in export markets may stimulate other thinking about funding and citing of manufacturing infrastructure in California or elsewhere around the country. CalRecycle is planning to have some public discussion on “National Sword.” No specific dates yet, but in the works.
- **Heidi Sanborn, California Product Stewardship Council**- We support producer responsibility and product stewardship, and think mandatory or voluntary approaches can both work. Packaging is a challenging product category because it is not one product or one material. After years of waiting for voluntary to work, time has come for framework approach. CPSC also believes there should be an off-ramp so that the companies who lead and do a great job of source reduction, recycling, redesign, and infrastructure development, should have some sort of regulatory off-ramp. We need to give incentives for companies who lead. Would like to talk about that more in depth. Strongly support approach given complexity of this category and look forward to working with any company to find solutions and a way forward together, because we do have a problem and need to solve it.
  - Cynthia- Off-ramp identified on page 10 of background document. That was something that is really important. We have been meeting with companies throughout this process, and one thing that has been consistent in those discussions is the real need to address what has already been done on an individual basis.
- **Comments from As You Sow, read by Heidi Sanborn**- We agree one-size-fits-all policy approach is not realistic given the many different materials waste haulers and recyclers deal with. Framework approach makes sense, giving CalRecycle the ability to identify products and manage the appropriate policy tools needed to adopt and implement measurable enforceable goals for source reduction, reuse and recycling. Framework approach will result in more unified comprehensive

approach to packaging sustainability than piece-meal approach with many separate pieces of legislation. CalRecycle has expertise and knowledge on the state's waste-stream, and to manage the process of implementing and enforcing a comprehensive recycling plan for packaging. If legislature fails to delegate this authority, it can expect to see many bills on packaging materials with no coherency and will consume enormous amounts of time in legislature. Bold actions are needed soon to reach the state's 75% goal.

- **Emily Tipaldo, American Chemistry Council, Plastics Division-** With areas where initiative overlaps with other existing laws, interested to hear how you plan to coordinate with those offices that have oversight. For example, in slide with film packaging priorities listed out. Some elements directly impacted by single plastic bag carry-out ban and there could be efficiencies gained in some of those areas and barriers overcome by working with those who have oversight of that.
  - Cynthia- Staff have been working comprehensively and coordinating with sister agencies and other agencies involved in programs that touch on packaging. Packaging such a broad category that relates to a lot of existing programs and agencies, several of which are outlined in background paper. We will continue to coordinate as we move forward.
  - Howard- We have coordinated with several sister agencies, such as DTSC, Water Board, some internal CalRecycle programs including RPPC, single-use grocery bags, bottle bill, etc. We have had discussions internally with the folks who run those programs, which would be considerations in any rulemaking or decisions.
- **Martin Bourque, Ecology Center-** Some of the most problematic materials for our MRF fall low on prioritization scale because of their low volume, such as non-bottle rigid plastic containers. Have had to add additional trucks, and sorting capacity. Now sorting into four different types of plastic, used to have two, before that sorted four different kinds of fibers, now two. Critical to get to a volume or individual unit count in terms of prevalence of these items and solutions you try to find. Issues that are most problematic are market instability, which is why we did not want to collect materials to begin with due to problems internationally. Only gotten worse since we have started collecting mixed rigids. Ways that CA can invest in infrastructure for processing or pre-processing here, can hopefully drive feedback loop to manufacturers on what packaging they put out into the world. Material with value stays out of landfill much better than when it does not. City Council determining whether to raise rates or stop collecting this material and send it to landfill. Costing more to export (not saying it is getting recycled) than it would be to send to landfill. Bottle bill has provided market stability for many other materials that are hard or expensive to recycle. Incentives to help stability are important. Could be paid for both by increasing landfill costs, but also in producer pays model. As landfill fees increase, improves equation of sending materials to landfill versus paying to recycle, but puts double burden on municipality or individual ratepayer; producer should share the cost. Did not see anything in criteria regarding health. Many plastics are getting into areas that effect ecological and human health. Accumulating chemicals in oceans and waterways and bio-accumulating in marine food chain, now seeing it in compost applied to land applications in agriculture, and there is evidence it's moving into food system through agriculture, as well as in our air and drinking water. One criteria should be toxicology, and health impacts (use prop 65 as one data tool in thinking of priority materials).
  - Howard- We have had conversations with our sister agencies, including OEHHA and DTSC. OEHHA is responsible for Prop. 65, DTSC is responsible for toxics. Good point and we will continue to consider.

- Karen- We understand the volume versus weight discussion, but it is a challenge because we measure material by ton, but would welcome feedback and suggestions on how to do that.
- **Miriam Gordon, UPSTREAM**- Comprehensive policy framework for packaging is the right approach. Needs to be mandatory process since voluntary has not yielded good results. Appreciate concept of producer responsibility folded into proposed framework, but there needs to be (as far as criteria for selecting different policies) focus on other stakeholders or constituencies that can help drive market change, and that is consumers primarily. Also, distinctions between manufacturers and retailers. Like to see in final policy framework more of an articulation of how the different policies selected drive change through different constituencies that can help drive market change. Was impacted by PAYT model living in a home in Europe (Switzerland) for two weeks, because every time packaging was unwrapped from the grocery store or shopping, was cognoscente of costing household money to put bag of non-recyclable packaging out front, which sends a message to consumers. More of an explanation on how each of these policies drives change and sends signals to various players that have impact on the market. Another criteria to add for policy selection is departments own statutory mandate for integrated waste management hierarchy. Focus on source reduction as highest priority is a factor in prioritization of policies. As an example, CalRecycle eliminated reusables as one of the criteria. Would like to have discussion about how to weave reusables back in. Have a lot of focus on source reduction in framework, but waste management hierarchy drives you to select source reduction as the highest criteria and needs to be a focus in policy selection. Support that we do need to focus on a different system of measurement than weight to accomplish source reduction. Stakeholders been talking to on this issue are aligned that measurement needs to be in units to accomplish source reduction. Support Martin's comment on health as a criteria due to emerging research on human health, plastics, and micro-plastics. It is something the state cannot ignore.
  - Howard- regarding unit metric, part of issue is getting readily available data to make comparisons. If legislated, measurement would be one issue that would be grappled with and what data would be needed to implement.
- **Kevin Messner, Association of Home Appliance Manufacturers**- PAYT is a good policy option and have yet to hear anyone disagree. Clarity we struggle with is what is the goal. Is it to reduce the weight or the volume? If there is a desire to force and mandate something on a manufacturer to make a packaging like "this" it would be nice to know what "this" is. Hierarchy gets lost in all these discussions, it's just a discussion on recycling. Frameworks have historically failed and always have failed because they are one-size-fits-all no matter how you develop these criteria, each product or packaging is different. If you try to lump them all together, get bogged down in complexity of packaging debate, which has happened every time this happens when somebody tries to do something. When they force something through just because we want to have a mandatory program of some sort and will call it a framework, or will call it whatever it is, it does not work. British Columbia is prime example, they forced it through. Recent stats from their own data show recovery rate is down, recycling rate is down, landfill diversion rate down by almost 10%, recovery per capita is down. All decreasing values on trends you are trying to increase. Part of criteria should be if we are going to do something, is it actually going to improve the recycling rate, and before that, is the recycling rate the number one hierarchy you are trying to achieve? What are you trying to achieve? Less landfill, less what? So many unknowns. Confused why this step is here to try to create this broad one-size-fits-all framework criteria when each product is different.

- Howard- Happy to have further discussions, but will disagree that this is a one-size-fits-all framework, as it's specifically designed, even at conceptual level, to acknowledge that one-size does not fit-all.
- **Tony Kingsbury, TK Consulting**- Slide 22, the six priority packaging categories are listed. What percent of overall waste stream are represented by those six? How are these going to help us get to our goal?
  - Karen- 6.7% of overall disposed waste stream, so roughly a ¼ of all packaging. Not the only products that would be addressed under a framework approach, these would potentially be prioritized as first products to address. Gets us part of the way there, but certainly not all the way there.
- **Roxanne Spiekerman, Roplast**- Looking at economics, from a business perspective, as a manufacturer and reprocessor. Looking at slide 10, talked about bringing it back down to developing state and county infrastructure to manage postconsumer packaging. CA manufacturers and reprocessors hold little advantage over out-of-state manufacturers and reprocessors. Has there been any consideration into incentivizing using CA manufacturers that use recycled content, or incentivizing using reprocessors that use CA-sourced material? Since you said it is a volume to weight ratio. Specifically speaking to plastic film, more important to keep it on a regional basis. How would this be regulated or enforced (minimum recycled content levels)?
  - Howard- There has been thinking and action on that not related to this particular effort. For example, we have a manufacturer recycling tax rebate for manufacturing infrastructure in CA, we have GHG reduction fund grants (some gone to composting and anaerobic digestion infrastructure, but also some to development of fiber, plastic and glass processing and manufacturing infrastructure in the state). There are citing and financing barriers to making those facilities pencil out.
  - Teresa- We have a few minimum recycled content programs (glass, reusable bags, and newsprint, for example), which we would take into consideration, and have learned best management practices to apply. How to promote or support in-state manufacturers? Learned from glass minimum recycled content program and advantages and disadvantages of how this program has been constructed.
  - Cynthia- These are good examples of discussions that would occur via the public process. Rather than just have a cross the board policy, this would allow a consistent framework to know exactly when product specific discussions would occur and opportunity to weigh in.
- **Laura Ferrante, Recology**- Supportive of the framework approach and many policy tools. Due to cost of processing materials and investments already made, also support processing and/or incentive payments. Recommend existing systems and infrastructure be utilized and material stay within existing franchises.
- **Justin Lehrer, StopWaste**- Thoughtful process and comprehensive document. Framework is the next logical step to helping manage the proliferation of different materials. Not a one-size-fits-all approach, but we need structure around it to deal with different materials as technology advances and innovation happens. Happy to see CalRecycle is including tertiary packaging and reusable packaging in the source reduction policy tool. Transport packaging most consumers never see but is a significant part of waste stream, so glad to see that included as well.

- **Emily Tipaldo, American Chemistry Council, Plastics Division-** Has there been any consideration to including, the Recycling Market Development Zones group that is part of CalRecycle as part of this effort?
  - Howard- This particular effort does not identify a new funding source for incentives, but that issue has certainly been brought up by a number of people, that there needs to be incentives or funding of some sort for various programmatic aspects (e.g. infrastructure or other purposes). RMDZ and GHG reduction fund, we do have money available, loans and grants for infrastructure. SB 1063 talked about possibility of increasing landfill tipping fee that could be used for other types of incentives. Idea continues to be discussed. We meet with 150 or so businesses a year on different aspects of assistance on funding or citing, etc. Not specific to this package, but part of overall approach. Clearly need for sustainable funding, which would be part of potential rulemaking and application of policy tools.
- **Rachael O'Brien, Agricultural Council of CA-** When looking at screening criteria, was product safety taken into consideration, and how do you plan to account for the need to protect goods while in transport or on the way to supply chain to get to consumer? Packaging is needed for food protection and safety. As food producers and processors try to account for that, how is that being considered in holistic package you are addressing? This should have been a criteria, although it's not one that CalRecycle has chosen. As we go down this path, that has to be prevalent, that has to be on your minds. Without it, you are running into a whole other line of issues. If you have not thought about it, I think it needs to be thought about, and if you want we can get together and talk about that more, but if you do have thoughts it would be great to hear them.
  - Cynthia- Paper did not address package design to that level. Understand comment that packaging absolutely has a purpose, product protection, consumer protection, labeling requirements, federal requirements, etc. Since this discussion started, we have said we understand there is a need for packaging, which is one reason we have said there cannot be any single approach for everything. There are so many considerations for the range of packaging. To say there should be "X" percent minimum content for every packaging type would not be realistic. We are not trying to set targets, goals, and metrics that would compromise product safety or public safety. If something like this were to be enacted, we would look to public process to determine for a particular packaging type what policy tool makes sense and what are the considerations. We rely on the expertise of the stakeholders involved; not just the product manufacturers, but also those who handle material on the back end, and come up with something that makes the most sense for that product.
  - Teresa- Our task/mission is to look at downstream impacts. Of course we work with manufacturers to determine how it fits in to your scheme, but need to reduce amount of material going to landfill. We refer to upstream in terms of source reduction, incorporating minimum recycled content, can product be reused, etc.
  - Howard- Primary driver is AB 341, and now, SB 1383 to get materials out of landfills. We are looking at this in the sense that while we recognize the functions of packaging and we recognize and acknowledge individual company efforts to reduce packaging while making sure to maintain those essential functions. However, we still see a large amount of material ending up in landfill. Looking at upstream in terms of how to foster more source reduction without compromising essential features of packaging. Background paper looks at when is it feasible to foster that approach, and when does it not make sense. If we need to be more

explicit to acknowledge safety concerns in background document, we can certainly talk about that.

### **Discussion on Stage 1: Policy Tools and Priority Packaging**

- **Martin Bourque, Ecology Center**- It is clear to collectors, processors, and sellers of packaging at end-of-life is that we are in the midst of a major packaging revolution, and over the last decade there have been significant industry changes in trends. Producers of new packaging types are gearing up to expand for the future and there are some real winners in that (i.e. consumers, brand owners, packagers, food safety). Also real losers (i.e. folks that deal with materials after the consumer is done and people way upstream). In terms of policy tools that begin to address inequity in packaging and look at how winners that are currently receiving windfall benefits from new packaging model, how do we translate that into mitigating impacts of packaging. Thinking about pay as you produce model that goes all the way up the stream to manufacturers as a mill tax that produces a fund to use on downstream side for infrastructure, processing, handling, clean-up, and maybe mitigation and market stabilization. Talked about EPR, which has meant different things to different people, but thinking about fee per unit on packaging and looking at different types of impacts it might have.
- **Susan Collins, Container Recycling Institute**- Addressing first question. Have not read background paper, but incorporating more materials into existing bottle bill program should be included in policy options. Two of the six priority products (pouches and aseptic) are things that could be incorporated into bottle bill program with states existing infrastructure. Could strengthen existing bottle bill to cover everything that is logical and feasible to cover. Represents one percent of the states disposed waste stream. If goal is that the whole is 25% of packaging which adds up to 6.7% of the total, making more complete the bottle bill would get you one percent of those six point seven percentage points. As an example of what has happened in the last couple years, we requested data from CalRecycle on changes in glass tonnage over last four years (2012-2016), and glass tonnage to redemption centers in bottle bill has declined by 129K tons as a result of some of the policy changes and loss of some redemption centers. Just strengthening what we already have can help us achieve policy objectives. A couple of years ago, the forest products producers, paper and paper packaging producers, implemented a program that gives them funding of \$25 million a year to advertise benefits of paper packaging. If you look at CA's population percentage being about 10%, that means there is roughly two million dollars per year to promote benefits of paper products and packaging in this state. As you are considering these policy goals, there is another force that wants to take market share away from other packaging types and those forces are probably at odds together.
  - Karen- We mention deposit systems broadly, but not bottle bill specifically.

### **Discussion on Stage 2: Pairing Policy Tools with Packaging**

- **Miriam Gordon, UPSTREAM**- Because source reduction is highest priority in the integrated waste management hierarchy, wondering why reusables and refillables have not been addressed in policy approaches? Oregon has new refillables program emerging, would like to see exploration of that concept. In terms of motivating consumers to use less disposal packaging, wondering if material management fee policy suggested in document encompasses idea of consumer fees attached to single-use disposables. Another policy option already employed in CA with paper bag fee. Is that something already anticipated?

- Cynthia- Regarding have we considered attaching fees to single-use packaging items, the paper is not that specific, so we'll take that into consideration. Karen's presentation mentioned the challenge of using reusability and recyclability as screening criteria, but we have called out need for source reduction to be considered throughout the process. We can do that more explicitly in final model and look forward to talking to you more if you have specific ideas.
- **Tony Kingsbury, TK Consulting-** For all of these proposed questions and policies we are looking at, we should talk about alternatives assessment. When you move from one chemical to another, you can move away from something you dislike, but if you do not understand what you are going to, you can end up with unintended consequences, and we run the risk of doing that here. Need to understand potential unintended consequences. Seems like it would not take a rocket scientist to figure out what some of these policies would do in the market place. Play through some of those scenarios. Are we going to affect food waste in a positive or negative way? Clearly a priority of CalRecycle is to deal with food waste, so let's not create more of it, so you have more of it to deal with. Something to add for all policy tools considered is alternatives assessment/ unintended consequences consideration.
  - Karen- Avoiding unintended consequences is part of the motivation of a comprehensive approach, as we understand a piece-meal approach might create that, but something we are keeping in mind and appreciate the comment.
  - Howard- Still seeking written comments and have the ability to meet with folks. Started looking at pros and cons of different tools, acknowledging tools have tradeoffs and want to make sure we capture potential impacts.
- **Chuck White, Phillips LLP-** Strongly suggest working with CARB to find ways to maximize the production of low-carbon fuels from packaging waste that would enable and facilitate collection, processing and recycling of packaging waste into low-carbon fuels. Would be a tremendous outlet for materials and fill extremely important policy need of the state to produce low carbon fuels. Evaluate plusses and minuses of all technologies to maximize production of low carbon fuels.

### **Stakeholder feedback on Stage 3: Implementing Policy Tools/Next Steps/Open Discussion**

- **Howard Levenson-** Still accepting written comments following the workshop until October 31. Goal is to present a set of recommendations that would be made public, and formal recommendation to our Director early 2018, January or February. Need written comments back relatively soon so we can incorporate and revise paper. Also having discussions with stakeholders over the next month or so.
- **Veronica Pardo, California Refuse Recycling Council-** Wanted to again bring up National Sword, with plastic 3-7's and mixed paper and some diversion issues we are going to face within infrastructure and collection methods we currently use. In some criteria when looking at infrastructure, material may or may not answer question of whether we have markets or ability to move material in next years or decades. Conversation is really relevant in terms of larger packaging conversation. It is a time issue. Facing export issues, and need to work on CA markets and manage material here, and wanted to elevate that issue again.
  - Cynthia- Not going to be an easy thing to deal with. Department will be conducting workshops soon to elevate that discussion as well. Stages and process the framework outlines can facilitate a discussion about phasing and timing of particular policy tools.

Maybe for certain packaging types, certain policies may be more helpful to put in place sooner, and some could occur further down the line to facilitate more significant policy tools. Tackling complex issue, phasing approach can be utilized and perhaps what it will take for National Sword discussion.

- **Kevin Messner, Association of Home Appliance Manufacturers-** Encourage you to narrow or specify this broad framework as much as you can. Difficult to provide comments when things are so broad. Going to large appliance manufacturers and saying this is “packaging,” although “packaging” is so different, they are very different questions. Ran into this problem with Safer Consumer Chemicals. Some plastics may be used anywhere from a plant floor, to a product, to packaging, to other uses. Broadly defining terms and angles makes it difficult. Encourage you to narrow or specify the scope as much as you can. The easier and less complicated it will be and easier to get more substantive comments instead of large comments we have gotten thus far.
- **Roxanne Speakerman, Roplast Industries-** Mentioned early, there should be a fee associated with producers, do not disagree (even as a producer) as long as it works like Green Dot system where material gets back to them, but it’s in the hands of the brand owners. I can sit down with brand owner to say why they need to compromise marketing to produce something, but brand owners need to have pressure on them. Several CA manufacturers want to change, but what pressure will be put on brands to incorporate changes because they hold the power in all of this?
  - Howard- Point well taken. In EPR programs, recognize brand owners are key part to that approach.
  - Karen- We have been meeting with brand owners to help try to get at this, and we recognize that there are roles for everyone within the product chain. Appreciate the comment, we are looking at this.
- **Andy Hackman, AMERIPEN-** One of the tools impacts the consumers (PAYT). But, you do not discuss consumer behavior as it exists now in the system and not much discussion on how consumer behavior will change in the paper.
  - Howard- Let’s schedule a follow-up to discuss in more detail how that could be incorporated into framework.

#### **Closing Remarks by Howard Levenson-**

- Appreciate the comments we have gotten today, and encourage to also send written comments. Happy to set up one-on-one conversations in the next month and a half or so. Will not have another workshop this year, but intend to bring recommendation to director at one of our public meetings, generally the third Tuesday of the month, probably January or February.
- Karen- Please use new packaging shared email account ([packaging@calrecycle.ca.gov](mailto:packaging@calrecycle.ca.gov)), which is actively monitored and helps us keep track of comments and meeting requests coming in, and sign up for packaging listserv. Also, please sign in or drop card in basket before you leave. Again, appreciate the comments and look forward to hearing from you more.