

Advocacy Group Says US Needs Mandated Producer Responsibility Program

Mike Verespej | July 18, 2012

BOSTON (July 18, 7:20 a.m. ET) -- A new report from the environmental and social responsibility advocacy group **As You Sow** says that U.S. packaging companies "lag their global peers" in taking responsibility for post-consumer packaging, that there is a need for some form of a mandated producer responsibility program to finance "an upgrade to the recycling infrastructure in the U.S." and that "the explosive increase of plastic packaging requires special attention."

"There is a need to exert greater focus on plastics, which have come to dominate the packaging sector and pose special challenges for collection and recycling," said the report. "Society needs to start prioritizing and limiting the kinds of plastics used in packaging," companies should make commitments to use "far higher levels of recycled content" in their packaging, and "the production of single-use plastic products should be discouraged and dis-incentivized."

As You Sow estimates that \$11.4 billion in post-consumer packaging was discarded in the U.S. in 2010, with more than \$8.3 billion—or nearly 73 percent of that—plastic packaging.

"Despite modest progress on container recycling, companies must acknowledge an ongoing failure of corporate leadership on recycling in the U.S., just as political leaders must acknowledge similar failures in public policy," said the report, *Unfinished Business: The Case for Extended Producer Responsibility for Post-Consumer Packaging*, which was released July 18.

"Companies need to stop ducking accountability" and ... factor ... into future operating costs" the costs associated with "collecting and recycling materials," said the report which was written by Conrad McKerron, senior director of **As You Sow**, who focuses his efforts on engaging companies to develop producer responsibility programs for post-consumer packaging and end-of-life electronics. "We simply cannot afford to bury valuable packaging material."

The report does not dismiss the positive impact that some individual corporate initiatives have had. But it said that some type of extended producer responsibility program is needed to really ratchet up recycling rates nationwide.

"Voluntary ... individual packaging take-back commitments by companies like Starbucks and Estee Lauder are laudable and can be substantive [and have] a temporary positive impact," said the report. "But [they] have not resulted in significant increases in recycling nationwide [and] in the long run they can cause market distortions [because] proactive companies who invest in recycling systems [are] incurring additional costs not borne by their competitors."

"The time has come to shift financial responsibility for collecting and recycling used packaging from taxpayers to producers through ... extended producer responsibility," said the report. "A mandated system with fees based on materials put on the market by each producer creates more equity, a level playing field, and [provides] badly needed resources to upgrade [the] U.S. recycling infrastructure."

"Given its high consumption rates, the U.S. should take action now to improve its waste collection infrastructure to capture a far greater amount of post-consumer materials and develop closed loop systems that will efficiently recycle these increasingly valuable materials."

In addition, a way needs to be found to limit the types of plastics used in packaging, especially since the amount of plastics produced globally is growing at 9 percent a year, said the report citing a November 2011 report on marine debris by

the scientific and technical advisory panel of the Washington-based Global Environmental Facility, the world's leading financier of projects to protect the global environment.

"More plastics were produced in the first decade of the present century than in the entire preceding century," said the report, and "a bewildering array of plastics ... have come to dominate packaging [yet] only 2 million tons out of 30 million tons of plastics waste generated annually are recycled."

"It is unrealistic to expect waste processors to devise separate recycling streams for all the different kinds of plastics that can disrupt recycling and processing facilities," said the report. "Packaging users [in the U.S.] need to limit packaging types to those that are most recyclable," following the example of the Canadian Grocers Initiative that mandated the use of PET thermoformed packaging for most food packaging in grocery stores starting this year.

In addition, the report said that "single-use plastics—especially items such as take-out food containers, utensils, and packaging most likely to end up on beaches and in oceans—should be discouraged and dis-incentivized wherever possible."

As You Sow also took food retailers to task for the paucity of systems to collect and recycle packaging materials at or near their locations.

"Food retailers should develop on-premise collection and recycling of post-consumer packaging and public space recycling outside and adjacent to their outlets," said the report. "Franchisees should be required to adhere to the same rules as parent-owned and operated locations."

The report also called the 12.1 percent recycling rate for plastic packaging in the U.S., as calculated by the Environmental Protection Agency, "dismal."

"Nearly 70 percent of all post-consumer plastic, packaging ... lacks any form of strategy—curbside collection, store drop-off, user taxes, product bans, or deposits—to incentivize reduction or provide recycling."

"A key element of a 21st century corporate sustainability policy must be a proactive and comprehensive approach to reducing and eliminating product and packaging waste, both in the production and post-consumer phase," said the report. "Few U.S. companies have such policies."

The report chided companies "that cling to token steps like paying a third party to encourage consumers to mail back used packaging for re-use," saying that such companies "are not really serious about dealing with packaging waste."

"A company may be able to create a temporary, feel-good public relations halo with modest subsidy of such efforts," said the report, "but the amount of packaging that gets recycled in comparison to curbside or deposit systems is minimal," noting the amount of materials recycled through those programs is generally "not disclosed."

"Companies that will thrive in the future need to acknowledge and plan now for how to operate sustainably in the coming era of resource limits," said the report. "Companies need to [give] preference [to] packaging materials that can be easily and repeatedly recycled [and] start now to invest in materials that will perform well in closed-loop recycling systems and to phase out those that don't."

The report recommended that businesses that place substantial amounts of packaging on the U.S. market take responsibility for collecting and recycling post-consumer packaging, and that companies need to engage their peers and other stakeholders and reach agreement on binding producer responsibility legislation that sets recovery goals of 75 percent or higher for all individual kinds of packaging and set an aggressive timeline for meeting them.

The report also said that a mandated packaging EPR program in the U.S. should address all packaging types, apply to commercial, industrial and residential packaging, and include the following:

- Management of the program and funding of the program by the producers of the packaging.
- Aggressive recovery targets with enforceable penalties set by government for failure to meet goals.
- Participation by all industries that produce waste streams with each producer contributing an equitable share to the program.
- Transparent cost allocation.
- Transparency in EPR collection and recycling data, including data from commercial service providers.
- Industry-funded away-from-home collection, as well as curbside programs.
- Sophisticated educational/promotional programs to ensure consumer participation.
- Mechanisms that work synergistically with existing container deposit programs.
- A focus on materials management and market development for all recyclables.
- Provisions to reduce and phase out the use of non-recyclable packaging.
- No incineration as that sends the wrong message to consumers and markets on materials conservation and efficiency.

In addition, **As You Sow** said that the EPA and the states should propose policies that require companies to move toward genuine source reduction to ensure that businesses proactively adapt sustainable production practices before resource shortages occur.

The report also said that companies should:

- Put resources into designing packaging for recycling in a manner that includes full consideration of the end-of-life aspect of packaging and, where possible, develop designs that promote closed loop systems for packaging.
- Limit packaging materials to the most readily recyclable materials to save processing fees and promote robust post-consumer materials.
- Make commitments to use far higher levels of recycled content in product packaging.
- Publicly support efforts like mandated producer responsibility laws that will drive more aggressive and effective collection efforts and ensure a more stable, long-term supply of post-consumer materials to use as feedstock.

“The history of efforts to date of EPR for packaging demonstrates it can provide an efficient and effective packaging recycling policy for the U.S. for the 21st century,” said the report, which detailed EPR programs in Europe and Canada.

“EPR for packaging programs [in 47 other countries] have increased packaging recycling rates, spread collection and recycling costs among producers in a generally equitable fashion, provided incentives for producers to make lighter and more efficiently designed packaging, and reduced the amount of waste going to landfills.”

“EPR embodies a crucial societal advance by recognizing that mining our ‘trash’ can propel us towards sustainable production and consumption policies that will ease the stress on our planet’s limited natural resources and help enable us to feed, clothe, and shelter nine billion people by 2050,” said the report. “It can capture billions of dollars of value embedded in used materials, provide thousands of new jobs, and substantially reduce greenhouse gas emissions and en-

ergy use.”

According to a study done by the Public Policy Institute that was quoted in the study, 44 percent of greenhouse gas emissions in the U.S. come from products and packaging.