

Financing Packaging Recycling and Recovery in the U.S. – Has the Time Come?

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Informed Packaging Decisions Start Here™

About **AMERIPEN**

Producer Responsibility Overview

AMERIPEN Process

State and Federal Activity in the U.S.

Q&A

AMERIPEN is the only trade association focused exclusively on public policy for the entire U.S. packaging industry in order to promote the best use, benefits and functions of packaging.

We develop and advocate positions on issues related to packaging and the environment, using sound science and a philosophy of material neutrality.

Our membership represents the entire packaging supply chain, including materials suppliers, packaging producers, consumer packaged goods companies and end-of-life materials managers.

VISION: Packaging is recognized for all its benefits, including preventing waste and driving a circular economy.

MISSION: Be the leading voice for the packaging industry, using science to inspire, create and advocate for sustainable solutions for the packaging value chain.

Shifts some level of the economic burden of managing products at EOL (collection, recycling, disposal) from local government and taxpayers to product producers.

Producer required to take partial (shared) or full financial and/or physical responsibility of their products at EOL.

May or may not incentivize changes to product's environmental (e.g., reduce, reuse, recycle) and/or health (e.g., toxics) attributes over its life cycle.

Common state EPR programs exist in U.S. for hard-to-recycle (HTR) products like carpet, mattresses, mercury thermostats, paint – sometimes also referred to as **product stewardship**.

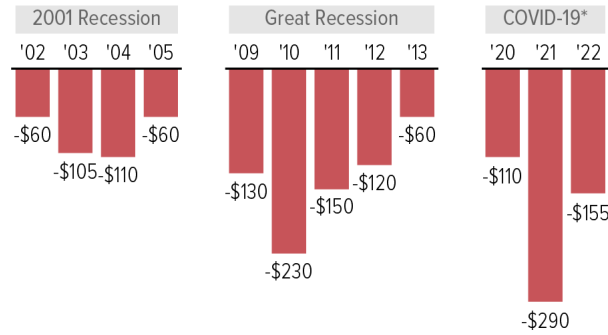
Packaging product stewardship or **producer responsibility** exists in other jurisdictions (e.g., Canada and EU) but not yet in the U.S.

Why Now?



COVID-19 State Budget Shortfalls Could Be Largest on Record

Total state budget shortfall in each fiscal year, in billions of 2020 dollars



* Estimated based on CBPP calculations
Source: Pre 2014: CBPP survey; 2020 and following: CBPP calculations



AMERIPEN response? Financial Mechanisms Taskforce

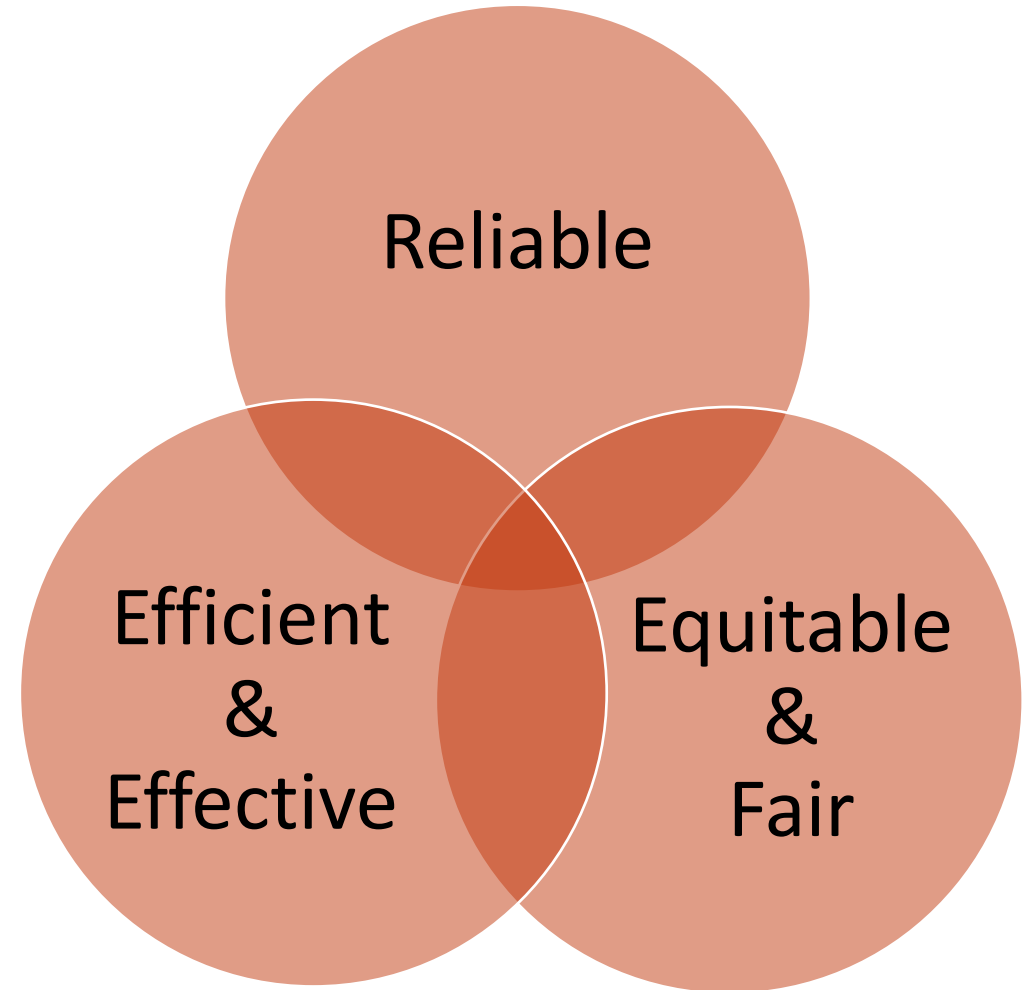
Industry Financing Principles

Reliable – can withstand market volatility; unlikely to be diverted; expected to provide needed levels of revenue for certain timeframe/objective.

Efficient and Effective – reasonable administration costs; incentivize positive behavior; fund desired element.

Equitable and Fair – allocation of costs perceived as fair among all contributing; free riders only by design.

(adapted from Carton Council “Moving the Needle”)



Industry Financing Objectives

1. Be directed towards initiatives that increase packaging recovery.
2. Work at state level but be managed at national level.
3. Be managed by industry; caps on administrative costs.
4. Be tied to best practices for packaging recovery.
5. Not compete or duplicate successful initiatives and programs.
6. Support the future of packaging – not just immediate needs.
7. Cover all materials/substrates – not just plastics – and with limited exemptions.
8. Phase out after reaching thresholds (TBD).
9. Not be redirected by government.

Who Pays and How?

Brand Owner



Brand Trademark Licensee or Owner



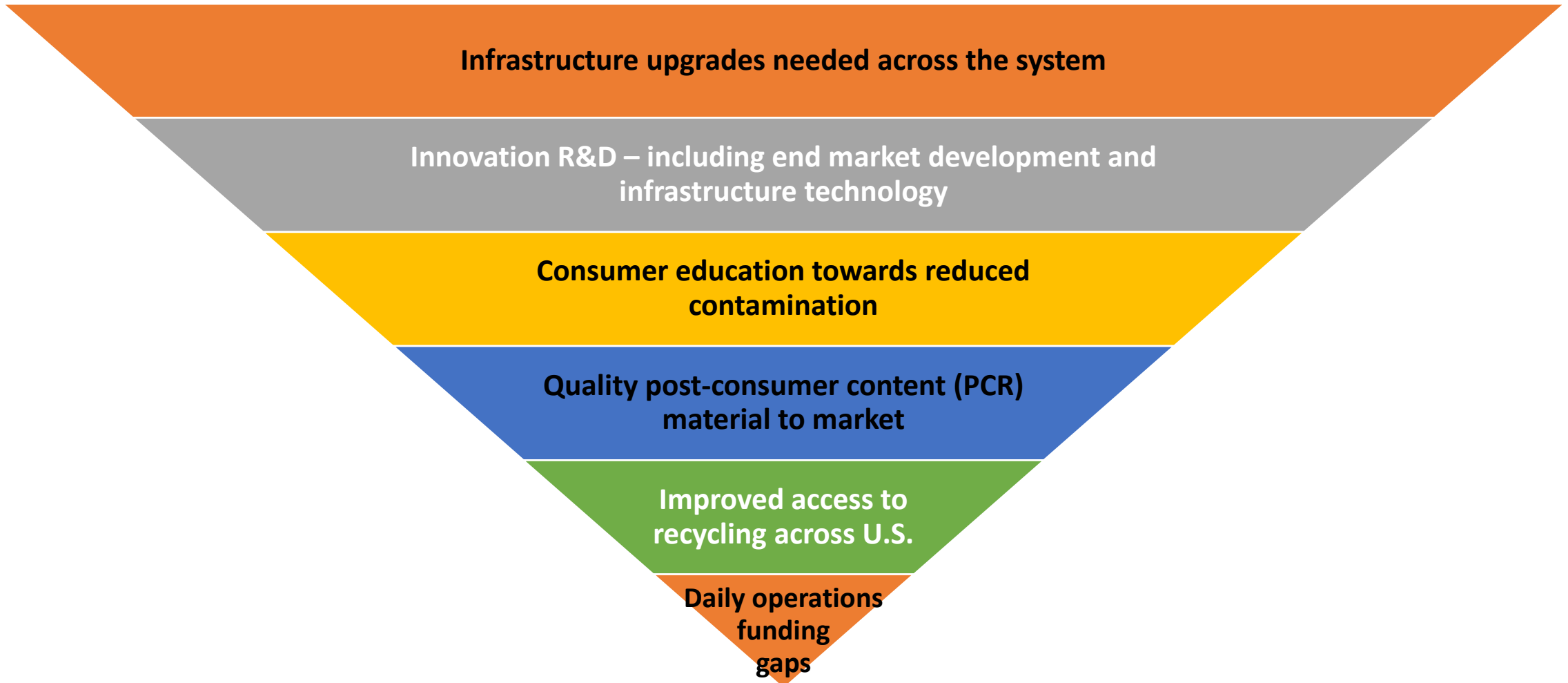
First Importer into State

Substrate/Weight Fee?

Per Item Fee?

Revenue Based Fee?

Where Should the Money Go?



What Did We Do Next?

Policy – adopted to inform future advocacy, lobbying and stakeholder engagement (October 2020).

Legislative Outline – developed from policy and began to leverage for advocacy, lobbying and stakeholder engagement (December 2020).

Collaborated and Lobbied – with multiple stakeholders across packaging value chain – brands, haulers, manufacturers, NGOs, policymakers, etc. – to help shape proposed packaging producer responsibility legislation in multiple states (January 2021 to present).

Dug Deeper – with our Financial Mechanisms Taskforce and others to better understand implications of multiple issues – producer organizational structure, data collection, preferred funding mechanisms, eco-modulation, e-commerce, compostables, etc. – as packaging producer responsibility moves closer to reality in the U.S. (January 2021 to present).

Today and Tomorrow?

- 10** – States with packaging producer responsibility bills this year:
 - California, Hawaii, Maine, Maryland, Massachusetts, New Jersey, New York, Oregon, Vermont, Washington
- 3** – States with bills still active and viable as of presentation recording:
 - Maine, Oregon – **both likely to become law**
- 2** – Federal bills containing packaging producer responsibility language:
 - Break Free From Plastic Pollution Act
 - CLEAN Future Act
- 1** – Model bill?

QUESTIONS?

THANK YOU!

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