Comments on CCSSM Public Engagement Questions

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Marcia Kinter <mkinter@printing.org> Thu 10/15/2020 11:45 To: DEEP RecyclingProgram

Comments for CCSSM.pdf 226 KB

Thank you for the opportunity to comment. Please find attached our comments on your published public engagement questions.

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Connecticut Coalition for Sustainable Materials Management CT Department of Energy and Environmental Protection

To Whom it May Concern,

RE: Request for Comments and Solutions on Public Engagement Questions

Thank you for the opportunity to submit comments on the questions posed for public engagement. The PRINTING United Alliance (PrUA) PrUA represents the interests of facilities engaged in the production of products through screen, digital, flexographic, and lithographic printing processes. This includes facilities engaged in packaging, labels, garment decoration, production of membrane switches, decals, all types of signage, as well as commercially printed paper products, such as books, pamphlets, and other marketing materials. The printing industry is comprised primarily of small businesses, with about 80 percent of establishments employing 20 or fewer people.

Overall, we support the move towards strategies that can be implemented that both seek to encourage increased recycling opportunities on the part of residential and industrial facilities and provide incentives to reduce the impact of packaging on the environment. We do believe that there are solutions available to accomplish this goal that do not penalize companies engaged in the production of products through the imposition of an increased user fee or tax as envisioned by an Extended Producer Responsibility program. Additionally, we encourage the state to consider pathways that do not stifle innovation that is occurring at the various levels of the supply and disposal chain to address the temporary lack of recycling capacity for many types of solid wastes, including packaging as companies adopt changes in material composition, incorporate new product designs, and address the fate of materials once consumed. To this end, we offer the following recommendations.

Further research is required

In reviewing the presentations provided on the Coalition's website, the basic survey research of the community is a positive first step towards identification of possible solutions. Based on the results provided, it was difficult to determine the actual breakdown of recycled or recyclable materials. As you are aware, the "paper" category contains a diverse set of products, including, but not limited, to paper-based packaging as well as other materials such as direct mail, newspapers, magazines, catalogs, etc. Additionally, the category of "plastics" is also a very diverse recycled category and contains many different types of materials. To gain a better understanding of the breadth of materials identified, it would be beneficial to understand the specificity in the types of materials either currently recycled or send to waste to energy facilities. This information is critical to know prior to making any decisions on the next steps that could be pursued.

These data points are critical. If the Coalition is to move forward with recommendations regarding recycled content or recyclability standards, then the recommendations should be

based on the state's current recycling streams. Connecticut's mandatory recycling law does cover items that are being considered for additional program recommendations, including corrugated cardboard and boxboard. This leads us to ask a critical question regarding the fate of corrugated based packaging. Does the Coalition know, based on the survey conducted, if most of the corrugated packaging is currently in the recycling stream? Further, we would be interested in any data that the Coalition has collected regarding the recycle rate of plastics by type based on the current recycling code. This type of information is essential to gather and share before strategic recommendations can be offered.

Existing Extended Producer Responsibility Program Strategies Must be Carefully Vetted

There are programs that have been implemented that are compatible with the recommended strategies listed in the stakeholder document. We are specifically addressing the concept of Extended Producer Responsibility Programs. While programs in Canada, specifically British Columbia and Ontario, have been in operation for many years, we encourage the Coalition to research not only the program concept itself, but underlying recommendations regarding the stated goals and outcomes of program.

In a recent research paper, "Review of Recycle BC Program Performance" 1 performed by York University in Ontario, Canada provided interesting observations regarding both the implementation and operation of the program operated by Recycle BC. The purpose of the study was to undertake a review of recycling and economic performance of the Recycling BC (British Columbia) residential recycling program, between the periods of 2015 and 2018 which are the years for which data is available. The Recycle BC program is often touted as a "best practice" model of steward lead extended producer responsibility and is seen as a potential model to be replicated in Ontario and other jurisdictions across the United States.

In their report the authors conclude that "This study, while still ongoing, conclusively demonstrates that the Recycle BC program has actually experienced year over year cost increases that exceed that of any other jurisdiction, and that recovery rate performance has stalled." Their other conclusions include:

- Despite a 7% increase in service coverage (measured as # households with access to curbside/depot collection), total collected recycled tonnes remains unchanged, while tonnes of material being sent to landfill disposal is increasing. Overall, tonnes being collected by Recycle BC (including recycling, recovery, energy from waste and disposal) is trending downwards.
- The most significant driver of increase in costs can be traced to increase in per tonne material management costs (which increased by 20.5% year over year between 2017 and 2018). While the specific cause for this increase is difficult to isolate, a potential explanation is that the proliferation of light weight and composite materials cannot be readily managed in existing recycling systems.
- There is no evidence to indicate that a steward operated extended producer responsibility scheme will result in cost containment or increases in recycling performance. In fact, the rate of year over year cost increases is greater in British

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¹ Lakhan, Calvin, Ph.D., McMillan Elizabeth Cho, Review of Recycle BC Program Performance, York University, 2019, page 15.

- Columbia (steward lead) than it is in Ontario (municipally lead), when compared over the same time period
- Increases in the cost of recycling end of life printed paper and packaging is ultimately born by the consumer. It is estimated that a 100% EPR program for printed paper and packaging results in a 5-7% increase in the cost of groceries and packaged products for the average household. These impacts are more acute among lower income households, who on average, consume more packaged good as a proportion of their overall consumption.
- BC's performance is actually strikingly similar to Ontario. Most jurisdictions have an equilibrium point, which can best be characterized as the recycling rate a given area is likely to achieve independent of major programmatic change or policy intervention. In Ontario, it is roughly 60%, while in BC, it appears to be 75%. Anything above this equilibrium point is likely to require significant investments in both infrastructure and outreach, often coming at an extremely high marginal cost. In the case of BC, for every 1% increase in the recovery rate, program costs are expected to increase by \$5.4 million dollars.
- Based on the types of material RCBC is recovering, a significant % of year over year
 increases in diversion can be attributed to increased recovery of glass. Given the
 relatively poor value of glass cullet and the nominal environmental benefits
 associated with glass recycling, we have to ask ourselves the question: What
 materials do we need to target to ensure increases in diversion offer the best
 environmental and economic outcomes?
- A claim made by supporters of the Recycle BC model is that stewards will be able to achieve cost efficiencies and simultaneously develop packaging that is compatible with a steward owned and operated waste management system. There is no evidence to date that shows a steward led EPR program will lead to either increased recycling or cost containment.
- Stewards have demonstrated an ability to develop more sustainable packaging (from a life cycle perspective), but not necessarily material that can be readily recycled or diverted within the existing system.
- Other jurisdictions need to think very carefully before adopting a similar model. It is imperative that policy makers begin to dig deeper into the numbers, and demand greater transparency from Recycle BC, in order to truly determine whether it is a model worth following."

The work done by York University was supported by an earlier study on the British Columbia entitled "Recycle British Columbia's Extended Producer Responsibility for Packaging and Paper: An Assessment of Its Impact²," by Chaz Miller. The report concludes "BC's EPR model has failed to achieve significant environmental milestones. The report finds that examples of product redesign as a result of EPR policy in BC and Europe are "few in number and anecdotal at best." Furthermore, manufacturers simply pass on the costs of EPR to their customers as a cost of doing business. BC's packaging EPR system fails to differentiate products based on recyclability and overall environmental performance. In fact, the program actively discriminates against lightweight products that are hard to recycle but still have a lower environmental footprint than their recyclable competitors.

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² Paben, J., 2020. *Report Says Canadian Packaging EPR Is Failing To Deliver - Resource Recycling News*. [online] Resource Recycling News. Available at: https://resource-recycling.com/recycling/2019/04/02/report-says-canadian-packaging-epr-is-failing-to-deliver/ [Accessed 15 October 2020].

BC's EPR system is simply a recycle-only approach to materials management that is uninterested in achieving the lowest environmental footprint."

The report also examined how BC's EPR system is also failing local governments as a financing system. "Cost data is underestimated and lacks transparency. BC's EPR system pays incentive fees it determines are "reasonable" to local governments. As many BC communities have pointed out, these fees do not necessarily cover their full costs. As a result, the true costs of recycling are underestimated. Local governments make up the difference where the "reasonable cost" payment does not cover the real costs and residents pay as manufacturers pass on the hidden costs of EPR without notice."

What these two papers clearly indicate is that traditional EPR programs are fixated on recycling-based outcomes, particularly for light weight and composite materials, and results in unnecessary cost escalation and questionable environmental performance. The existing waste management infrastructure is not compatible with the types of materials now being used in packaging. Given that the proliferation of light weight and composite materials is only going to increase over time, the existing approach to EPR and recycling is not feasible. In addition, the costs are passed along to the consumer and there are no measures being taken to protect the most vulnerable populations to these increased costs.

We believe that any program adopted, either one that considers EPR or mandated recyclability/content, needs to incorporate provisions that allow for innovation. This innovation focus is both in terms of packaging design and materials, as well as new recycling or waste removal technologies. Adopting a system that only considers the current situation will become static and, in our opinion, obsolete over a short period of time.

The current marketplace is requiring packaging manufacturers to innovate – both in design and materials. Any system adopted must be able to address and pivot to accommodate these new innovations. In fact, Dr. Lakhan in his study on the Recycle BC program points out that the "tension between designing a package that is recyclable, or designing a package that has lower environmental impact, is an issue that the waste management sector must address. And EPR program should be centered around environmental outcomes, using a life cycle approach the prioritizes a package's impact on the environment." The report indicates that alternative end of life scenarios should be considered, such as waste to energy, when working with materials that possess low levels of recyclability but do achieve environmental savings.

We urge the Coalition to continue to explore the continued use of these end of life scenarios. Our goal is to work to reduce the overall environmental impact of a printed package while meeting the needs of both our customer as well as the end consumer.

Conclusion

We urge the Coalition to conduct a wider literature search for research that not only supports concepts outlined in the public engagement questions, but also the research that questions the current path forward that has been adopted by other jurisdictions. The fundamental premise of sustainability is continuous improvement. To adopt a program without consideration of how it would impact your local jurisdictions or how it can be improved is not a sustainable practice.

³ Ibid, page 13

Thank you for the opportunity to provide feedback and input. We would be happy to discuss further, and can be reached at 703-359-1313 or by email at mkinter@printing.org.

Sincerely,

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