

Packaging Recovery and Recycling Financing in the U.S.

Connecticut Coalition for Sustainable Materials
Management (CCSMM)

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About AMERIPEN

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

Recovery and Recycling Realities

- Increased perception of packaging as waste, and yet the value of packaging is very real.
 - Food waste reduction
 - Greenhouse gas reductions
 - Health and sanitary needs – further amplified by COVID.
 - Product protection (consider ecommerce)
- Negative impact on material and recovery markets (China Sword).
 - Some commodity values down and others lack supply to meet brand commitments
 - Voluntary industry goals include 100% recyclable, reusable or compostable packaging and with increased recycled content goals
- Contamination in single-stream recycling systems is a significant challenge.
- Dramatic impacts on state and local budgets – further exacerbated by COVID.

AMERIPEN Concerns with Traditional EPR Systems

- Inefficient allocation of funding.
- Lack of transparency in use of funds.
- New administrative costs.
- Lack of incentives to modernize the recycling system.
- Lack of clarity on who controls the solid waste system – producers, haulers, local governments?
- Reimbursement for landfilling of materials.
- **AMERIPEN** response = Financial Mechanisms Taskforce to develop industry funding models.

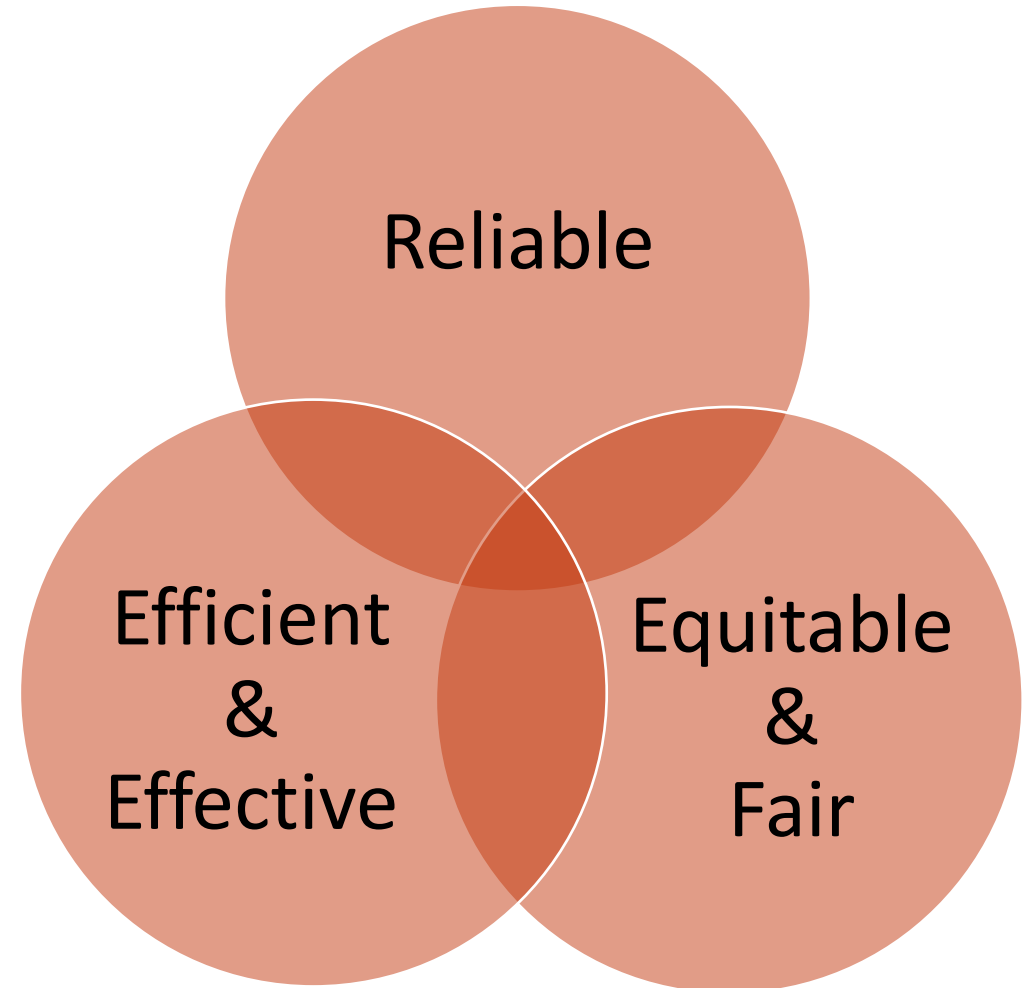
AMERIPEN Principles for Financing

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.

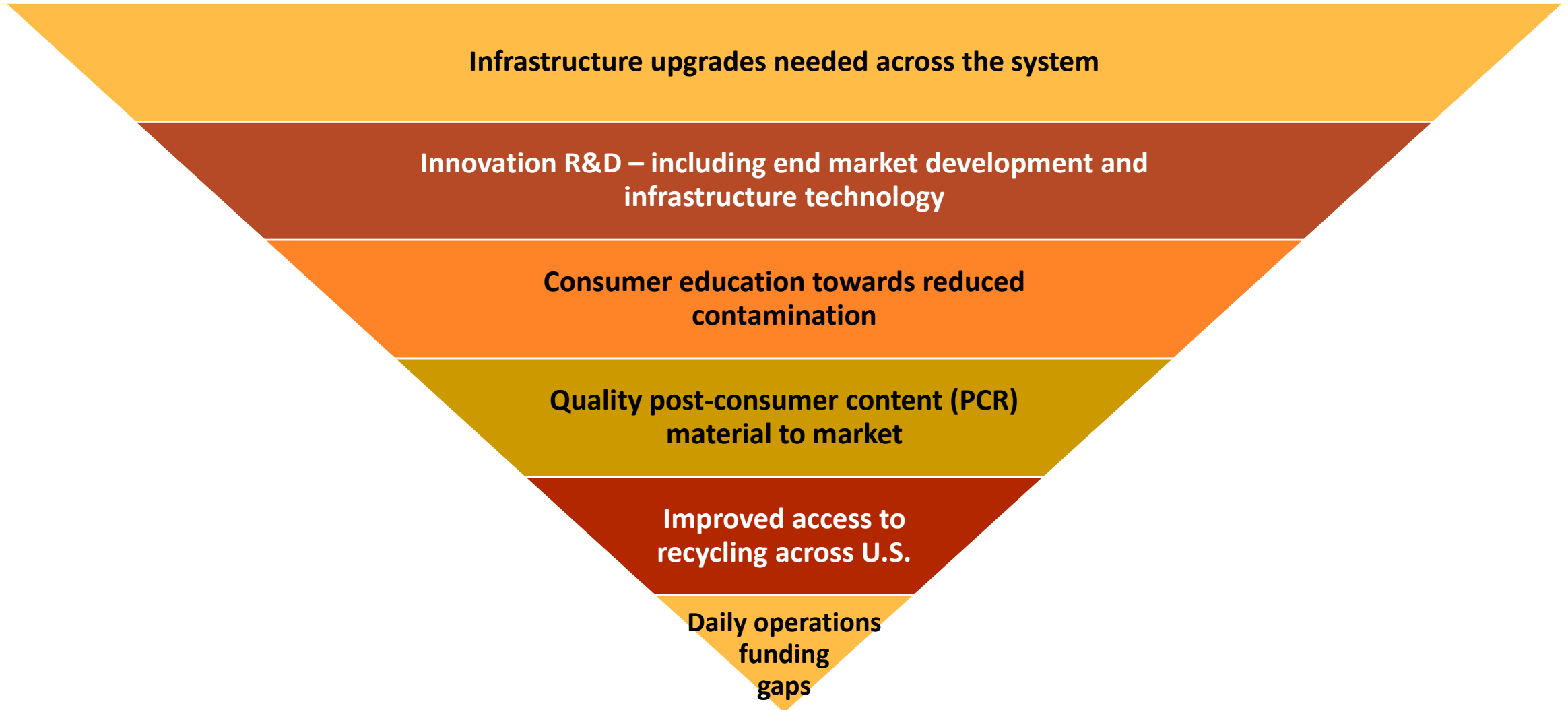
(adapted from Carton Council “Moving the Needle”)



AMERIPEN Objectives for Financing

1. Industry funding directed towards initiatives that increase packaging recovery.
2. Industry funding should work at state level but be managed at national level.
3. Industry funding should be managed by industry and must have caps on administrative costs.
4. Industry funding should be tied to best practices for packaging recovery.
5. Industry funding should not compete with or duplicate successful initiatives and programs.
6. Industry funding should support the future of packaging – not just immediate needs.
7. Industry funding phase out should be allowed after reaching TBD thresholds.
8. Industry funding should not go to state government general or managed funds.

Preferred Hierarchy for Industry Investment



AMERIPEN Next Steps Toward State Solutions

- Continue to study and discuss specific funding options and mechanisms.
- Continue dialoging with various stakeholders on common ground and areas of concern.
- Finish developing structure of programs and models to support funding and based on financing principles and objectives.
- Finalize agreements with various stakeholders on programs and models.
- Create a functional national structure for financing and with state level opt-in elements.
- Work with states on local implementation and integration.

THANK YOU!

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