

PACKAGING EXTENDED PRODUCER RESPONSIBILITY (EPR) COMPLIANCE

Presented by:

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Overview of EPR Policy for Packaging in the U.S.

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November 4, 2021

RILA Environmental Roundtable



Overview of EPR for packaging

- EPR realigns both financial and governance structure of recycling programs
- Germany enacted first EPR for packaging in 1991
- EPR policy statements issued
 - Ellen MacArthur Foundation
 - Consumer Goods Forum
 - American Beverage Association
 - Flexible Packaging Association
- American Chemistry Council issued Roadmap to Reuse that suggests industry paid fees
- The Recycling Partnership developed federal legislative model that incorporates producer fees.



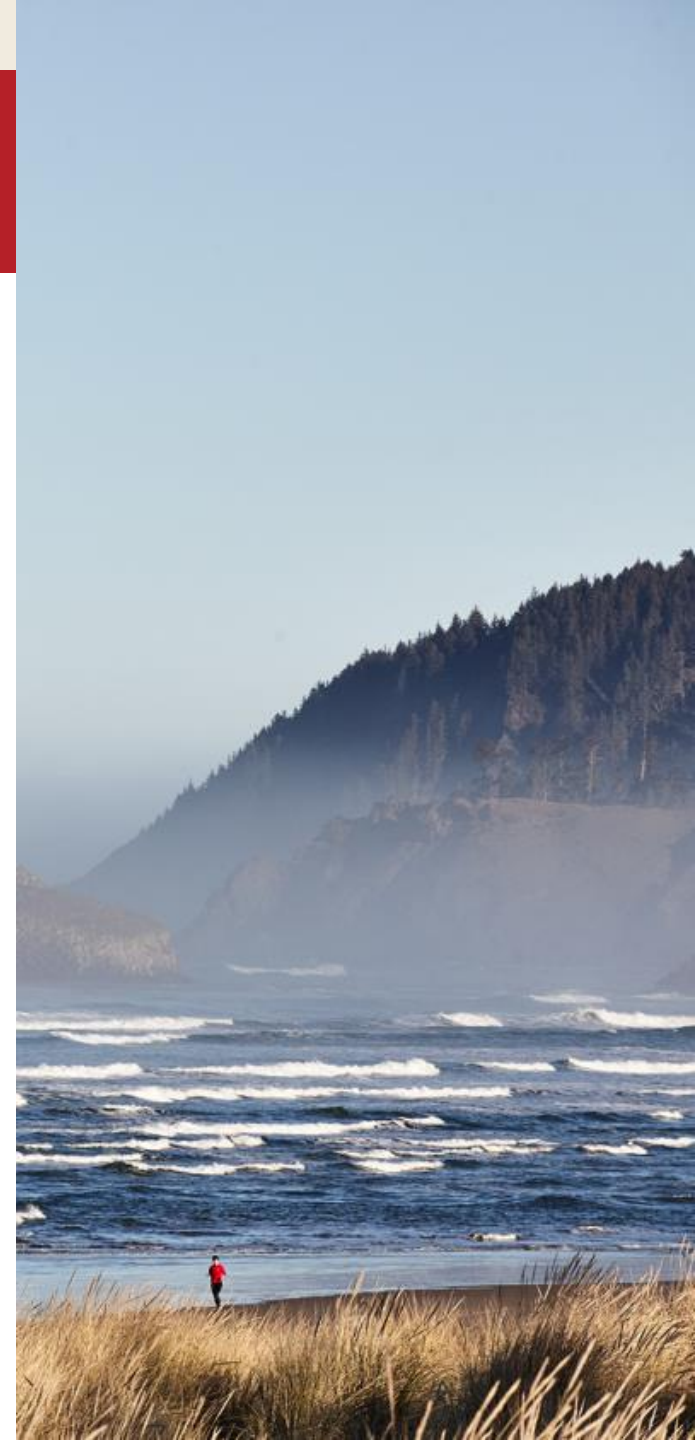
Key Legislation Introduced in 2021

Significant variability
of producer
operational
authority, producer
financial
responsibility
performance goals
and other provisions



Summary of Oregon

- Producers responsible for estimated 28 percent (\$83 million) of system costs (2028-2029)
- PRO(s) to submit plan by March 31, 2024
- Producers responsible for:
 - Contamination reduction programs
 - Education and outreach resources
 - Waste prevention/reuse grants
 - Rural recycling transportation costs
 - Processor payments
 - Expanded collection access
- The bill sets the following statewide recycling rate goals for plastic packaging and food service ware:
 - At least 25% by 2028 and in each subsequent year
 - At least 50% by 2040 and in each subsequent year
 - At least 70% by 2050 and each subsequent year



Oregon Implementation Timeline

2021 DEQ IMPLEMENTATION PLANNING

2022 LAW EFFECTIVE JAN. 1

Oregon Recycling System Advisory Council begins meeting
Truth in Labeling Task Force submits report to by June

2023 RULEMAKING

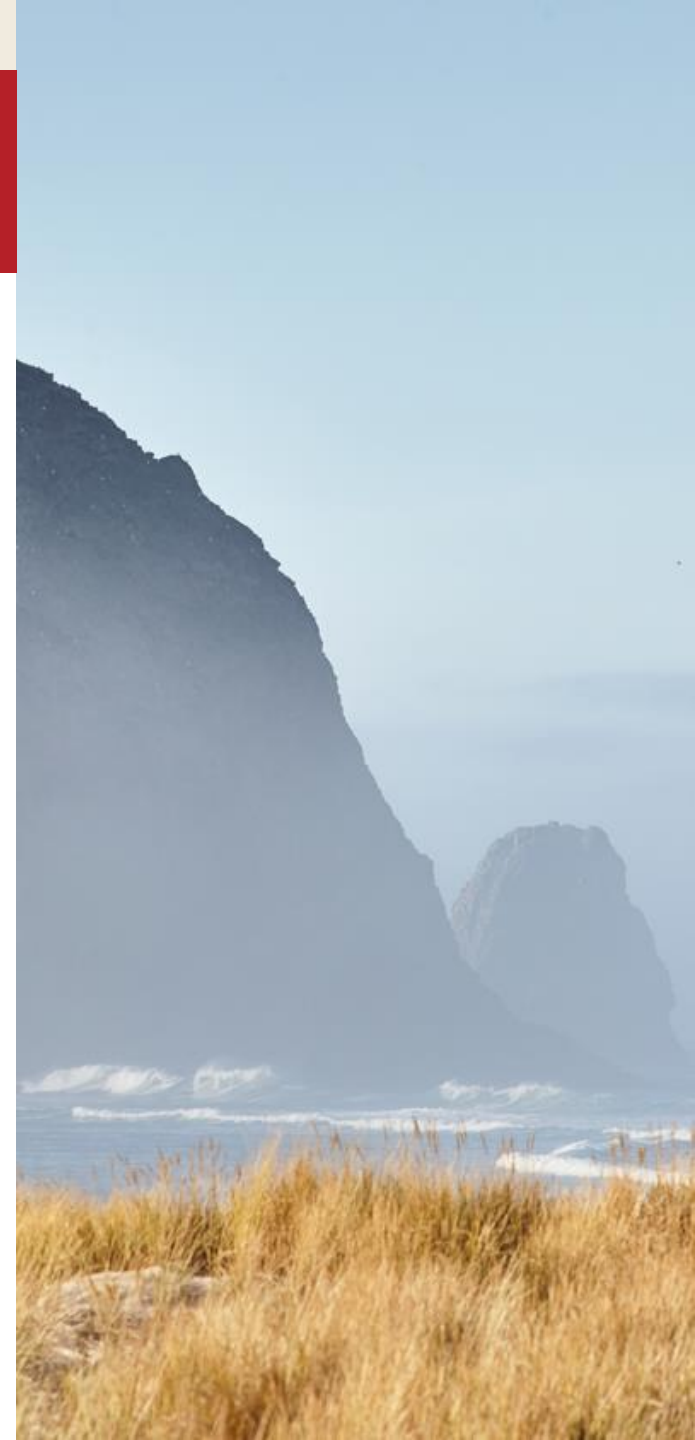
Needs assessment for collection expansion due July 1
Pilot projects for contamination reduction
Studies for processor fees

2024 RULEMAKING

First PRO program plans assessment due May 15

2025 PRODUCERS JOIN A PRO

PROs begin implementation
Local governments implement program changes, including
statewide collection list



Context for PROs in Oregon

- Defined as producer responsibility organization
- Must be non-profit (e.g. 501c3)
- If multiple organizations, then a “producer responsibility organization coordinating body” is to be formed and submit coordination plan to DEQ
- Each PRO is to have at least 10 percent of overall market share
- Coordination activities (calculating market share etc.) are to be determined by DEQ rulemaking



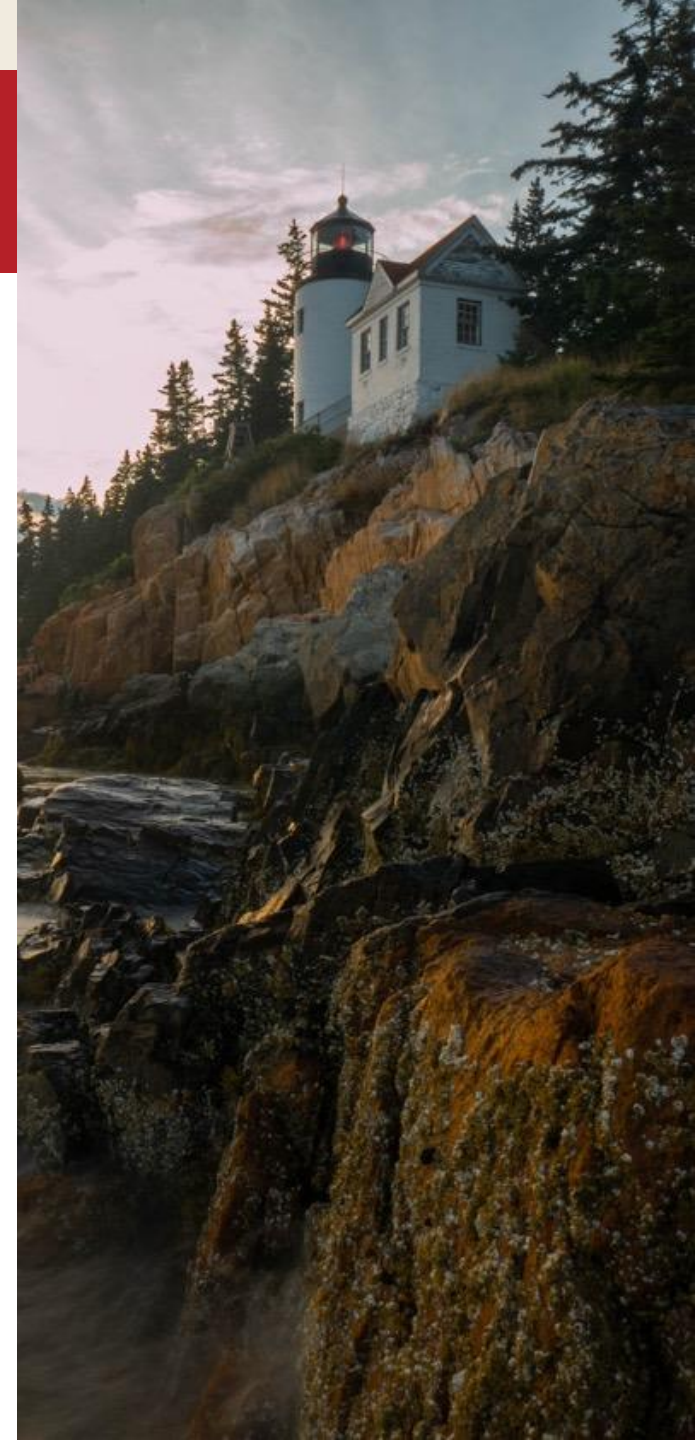
Summary of Maine

- Producers to assume estimated \$16 million to \$17.5 million in costs currently incurred by municipalities
- Municipal reimbursement for collection, transportation and processing costs
- Fee schedule to be determined through rulemaking and is to be eco-modulated
- Performance goals: To be adopted through DEP rulemaking
 - Overall reduction by producers in the amount of packaging material used
 - Increased reuse by producers of packaging material
 - Increased amount of post-consumer recycled content in packaging material
 - Packaging material litter reduction goals
 - Recycling access
 - Collection rate goals for municipalities
 - Overall program recycling rate goals
 - Material-specific recycling rate goals



Context for PROs in Maine

- Identified as “packaging stewardship organization”
- May be either for profit or non-profit
- Will be selected through state procurement rules
- Responsibilities:
 - Conducts statewide recycling needs assessment
 - Develops plan and proposed budget
 - Selected entity is to manage the “packaging stewardship fund” that receives producer payments
 - Administers municipal reimbursements from packaging stewardship fund to municipalities
 - Make investments in education and infrastructure
- Provision for “alternate collection program” that allows producers to offset fees by managing material through approved program



Timeline for Maine

JULY 2022

Funding for program administration available

JULY 2022-DEC 2023

Stakeholder outreach for rule development

DEC. 31, 2023

Deadline to initiate rulemaking

SUMMER 2024

Anticipated adoption of technical rules and provisional adoption of major substantive rules

FEB. 15, 2025

First program update report due to legislature

JAN. 2025

Submittal of major/substantive rules to the legislature for approval

SPRING/SUMMER 2025

Final adoption of substantive rules

FALL 2025

Issue RFP for stewardship organization

2026

Selection of stewardship organization

2027

First payments to municipalities

FEB. 15, 2028

Program report to legislature requiring

JULY 2035

Reissue bid for stewardship organization



Modulated Fees

- Intended to incentivize eco-design
- Impacts fees paid by producers to PRO
- Required for EPR programs at EU level
- Bonus/malus approach
- Fees vary according to specific criteria relating to aspects of their products' environmental performance
- Example from Oregon statute
 - Post-consumer content of the material
 - Product-to-package ratio
 - Producer's choice of material
 - Life cycle environmental impacts
 - Recycling rate of the material relative to the recycling rate of other covered products.



Obligations for Retailers

MAINE

- No obligations under the act other than for private label brands

OREGON

- Retailers have obligations as producers for private label brands
- Explicit recognition of remote sales
- Retailers that operate a single retail sales establishment, have no online sales and is not supplied or operated as part of a franchise or a chain are classified as a “small producer”
 - Not required to join PRO and may be exempted overall
- Does not impose “do not sell” provision as in other EPR laws in U.S.



Stakeholder Perspectives

- Stakeholder group positions often vary by state
- Environmental advocacy groups/municipal associations /state agencies are the primary advocates for bills
- Trade associations positions have varied
- Local government positions vary based on existing infrastructure and authority provided to producers
- Producers generally want more operational authority if performance goals and greater financial responsibility



Key Questions

- Which potential PROs will emerge?
- How much will Maine and Oregon influence timeline and policy choices for other states?
- Will there be increased effort to develop a model policy to promote greater consistency among states?
- How will competitive models (multiple PROs) be addressed and will allocation mechanisms (e.g. a Clearinghouse) be specified?
- Should additional policies (e.g. recycled content) be included in EPR measures?





Contact Information

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RILA – SUSTAINABLE PACKAGING RESOURCES

- **Packaging EPR Industry Viewpoint:** Key industry considerations for product packaging fee policies. Email [Kaela Martins](#) for a copy of the document.
- **RILA Workshop Series Resources:** [Sustainable Packaging - LDPE FILM](#)
- **RCC Tracker:** [EPR Packaging Bills Introduced to States](#)
- **RCC Blog:** [Packaging EPR – State Passage and What's Next](#)
- **RCC Webinar:** [Implementation of Reusable Packaging Models: Lessons Learned from the Field](#) featuring Closed Loop Partners and CVS Health
- **RCC Webinar:** [Upstream Innovation – Packaging Solutions](#) featuring Ellen MacArthur Foundation, Walmart, Walgreens and Ulta Beauty
- [RCC Solid Waste Page](#)

Upcoming Resources:

- Sustainable Packaging Clearinghouse in partnership with FMI
- Pro-Con Packaging Sustainability Strategy in partnership with Chainalytics
- DC of the Future: Accommodating Sustainable Packaging Solutions in partnership with Chainalytics