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[RECYCLINGPARTNERSHIP.ORG/ACCELERATOR](http://RECYCLINGPARTNERSHIP.ORG/ACCELERATOR)

Oregon State Legislature  
900 Court St. NE  
Salem, OR 97301

February 23, 2021

Ref: Amended Senate Bill 582

**Chair Beyer, Vice-Chair Findley, and Members of the Committee:**

Thank you for the opportunity to comment on the amended SB 582 before the committee.

The Recycling Partnership is a national nonprofit that works with companies and communities across the nation to strengthen public recycling programs. Our mission is to ensure that every American can recycle as easily as they can throw something away.

The Circular Economy Accelerator (“the Accelerator”), the policy initiative of that nonprofit, brings together forward-thinking companies to proactively pursue policy solutions to catalyze the circular economy. The initiative’s mission is to advocate for sustainable funding; inspire policy to incentivize recycling over disposal; and develop new models to expedite public-private solutions for circular systems.

As a member of The Recycling Partnership, I participated in the two-and-a-half-year process of the Recycling Steering Committee, the end result of which is the amended SB 582 before this committee today.

The thoughtful stakeholder process, led by Oregon Department of Environmental Quality (DEQ) staff, took into account diverse perspectives of many key players throughout the recycling system here in Oregon – waste haulers; recycling processors; paper and plastic recyclers and packaging manufacturers; and community perspectives of all sizes and through all geographic regions of the state. All with the goal of finding a way to modernize the state’s recycling system and making it more resilient for today and well into the future.

On behalf of supporters of the Accelerator, I would like to thank DEQ for its leadership in advancing recycling policy for the State of Oregon. We greatly appreciate their efforts to include stakeholder feedback into the amended SB 582 and to consider further input from stakeholders such as national brands, local producers, and industry associations, many of which are supporters of the Accelerator and have expressed an interest in the development of good recycling policy in the State of Oregon.

Throughout 2020, the Accelerator also managed a stakeholder dialogue process, and convened some of the private sector's largest consumer brands, manufacturers, waste and commodity industries, and materials associations over to inform its own policy solution. The resulting policy report – attached to this testimony – outlines a shared responsibility model proposing a packaging and printed paper fee paid by private sector brands to support residential recycling infrastructure and education.

Vetted by more than 30 member organizations of the Accelerator – and endorsed by Alpek Polyester, Aluminum Association, American Beverage Association, American Chemistry Council, Association of Plastic Recyclers, Ball Corporation, Can Manufacturers Institute, The Coca-Cola Company, Danone, Dow, Glass Packaging Institute, Indorama, Keurig Dr Pepper, Mars, Nestle, PepsiCo, Sustainable Food Policy Alliance, and Unilever – the CEA policy proposal advances the opportunity for the private sector to act as stewards of the circular economy.

We wanted to share some of the learnings of that consensus stakeholder process that led to the attached report to the legislation under consideration by committee today.

While the amended version of SB582 represents a meaningful step forward, CEA maintains that there is still work to be done. One key opportunity for improving the concepts contained within the amended SB 582 is around how a producer responsibility organization would be formed by the measure.

We strongly believe that there should be a single producer organization charged with the multiple responsibilities outlined in any producer responsibility legislation. That producer organization should be comprised of producers and have control and autonomy in adhering to those various material responsibilities, with DEQ oversight.

Multiple producer organizations would create complexity, an undue burden for producers and create inefficiencies in meeting the obligations outlined in the bill. Additionally, we believe that the fees set by that single producer organization should be based on what work would be required to meet the goals, again, with DEQ oversight. The fees should remain within the system and reward innovation and improvements to recycling system infrastructure.

Additionally, we believe that producers should be a part of any advisory board, such as Oregon Recycling System Advisory Council proposed in the amended SB 582, that would have input in operations of a PRO, as they would be both an important stakeholder and would bring technical expertise from different material backgrounds that would be critical to the effective operation of such a group.

We feel that producer responsibility measures are best when directed toward the creation and management of such a system with complimentary legislation that could enhance its

effects best explored separately, such as with product labeling or programs outside the scope of the program, such as litter mitigation schemes and compost facility fees. The boundaries of the producer-funded system need to be focused on its core mission.

Thank you for the opportunity to provide this feedback. Please know that the Accelerator and our supporters are here to serve as a resource as the legislature navigates future considerations for the amended SB 582. We appreciate the legislature's leadership in supporting the wellbeing of Oregon's residents, its environment, and the state and nation's manufacturing supply chain by pursuing recycling policy solutions that work for all stakeholders.

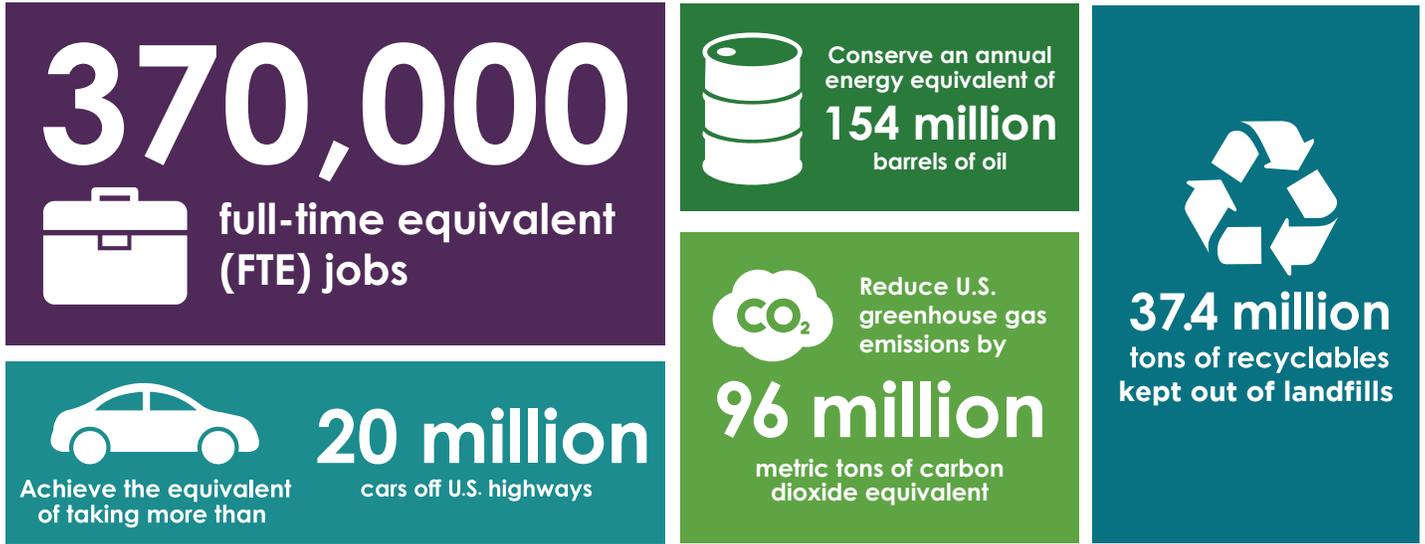
Sincerely,

A handwritten signature in black ink, appearing to read 'Dylan de Thomas', with a long horizontal flourish extending to the right.

Dylan de Thomas  
Vice President, External Affairs  
The Recycling Partnership  
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# Together, We Can Transform Recycling for Good

Through this innovative public-private partnership, we can catalyze a new recycling system so Americans can recycle all 37.4 million tons of available household materials. This will unlock supply for the circular economy and result in:



## Supported by:



# Accelerating Recycling

Policy to Unlock Supply for the Circular Economy

## U.S. Residential Recycling Falls Far Short of its Potential

32%

The U.S. recycling system captures only 32% of recyclable household materials.



Only 59% of Americans have automatic access to recycling at home.

## Policy Can Catalyze a New U.S. Recycling System

It takes everyone working together on sensible policies and investments supported by public-private partnerships, for recycling to meet its full potential.

### POLICY PROPOSAL

#### PACKAGING AND PRINTED PAPER FEE



#### DISPOSAL SURCHARGE



### SUPPORTS



INFRASTRUCTURE INVESTMENT



CONSISTENT EDUCATION



RECYCLING OPERATIONS

## Resulting in...

20+  
MILLION

20+ million tons of recyclable material returned to the manufacturing supply chain instead of landfilled

370k

Support for 370k full-time equivalent jobs and billions of dollars in economic benefits

# Accelerating Recycling

Policy to Unlock Supply for the Circular Economy



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September 2020

## About the Circular Economy Accelerator™

The Circular Economy Accelerator brings together forward-thinking companies to proactively pursue policy solutions to catalyze the circular economy for good. An initiative of The Recycling Partnership, the Circular Economy Accelerator aims to incentivize recycling over disposal; secure sustainable funding for recycling infrastructure and education; and expedite public-private solutions for circular systems. Learn more at [recyclingpartnership.org/accelerator](https://recyclingpartnership.org/accelerator) or contact us at [accelerator@recyclingpartnership.org](mailto:accelerator@recyclingpartnership.org).

## About The Recycling Partnership

The Recycling Partnership is a national nonprofit organization that leverages corporate partner funding to transform recycling for good in states, cities, and communities nationwide. As the leading organization in the country that engages the full recycling supply chain from the corporations that manufacture products and packaging to local governments charged with recycling to industry end markets, haulers, materials recovery facilities, and converters, The Recycling Partnership positively impacts recycling at every step in the process. Since 2014, the nonprofit change agent diverted 230 million pounds of new recyclables from landfills, saved 465 million gallons of water, avoided more than 250,000 metric tons of greenhouse gases, and drove significant reductions in targeted contamination rates. Learn more at [www.recyclingpartnership.org](https://www.recyclingpartnership.org).

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# EXECUTIVE SUMMARY

## The American public and companies want recycling to work better to sustain valuable feedstock for U.S. manufacturing and create jobs.

Despite national enthusiasm for recycling, The Recycling Partnership estimates 20 million tons or two-thirds of all recyclable household materials go to the landfill annually, instead of being recycled into new products. Based on the data-driven work done by The Recycling Partnership in communities nationwide, the Circular Economy Accelerator (the “Accelerator”), an initiative of The Recycling Partnership, knows what is needed to help fix the U.S. residential recycling collection system.

This report describes a collaborative public-private policy solution that includes:

- A Packaging and Printed Paper Fee paid by private-sector brands to support residential recycling infrastructure and education, and
- A Disposal Surcharge on waste generators to help defray recycling operational costs for communities.

Packaging and printed paper fees would be based on a needs assessment and data-driven plan. Fees would be calculated to address the level of investments that are needed in order to provide recycling access to residents on par with disposal, provide education and outreach to residents to reduce rates of inbound contamination, and enhance Materials Recovery Facility (MRF) capabilities to efficiently sort and process collected materials. A third-party nongovernmental organization



(NGO), or Packaging and Printed Paper Stewardship Organization (PSO), would set and collect fees based on the established needs, and disburse funds in order to meet statutory goals.

Combined, this dual-policy solution brings key stakeholders together to create funding mechanisms that could address the infrastructure, education, and operational challenges facing the recycling collection system. Together through policy, we must:

- 1. Invest in infrastructure to expand and improve upon residential recycling programs;**
- 2. Develop comprehensive education so residents can recycle more and recycle better and to enable a cleaner stream of material and healthier commodity markets; and**
- 3. Support community recycling operations by addressing the imbalance between recycling and disposal costs and accessibility.**

Without policy action to address these needs, a circular economy for household recyclables in the U.S. will not be possible.

## BACKGROUND

The Accelerator convened some of the private sector's largest consumer brands, manufacturers, waste and commodity industries, and materials associations over the course of a year to inform this public-private partnership solution. The Accelerator's endorsing companies: Alpek Polyester, The Aluminum Association, American Beverage Association, American Chemistry Council, Association of Plastic Recyclers, Ball Corporation, Can Manufacturers Institute, The Coca-Cola Company, Danone North America, Dow, Glass Packaging Institute, Keurig Dr Pepper, Indorama Ventures, Mars, Nestlé, PepsiCo, Sustainable Food Policy Alliance, and Unilever believe that this is a viable model that should be considered when advancing opportunities for the private sector to act as stewards of the circular economy. With the launch of this report, we invite the public sector to join us in examining this proposal and provide critical input and perspective to strengthen these solutions and the systems they aim to support.

Together, we can create a stronger residential recycling system and enable a circular economy, allowing raw material to be used again and again, rather than buried in the ground or lost to incineration. We can reduce greenhouse gas emissions, provide critical feedstock to the U.S. manufacturing supply chain, support jobs, and spur economic investment.

With both the public and private sector recognizing the need for change, it is time we come together in public-private partnership to drive policy action that will strengthen the system and pave the way for a more circular economy.

# INTRODUCTION

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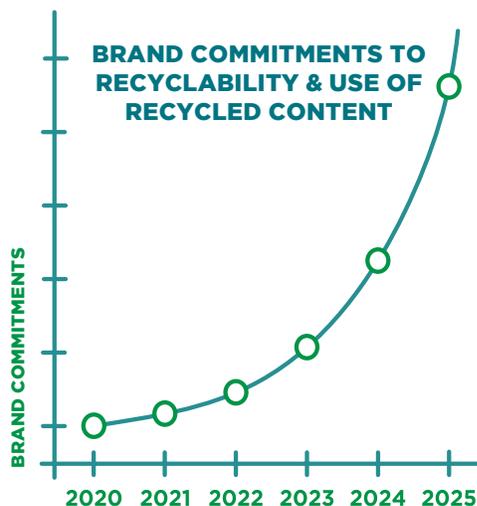
**83% OF AMERICANS VIEW  
RECYCLING AS A VALUABLE  
PUBLIC SERVICE, BUT ONLY  
59% HAVE ACCESS TO  
RECYCLING ON PAR WITH  
DISPOSAL.**



## Consumers and Companies Demand Recycling

According to a 2020 survey commissioned by The Recycling Partnership, **83% of Americans view recycling as a valuable public service** and nearly 80% expect that within 10 years every product produced will be 100% recyclable.<sup>1</sup> In response to this consumer sentiment and pressure from the wider environmental impacts of their products, 450 of the world's largest companies have made global commitments to increase the recyclability and the use of recycled content in their products more than five-fold in the next five years.<sup>2</sup>

The Recycling Partnership's [The Bridge to Circularity](#) report discusses these commitments made by many of the world's largest companies to develop a more circular economy for post-consumer packaging waste.<sup>3</sup> The report identifies gaps in the U.S. recycling system and the necessary actions to achieve those circular economy commitments. These actions include: identifying pathways for companies to achieve packaging recyclability, unlocking a greater supply of recyclables, and catalyzing a future recycling system through policy interventions. Without such actions, the report concludes that the Ellen MacArthur Foundation's New Plastics Economy Global Commitment signatories will miss out on more than a billion pounds of recycled Polyethylene Terephthalate (PET), commonly used in beverage bottles.<sup>4</sup> This signifies a shortfall worth \$65 million between the current U.S. supply and the projected need for use in bottles by the year 2025.<sup>5</sup> According to [The Recycling Partnership's 2020 State of Curbside Recycling report](#), PET bottles represent only 6.6% of generated household recyclable materials. When factoring in similar recycling collection challenges facing the other 93.4% of materials, it becomes apparent that the needs and opportunities to build a higher-functioning recycling system will benefit all materials and help ensure an enhanced and growing flow of vital feedstocks to U.S. manufacturers.



**450 OF THE WORLD'S LARGEST COMPANIES HAVE MADE GLOBAL COMMITMENTS TO INCREASE THE RECYCLABILITY AND THE USE OF RECYCLED CONTENT IN THEIR PRODUCTS MORE THAN FIVE-FOLD IN THE NEXT FIVE YEARS.**

1 Survey by SWNS and The Recycling Partnership (May 28, 2020):

<https://recyclingpartnership.org/americas-prefer-sustainable-companies/>

2 "First annual New Plastics Economy Global Commitment progress report published," Ellen MacArthur Foundation

(Oct. 23, 2019): <https://www.ellenmacarthurfoundation.org/news/first-annual-new-plastics-economy-global-commitment-progress-report-published>

3 "What is the Circular Economy," Ellen MacArthur Foundation:

<https://www.ellenmacarthurfoundation.org/circular-economy/what-is-the-circular-economy>

4 "First annual New Plastics Economy Global Commitment progress report published," Ellen MacArthur Foundation

(Oct. 23, 2019): <https://www.ellenmacarthurfoundation.org/news/first-annual-new-plastics-economy-global-commitment-progress-report-published>

5 Estimated value of recycled PET as of Sept. 14, 2020 according to <http://www.recyclingmarkets.net>

OUT OF 37.4M TONS  
OF HOUSEHOLD  
RECYCLABLE MATERIAL,

**20M** 

TONS ARE THROWN OUT  
EACH YEAR.

From paper fiber to metals and glass to plastic, hundreds of companies have invested billions of dollars in new facilities and equipment to cater to these signals of current and potential increases in demand.<sup>6</sup> As of 2017, the paper recycling industry collected, sorted, and processed more than \$8.1 billion of recycled paper and as of 2019 had announced \$3.3 billion of investments in new and upgraded facilities.<sup>7</sup> Similarly, the aluminum industry buys back more than \$800 million dollars worth of used aluminum beverage cans for recycling into new cans annually.<sup>8</sup> According to Closed Loop Partners, the market for recycled plastics in the U.S. and Canada alone has potential revenue opportunities of \$120 billion.<sup>9</sup>

Using the EPA Waste Reduction Model (WARM), The Recycling Partnership estimates if all 37.4 million tons of residential recyclables in the U.S. were recycled back into the economy each year, it would support 370,000 full-time equivalent (FTE) jobs.<sup>10</sup> Yet, while the desire for recycling and recycled material may be growing, the capabilities to effectively collect and process a clean supply of this residential recyclable material are still coming up short.

The Accelerator was formed with support from private stakeholders across the recycling supply chain to develop uniquely American policy solutions for the future of U.S. recycling. Developed by the Accelerator, this policy proposal addresses the needs of the U.S. residential recycling collection system and the manufacturing supply chain it serves through a public-private partnership model so that a circular economy can be made possible.

<sup>6</sup> Keep Recycling Paper campaign, The Recycling Partnership: <https://recyclingpartnership.org/keeprecyclingpaper/>

<sup>7</sup> Keep Recycling Paper campaign, The Recycling Partnership: <https://recyclingpartnership.org/keeprecyclingpaper/>

<sup>8</sup> "The Economic Impact of Aluminum," The Aluminum Association:  
<https://www.aluminum.org/aluminum-advantage/economic-impact-aluminum>

<sup>9</sup> "Advancing Circular Systems for Plastics," Closed Loop Partners:  
<https://www.closedlooppartners.com/research/advancing-circular-systems-for-plastics/>

<sup>10</sup> 2020 *State of Curbside Recycling Report*, The Recycling Partnership (Feb. 13, 2020):  
<https://recyclingpartnership.org/stateofcurbside/>

IF ALL HOUSEHOLD RECYCLABLE MATERIAL WERE **SUCCESSFULLY CAPTURED**, IT WOULD **SUPPORT**



**370k**  
**JOBS.**

## Accelerating Solutions

History shows that key advances in the recycling system can be achieved through the use of sound policy, such as tax incentives, fees, and a variety of other means. Since 1990, federal and state policies have helped create the basic framework for the U.S. residential recycling system, establishing key regulations, imposing fees, setting up grant programs, assigning system responsibilities, and setting goals. The Accelerator recognizes that the policy laid out in this proposal is designed to primarily address the supply challenges of the residential recycling system and that other complementary policies may also be put in place, including policies to address demand challenges.

As such, the Accelerator is pursuing a variety of recycling policy solutions in addition to the policy proposal laid out in this document and supporting and encouraging other leading organizations to do the same. For example, in support of the fundamental need for more comprehensive data, the Accelerator proposed a "2020 Recycling Census" to the U.S. House Appropriations Committee, which would provide funds to the U.S. Environmental Protection Agency (EPA) to capture data on the true number and details of existing residential recycling programs to better inform strategic action. The U.S. House recently passed a minibuss appropriations package (H.R. 7608) including language for a nationwide Recycling Needs Survey and Assessment to identify such valuable information.<sup>11</sup>

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<sup>11</sup> See Appendix I

# POLICY NEEDS

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**THE U.S. IS CONSISTENTLY  
RECOVERING LESS THAN**

**32%** **OF AVAILABLE  
HOUSEHOLD  
RECYCLABLES.**



While consumer and corporate demand for better recycling collection and supply grows, the challenge of operating effective residential recycling systems falls to local governments. Funded by local tax dollars or user fees, and faced with mounting fiscal stress, local governments assume nearly full responsibility for residential recycling operations, collection, and education – to the tune of at least \$4 billion in annual costs.<sup>12</sup> This leaves approximately 20,000 local governments facing difficult decisions regarding what to recycle, how to recycle, or whether to offer recycling services at all, resulting in enormous inconsistencies and inefficiencies across the country.<sup>13</sup>

**Thus, although Americans want to recycle, only 59% of them have access to curbside recycling at home on par with disposal services, and many are confused as to what is or is not recyclable. For this and other reasons, the U.S. is consistently recovering less than one-third (32%) of available household recyclables, despite the desires of consumers, corporations, and communities to do more.<sup>14</sup>**

The challenges facing these residential recycling programs have been many years in the making. Many communities are left without best management practices and burdened with costs because of the lack of national alignment and sustainable funding mechanisms for the ongoing investment, implementation, and improvement necessary for local recycling programs' success. To compound these issues, U.S. residential recycling has relied heavily on the export market for some materials, which helped support relatively strong pricing for those materials for many years.

Recent changes in international trade policies, including tariffs and China's ban on many scrap materials, have contributed to market challenges for materials ranging from paper to metals to plastics, and higher costs for local governments and the system overall, exacerbating an already tough financial situation for local governments.<sup>15</sup> In addition, the low price of oil has created further market challenges for some recycled plastics versus virgin resin prices.<sup>16</sup>

## CURRENT U.S. RESIDENTIAL RECYCLING SYSTEM



**59%**  
HOUSEHOLDS WITH ACCESS TO CURBSIDE RECYCLING AT HOME ON PAR WITH DISPOSAL SERVICES



**\$4 BILLION**  
ANNUAL COST TO LOCAL GOVERNMENTS



**20k**  
LOCAL GOVERNMENTS MAKING DECISIONS ABOUT RECYCLING PROGRAMS

<sup>12</sup> 2020 State of Curbside Recycling Report, The Recycling Partnership (Feb. 13, 2020), p. 14: <https://recyclingpartnership.org/stateofcurbside/>

<sup>13</sup> "Number of Municipal Governments & Population Distribution," National League of Cities: <https://www.nlc.org/number-of-municipal-governments-population-distribution>

<sup>14</sup> 2020 State of Curbside Recycling Report: <https://recyclingpartnership.org/stateofcurbside/>

<sup>15</sup> "How recycling has changed in all 50 states," Waste Dive: <https://www.wastedive.com/news/what-chinese-import-policies-mean-for-all-50-states/510751/>

<sup>16</sup> "Low virgin plastics pricing pinches recycling market further," Plastics Recycling Update: <https://resource-recycling.com/plastics/2020/05/06/low-virgin-plastics-pricing-pinches-recycling-market-further/>

Despite the challenges facing the U.S. recycling system, the needs requiring policy intervention for residential recycling collection and sortation are relatively simple:



**1. Invest in infrastructure to expand and improve upon recycling programs that are in need of help.** The recycling system must rebuild from years of underinvestment in recycling infrastructure, including recycling carts and bins, trucks, Materials Recovery Facilities (MRF) capabilities, and other necessary improvements. These infrastructure investments amount to billions of dollars in total need for the system, based on data and analyses from the 2020 State of Curbside report. A combination of public and private investment would create a truly robust residential recycling system that would sustain a circular economy for packaging waste in the U.S.



**2. Develop education and outreach programs to U.S. residents to increase the amount and quality of recyclable materials collected.** By educating households about how and what to recycle, the system can both increase supply of raw material feedstock and improve the quality and value of that material by keeping it as clean and easily sorted as possible. Targeted residential communication and direct feedback at the curbside has proven to improve both volume and quality when implemented clearly and consistently.<sup>17</sup> The system needs this implementation at scale.



**3. Support community recycling operations by addressing the imbalance between disposal and recycling to enable both consumers and communities to recycle as easily as they can throw things away.**

Current disposal costs do not adequately account for the true costs to the environment and the economy of throwing recyclable materials in the trash. For this reason, disposal is offered as a basic public service across the country, while recycling services often come as an “add-on” at a higher cost. This not only creates issues of equity of access to recycling for all Americans, but also it disadvantages the recycling system to the benefit of disposal. Better accounting for the true cost of disposal and providing a dedicated source of funding for more equitable recycling services would enable all Americans to recycle instead of throw things in the trash.

### Data-Driven Decisions

Better data is required as a foundation to these three needs to guide decision-making and investment on a national scale. Residential recycling is the largest system for collecting post-consumer recyclables in the U.S. The system is comprised of thousands of different municipal programs, nearly all of which operate independently and without a concerted system of support or coordination. While The Recycling Partnership, U.S. EPA, and others work to collect information on the system, a much more comprehensive and coordinated data effort is needed to inform ongoing strategic action and improvements, both locally and on a national scale.

<sup>17</sup> 2020 State of Curbside Recycling Report, The Recycling Partnership (Feb. 13, 2020): <https://recyclingpartnership.org/stateofcurbside/>

**THE 3 PILLARS  
OF EFFECTIVE  
POLICY SOLUTIONS**



**INFRASTRUCTURE  
INVESTMENT**



**CONSISTENT  
EDUCATION**



**RECYCLING  
OPERATIONS SUPPORT**

**ROBUST MEASUREMENT & DATA COLLECTION**

# POLICY PROPOSAL

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## **PUBLIC-PRIVATE PARTNERSHIPS TO TRANSFORM RESIDENTIAL RECYCLING**



To address the needs of the U.S. recycling system, the Accelerator’s policy proposal takes a dual approach for improving recycling collection and sortation and accelerating the shift toward a circular economy through a Packaging and Printed Paper Fee and a Disposal Surcharge. These two proposals would allow for distinct funding mechanisms, one from the private sector for capital and educational expenditures and one from the public sector for operational expenditures. These policies would not supersede existing policies such as state disposal surcharges or beverage container deposits, but rather would be adapted to fit remaining residential recycling system needs.



## Packaging and Printed Paper Fee: Funding Infrastructure and Education

### PACKAGING AND PRINTED PAPER STEWARDSHIP ORGANIZATION (PSO)

A Packaging and Printed Paper Fee would be paid by the private sector, namely brand owners, and managed via a newly-established, industry-led, nongovernmental organization (NGO) to close gaps in infrastructure and education. The NGO would serve as a Packaging and Printed Paper Stewardship Organization (PSO) and would not operate local recycling programs nor fund the operational expenditures of those programs. In this way, the PSO would take a uniquely American approach in financing the capital needs of the system to support the operational work managed by local governments. For the benefit of consistency and efficiency, one PSO would serve the system nationwide, or across multiple states and regions if enacted at the state level.

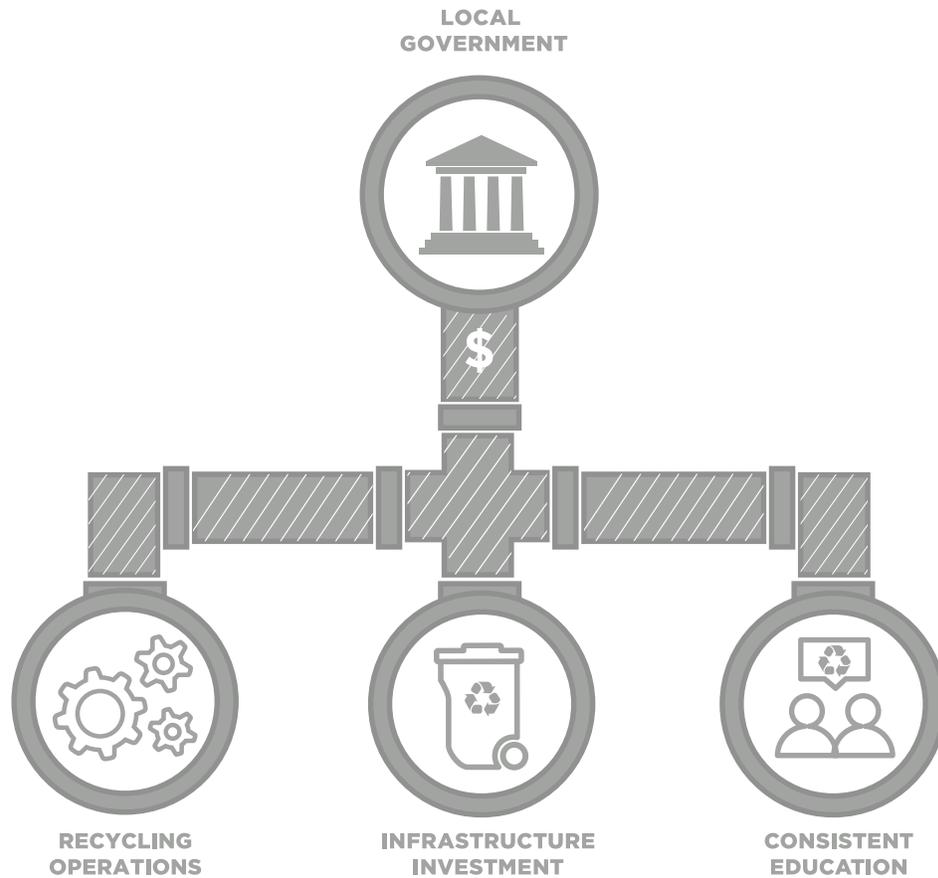
### State or Federal

This proposal is designed for implementation at either the state or federal level. Because the current U.S. recycling landscape is comprised of a patchwork of recycling policies, regulations, and requirements, establishing a consistent policy approach across the U.S. would allow for greater consistency in collection and processing across the country, a more effective and efficient system, and ease of compliance. Furthermore, consistent practices and recyclability across all states would reduce complexity, enabling companies to build stronger circular packaging solutions. For these reasons, a federal approach would have significant benefits for the overall health of the system. A state approach is also feasible, as the physical landscape, population densities, and processing facilities vary greatly across the nation, requiring localized variations in recycling collection, education, and processing systems.

# POLICY PROPOSAL

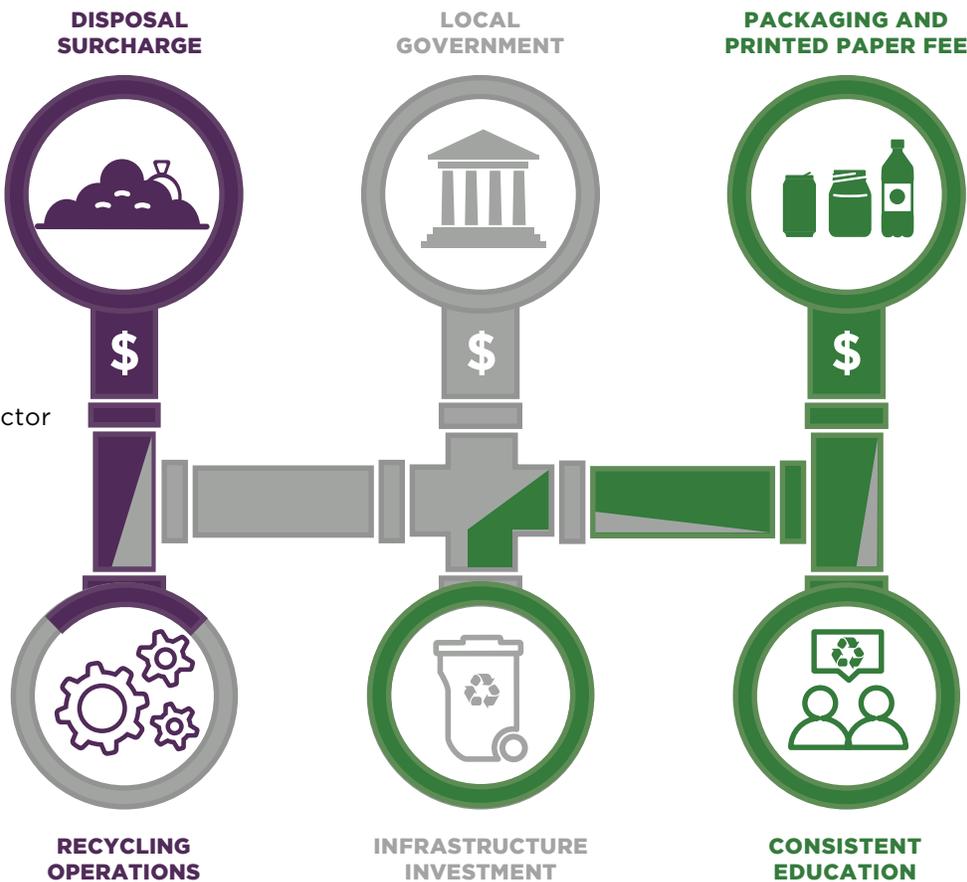
## Current System

Local governments bear all burden of funding residential recycling, and it's not enough to sustain or improve the system.



## Proposed System

Funding is injected from private-sector packaging and printed paper fees and public-sector disposal surcharges to sustain and improve the system.



The Packaging and Printed Paper Fee would address upstream dynamics, engaging private stakeholders – many of which have previously signed aggressive commitments toward recycling and waste reduction – and encouraging packaging and printed paper design with recycling and end-of-use in mind. The fee would apply to all packaging materials and printed paper, including plastic, metal, glass, and paper fiber, and be collected and managed by the PSO.

## NEEDS ASSESSMENT AND GOAL SETTING

Prior to considering fee amounts and funding allocations, a thorough assessment of the education and infrastructure needs, as well as the establishment of specific goals to address these needs, would be required in order to ensure that program costs are tightly circumscribed. While [The Recycling Partnership's 2020 State of Curbside Recycling](#) report extrapolates estimates based on a subset of local recycling program data, a formalized needs assessment is critical to understanding the true size of the challenge at hand in order to guide data-driven solutions to help fix it and at a reasonable cost.

In considering the needs of the system, the assessment should include evaluations of residential access to recycling services, contamination rates, and MRF capabilities, among other factors. The needs assessment would be followed by a plan developed by the PSO. The plan would outline strategies to:



**Provide recycling access to residents** comparable to that of disposal.

**Enhance MRF capabilities** to sort and process collected materials through competitive grants for financing technologically appropriate design, equipment, and operation.



**Provide education and outreach to residents** to reduce inbound contamination from recycling collection programs to materials recovery facilities and other processors.

These goals must be addressed in parallel, from collection and education to MRF optimization, in order to achieve overall system improvement. The needs assessment would be done in consultation with the state and/or federal agency and representatives of local government and other key stakeholders, resulting in recommendations for the level of investment needed, as well as the timeframe for investment, in order to meet these legislative goals.

## PLAN AND FUNDING STRUCTURE

Following the needs assessment study, the PSO would develop a plan, based on the needs of the system, to submit to the state or federal government agency overseeing it. This plan would be subject to public review and comment. The PSO would be required to submit an annual report to the state or federal agency showing the progress of the plan toward meeting the statutory goals.

In a state approach, the PSO would establish a list of minimum recyclable materials that would be used as a key parameter in tracking toward minimum-level system improvements. In a state approach, this state-level list would be subject to agency approval, with an ability to add new materials in response to collection and processing improvements, and changes in end markets for recyclables. The PSO would adopt criteria around recyclability based on available collection, processing, and markets. Due to geographical limitations for processing infrastructure, a minimum recyclable materials list is not practical in a federal approach in the near term.

Once the needs gap is filled, the PSO would establish a funding plan that covers the cost of maintaining overall adherence with the achieved goals. In sum, the plan and budget would not be arbitrarily set, but rather determined by measuring needed investment and available options to meet agreed goals for the recycling system.

### **ECO-MODULATED FEE ASSESSMENT**

Once developed, this plan would require brand owners to pay a fee based on the amount of sold-at-retail (including e-commerce) packaging and printed paper, taking into account a variety of material characteristics and impacts on the recycling system. The total amount raised from fees will coincide with the needs identified in the needs assessment study and subsequent plan. In order to encourage brand owners to produce more recyclable products and design for circularity, the plan would offer eco-modulated discounts for packaging and printed paper that meet environmental design criteria, such as recyclability and recycled content. Packaging and printed paper materials that do not meet these characteristics would not be eligible for these discounts. As a mechanism to address recycling challenges faced by specific materials, an additional fee could be levied on those specific materials at the request of the brand owners to be allocated toward material-specific system improvements.

Packaging and printed paper fees would be remitted by producers and brand owners annually to the PSO and would not be a separate, visible fee to consumers at the point of purchase.

## FUND DISBURSEMENT

Packaging and Printed Paper Fee proceeds would be used for system improvements, as determined by the needs assessment, including:



### INFRASTRUCTURE

- Collection infrastructure to improve recycling access, including curbside recycling carts, drop-off sites, multifamily, public space containers, collection trucks, and hub-and-spoke transfer systems.
- Processing infrastructure to incentivize facility improvements and equipment upgrades, including enhancements within the MRF system that benefit the overall recycling system.



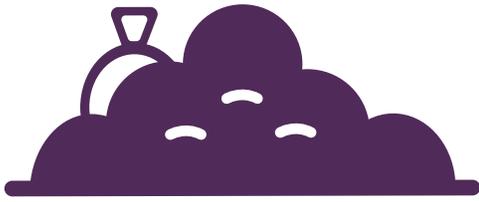
### EDUCATION

- Consumer education and outreach programs, including mailers, digital media, cart-tagging, and more, to consistently and adequately promote correct recycling behaviors and improve the quantity and quality of recyclable materials collected.
- Funds would be disbursed through direct investments, contracting services, cost-sharing agreements, and competitive grants. All recipients of funds would be required to adopt best management practices and regularly report specified metrics.

## RESPONSIBLE ENTITIES, ENFORCEMENT, AND OVERSIGHT

Responsible entities paying the Packaging and Printed Paper Fee would include brand owners, franchisers, and first importers of brands from outside the U.S. A nonprofit exemption and minimum-production threshold would ensure that nonprofits and small producers are not subject to the requirements. An anti-trust exemption would be written in statute to allow for producer collaboration, as appropriate. Protection of confidential business data would also be addressed through the legislation. The appropriate state or federal government agency would handle enforcement and penalties.

The state or federal agency would approve the formation of the PSO, consult with the PSO regarding plan development and enforcement, issue financial penalties for non-compliance, review annual reports required of the PSO, and track the PSO's achievement of statutory goals. The agency would maintain a public website with information on the program, including companies who are not in compliance with the law, and would take steps, if needed, to address PSO deficiencies.



# Disposal Surcharge: Supporting Community Recycling Operations

## PUBLIC FUNDING MECHANISM

The Disposal Surcharge would apply to disposed materials and would be managed by the public sector, with funding disbursed to local governments to help offset the cost of recycling program operations.

Landfill tipping fees, paid by haulers and facility operators at the point of disposal, have been low for decades, rising only about \$5.90 per ton on average in the past 25 years, far less than the rate of inflation.<sup>18</sup> While surcharges and fees on waste disposal are not uncommon in most U.S. states, their current use is to support a variety of funding needs ranging from public education programs to environmental protection and oversight of landfills, including assurance funds for long-term maintenance of landfills after closure. By placing an additional surcharge on disposal to address the economic as well as environmental impacts of throwing away recyclable materials, this solution could generate a new funding source for local governments to support recycling operations. This approach is already being implemented in some U.S. states to support recycling programs and is not designed to preempt existing programs, but rather to act in concert and to expand this model in support of all local governments.

## SURCHARGE COLLECTION AND FUND DISBURSEMENT

The surcharge would be imposed on municipal solid waste (MSW) landfills, solid waste incinerators, and waste-to-energy facilities and paid on a per-ton basis by the facility operators for all waste disposed at these facilities. Industrial, hazardous, or construction and demolition waste landfills would not be subject to the surcharge, since they do not manage residential disposal.

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<sup>18</sup> *The Bridge to Circularity*, The Recycling Partnership (Oct. 2019), p. 58:  
<https://recyclingpartnership.org/circularity/>

Local governments also pay disposal charges to MSW disposal facilities, but the anticipated revenue they would receive back for recycling operations would be greater than the amount paid due to the current use of MSW facilities by both the residential and commercial sectors.<sup>19</sup> Funds generated would be held in a dedicated recycling fund, separate from the general fund, to be distributed to state or local governments, depending on a state or federal approach, on a per capita basis to help offset recycling program operational costs. Since current local government recycling programs are entirely funded by local taxpayer dollars or fees, this new, dedicated funding mechanism would help provide an additional, reliable source of funding to offset recycling operational costs.

### AUTHORITY AND OVERSIGHT

Authority and oversight could be managed at the state or federal level, depending on the legislative approach. If these policies were pursued at the federal level, the disposal surcharge would be enacted by Congress, which has authority to tax and spend, as well as to regulate the disposal of solid waste.<sup>20</sup> The federal government would impose the surcharge without preempting state or local government authority to oversee waste disposal. If these policies were pursued at the state level, the state government would collect, manage, and disburse the surcharge funds.

**LANDFILL TIPPING FEES  
HAVE RISEN AN AVG.  
\$5.90/TON IN 25 YRS,  
FAR LESS THAN  
INFLATION.**



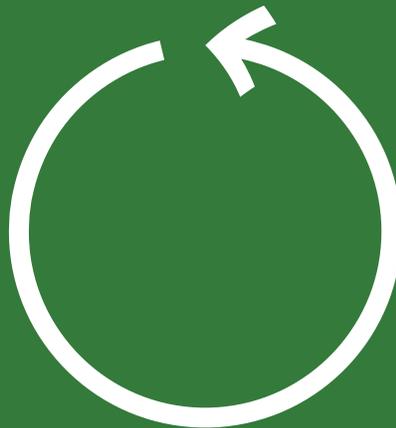
<sup>19</sup> See Title 40: Protection of Environment, Part 243 – Guidelines for the Storage and Collection of Residential, Commercial, and Institutional Solid Waste: <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c94567294dff611654af7a3944a91d69&mc=true&r=PART&n=pt40.27.243>

<sup>20</sup> See U.S. Constitution Article I, Section 8, Clauses 1 & 3: [https://constitution.congress.gov/browse/essay/artI\\_S8\\_C1\\_2/](https://constitution.congress.gov/browse/essay/artI_S8_C1_2/)

# POLICY OBJECTIVES

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**ACHIEVE LONG-TERM SUCCESS  
AND CIRCULARITY**



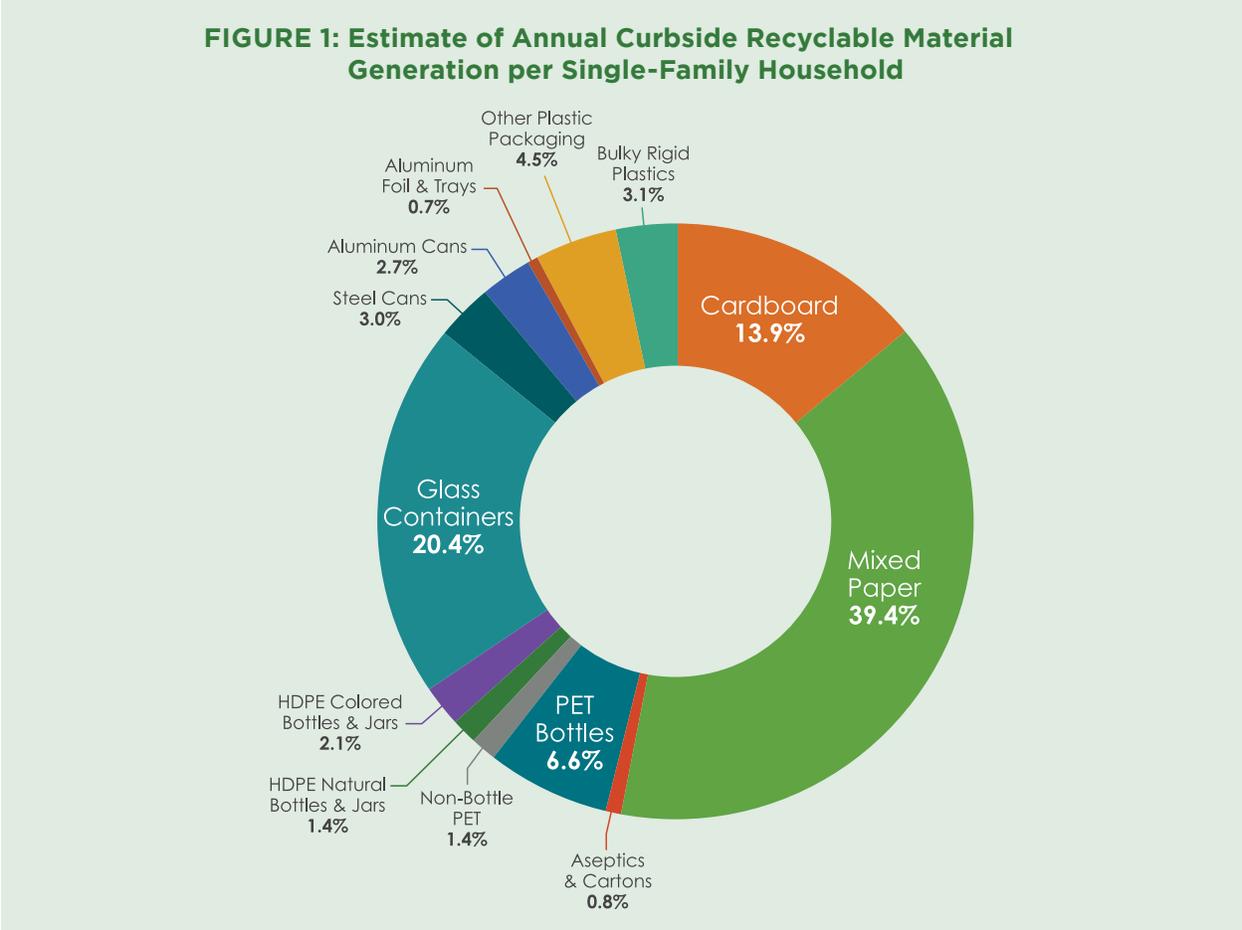
The Accelerator’s policy proposal is thoughtfully designed to not only address the needs of the system, but also to achieve the following objectives necessary to achieve long-term success and circularity:

**Public-Private Partnership**

Our dual-approach, public-private policy solution recognizes that both industry and government have an important role to play in creating a better recycling system. Currently, the public sector carries the majority of the burden and requires support from the private sector going forward. While our concept draws from best practices around the world, we believe the U.S. system requires a uniquely American approach in which public mechanisms continue to sustain government operations while private mechanisms fund advancements in infrastructure and education to support the system. With stakeholders at the table from a variety of brands, manufacturers, industry associations, and material types, the Accelerator has worked to craft sensible, data-driven private funding solutions. We invite public-sector stakeholders from the local, state, and federal level to join us at the table to further refine the public-funding mechanisms proposed in this dual approach.

**Multi-Material Solutions**

Our policy approach addresses all curbside recyclable materials, building upon the existing commingled curbside collection and processing infrastructure in the U.S. today. As shown in Figure 1, no single material makes up the majority of the recycling bin and therefore no single material can be held accountable alone for the challenges facing the residential recycling system.<sup>21</sup>



<sup>21</sup> 2020 State of Curbside Recycling Report, The Recycling Partnership (Feb. 13, 2020): <http://recyclingpartnership.org/stateofcurbside>

### RECYCLING IS ESSENTIAL FOR RETURNING VITAL MATERIALS BACK INTO THE ECONOMY.

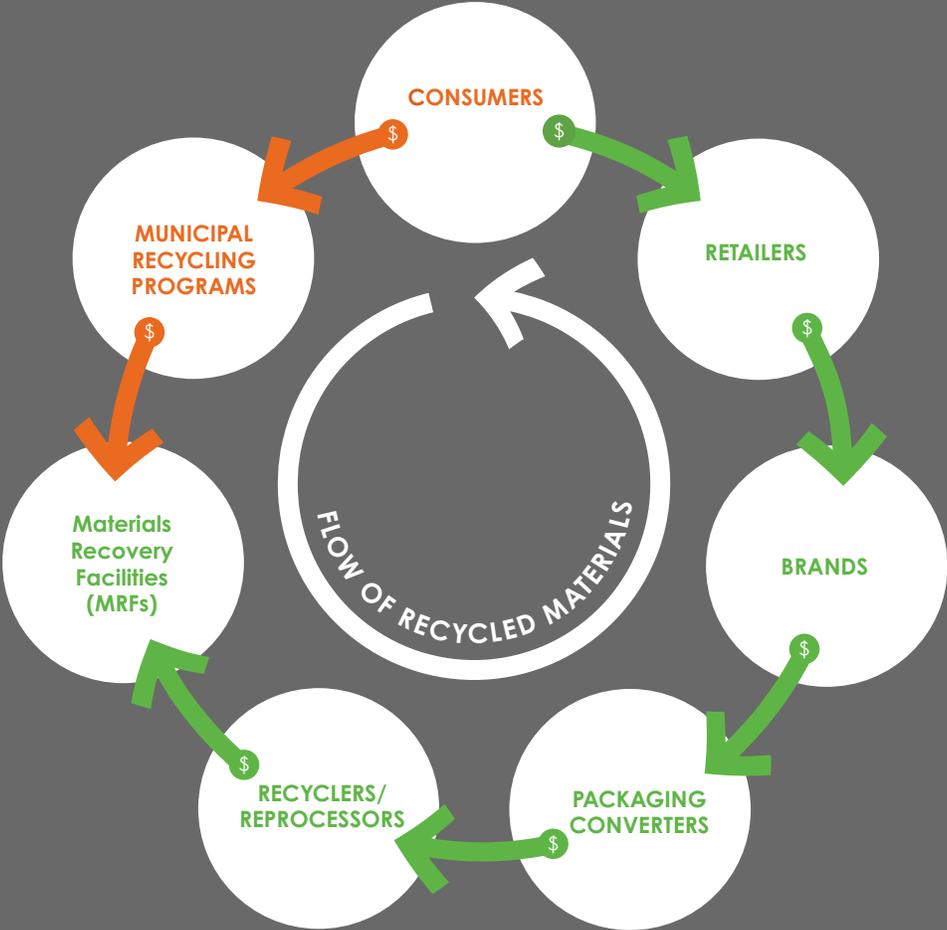


While some material-specific approaches, such as deposit legislation, have proven effective in recovering select material types, there remains a need for more robust multi-material collection solutions. By addressing challenges to the system as a whole through material-inclusive rather than material-exclusive solutions, we will simultaneously improve the resilience of the entire supply chain and simplify recycling for residents so they can recycle as easily as they can throw things away.

#### Focus on Circularity

A circular economy is not possible without recycling. Recycling is essential for returning vital materials back into the economy. It is the only reverse-logistics infrastructure at scale in the U.S. that can successfully close the loop on packaging waste and return those materials back into the supply chain to return further economic value. For this reason, recycling policy is critical to achieving circularity for packaging waste. In this vein, we see sensible recycling policy as a critical piece to achieving circularity and to the success of the overall Reduce, Reuse, Recycle sustainable waste management hierarchy that, when pursued together, can accelerate a more circular economy.

# Circular Economy



The fiscal responsibility of curbside recycling service currently rests with local governments, and thus their taxpaying constituents. Policy solutions must engage all public and private stakeholders in multi-material solutions that enable all recyclable materials to achieve circularity.

# ACCELERATING ACTION

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**TOGETHER,  
TRANSFORMING  
RECYCLING FOR GOOD**



**The need for a more resilient and expansive U.S. recycling system is clear.**

- **Americans want to recycle.**
- **Federal, state, and local governments want to provide their residents with an opportunity to protect the planet and its people.**
- **Companies want their products to be recyclable and recycled, instead of ending up in landfills or the natural environment.**
- **Domestic manufacturers need consistent and growing recycled feedstocks.**

All of these needs across the public and private sectors can be met when policy provides the funding mechanisms to make them a reality.

By working with local governments to solve recycling challenges community by community nationwide, The Recycling Partnership knows what is needed to help fix the system. This proposal takes those needs and pairs them with policy that can help fund the solutions and begin to address the challenges the U.S. faces in moving toward a circular economy.

The development of this proposal is only the beginning. Now is the time to accelerate action toward a more circular economy for packaging and printed paper through policy. We invite others to join us in this partnership, from both the public and private sectors, as we work to build and improve upon these policy solutions until they become a reality.

**Together, we can transform recycling for good.**

**NOW IS THE TIME TO  
ACCELERATE ACTION  
TOWARD A MORE  
CIRCULAR ECONOMY  
FOR PACKAGING  
AND PRINTED PAPER  
THROUGH POLICY.**

# Appendix I

## 2020 Recycling Census

*A detailed ask provided by The Recycling Partnership's Circular Economy Accelerator to the House Appropriations Committee in Spring 2020. Portions of this language can be found in the Dept. of the Interior, Environment, and Related Agencies Appropriations Bill, 2021 Report, Title II – EPA: Administrative Provisions on pg. 94.*

Appropriate \$5M to EPA to conduct a comprehensive data collection effort to inform efforts to strengthen residential recycling and accelerate the move a circular economy. Data should be collected on the following:

- **Nationwide census of community recycling programs to determine:**
  - the number of community curbside recycling programs that exist;
  - the number of community drop-off programs that exist;
  - the total amount of residential materials collected through community curbside programs annually;
  - the total amount of residential packaging materials collected through deposit programs;
  - the number of citizens with access to recycling services on par with access to disposal;
  - the type of materials accepted by each program;
  - Inbound contamination rates of community recycling programs.
- **Determine the amount of infrastructure investment needed to modernize the Materials Recovery Facilities infrastructure to achieve consistent collection across the nation and to maximize the efficient delivery of materials to the circular economy.**
- **Determine the amount of investment needed to provide all citizens with access to recycling services on par with access to disposal.**

The agency shall draft a plan and identify resources needed to implement a nationwide data collection framework. EPA shall issue the 2020 Recycling Census report by October 15, 2021.

## Supported by





[www.recyclingpartnership.org](http://www.recyclingpartnership.org)