



The power of packaging in balance:

**AMERIPEN Testimony on LD 1431**

**“A Resolve, To Support Municipal Recycling Programs”**

**Maine Joint Committee on Environment and Natural Resources  
April 18, 2019**

Senator Carson, Representative Tucker and Members of the Joint Committee on Environment and Natural Resources, thank you for the opportunity to comment on LD 1431 and offer AMERIPEN's perspective on this legislation and effective recycling policy for packaging.

AMERIPEN – the American Institute for Packaging and the Environment – is a coalition of packaging producers, users and end-of-life materials managers dedicated to improving packaging and the environment. We are the only material neutral packaging association in the United States. Our membership represents the diversity of the packaging sector, its supply chain, and end-of-life management partners. We focus on science and data to define and support public policy positions that improve the recycling of packaging materials---our comments are based on this rigorous research approach and rooted in our commitment to achieve sustainable packaging.

AMERIPEN supports the State's efforts to revise and evaluate their solid-waste plan and improve the management of packaging materials in the municipal waste stream and we continue to support efforts to improve recycling and reduce contamination of valuable recycled commodities.

However, AMERIPEN has concerns about LD 1431 which requires that Department of Environmental Protection to develop legislation to establish a statewide packaging and paper stewardship program or Extended Producer Responsibility program (EPR). We ask you to consider the following issues, concerns and recommendations and refrain from adopting LD 1431 – in its current form.

### ***1. Connecticut Consumer Packaging Reduction Taskforce Concluded EPR is Not the Best Solution***

As a benchmark, in 2016 in Connecticut, there was a significant discussion of consumer packaging reduction, extended producer responsibility and other aspects of the changing volumes of the municipal solid waste stream. The result of extensive debate on these topics was the passage of a Taskforce to Study Methods for Reducing Consumer Packaging that Generates Solid Waste.

The Taskforce discussed and debated EPR and voted NOT to recommend pursuing this approach in Connecticut. A majority of the Taskforce agreed that EPR would not increase recycling, would not lead to lower costs for citizens of the state, and would not lead to greener packaging. To increase recycling, the Taskforce recommended expanding education programs and convenience for multi-family housing in Connecticut's largest cities.<sup>1</sup> As such, AMERIPEN believes that these approaches should be considered first, before mandating a massive product stewardship mandate, such as LD 1431

### ***2. Flaws and Hidden Costs with Extended Producer Responsibility/Product Stewardship for Packaging***

Extended Producer Responsibility (EPR) or product stewardship for packaging, requires producers to take full or partial financial and management responsibility for products at the end of their life via product stewardship organizations (PSOs). This approach has not been proven as feasible in the U.S., and EPR has primarily been used elsewhere as a funding mechanism to implement end-of-life materials management

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<sup>1</sup> Task Force to Study Methods for Reducing Consumer Packaging that Generates Solid Waste: Recommendations, [https://www.cga.ct.gov/env/tfs/20170216\\_Task%20Force%20to%20Study%20Methods%20for%20Reducing%20Consumer%20Packaging%20that%20Generates%20Solid%20Waste/Final%20Report/Task%20Force%20to%20Study%20Methods%20for%20Reducing%20Consumer%20Packaging%20that%20Generates%20Solid%20Waste%20-%20Final%20Report.pdf](https://www.cga.ct.gov/env/tfs/20170216_Task%20Force%20to%20Study%20Methods%20for%20Reducing%20Consumer%20Packaging%20that%20Generates%20Solid%20Waste/Final%20Report/Task%20Force%20to%20Study%20Methods%20for%20Reducing%20Consumer%20Packaging%20that%20Generates%20Solid%20Waste%20-%20Final%20Report.pdf)



The power of packaging in balance:

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programs where no funding source has been previously available. In the European Union, for example, funding from EPR was used to implement the widespread implementation of recycling programs *for packaging that had already been proven to be recyclable*. Most innovation funding for new recycling technology is not coming from EPR fees but rather through government and private funding mechanisms and EPR does not address that scenario. AMERIPEN would encourage Maine to first consider and detail infrastructure investments needed to improve recycling capacity before jumping to financing solutions.

AMERIPEN further notes the Maine 2019 Annual Product Stewardship Report supports EPR and cites its effectiveness in achieving three main goals (1) reduce costs to states or municipalities, (2) incentivize product design and (3) increase collection. We note, there is no research demonstrating that EPR reduces costs to taxpayers<sup>2</sup>, and none that support EPR's role in fostering packaging changes and innovation. While there are several reports that indicate EPR may help increase recycling rates, there are also a number that indicate an increase in recycling rate also incurs an increase in contamination and costs. In a 2015 publication<sup>3</sup> Dr. Calvin Lakhan noted that the Ontario BlueBox program had witnessed a 78% increase in fees in over a 10-year period. Dr. Lakhan notes that a 1% increase in recycling rate corresponded with a 9.4% increase in costs, which he attributed mostly to fluctuating market economics and the introduction of hard-to-recycle materials.

### **3. Market Challenges for Materials Cannot be Fixed by EPR**

AMERIPEN recognizes that increased efforts toward domestic processing and infrastructure improvement and creation can be a key strategy in reducing marine debris, improving environmental outcomes and increasing our economic competitiveness. However, as currently proposed by LD 1431 there is an assumption that if manufacturers manage the collection of packaging materials, then the material will be re-processed. This is flawed as demonstrated by Dr. Calvin Lakhan's research.

Many plastic resins and mixed materials have a limited, or no end markets. Furthermore, technology for mechanically recycling many of these materials are lacking. Alternative recovery strategies such as plastics-to-fuel or other forms of energy recovery may be possible but are challenged by a lack of sufficient volume to meet their needs to process and scale, we are concerned this would be unique challenge for a geographically diverse state like Maine.

Recognizing this challenge, many of our corporate members are supporting these efforts through investments into initiatives including *The Recycling Partnership*, *REMADE*, and the *Alliance to End Plastics Waste*.

However, until these investments identify new technologies or the best means to capture increased volumes of resin types, the ability to successfully re-process significant volumes of plastics 3-7 and other mixed materials will remain a challenge. AMERIPEN believes the additional burden to collect, sort and process materials via EPR will slow any R&D contributions towards this goal.

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<sup>2</sup> Miller, Chaz. "From Birth to Rebirth: Will Product Stewardship Save Resources?" American Bar Association. Section of Environment, Energy and Resources. 2011.

<sup>3</sup> Lakhan, Calvin. (Feb 2015) "Diversion But At What Cost: the Economic Challenges of Recycling in Ontario." Resources, Conservation and Recycling.

#### 4. Loss of Local Control and Solid Waste Management

AMERIPEN notes that regardless of the approach for implementing EPR, local municipalities may likely lose control and management responsibility for packaging waste under EPR. If PSO organizations are mandated to be responsible for managing packaging materials statewide, those organizations are not likely to continue to contract and support the diversity of Maine's solid waste structures within all of municipalities and local governments *and* be sustainable economically. Efficiency will be critical, especially in today's material markets, and we believe any PSO will find it difficult to meet statewide service collection and maintain both local control and solid waste management jobs and responsibilities. Out of necessity this will result in statewide contracts for collection to those providers that can provide service that accomplishes PSO program goals but minimize variation and local cost issues. If a system is set up without this flexibility, then the alternative – costly bureaucratic duplication – is equally disruptive and unlikely to be publicly accepted.

#### 5. *Focus on potential public/private partnerships which can increase the recovery of all recyclable materials—including packaging*

Something that the Committee should also consider is the potential for Maine to engage in public–private partnerships to help fund and support and increased recovery and decreased contamination. Towards this objective, we encourage the State and DEP to continue to explore two significant initiatives led by the private sector and designed to help increase and finance recycling systems across the State:

- i. *The Recycling Partnership* works to increase access and efficacy of municipal recycling programs. They also offer financial support to place large recycling carts in communities which have been proven to increase the amount of recyclables collected and they are proving tremendous success working with communities to reduce contamination rates. As the State seeks to increase access to single stream recycling, the Recycling Partnership can be an effective resource in identifying best practices and funding support.
- ii. Funded by a consortium of private brands, *The Closed Loop Fund* provides no-interest loans to communities and low-interest loans to private entities to help increase the capacity of recycling systems.

Both programs are demonstrating significant impacts on increasing recovery within an aging and challenged recovery system.

#### 6. Conclusion

AMERIPEN appreciates the opportunity to comment on proposed LD 1431. We urge the Committee to avoid approaches, such as EPR, that merely shift costs and do not change consumer behavior or demonstrate improvements to solid waste management outcomes. AMERIPEN asserts that there are more comprehensive and less disruptive ways to addressing the issue of consumer packaging materials in the waste stream, and therefore, respectfully requests that the Committee **vote ought not to pass on LD 1431.**