

Packaging Recovery and Recycling Financing Policy

OVERVIEW

Including release of our Principles and Objectives for Advancing and Financing Packaging Recycling in the United States in May 2020, AMERIPEN has led a deep evaluation on the future of packaging, exploring the impacts of major current trends like e-commerce and COVID-19 to understand how best to support our recycling system to respond to these and other changes. We note that most existing legislative proposals have been focused on funding the recycling system as it currently exists rather than balancing today's needs with the recycling system required for the future. We all benefit when we collaborate to establish a packaging and recovery system to reduce cumulative environmental and social impacts. To this end, AMERIPEN will support a system built on the principle of shared responsibility to advance meaningful packaging recovery and recycling in the U.S., with balanced support from the entire packaged goods industry to reduce environmental impacts and share insights all while continuing to foster innovation. We will also continue to actively engage and collaborate with other trade associations and stakeholders working on solutions to finance and increase packaging recovery and recycling in the U.S.

POLICY

AMERIPEN supports legislation that requires the entire packaged goods industry, regardless of material, to help fund packaging recovery and recycling of all forms, including composting, through clearly defined fees, provided that the following conditions are included in the legislation:

- **Terminology:** Defines key concepts such as compostable, recyclable, recycled and reusable consistently from state to state and based on existing national or international standards and precedent; and
- **Organization:** Provides for a national industry run non-profit packaging recovery organization to develop, implement and report on goals, to set fees, and to manage receipt and disbursement of fees at the national, regional or state level; and
- **Recycling Goals:** Ensures that any recycling goals established in legislation are feasible, flexible and allow for collaborative problem solving to ensure packaging can continue to be used, recovered and recycled efficiently. Goals should improve environmental and financial cost benefit outcomes; and
- **Dedicated Funding:** Maintains fees within control of the packaging recovery organization to determine how the fees are used and restricts packaging recovery organization funds from being diverted outside of programs and projects intended to increase packaging recovery and recycling; and
- **Fee Modulation:** Permits the packaging recovery organization to adjust fees as merited for environmental and other considerations. Eco-modulation, if implemented, should be based upon more than just end of life recovery and be designed to support funding goals for improved recovered material quality, consumer education and system modernization; and
- **Support for Recovery and Recycling:** Provides that funds collected by the packaging recovery organization are distributed under the authority of the organization via mechanisms that provide funding to states and localities in the following priority:

1. Infrastructure upgrades needed across the system.
 2. Innovation R&D, including end market development and technology.
 3. Consumer education to increase participation in recycling and composting programs while reducing contamination.
 4. Increasing availability of post-consumer recycled content (PCR) materials.
 5. Improved access to recycling and composting.
 6. Daily operations funding gaps.
- **Needs Assessment:** Requires regional, state and/or local communities to participate in a new or existing approved assessment with the packaging recovery organization to identify specific recycling system needs before funding allocations may be determined and made; and
 - **Circular and Innovative Packaging:** Establishes and supports mechanisms to add new and existing valued packaging innovations into curbside programs in a considered and measured manner that ensures cost effective consumer access, sortation, reprocessing and end markets; and
 - **Administrative Costs:** Ensures efficiency and caps annual administrative costs assessed on those paying fees to the packaging recovery organization and to any state and local government having oversight; and
 - **Moves Material from Disposal:** Restricts packaging recovery organization funds from being used to support packaging disposal so that funds support the highest and best uses of materials; and
 - **Shared Responsibility:** Does not restrict the establishment of other complementary funding policies and solutions from other stakeholders within the packaging value chain who share a responsibility to advance packaging recovery in the U.S.; and
 - **Federal Relationship and National Needs:** Permits the packaging recovery organization to collect funds nationally relative to specific state mandates and can seek federal grants and funds for larger national recycling improvement needs.

This policy supports our principles that industry funding to advance packaging recovery and recycling in the U.S. must be reliable, efficient and effective, and equitable and fair.

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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 in the Commonwealth and throughout the U.S. Our mission is to lead the packaging industry through advocacy based on science and to enhance understanding of the role packaging plays in a more sustainable society, economy, and environment. Our membership represents the entire packaging supply chain, including materials suppliers, packaging producers, consumer packaged goods companies and end-of-life materials managers.