



Leveraging RI's Recycling Infrastructure with an Effective EPR Program

RHODE ISLAND PLASTIC BOTTLE WASTE COMMISSION
JANUARY 13, 2025

Broadening the Focus

- ▶ Much of the group's discussion has focused on container deposits
- ▶ The beverage industry has extensive experience with both deposit return systems or DRS and extended producer responsibility systems or EPR for packaging and paper.
- ▶ Our presentation today is intended to draw the group's attention to the advantages of a well-designed EPR program as the best next step for Rhode Island

Topline Considerations

3

EPR

- ▶ Builds on existing state, local, and private sector recycling investments
- ▶ Expands service and materials recycled to cover all residential packaging and paper
- ▶ Packaging is 41% of plastics in MSW*
- ▶ Enhances material quality, quantity, and markets
- ▶ Shifts municipal recycling costs to producers

DRS

- ▶ Requires new, separate infrastructure for redemption
- ▶ Impact limited to beverage bottles and cans
- ▶ Beverage bottles are 7% of plastics in MSW*
- ▶ Shifts material (and revenue) from existing system
- ▶ No improvement in existing recycling system; taxpayers still fund recycling

* ABA beverage data compared to latest national data from [EPA](#) (2018)

Our Message Today

- ▶ Our interest remains effective collection of materials to use to make new bottles and cans
- ▶ Our industry has long focused on broad-based solutions to leverage investments in existing infrastructure
- ▶ Pressure on state and local government budgets also strain the ability to fund, establish, and maintain well-designed recycling programs
- ▶ These factors lead us to advocate strongly for an EPR program for Rhode Island, based on models that have drawn broad-based support in other states
- ▶ The model we would like to advance is based on the law passed in Minnesota in 2024

Key Components of Legislation

5

Funds at least 90% of recycling and composting of covered materials + education and administration

Single, producer-run nonprofit (PRO) operates program with state and stakeholder oversight

Overall performance targets set by state after needs assessment; PRO proposes details

PRO proposes municipal reimbursement levels or directly contracts for services

PRO sets producer fees by material with eco-modulation

Process for producers to purchase recovered material

Scope



Covered materials:

Packaging & paper products excluding newspapers, federally-regulated packaging, infant formula, medical foods, B2B



Producers:

Manufacturer of the packaged item, manufacturers' licensee, brand owner, or first importer or distributor in state

For internet: shipper for transit packaging

Paper product: publisher then manufacturer

Exclusions: <\$2 million in global sales; <1 ton of covered materials

Scope



Covered entities:

single and multifamily homes; entities serviced through municipal contracts like schools, government buildings



Covered services (for covered materials):

collection for recycling and composting, transportation, sorting and processing (RIRRC), managing residuals, administration and outreach programs, costs of reuse or refill systems; all net of commodity value

Governance

- ▶ Single, nonprofit PRO chosen by RIDEM by 1/1/26 to:
 - ▶ Develop the program plan
 - ▶ Propose material-specific targets
 - ▶ Establish reimbursement methodology/rates for services
 - ▶ Set producer fees
 - ▶ Make investments
 - ▶ Coordinate education campaign
 - ▶ File reports, consult with advisory board and Department

Why Governance Is So Important

A single PRO is the best way to efficiently launch a new program

Producer control over recycled material lists, targets, fees, reimbursements tethers them to reality, not wishful thinking; performance and accountability are better with producer control

Larger state role (Maine, California, Oregon) turns producers into an ATM, not a responsible party

Targets

- ▶ No targets in legislation
- ▶ Overall targets and dates based on needs assessment and PRO consultation for: Recycling, composting, reuse/return rate, waste reduction (TBD), recycled content (as applicable)
- ▶ In Plan, PRO proposes material-specific targets
- ▶ Recycled content allows averaging across product portfolio nationally; compliance across ALL firms

Key Plan Elements

- ▶ Materials collected for recycling/composting and refill/reuse projects
- ▶ Servicing covered entities
- ▶ Cost reimbursement and, if necessary, direct contracting
- ▶ Producer fee setting



Materials and Services

12



- ▶ Expand collection to all residential locations
- ▶ Take on service to municipally-contracted buildings like schools
- ▶ Establish alternative collection programs for difficult to recycle materials
- ▶ Assess reuse/refill program options
- ▶ Informs recyclable materials list

Cost Reimbursement

13

Only covered services

- Collection, transfer, processing
- Service provider admin, education
- Refill systems

Net out commodity value

Reimburse at:

- 50% First year
- 75% Second year
- $\geq 90\%$ Thereafter

Producer Fees Set by PRO

- ▶ Fees by material type (no cross-subsidy)
- ▶ Cover net reimbursements + outreach + State and PRO administration
- ▶ Eco-modulate to promote recyclability, reuse, recycled content, waste reduction
- ▶ Producers fight out fees without government intrusion

Commodities

15



Law does not
affect commodity
ownership



MRF fees to RIRRC
from PRO are net of
commodity
revenue earned



Plan includes
process for
producers to
purchase material
at market prices

Promotion and Education

16



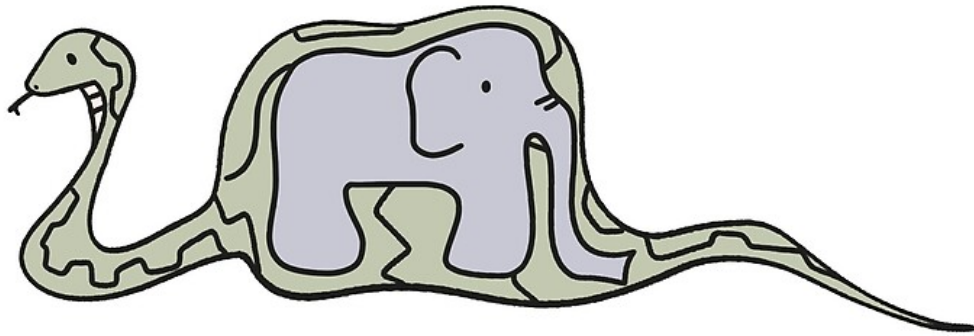
Critical to program
success



PRO can
standardize
messaging,
symbols, program
branding



Proven
approaches for
participation,
quality
improvement



Why
Not
Both?

Why Not Both?

18

- ▶ The costs and systems would be largely additive – the DRS does not use municipal recycling infrastructure, so a new system still must be built
- ▶ EPR costs are largely unchanged as service must still be extended to all covered entities
- ▶ Revenue losses from deposit containers drive up the net cost of EPR, however – RIRRC loses aluminum and PET revenue, but producers of other materials must make up the difference
- ▶ No precedent for building out both systems simultaneously

Final Messages

19

- ▶ We strongly encourage advancing a multi-material, EPR approach to enhance recycling, provide accountability for performance, and shift recycling costs off of taxpayers
- ▶ No new DRS has been constructed in the US in over 20 years; the effort and investment required to do so should not be underestimated.
- ▶ Leveraging current infrastructure including the Johnston MRF and investing to build on that infrastructure will have greater benefits for the environment and for taxpayers.

Questions & Follow- ups

- ▶ Bree Dietly
- ▶ Bree@breezewayc.com
- ▶ 508-932-8255