



## Northwest Product Stewardship Council

### **2010 Packaging Subcommittee Issue Paper**

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#### **Definition of Packaging**

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Product packaging is used to protect products from damage during shipping and handling, keep the contents safe for use and to provide a platform for the manufacturer to advertise and provide information about the product. Common packaging materials include paper, glass, aluminum, steel and plastic. There are many type of packaging beyond those listed here. Plastic bags and film plastic for example are the target of many emerging policies. This paper does not cover these materials but may be revised in the future pending regional and national events.

#### **The Issue**

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Discarded packaging represents about a third of municipal solid waste (MSW) in the US. Currently 43% of this material is recovered for recycling and 45 million tons is disposed of annually.<sup>1</sup>

Much of this packaging material is recycled or discarded by consumers, leaving the end-of-life management to local governments – either directly, when trucks, landfills and material recovery facilities (MRFs) are owned by the local government, or indirectly, when disposal and recycling services are managed through contracts between private haulers and local governments. In either case, the financial burden falls to the local government and ratepayers. The increasing complexity of packaging products, the proliferation of new materials used in packaging, and increasing use of single-serve packaging have increased the burden on local government of managing packaging materials at end-of-life.

#### **The lifecycle impacts of packaging materials are significant and they contribute to green house gas emissions.**

- Packaging is made from increasingly scarce resources, such as petroleum. Packaging manufacturing can involve energy intensive processes such as those used to make aluminum cans. When these materials are thrown away, the imbedded resources and energy are wasted.
- Recent reports from the Environmental Protection Agency (EPA) and the Product Policy Institute (PPI) document the climate impact of the production of goods in the United States and around the World. The EPA report estimates that 37% of US greenhouse gas emissions stem from the production of goods<sup>2</sup> and the PPI report estimates this percentage increases to 44% when worldwide emissions are considered.<sup>3</sup>

#### **Packaging products are being made from increasingly complex materials that are difficult and expensive to recycle.**

- Packaging materials are moving from easy to collect and recycle materials such as cardboard, newsprint and glass to materials such as thermoform plastics (blister-packs), multi-material and film. These materials can be more difficult or expensive to recycle, either because technology and recycling infrastructure have not kept up with packaging innovation or because end-markets for these materials are not readily available. Packaging that is made from multiple materials requires labor intensive work to separate, can clog processing equipment and often end up being disposed in the solid waste stream.<sup>4</sup>

## **Incentives are needed to encourage manufacturers and packaging designers to reduce the lifecycle impacts of their packaging materials.**

- Increasingly expensive transportation costs have been successful in encouraging manufacturers and packaging designers to use less material and switch to lighter and more compact packaging. Other incentives are needed to encourage more recyclable, energy efficient, less toxic packaging materials.

### **Washington Recycling Data**

The Department of Ecology has recently completed a state-wide waste audit. The preliminary results of the audit and the results of the most recent recycling survey give the following picture of the current state of recovery of packaging materials.

The data shows that the current recovery rate for packaging is 37%. The recovery rates for individual packaging materials range from a high of 80% for newspapers to a low of 8% for plastic bottles and film.<sup>5</sup>

For comparison purposes with Oregon, the beverage container recycling rate in Washington is 40% and containers represent 15% of the roadside litter in the State.<sup>6</sup>

### **Oregon Recycling Data**

In Oregon, packaging makes up an estimated 15-20% of the waste stream. Oregon has had a bottle bill for beer and soft drinks since 1971. Containers covered by the bottle bill comprise less than one half of one percent of the waste stream.<sup>7</sup> In 2005, an estimated 83% of covered containers were returned for recycling. The recycling rate for beverage containers not covered by the bottle bill was 36%. Before the bottle bill, beverage containers made up as much as 40% of roadside litter. By 1979, this had dropped to 6% and the impact of the bottle bill on litter remains high. However, recent unofficial litter sorts indicate the growth in non-covered beverage containers and the decline in the value of the deposit due to inflation are resulting in more containers in litter. In 2007, the Oregon legislature amended the bottle bill to include water bottles, In 2009 the Oregon legislature considered, but did not pass, additional changes including adding more containers and increasing the refund value.<sup>8</sup>

## **Current Initiatives**

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### **Private Sector**

- The Sustainable Packaging Coalition, a consortium of private sector companies, show some manufacturers and retailers recognize the need for and willingness to work toward reducing the impacts of packaging. The coalition's definition of sustainable packaging can be found at <http://www.sustainablepackaging.org/content/default.aspx?type=5&id=definition-of-sustainable-packaging>.
- A few large consumer products companies that utilize large amounts of packaging are actively engaged in efforts to increase recovery of their packaging materials and in efforts to increase the recycled content of the packaging materials that they use.
- Wal-Mart has developed a packaging scorecard which is designed to reduce their packaging footprint 5% by 2013.

### **Public Sector**

#### **EPA Packaging Dialogue**

In 2010, EPA will convene interested parties to discuss issues and strategies around sustainable financing for municipal recycling programs. The goal of this discussion is to develop one or more

well fleshed-out and articulated options for sustainable financing of municipal recycling programs, focusing on consumer packaging. EPA will bring representatives of companies and organizations that represent the packaging value chain, as well as government and non-governmental organizations (NGO) representatives, to the discussion, including:

- Brand owners (national consumer packaged goods companies, including food and beverages, cosmetics and personal care, and household cleaning products)
- Retailers (“big box” stores and grocery chains)
- NGOs
- Local and State Governments and EPA

The project is expected to take one year, at the end of which, participants will identify options and determine:

- If there is sufficient common ground to pursue a voluntary extended producer responsibility (EPR) option, or whether the States choose to pursue approaches independently,
- How to fund continuation of the dialogue if pursuit of a voluntary EPR is a viable option, and
- The potential for coordinated regional approaches and pilot projects. Those steps might include collaborations between producers and local governments, such as pilot collection/recycling schemes.

### **Vermont EPR Bill**

Legislation was introduced in the Vermont legislature in 2010 that would require that manufacturers of packaging and printed materials implement a product stewardship plan for the collection, transportation and recycling of those materials by July 1, 2011. The legislation is modeled after product stewardship framework legislation and authorizes the Vermont legislature to declare designated wastes that must be managed under an Extended Producer Responsibility program. This legislation has the support of several major brand owners of consumer goods in the U.S.

Vermont currently has a container deposit law and there is some controversy over how this program would work with or substitute for the existing deposit law.

### **Revision of Washington Solid Waste Laws**

The Washington State Department of Ecology is engaging a stakeholder process to revise and update solid waste laws in the State. This process may provide an opportunity to discuss important points identified in the paper with relevant stakeholders.

### **The NWPSC Position**

Recent studies by the EPA and Product Policy Institute have documented the impact of products and packaging on the environment and their significant contribution to national and global greenhouse gas emissions. The NWPSC believes that Extended Producer Responsibility (EPR) is an effective way to incentivize that outcome.

The NWPSC believes that an EPR system for packaging that is tailored to local conditions and utilizes the existing collection infrastructure will incentivize greater reuse and recycling of the materials and will encourage packaging designers to minimize materials and energy use,

### **Proposed Solutions/Recommendations**

- The NWPSC will publish a report in 2010 evaluating programs for packaging recovery and recycling in Europe and Canada. The report will look at the collection, transportation and financing structures of these programs and the legal framework in which they operate. The

report's goal is to initiate a dialogue on the most effective means to encourage increases in the recycling of packaging materials and stop the wasteful disposal of these materials.

- In Oregon, the industry stewardship organization that runs the bottle bill program is working to develop a new redemption center system. Efforts to expand coverage to additional beverage containers and increasing the deposit are expected to continue. The Council's involvement with these activities is to provide technical assistance to those working to further modernize the bottle bill.
- In Washington, stakeholder discussions about managing packaging waste are needed, as only informal conversations have been had to date. In 2010 or 2011, the Council plans to work with other interested parties to proactively engage with stakeholders to discuss their interests, concerns and recommendations for increasing the recycling of packaging materials.

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### Subcommittee Next Steps/Timeline

#### Washington Timeline:

July 2010	Complete research on product stewardship programs for packaging
2010-2011	Work with interested parties to discuss their interests, concerns and recommendations for increasing the recycling of packaging materials.

#### Oregon Timeline:

Ongoing	Monitor the continuing efforts to modernize the Oregon Bottle Bill and industry pilot redemption centers. Observe the Washington stakeholder discussions about packaging waste.
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