

RECYCLING HAS A BIG PROBLEM

AND CONSUMER BRAND OWNERS NEED TO
BE A PART OF THE SOLUTION

Support S.1185B (Kaminsky)/A.5801 (Englebright)

Establishing Extended Producer Responsibility (EPR) for
Consumer Packaging and Printed Paper (PPP)

THE PROBLEM: A GLOBAL RECYCLING CRISIS

Local recycling programs in NYS are struggling to survive in the wake of severely depressed commodity values for recovered paper, cardboard, plastic, glass, and other recyclables. As a result, municipalities and recycling system rate payers are projected to spend **over \$80 million** in 2021 to keep local recycling alive. These **municipal recycling costs are not sustainable**.

For several decades, municipalities have borne the cost and financial risk to recycle consumer packaging, even during depressed commodity markets. The value of curbside recyclables no longer covers the cost to process (sort and bale) the materials at local material recovery facilities (MRFs). Today, many local programs are experiencing recycling expenses that exceed the cost of disposal, meaning it is more expensive to recycle packaging than to landfill it.

Consumer brand-owners are disconnected from the end-of-life management of their product packaging. They have no incentive to reduce packaging waste, make packaging easier to recycle, or boost market demand by using more recycled content. Municipalities have no control over what packaging is used but are burdened with the expense to manage an ever-evolving, sophisticated packaging waste stream on behalf of product manufacturers that generated the material.

EPR will set a new path for the future of NYS's recycling system by:

- ✓ Modernizing NYS's recycling system
- ✓ Launching consistent consumer education so recycling is less confusing
- ✓ Generating green sector jobs
- ✓ Providing immense cost savings for municipalities

Residents are confused about what is recyclable.

Package labeling is inconsistent and confusing, and municipalities lack funds to educate the public on how to properly recycle the brand owners' packaging. As a result, over 860,000 tons of potentially recyclable materials are trashed annually in NYS.

New York's recycling system needs to modernize.

Many material recovery facilities are outdated and lack the latest technology and funding to effectively sort the brand owners' packaging and printed paper.

The Solution

Enact S.1185B/A.5801 to Establish an EPR Program for PPP

- **EPR shifts responsibility for the recovery of materials in curbside recycling programs from local governments and taxpayers to producers and brand owners.** In doing so, EPR aligns recycling costs with those who benefit from the sale of consumer goods and decouples municipalities from the financial risk of volatile commodity values.
- EPR will incentivize producers to **reduce packaging waste** and make their packaging easier to recycle.
- EPR will require producers to invest in **modernizing recycling infrastructure**, giving NYS the latest technology to capture different types of consumer packaging and printed paper and lead the charge toward a circular economy.
- Under an EPR system, producers will provide **consistent recycling messaging across the state**, minimizing confusion and helping people figure out what belongs in their recycling bins.
- Finally, EPR will **free municipalities from the financial risk** of volatile commodity markets.

HOW EPR WORKS:

Brand owners and producers of consumer packaging and printed paper will form one or more not-for-profit Producer Responsibility Organizations (PROs) to fund the collection and processing of residential curbside recyclables, as well as public education.

Brand owner can reduce the fees they pay into the PRO to fund the system by minimizing their packaging waste and making it easier to recycle their materials (known as “eco-modulation”).

Local municipal recycling programs may decide to continue operating and receive reimbursement from the PROs for their program costs.

PROs must provide written program plans, goals, and results to NYSDEC for review and approval.

PROs will be required to invest in modernizing New York’s recycling infrastructure to update technology and support the development of best practice operations.

PROs must establish advisory groups comprised of key stakeholders, including local governments, waste haulers, and recycling industry representatives.

Additional Benefits of Transitioning to an EPR System:

- ✓ EPR for PPP could potentially increase NYS’s recycling rate by nearly 60% for residential materials thanks to improved package labeling and enhanced public education efforts. NYS residents currently recycle about 1.5 million tons of curbside materials annually; an estimated 860,000 tons of potentially recyclable materials are trashed annually.
- ✓ In addition to dramatically increasing the state’s recycling rate, EPR can create over 1,000 new green sector jobs statewide and potentially reduce greenhouse gas emissions by over 2.3 million metric tons.
- ✓ EPR for PPP would save local governments and taxpayers over \$80 million per year by shifting the costs of recycling to the producers who benefit from selling packaged goods and printed paper.

THE SUCCESS OF EPR

EPR for PPP has been successfully implemented for decades in several Canadian provinces, as well as a wide range of countries in Europe and Asia. Recycling rates have reached 78% in British Columbia. Research on existing EPR for PPP programs in Canada has found no increase in the price of consumer goods. New York State has existing EPR programs for electronics, rechargeable batteries, and mercury thermostats, and will soon launch EPR programs for unwanted paint and pharmaceutical drugs.