



American Forest & Paper Association

DATE: September 18, 2020

TO: Packaging Sector
Printing-Writing Sector
Recovered Fiber Sector

FROM: Terry Webber, Executive Director, Packaging
Mark Pitts, Executive Director, Printing/Writing, Pulp & Tissue
Brian Hawkinson, Executive Director, Recovered Fiber

RE: Draft revisions to Board-approved policies on Product and Packaging Fees and Recycling

PURPOSE:

Obtain member input on proposed revisions to Board-approved policies governing AF&PA Extended Producer Responsibility (EPR) and Recycling advocacy.

BACKGROUND:

In June, the AF&PA Board of Directors discussed and affirmed this belief statement: Policy and marketplace forces are driving the convergence of Recycling and EPR issues. Broader consumer acceptance of single-use packaging/products is temporary. Long term, recyclability and compostability will be drivers for brand and consumer packaging choices and pressure will increase for industry to play a larger financial role in funding community recycling systems and in providing much needed revenue to states and localities.

Brands Shifting Position to Support EPR-type Legislation

In 2011, AF&PA member company CEOs met with the CEO of Nestlé Waters USA to consider Nestlé's request that AF&PA support a version of EPR policy for the United States. At that time, AF&PA members decided that we should not support Nestlé's position.

This year, the American Institute for Packaging and the Environment (AMERIPEN) and the Recycling Partnership's (TRP) Circular Economy Accelerator (CEA) are nearing completion of their respective policy development processes on proposals to create a framework for financing recycling. While the primary focus is plastics, paper and paper-based packaging are also included in the proposals.

AMERIPEN released an outline for the framework in May and presented a more detailed version to AF&PA members in August. AMERIPEN is seeking stakeholder feedback but has not yet developed a legislative strategy for its proposal. Meanwhile, CEA plans to release a white paper in late September and is finalizing draft legislative language that is the product of a year-long stakeholder discussion in which AF&PA and some member companies have participated. CEA's intent is to introduce its proposal in Congress and select states in early 2021. Both the AMERIPEN and CEA proposals conflict with AF&PA's traditional position opposing EPR.

State Adoption of EPR Legislation Imminent

2020 was the most active year we have seen to date on EPR legislation in the states. Legislation in California was on the brink of passage on the final day of the legislative session, failing in the state Assembly by only four votes. When it was originally introduced, the bill mandated 75 percent source reduction and recycling of all single use products and packaging. The final version that failed would have applied only to single use plastic products, including plastic coated paper.

In other states, Washington state considered EPR legislation, but instead required the Department of Ecology to develop recommendations for legislation in 2021. Ecology is recommending a full EPR program for packaging and printed paper. Northeastern states including Massachusetts, Vermont, and Maine have come equally close to passing EPR legislation for packaging and printed paper over the course of the summer.

DISCUSSION:

With rare exception, the major U.S. brands have historically also opposed EPR, although that appears to be shifting, particularly among packaging brands. In late August, TRP along with the Ellen MacArthur Foundation and the World Wildlife Federation announced a U.S. Plastics Pact, whose more than sixty signatories included major brands and retailers, and the Consumer Brands Association. The U.S. Plastics Pact states that businesses producing and/or selling packaging have a responsibility beyond the design and use of their packaging, which includes contributing towards it being collected and reused, recycled, or composted.

Both AMERIPEN and CEA are also led by major brands and retailers who would carry the financial burden of EPR. Haulers and material trade associations also participate in both groups.

The proposed revisions to the AF&PA Board-approved policies on Product and Packaging Fees and Recycling are attached. The intent of the proposed revisions to the Product and Packaging Fees policy is to give AF&PA flexibility to participate and potentially support the work product of outside groups if the Sectors decide that those concepts make sense for AF&PA's legislative strategy. Any recommendations from the Sectors will be considered by the Board at the November meeting.

The proposed revisions are not intended to be an endorsement of the AMERIPEN or CEA concepts as they are currently drafted—that would be a decision made in consultation with Sectors and EPR Working Group, considering AF&PA’s strategic principles. But we need to discuss whether as an industry we could ever support these types of concepts, so AF&PA is empowered to move quickly in a dynamic and complex legislative environment.

The proposed revisions to AF&PA’s Recycling policy are driven by the convergence of Recycling and EPR issues. The intent of the proposed revisions is to better position the industry and its products more favorably compared to competitors in public policy and marketplace advocacy. It continues to tell the industry’s market-driven recycling success story while now more directly addressing marketplace issues. The changes incorporate language from current AF&PA Recycling talking points. The result is an improved policy about the industry’s record of recycling success and product performance. It highlights the renewable and recyclable nature of the industry’s products by using their sustainability and product performance features.

RECOMMENDATION:

Review and provide feedback on the proposed revisions to AF&PA’s Board-approved policies on Paper Product and Packaging Fees and Recycling.