



Dear Member,

Over the years the paper and packaging industry has become increasingly reliant on recovered fiber through recycling. Through this extensive and ambitious network paper recovery has reached over 66%, an 80% increase since 1990. Despite this industry-led progress, legislative efforts at the state level as well as Congressional debate proposing a broad program known as the Extended Producer Responsibility (EPR) placing fees on printed paper are gaining momentum. The goal of EPR, among others, is to improve the effectiveness and efficiency of curbside recycling and municipal recycling facilities.

This initiative is led by several organizations most notably The Recycling Partnership. The goal is to raise capital to invest in infrastructure to expand and improve state and municipal recycling programs, develop education and outreach programs to US residents to increase amounts and quality of materials that are recycled, and support community recycling by addressing the imbalance between recyclable and disposable material.

The Recycling Partnership was established in 2014 and has worked closely with other environmental organizations such as the Product Stewardship Institute on the goal of creating a "Circular Economy" which until recently was focused primarily on the plastics industry and eliminating single-use products and reducing landfill waste.

EPR laws would require manufacturers, distributors, or brand owners to assume end-of-life management of their products. EPR programs do exist, presently they cover batteries, paints and other items that are difficult to recycle. Recent trends in the global markets, most notably China's halt in receiving wastepaper products from the US has placed additional stress on municipal recycling programs. This, and the growing concern over plastic marine waste has hastened legislative debate and activity to create or enhance EPR programs to include packaging and printed waste.

The legislation would authorize the creation of Producer Responsibility Organizations which would layout the broad parameters of the EPR program. This would be a non-profit group with the authority to establish and collect per ton fees on printed paper and packaging and disburse these funds to state and local recycling programs for infrastructure improvements and community education. The fees would be based on a needs assessment of these recycling programs. Despite the lack of clarity or due diligence the legislative efforts move forward, particularly in New York State where, unless amended, will include packaging and printed paper.

The EMA has aligned with the American Forest & Paper Association (AF&PA) and other industry associations and companies to remove printed paper and packaging from any legislation. We feel that our record of voluntary paper and paper-based packaging recovery is unparalleled. The fees that would be imposed would be disproportionate to our achieved recycling rates and those of other industries.

It remains unclear how much of an impact EPR will have on envelope manufacturers directly. This initiative, coupled with the disruption at the USPS, could potentially deal a damaging blow to our industry. Unfortunately, there is too much left to interpretation. The rapid movement to seek government approval through this legislation has largely bypassed the needs assessments and funding requirements as well as the impact. Mark Pitts from AF&PA will be presenting at our virtual Spring

Meeting. Mark has organized our industry's response and has provided valuable statistics and other information. You will not want to miss this presentation.

I have been tasked with engaging the EMA in this dialogue to ensure our voice is heard. I will help coordinate efforts with the Management and Technology Committees' Institute of Environmental Studies chaired by Mike Budd, along with Keith Whisler. We will be working with the Partner Associations to formulate policy statements, messaging to appropriate officials and to keep members informed. We will utilize the MIB or the M&T Newsletter or both. If you have any questions or wish to assist in our efforts please contact Keith Whisler at kwhisler@envelope.org or myself at bobtees@manufacturing-rx.com.

Sincerely,

A handwritten signature in black ink that reads "Robert M. Tees". The signature is written in a cursive style with a large initial 'R'.

Bob Tees,
Manufacturing-RX