



**American
Forest & Paper
Association**

March 4, 2016

Committee on the Environment
The Connecticut General Assembly
Legislative Office Building
Room 3200
Hartford, CT 06106-1591

RE: Raised Bill 233- An Act Concerning a Reduction of Consumer-based Packaging Materials

Dear Chairman Kennedy, Jr., Chairman Albis, and Members of the Committee:

On behalf of the American Forest & Paper Association (AF&PA), we appreciate the opportunity to share our perspective on legislation under consideration by the Committee on the Act Concerning a Reduction of Consumer-based Packaging Materials. We oppose RSB 233, and urge the committee to promote existing community recycling programs and engage manufacturers and industry experts in discussions on further increasing recovery. AF&PA shares Connecticut's goals of increasing paper and packaging recovery rates, however we have serious concerns with the creation of an extended producer responsibility (EPR) program.

AF&PA is the national trade association for the forest products industry, representing pulp, paper, packaging, tissue, and wood products manufacturers, and forest landowners. Our companies make products essential for everyday life from renewable and recyclable resources that sustain the environment. The forest products industry accounts for approximately 4 percent of the total U.S. manufacturing GDP, manufactures approximately \$210 billion in products annually, and employs nearly 900,000 men and women. The industry meets a payroll of approximately \$50 billion annually and is among the top 10 manufacturing sector employers in 47 states.

In Connecticut, the industry employs more than 3,500 individuals, with an annual payroll of over \$290 million. The estimated state and local taxes paid by the forest products industry totals \$37 million annually.

Thanks to the continuing efforts of AF&PA members and the millions of individuals who recycle at home, work and school every day, the paper and packaging industry has achieved a consistently high recovery rate. In 2014, 65.4 percent of all paper consumed in the U.S. was recovered for recycling, and the recovery rate has met or exceeded 63 percent for the past six years. According to the Environmental Protection Agency, more paper (by weight) is recovered for recycling from municipal solid waste streams than glass, plastic, steel and aluminum combined. In 2014, 96 percent of the U.S. population had access to community curbside and/or drop-off paper recycling services. Paper recovery is an environmental success story, saving an

average of 3.3 cubic yards of landfill space for each ton of paper recycled. Paper recovery has fostered a dynamic marketplace that allows recovered fiber to find its highest-value end use in manufacturing new paper and paperboard. That, in turn, helps to encourage more recycling.

Paper is a Leader in Voluntary Recovery

Paper can be a model for other industries in terms of performance and attitude. The paper and paper-based packaging industry has set and met goals established on a voluntary basis, and publicly reported on performance. The industry remains open to working with others in the private and public sectors to maximize paper recovery, which has been part of our thinking as we have nearly doubled our recovery rate in the last 20 years. Governments can help support this market success by avoiding mandates and arbitrary rules that disrupt the current recovery system.

The paper and paper-based packaging industry's commitment to maximizing recovery of its products for recycling is real and longstanding. In 1990, the recovery rate was a little more than one-third (33.5 percent) of the paper consumed in the United States. By 2014, thanks to voluntary industry initiatives and the millions of Americans who recycle at home, work and school every day, the recovery rate has nearly doubled.

EPR Schemes Are Not the Answer

With consistently high recovery rates and the industry's ongoing efforts to promote increased voluntary recovery, it is unnecessary to impose recovery mandates like EPR on paper and paper-based packaging.

For paper and paper-based packaging, EPR could prove to be counterproductive. The life path of paper-based packaging is not contained in one state. For instance, a box could be made in one state and then breakfast cereal put into that box in a second state. The cereal is sold in a third state to a consumer living in a fourth state. It is hard to imagine logistically how a manufacturer or brand owner could be required to pay fees on the products it introduces into a global commerce stream.

Eventually, the practical ceiling for recovery of paper and paper-based packaging for the purpose of recycling will be achieved. Some things just cannot be recycled, such as tissue, used napkins, and toilet paper. To impose an EPR scheme in hopes of marginal gains could redirect resources toward recovering products that will yield only nominal additional recovered material.

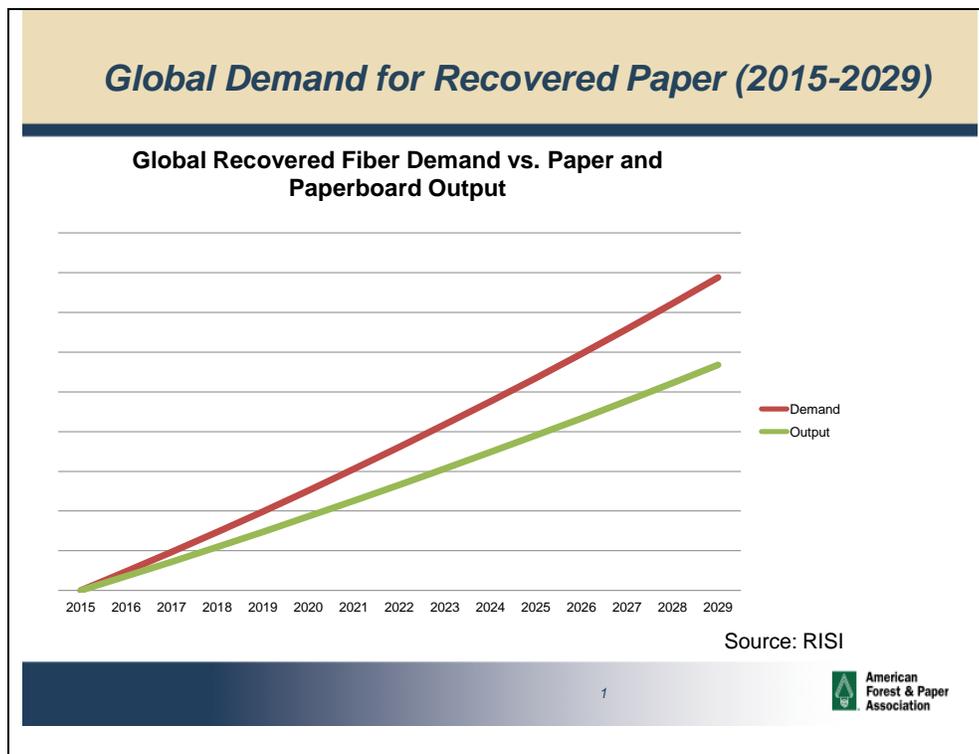
AF&PA believes market forces should guide paper and paper-based packaging recycling and recovery systems in order to promote waste reduction. AF&PA supports the continued development and promotion of proven best practices that will leverage the existing investments in recovery. Widespread adoption of these best practices for recovery (including efficient collection systems, an optimized processing infrastructure, effective education and communications, and appropriate support mechanisms) will all contribute to the recovery success sought. At a minimum the state should implement recovery best practices before any

consideration is given to approaches such as EPR that will disrupt existing recovery programs that Connecticut communities and their private sector partners have already built.

Recovered Fiber Markets

Recovered fiber markets are complex, dynamic and efficient and are not served by regulations or prescriptive approaches to specify the use of recycled fibers, dictate how recyclable paper should be collected or what amount or type of recovered fiber is used in products.

In recent decades, papermakers have looked for ways to use more recovered fiber. In fact, industry analyst Resource Information Systems Inc. (RISI) recently published data projecting the growing gap between recovered paper demand and total paper/paperboard output from 2015-2029.



With the growth rate in the demand for recovered paper exceeding the growth rate for manufactured paper and paperboard, the paper industry will be focused on collecting more mill-quality recovered fiber. Accordingly, artificial incentives or recovery schemes like EPR are not necessary to increase the recovery of paper and paper-based packaging.

Conclusion

We urge you to consider promoting increased participation in existing community recycling programs as an alternative to the proposed bill. The paper industry continues to meet and exceed voluntary recycling goals for our products. We hope that by sharing this information, the legislation drafted to regulate the production and use of paper-based packaging will be based on sound policy to the benefit of the environment and best practices for doing business in the state.

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We look forward to continuing our work with the state of Connecticut. Please feel free to contact Abigail Turner, Manager, State Government Affairs, AF&PA at (202) 463-2596 or abigail_turner@afandpa.org for further information.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Elizabeth Bartheld', with a stylized flourish at the end.

Elizabeth Bartheld
Vice President, Government Affairs