

October 2, 2017

Task Force to Study Methods for Reducing Consumer Packaging that Generates Solid Waste
Chairman Victor Bell and Chairman Will Flower
c/o Robin Bumpen, Committee Clerk
Legislative Office Building, Room 3200
Hartford, CT 06106
Via email: vbell@enviro-pac.com; wflower@wintersbros.com, robin.bumpen@cga.ct.gov

Re: Final Recommendations as a Task Force Member to the Task Force to Study Methods for Reducing Consumer Packaging that Generates Solid Waste

Dear Chairman Bell and Chairman Flower:

It has been a pleasure serving with you on the Connecticut Task Force to Study Methods for Reducing Consumer Packaging that Generates Solid Waste (Task Force). I value and respect your insight and leadership in the discussions on how to reduce packaging waste, through source reduction, reuse and recycling, in Connecticut. I also appreciate the viewpoints and thoughtful debate of my fellow Task Force members over the past several months.

I would like to extend my gratitude toward all of the presenters and those that submitted comments to the Task Force. It is clear that significant time and effort was given to prepare for oral and written testimony and I value the different perspectives provided.

In addition to my role as a Task Force member, I also represent the Consumer Technology Association™ (CTA). CTA is a trade association representing the U.S. consumer technology industry, which supports more than 15 million U.S. jobs. Our membership includes more than 2,200 companies – 80 percent are small businesses and startups; others are among the world’s best known manufacturer and retail brands – with more than 25 businesses located in Connecticut that contribute significantly to the state’s economy. Our members have long been recognized for their commitment and leadership in innovation and sustainability, often taking measures to exceed regulatory requirements on environmental design, energy efficiency and product and packaging stewardship.

On behalf of myself as a Task Force member and CTA, I submit the following comments and final recommendations to the Task Force. These comments and recommendations are based on the presentations and written comments submitted to the Task Force; the feedback received from the consumer technology industry; and my professional experience in recycling, solid waste management, and Extended Producer Responsibility (EPR).

General Comments on Packaging Recycling in Connecticut: Connecticut’s interest in identifying and evaluating additional opportunities for the sustainable management of materials in its waste stream, specifically consumer packaging, is an important endeavor. Throughout this process, I have kept in mind the objective of the Task Force which is “...to study methods for reducing, through source reduction, reuse and recycling, consumer packaging that generates solid waste in the state.”

As acknowledged throughout the Task Force meetings, this is a complex issue involving many independent stakeholders without a single, simple solution. As commerce moves online (eCommerce), consumers play an even more important role in managing packaging waste. The ever “evolving ton” impacted by reductions in paper, increases in cardboard at curbside, increases in plastics, the introduction of lightweighted packaging, and other initiatives will continue to impact how material is collected and recycled in Connecticut and across the U.S. As a Task Force we must also acknowledge the important role that packaging plays in delivering a product whether it is protecting a high value electronic device or it is designed to reduce food waste.

While factoring in the presentations to the Task Force, I must also draw from the experience of the consumer electronics industry which, for more than a decade, has implemented and complied with state-level EPR electronics recycling laws in Connecticut and 24 other states, plus DC and Puerto Rico. This patchwork of laws has proven very costly and very inefficient across jurisdictions as the consumer electronics industry has spent over \$1 billion complying with these various state laws over the past six years alone. I strongly caution against a state-by-state approach especially for packaging material which is a much larger, more complex waste stream with a large number of responsible producers.

Based on our experience with Connecticut’s EPR program for electronics specifically, the Connecticut program recycles less electronics than many other state programs at 50 percent more per pound than the cost of comparable jurisdictions due to the lack of market forces in place. The Connecticut system for electronics is not market based - the state has sole control over selecting recyclers, the state sets the price for recycling, and then recyclers’ bill manufacturers at non-competitive rates blessed and mandated by the state. The Connecticut collection infrastructure for electronics is some of the most costly in the U.S. with no incentive for local governments to strive toward efficiencies. In addition, the Connecticut Department of Energy and Environmental Protection (DEEP) has approved recyclers that have since gone out of business and abandoned cathode ray tube (CRT) glass stockpiles in the U.S. A government-mandated program does not always equate to efficiencies and effectiveness.

As acknowledged by all Task Force members and presenters, EPR is not free. Where manufacturers can, consumers end up paying for recycling through the cost of the products they purchase plus premium markup as products move through distribution and retail channels. One concern is that through EPR consumers are not engaged to actively participate and understand the recycling system. The collection, transportation and recycling of packaging costs money. Hidden fees and inevitable distribution chain markups send the wrong message to consumers that all recycling is “free” and does nothing to create the ethos needed to support a robust consumer recycling program or change consumer purchasing behavior. This consumer ethos and the need for cost transparency is especially important as society moves toward consumers managing more and more packaging waste in an eCommerce world.

The consumer electronics industry has seen EPR for electronics fail to drive design for the environment. While acknowledging that an EPR system for packaging could theoretically have the potential to incentivize improved design in different manners (e.g., modulated fee structures), Chairman Bell noted in the September 13 meeting that EPR in "...Connecticut alone will not have an impact on design because it is less than X percent of the country." A state-by-state approach starting with Connecticut will not achieve the results touted under EPR programs in other countries or Provinces.

It is worth noting that the consumer packaging goods (CPG) industry in the U.S. has already made significant investments and progress in packaging design achieving GHG reduction benefits; material reduction benefits; and the use of recycled-content material, bio-based and/or more easily recyclable material. Packaging and product producers at the June 21, 2017, meeting gave multiple examples of these changes which have occurred in the U.S. without government-mandated EPR. As shown in CTA's [2015 Sustainability Report](#), the technology industry specifically has made significant improvements in packaging design including the use of unconventional, renewable resources such as mushrooms, wheat, and molded paper pulp; reductions in material use and increases in the use of recycled-content packaging; and redesign of packaging to create more easily recycled packaging at the curb.

A combination of voluntary initiatives and market forces encouraging more efficient packaging is already driving significant packaging design and reduction efforts without the costly burden of an EPR system. Based on the presentations to the Task Force, additional policy levers and accessible industry supported programs are available in Connecticut that are practical and can effectively leverage market forces.

Recommendations:

On behalf of myself as a Task Force member and CTA, I would like to present the following recommendations to the Task Force:

- Earmark the unclaimed bottle deposit receipts ("escheats") to support municipal and public space recycling programs including public education, enforcement activities, and public space collection programs. Per testimony, this funding amounts to over \$20 million (upwards of \$30 million) per year directed to the general fund. That is a significant source of funding already available in Connecticut that can be provided to local governments.
- Leverage the use of voluntary, industry-funded programs such as [Wrap Recycling Action Program](#) (WRAP, which is already under way in CT), [The Recycling Partnership](#) (to analyze the recycling stream, support local government implementation of best management practices, problem-solve), and [The Closed Loop Fund](#) (funding for investments in recycling infrastructure). Work with industry to increase public awareness of the need to recycle packaging through school curriculum programs like [Young Minds Inspired](#) (a current CTA partner). Allow these voluntary programs time to be implemented and achieve results.
- Implement a statewide Pay as You Throw (PAYT) system to ensure consumers understand the amount of waste they produce and the opportunity for recycling. This will help to create a recycling ethos among the residents of Connecticut and, by understanding their waste generation, may impact consumer purchasing and disposal behavior.

- Create a comprehensive list of statewide materials for recycling that must be collected from residents in each community to reduce consumer confusion and improve the quality of the recycling stream.
- Separate glass into its own collection stream to reduce contamination of other recyclables and respond to changes in recycling markets. This should include not just beverage glass covered under the current bottle bill but all glass containers.
- Partner with one or more organizations, such as CTA, on a recognition program to help drive market innovation in packaging design to reduce and minimize the amount, weight, and volume of consumer packaging as well as increase the proportion of biodegradable, postconsumer recycled and recyclable materials. Testimony presented before the Task Force made clear that packaging innovation is already happening without additional policy levers.
 - Mandated approaches on a state-specific level are extremely burdensome to industry, heavy-handed in their approach and ineffective in terms of changing packaging design. Industry does not design products or packaging specific to an individual state.
 - When issues related to packaging design or recyclability negatively impacting the Connecticut recycling system or collection infrastructure arise, the Connecticut DEEP or Connecticut's recycling industry representatives should engage with industry working groups such as the [Sustainable Packaging Coalition](#) which can address issues at a national or even global level across relevant product and material categories.
- EPR for packaging creates unnecessary bureaucracy and Connecticut lawmakers should instead move forward with the action items listed above. Beyond the identified problems with a mandatory EPR packaging system, it is unclear the potential economic impact and costs an EPR program would have to businesses operating in Connecticut.
 - No full analysis was provided on the costs associated with an EPR system for Connecticut nor is there an understanding of cost savings, if any, to municipalities.
 - The full cost of the current system is also unknown. This makes it difficult to understand if an EPR system would achieve increased efficiencies or create economies of scale.
 - Other industries currently complying with EPR laws (e.g., paint, mattresses, carpet) stress that showing costs to consumers sends the signal to the buyer that recycling is not free. By paying a visible fee, those consumers are now part of the recycling chain to build a recycling ethos versus the hidden fees captured under EPR. How a similar visible fee system for packaging would work is not clear.
 - PAYT is not implemented across Connecticut. During the August 30, 2017, presenter Joachim Quoden noted that PAYT is an economic incentive that must be in place in order for EPR to be successful.

In conclusion, I want to highlight another comment from Mr. Quoden at the same meeting in which he stated that all stakeholders in the value chain must be in agreement on the program to avoid undermining of the EPR system. I caution that the necessary stakeholders have not yet reached such agreement. It would be premature to push forth with EPR legislation in Connecticut without the support of the product manufacturers; packaging producers; and the waste and recycling industries, all key stakeholders which each expressed their concerns with EPR to the Task Force.

It is unclear what the potential economic impact and costs an EPR program or any other policy approach would have to businesses operating in Connecticut. A full economic impact analysis is needed and strongly encouraged prior to moving forward with any mandatory policy approach through either the recommendations of this Task Force or future legislation.

CTA and I also strongly encourage exploring the above recommendations outside of EPR that have been identified through this process to reduce consumer packaging that generates solid waste in Connecticut. Those should be analyzed, implemented, and evaluated post-implementation for their effectiveness in reducing consumer packaging in the solid waste stream.

It has been an honor to serve with you and I look forward to working collaboratively to develop a final report for submission to the Connecticut Legislature. If you have any questions regarding these recommendations, please contact me at (703) 907-5222 or kreilly@CTA.tech.

Sincerely,

A handwritten signature in black ink, appearing to read "Katie Reilly", written in a cursive style.

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